Stock code: 8927

Market Observation Post System: http://mops.twse.com.tw
Company website: www.nspco.com.tw

NORTH-STAR INTERNATIONAL CO., LTD

2021 Annual Report

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I. Company spokesperson and acting spokesperson

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Title: manager of Finance Department
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II. Address and telephone number of head office and branches

Name	Contact number	Address	Name	Contact number	Address
Head office	(02)2259-6969	No. 137, Xinhai Road, Banqiao District, New Taipei City 220	Zhongyi Road gas station	(03)319-5758	No. 496, Section 1, Zhongyi Road, Guishan Township, Taoyuan County 333
Xinhai gas station	(02)2256-8588	No. 137, Xinhai Road, Banqiao District, New Taipei City 220	Chaoyang gas station	(03) 331-2719	No. 236, Section 2, Sanmin Road, Taoyuan City, Taoyuan County 330
Minggui gas station	(03)471-1020	No. 350, Jia'an section, Zhongzheng Road, Longtan Township, Taoyuan County 325	Beiji Kunshan gas station	(06) 272-1689	No. 28, Fuxing Road, Yongkang District, Tainan City 710
Jijin gas station	(02)2498-3603	No. 19-5, Wanli Jiatou, Wanli District, New Taipei City 207	Beiji Zhongyang Road gas station	(03) 856-9259	No. 28, Fuxing Road, Yongkang District, Tainan City 710
Yatan gas station	(04)2531-3100	No. 81-16, Section 2, Yatan Road, Tanzi District, Taichung City 427	Baili gas station	(08)738-3509	No. 98-1, Zhongxing Road, Changxing Village, Changzhi Township, Pingtung County 908
Nantun gas station	(04)2350-2626	No. 25-1, Gongye 25th Road, Nantun District, Taichung City 408	Jianmin gas station	(08)752-3396	No. 130 Jianguo Road, Housheng Vil, Pingtung City, Pingtung County 900
Central gas station	(03)427-8886	No. 1015, Zhongzheng Road, Zhongli City, Taoyuan County 320	Xiangyang gas station	(08)723-3398	No. 400, Section 1, Ruiguang Road, Changzhi Township, Pingtung County 908
ITRI gas station	(03)583-1515	No. 491, Section 4, Zhongxing Road, Zhudong Town, Hsinchu County 310	Heshun gas station	(08)780-5688	No. 348, Jieshou Road, Chaozhou Town, Pingtung County 920
Dongyi gas station	(037)684-885	No. 1755, Zhonghua Road, Toufen Town, Miaoli County 351	Beiji Dali gas station	(07)717-1186	No. 657, Kaixuan 3rd Road, Lingya District, Kaohsiung City 802
Centennial gas station	(03)499-2080	No. 366, Shengting Road, Longtan Township, Taoyuan County 325	Beiji Jiuru Road gas station	(07) 380-9312	807 No. 878, Jiuru 1st Road, Sanmin District, Kaohsiung City
Kuntai gas station	(04)2691-0620	No. 2-56, Zhongzhe Road, Dadu District, Taichung City 432	Beiji Fenggang gas station	(08)780-5688	No. 348, Jieshou Road, Chaozhou Town, Pingtung County 920
World trade gas station	(04)2465-3499	No. 199, Fukang Road, Xitun District, Taichung City 407	Beiji Xike gas station	(02)8691-0670	No. 132, Section 1, Xintai 5th Road, Xizhi District, New Taipei City 221
Risheng gas station	(089)331-671	No. 76, Xinsheng Road, Taitung City, 950	Beiji Alian gas station	(07) 632-1828	No. 256, Heping Road, Alian Township, Kaohsiung County 822
Hualien gas station	(03)853-5268	No. 248, Section 2, Zhonghua Road, Ji'an Township, Hualien County 973	Beiji Madou gas station	(06)570-0236	No. 118, Madoukou, Makou Vil, Madou District, Tainan City 721
Dongyou gas station	(03)359-5798	No. 991, Zhenxing Road, Guishan Township, Taoyuan County 333	Gaoqi gas station	(07)740-9408	No. 91, Fengren Road, Wusong Vil, Fengshan District, Kaohsiung City 830
Donghong gas station	(03)439-5008	No. 69, South East Road, Pingzhen City, Taoyuan County 324	Beiji DanJin Road gas station	(02)2625-5498	No. 446, Section 3, Danjin Road, Danshui District, New Taipei City 251
Champion gas station	(02)8273-3837	No. 7-1, Section 1, Central Road, Tucheng District, New Taipei City 236	Beiji Golden Lion gas station	(07)310-7389	No. 36, Dingli Road, Sanmin District, Kaohsiung City 807
Beiji Zhonghe gas station	(02)2226-3972	No. 53, Section 3, Zhongshan Road, Zhonghe District, New Taipei City 235	Beiji Taizi station	(06)271-0618	No. 143, Taizi Road, Tuku Vil, Rende District, Tainan City 717
Gengsheng Road gas station	(089)220-731	No. 1199, Gengsheng Road, Taitung City, 950	Beiji Jixing Road station	(03)851-1122	No. 126, Section 1, Jixing Road, Ji'an Township, Hualien County 973
North Keelung gas station	(02)2436-5548	No. 199, Fuxing Road, Zhongshan District, Keelung City 203	Beiji Gangshan station	(07)622-6798	No. 608, Gangshan Road, Gangshan District, Kaohsiung City 820
Beiji Wudu interchange gas station	(02)2451-8513	No. 102, Mingde 3rd Road, Qidu District, Keelung City 206	Beiji Xinshi station	(06)589-0309	No. 227-3, Zhongshan Road, Xincheng District, Tainan City 744
Beiji Heping Road gas station	(03)833-5040	No. 294, Heping Road, Hualien City 970	Beiji Jiahe station	(02)8242-1828	No. 22, Section 2, Zhongshan Road, Zhonghe District, New Taipei City 235
Beijizhonghe Road gas station	(02)2436-2770	No. 18, Zhonghe Road, Zhongshan District, Keelung City, 203	Beiji Minxiong station	(05)206-0727	No. 10, Jingpu 1, Jingpu Village 1, Minxiong Township, Chiayi County 621
Beiji Luzhou gas station	(02)2281-2383	No. 310, Zhongshan 1st Road, Luzhou District, New Taipei City 247	Beiji Huwei station	(05)632-9989	No. 530, Section 1, Linsen Road, Dexing Vil, Huwei Town, Yunlin County 648
Yanghu gas station	(03)478-7818	No. 231, Section 2, Yanghu Road, Yangmei Town, Taoyuan County 326	Beiji Yongkang gas station	06-253-0938	569-1, Zhongzheng South Road, Yanzhou Vil, Yongkang District, Tainan City 710
Tucheng interchange Road gas station	(02)2268-2700	No. 164, Section 3, Central Road, Tucheng District, New Taipei City 236	Beiji Shanhua station	(06) 583-1856	No. 1-13, Jiabei Vil. Jiaba, Shanhua District, Tainan City 741

Xuanyuan Road gas station	(03)832-2828	No. 12-1, Xuanyuan Road, Hualien City 970	Beiji Anding station	(06) 592-0698	No. 59, Anga Vil. Anding 258, Anding District, Tainan City 745
Zhongqing Jiaotong Road gas station	(04)2560-8150	No. 801, Section 3, Zhongqing Road, Daya District, Taichung City 428			

Note: there are nine gas stations in operation by the subsidiaries.

Nstar Energy Corporation	(05)588-2005	No. 2-2 Expressway gas station, Xiluo Town, Yunlin County 648
Yingguang Enterprise Co., Ltd	(07)347-2200	No. 99, Tianxiang 1st Road, Sanmin District, Kaohsiung City 807
Yingguang Enterprise Co., Ltd. Jiaquan gas station	(08)7706-689	No. 66, Daxin Road, Neipu Township, Pingtung County 912
Zhonghua Prince Gas Station Co., Ltd.	(06)264-2968	No. 91, Section 1, Zhonghua West Road, Tainan City 702
Zhonghua Prince Gas Station Co., Ltd. Vision Gas Station	(06)270-6046	No. 631, Section 2, Zhongzheng Road, Rende District, Rende District, Tainan
Zhonghua Prince Gas Station Co., Ltd. Shengzhu Gas Station	(07)696-3505	No. 38, Zhongshan Road, Zhuxi Vil, Luzhu District, Kaohsiung City 821
Zhonghua Prince Gas Station Co., Ltd. Xingzhong Road Gas Station	(08)796-3855	No. 355, Xingzhong Road, Gaoshu Township, Pingtung County 906
Zhonghua Prince Gas Station Co., Ltd. Zhonghua Dashun Gas Station	(07)557-3098	No. 399, Dashun 1st Road, Gushan District, Kaohsiung City 804
Zhonghua Prince Gas Station Co., Ltd. Zhonghua Ligang Gas Station	(08)772-2268	No. 40 Zai South Road, Ligang Township, Pingtung County 905
Zhonghua Prince Gas Station Co., Ltd. Zhonghua Zhongzheng Road	(03)356.2238	No. 1511, Zhongzheng Road, Beipu Vil, Taoyuan District, Taoyuan City 330
Zhonghua Prince Gas Station Co., Ltd. Daxin Gas Station	(07)380-2089	No. 270, Free 1st Road, Sanmin District, Kaohsiung City 807

III. The name, address, website and telephone number of the stock transfer agency

Name: Stock Affairs Agency Department of SinoPac Securities Co., Ltd

Address: 3F., No. 17, Boai Road, Zhongzheng District, Taipei

Website: www.securities.sinopac.com Telephone: (02)2381-6822

IV. The name, address, website and telephone number of the CPAs in the latest annual financial report

Name of CPAs: Huang Yong-Hua, Chen Guo-Zong Name of the firm: KPMG

Address: 68F., No. 7, Section 5, Xinyi Road, Taipei (Taipei 101) Website: www.kpmg.com.tw Telephone: (02)8101-6666

V. The name of the trading venue where overseas securities are listed and traded and the method of querying the information of the overseas securities:

The company has not issued overseas securities.

VI. Company website:www.nspco.com.tw

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One. Report to shareholders

Dear shareholders, ladies and gentlemen

Thank you for taking the time out of your busy schedule to attend this year's shareholders' meeting of the company. On behalf of all working partners and the board of directors of the company, I would like to express my highest thanks to all shareholders.

In 2021, thanks to the support of all shareholders and the hard work of all working partners, we actively expanded our business sites. By the end of 2021, there were 61 business sites (including subsidiaries), with a daily oil sales of 564 KL. Due to the increase of basic salary and the difficulty of recruitment, the company is actively increasing the setting of self-service refueling at each station. By the end of 2021, 25 stations have set up self-service refueling.

In 2021, the oil price showed a slow rising trend, and the company's effective inventory management was able to increase the company's profits. Looking forward to the future, the company will continue to aim at improving domestic oil sales and increasing the market share of gas stations, comprehensively manage the brand image and enhance its value to strengthen the positive oil product reputation, regularly hold marketing activities, and continue to implement self-service fuel dispensers to strive for new customers to come to the station for refueling through differentiated services.

In recent years, the company has been affected by the external competitive environment and the overall operating environment, peers' price cuts, promotional activities, difficulties in obtaining new operating sites, and the rise and fall of international oil prices. In addition, the domestic people have higher and higher requirements for environmental protection, and the competent authorities have gradually tightened the regulations for various gas stations. On the whole, the environment for operating gas stations has become increasingly difficult, and the company decided to increase the company's profits by means of diversified operation and alliance with different industries as soon as possible. The company aims to obtain long-term stable income by reinvesting in the development of solar energy, charging pile and other optoelectronic industries.

The operating results in 2021 and the business plan in 2022 are hereby reported as follows:

I. Operating results in 2021

(I) Business plan implementation results:

(1) Revenue:

The total operating revenue of the company in 2021 was NT$5,531,032 thousand, an increase of NT$1,119,439 thousand or 25.37% compared with the total operating revenue of NT$4,411,593 thousand in 2020, mainly due to the higher oil price in 2021 compared with that in 2020. By the end of 2021, there were 61 operating sites in total.

(2) Sales status:

Comparison of the company's sales amount of each oil product in 2021 with that in 2020:

Unit: NT$1,000;%

Product / Year	92 Unleaded gasoline	95 Unleaded gasoline	98 Unleaded gasoline	Premium diesel	Other	Total
2021	685,651	3,155,775	332,218	1,179,853	177,535	5,531,032
2020	568,003	2,620,025	268,389	797,461	157,715	4,411,593
Increase (decrease)	117,648	535,750	63,829	382,392	19,820	1,119,439
Increase (decrease) %	20.71%	20.44%	23.78%	47.95%	12.56%	25.37%

(II) Budget implementation

In accordance with the "Regulations Governing the Publication of Financial Forecasts of Public Companies ", the company is not required to disclose financial forecast information for 2021, so it is not applicable.

(III) Financial revenue and expenditure analysis and profitability analysis:

Financial revenue and expenditure analysis:

Unit: NT$1,000

Item	2021	2020
Net operating income	5,531,032	4,411,593
Operating margin	808,889	753,440
Profit or loss after tax	136,263	114,666

(2) Profitability analysis.

Item	2021	2020
Return on assets (%)	2.41	2.57
Return on shareholders' equity (%)	4.75	5.39

Percentage of paid-in capital (%)	Operating profit	2.76	5.75
	Net income before tax	6.84	7.52
Profit margin (%)		2.53	2.73
Current earnings per share (NT$)		0.69	0.63

(IV) Research and development status:

The company is mainly a trading service company and has not engaged in the research and development of manufactured products. Over the years, we have actively educated our employees about oil products, familiarized ourselves with refueling-related equipment, and understood the service spirit of the service industry, so as to cultivate our excellent service attitude and quality. In the future, we will continue to serve and create a higher performance with this spirit.

II. Summary of business plan for 2022

(I) Business policy

1. Enhance the value of the company and benefit the happiness and prosperity of customers, shareholders, and employees.
2. Abide by laws and regulations, protect the environment, and fulfill corporate social responsibilities.
3. Provide quality service.

(II) Estimated sales volume and its basis

The estimated sales volume of the company considers the overall external environment changes and future development, and based on the above, the annual operating objectives are formulated by referring to the past operating conditions, the current status of the company and the future development trend. However, the company has not disclosed its financial forecast for 2022, so it does not intend to disclose the expected sales volume.

(III) Important production and sales policies

1. Increase self-service refueling to cope with the increase of labor costs and the uncertainty of personnel recruitment.
2. Business sites are gradually replaced to achieve better operating performance.
3. Strive for excellent long-term bulk customers and stabilize operating revenue.
4. Strengthen the management of members, enhance customer loyalty, so that the oil sales can grow steadily.

5. Continue to promote asset activation and increase the company's profits by means of diversified operations and alliance with other industries.
6. Carry out the diversified operation.
7. Strengthen our ability to prevent and control pollution independently.

III. Future company development strategy

(I) Improvement of operation performance

Develop high-efficiency stations, expand the combination of gas stations and other industries, and strengthen the car washing business to improve business performance.

(II) Strengthen the information platform

1. Through the information platform of membership card, combined with joint marketing of different industries, expand the scope of physical channels.
2. Integrate internal information platform, actively establish ERP system, strengthen information integration and sharing, and simplify operation process.

(III) Continue to invest in the development of solar energy, energy storage and other optoelectronic industries, and actively form alliance with the industry peers.

(IV) Cooperate with the government in the development of green energy industry and provide electric vehicle charging and replacement services.

IV. Impact by external competitive environment, regulatory environment and overall business environment

(I) Current status and development of the industry

The company mainly operates gas stations. In recent years, due to the impact of the external competitive environment and the overall operating environment, peers' price cuts, promotional activities, difficulties in obtaining new operating sites and the rise and fall of international oil prices, the gross margin has gradually declined, and the domestic people have higher and higher requirements for environmental protection. The competent authorities have gradually tightened the regulations for gas stations. On the whole, the environment for operating gas stations has become increasingly difficult. The company strives for the maximum rights and interests of shareholders with the efforts and support of all shareholders and colleagues.

(II) Relevance of upstream, midstream, and downstream industries

Upstream	midstream	downstream
Gasoline and diesel manufacturing suppliers	gas station	Transportation industry and general consumers

(III) Various development trends of products and external competitive environment

In the future, the market will develop in the direction of the big getting bigger, so industry integration will occur one after another; secondly, gas stations provide differentiated services to highlight the characteristics of gas stations as much as possible and improve the visibility of consumers, supplemented by diversified business items to increase consumers' diversified consumption in gas stations. With the development of conglomeration for gas stations, each group will attract consumers with more brilliant creative marketing to consolidate consumers' loyalty, and cooperate with consistent service processes. On the one hand, it can make consumers accustomed to high-quality service methods, on the other hand, it can improve customer satisfaction, so that customers can consume in gas stations without pressure.

(IV) Impact of oil price

In 2021, the oil price showed a slow rising trend. The time point of weekly unit price adjustment was effectively used to maintain high or low oil level, so as to effectively manage inventory, significantly reduce operating costs and increase operating profit.

(V) Lifestyle impact

On the improvement of lifestyle, in daily life, with the opening of metro systems in the metropolitan area, the rising parking costs in urban areas, and the rise of environmental awareness, led by the trend of energy conservation and carbon reduction, consumers' living habits have gradually changed, the proportion of taking public transportation has risen, and the demand for oil products has been relatively reduced. A number of favorable and unfavorable factors of lifestyle affect the sales volume, and the company responds with different marketing strategies.

(IV) Regulatory environmental impact

In recent years, there has been no major change in the laws and regulations on the establishment of gas stations. In the management of gas stations, the competent authorities have paid more attention to the monitoring and management for the improvement of environmental pollution in recent years. In order to comply with the laws and regulations and fulfill social responsibilities, the company has set up an oil and gas recovery system, and regularly detects the pollution of oil filling and storage equipment, soil and groundwater, so as to reduce the possibility of pollution and strengthen the professional training of personnel, in order to avoid the impact caused by personnel negligence, barrier free space and related facilities are generally set up to be considerate for the use needs of disabled friends.

North-Star International Co., Ltd.

Chairman Zhong Jia-Cun

Two. Company profile

I. Date of establishment

December 16, 1988

II. Company history

1988 The company was approved to be established, with a share capital of NT$53.75 million.

1989 Xinhai gas station opened. Minggui gas station opened.
The cash capital increase was NT$107.5 million, and the paid in capital after the capital increase was NT$161.25 million.

1990 The cash capital increase was NT$53.75 million, and the paid in capital after the capital increase was NT$215 million, while the public offering of the company's shares was approved.
The 2nd term director and supervisor were reelected.

1991 Lucky gas station opened.
The cash capital increase was NT$47.8 million and the capital increase through capitalization of retained earnings was NT$17.2 million. The paid in capital after the capital increase was NT$280 million.

1992 The store on the first floor of Xinhai station has taken back to run high-quality department stores for automobiles and motorcycles by the company.
The capitalization of retained earnings was NT$22.4 million, cash capital increase was NT$47.6 million, and the paid in capital after capital increase was NT$350 million.
Douzhong gas station was purchased and put into operation on the 11th of the same month.

1994 The Jijin gas station was purchased and put into operation on the 28th of the same month.
The capitalization of retained earning was NT$63 million, and the paid in capital after capital increase was NT$413 million.
The 3rd term director and supervisor were reelected.

1995 The capitalization of retained earning was NT$41.3 million, the cash capital increase was NT$45.9 million, and the paid in capital after the capital increase was NT$500.2 million.
The land of Nantun gas station was purchased.

1996 Yatan gas station opened. Purchase land for Zhudong gas station.
The capitalization of retained earning was NT$39,515,800, and the paid in capital after capital increase was NT$539,715,800.

1997 Nantun gas station opened.
The Zhengzhong gas station was purchased and put into operation on the 31st of the same month.
The capitalization of retained earning was NT$41,558,110 and cash capital increase was NT$68,726,090. The paid in capital after capital increase was NT$650 million.
The ITRI gas station opened.

1998 Re-elected the 4th term directors and supervisors.
Reinvested in Nstar Energy Corporation
Purchased the land of Dongyi gas station.
Purchased the land of Bainian gas station.
Purchased the land for Kuntai gas station。
Changhua Guoyi station leasing contract.
The capitalization of retained earning was NT$50.7 million and the

capitalization of capital reserve was NT$1.3 million (ex-right benchmark date on February 27, 1999). The paid in capital after capital increase was NT$702million.

1999 Guoyi gas station opened.
Dongyi gas station opened.
The Bainian gas station opened.
The land of Renmei Jianguo gas station was contracted and leased.
Purchased the land for Taichung world trade gas station and parking lot.
Jianguo gas station opened.
The capitalization of retained earning was NT$28,290,600, capitalization of capital reserve was NT$12,425,400 and cash capital increase was NT$87,284,000; the company completed the capital change registration on January 12, 2000, and the paid in capital after the capital increase was NT$830 million.

2000 The TPEx listing case was approved by the review committee and the board of directors of the Taipei Exchange (TPEx).
The TPEx listing case was approved by the SFI.
On November 2, it was officially listed on the TPEx.
Kuntai gas station opened.
Risheng station opened.
The capitalization of retained earning was NT$31,540,000, and the paid in capital after capital increase was NT$861,540,000.

2001 In January, Hualien station opened.
On June 15, the 5th term board of directors and supervisors were re-elected.
The World Trade station opened in September.

2002 On July 1, Dongyou station opened.
Dadu station opened on July 16.
On August 1, Donghong station opened.
On August 16, Guangjin station opened.

2003 On June 1, FengChuan station opened.
The champion station opened on June 21.
Dadu gas station and Guoyi gas station closed in June and December 2003 respectively.

2004 On April 27, the subsidiary of the company, Nstar Energy Corporation, began business.
Land lease contracts for Keelung Wudu station, Keelung Fuxing station, etc.

2005 Land lease contracts for Taichung Fuxing station, Zhonghe station, etc.
Keelung Wudu station, Keelung Fuxing station, Taichung Fuxing station, Zhonghe station and Zhonghe Road station began to operate.

2006 Land lease contracts for Taichung Zhongke station, Taipei County Luzhou Station, etc.

2007 On April 20, Taichung Zhongke station opened.
On June 25, Luzhou station opened.
On September 14, Tucheng Jiaotong Road station opened.
On November 1, Shanying station opened.
On December 15, Hualien Airport Station opened.
Guangjin gas station closed in July.

2008 On January 18, the Gengsheng station opened.
Alishan station opened on February 5.
On March 24, the Ailan interchange station was opened.

On May 8, Xuanyuan station opened.
On August 11, the capitalization of retained earning was NT$22,184,650, and the paid in capital after capital increase was NT$909,570,850.
On October 18, Nanzhu Road station opened.
On October 23, Nanshan Road station opened.

2009 On January 21, Zhongxing Road station opened.
On March 25, Zhongqing Jiaotong station opened.
On March 25, Zhongyi Road station opened.
In October, convertible corporate bonds of NT$180,000,000 were issued.

2010 In January, 9,974,959 common shares were issued through conversion of corporate bonds, and the paid in capital after conversion was NT$1,009,320,440.
In April, 3,816,621 common shares were issued through conversion of corporate bonds, and the paid in capital after conversion was NT$1,047,486,650.
In August, 1,058,326 common shares were issued through conversion of corporate bonds, and the paid in capital after conversion was NT$1,058,069,910.
In September, the capitalization of retained earning was NT$26,489,270, and the paid in capital after capital increase was NT$1,084,559,180.
In October, 153,093 comon shares were issued through conversion of corporate bonds, and the paid in capital after conversion was NT$1,086,090,110.

2011 In February, 1,617,920 common shares were issued through conversion of corporate bonds, and the paid in capital after conversion was NT$1,102,269,310.
Taichung Fuxing station closed for one year in July.
Taichung world trade gas station was sold, and the commissioned operation contract was signed in November of the same year to continue the operation.
In July, the petrochemical and energy engineering division, a new business division, was established.
The capitalization of capital reserve was NT$27,556,730, and the paid in capital after capital increase was NT$1,129,826,040.

2012 On April 30, Shanying station closed its business.
In May, 95,785 common shares were issued through conversion of corporate bonds, and the paid in capital after conversion was NT$1,130,783,890.
In August, the capitalization of retained earning was NT$41,803,560, and the paid in capital after capital increase was NT$1,172,587,450.
On September 28, Nanshan Road station closed.

2013 On August 17, Kunshan station opened.
On October 21, Dawan station opened
On October 31, Sanmin Road station opened.
On November 27, Zhonggang railway station opened.
On September 17, the total amount of outstanding corporate bonds repaid was NT$272,500,000.

2014 On January 21, Zhongyang Road station opened.
On August 30, Hualien Airport Station closed.
On August 30, the Ailan interchange station was closed.
On August 30, Zhongxing Road station was closed.

2015 On February 1, the Sky City gas station of Nstar Energy Corporation, a subsidiary, opened.
On March 1, the subsidiary Yuanjian gas station started business.
On April 1, the subsidiary Zhonghua Prince gas station began business.
On June 18, Jianmin station opened.
On July 8, Xiangyang station opened.

On July 16, Dawan station closed.

On August 1, the subsidiary United Prince International Co., Ltd. started business.

On September 7, Baili station opened.

On December 11, Heshun station opened.

2016 On February 1, Fenggang station opened.

On April 15, Dali station opened.

On May 31, Douzhong station closed.

On August 11, Jiuru Road station opened.

2017 On March 8, the Madou station opened.

On March 10, Xike station opened.

On May 1, Wudu station and alian station opened.

On October 30, Gaoqi station opened.

2018 On June 20, the Danjin station opened.

2019 On March 24, Zhonggang station closed.

On June 26, the Golden Lion station opened.

On July 1, the Xingzhong Road gas station of the subsidiary Zhonghua Prince gas station opened.

On September 29, Shengzhu gas station of the subsidary Zhonghua Prince gas station opened.

On December 20, Taizi station opened.

2020 On February 1, Jixing station opened.

On August 14, Gangshan station opened.

On October 14, the Zhonghua Dashun gas station of the subsidiary Zhonghua Prince gas station opened.

On October 20, the Zhonghua Ligang gas station of the subsidiary Zhonghua Prince gas station opened.

On November 23, Sanmin Station closed.

On December 14, Yingguang Enterprise Co., Ltd. began to operate.

On December 23, convertible corporate bonds of NT$600,000,000 were issued.

2021 On January 16, the Zhonghua Zhongzheng Road gas station of the subsidiary Zhonghua Prince gas station opened.

In April, 6,133,076 common shares were issued through conversion of corporate bonds, and the paid in capital after conversion was NT$1,979,662,420.

On June 1, Jiahe station opened.

On June 6, Minxiong station opened.

On July 19, Xinshi station opened.

On September 23, the charging pile began to operate.

On November 22, Huwei station opened.

On October 26, the Zhonghua Daxin gas station of the subsidiary Zhonghua Prince gas station began to operate.

On December 10, convertible corporate bonds of NT$300,000,000 were issued.

On December 13, NT$400million new shares were issued for cash capital increase, and the paid in capital after capital increase was NT$2,462.38 million.

On December 31, the lucky station closed.

2022 On January 28, Yongkang station opened.

On March 21, Shanhua station opened.

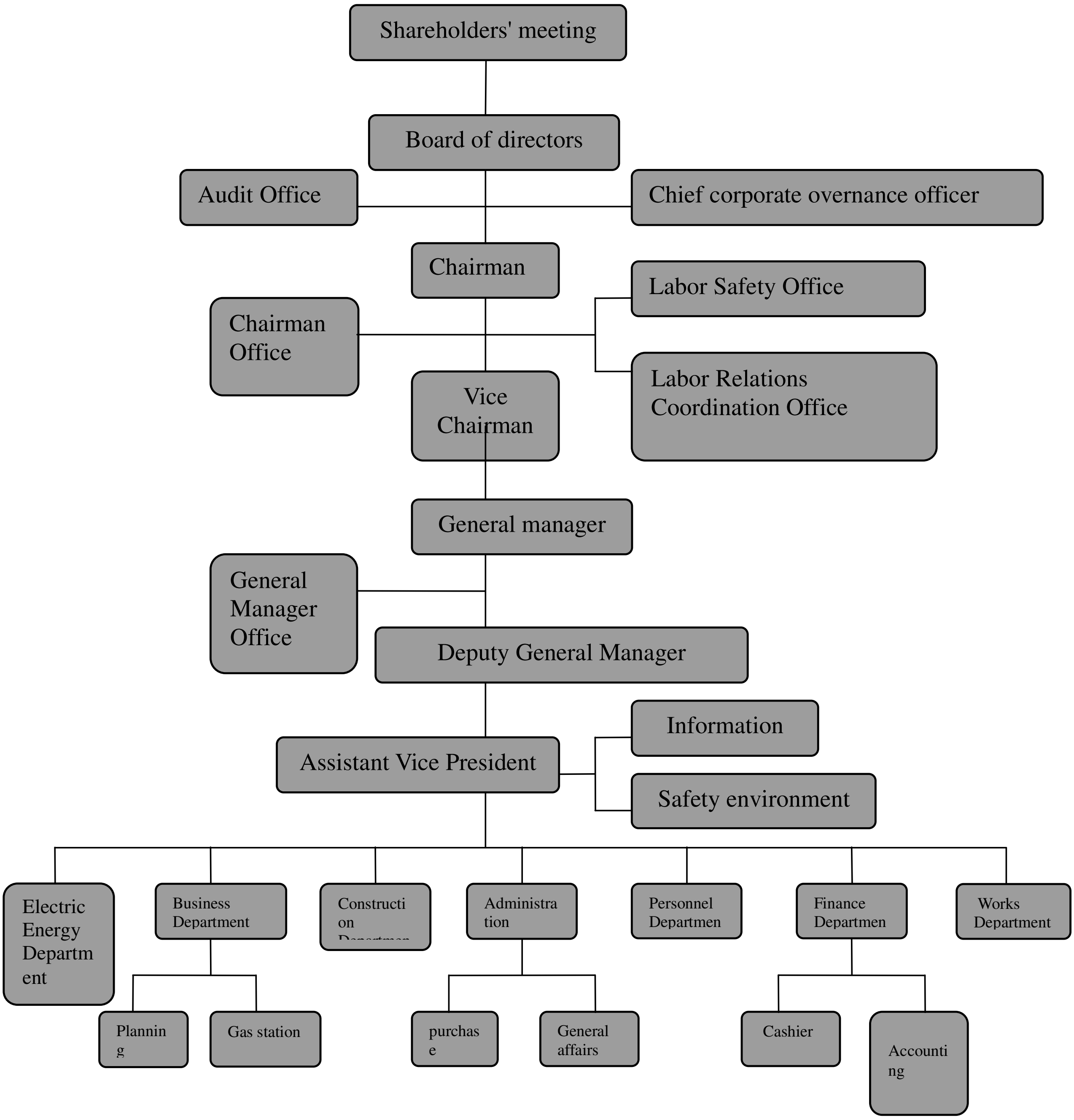
On April 20, Jiaquan gas station of subsidiary Yingguang enterprise.

On May 1, Anding station opened.

Three. Corporate governance report

I. Organizational system

(I) Organization chart



(II) Business of major departments

The company shall have a general manager who shall, in accordance with the instructions of the chairman and the vice chairman, take charge of all the business of the company pursuant to relevant laws and regulations; an assistant vice president shall be appointed to assist the general manager in handling relevant affairs and handling designated business. When the general manager is on business or on leave, the assistant vice presient may act as his deputy.

The assisnt vice president of the company, in accordance with the instructions of the general manager, is responsible for the supervision of business planning and implementation of the information department and the safety and environment department.

The company has set up other departments with the following businesses:

Department	Main responsibilities
Board of directors	The chairman is responsible for convening the board of directors meeting, supervising the company's operation, deciding the company's important decisions, and planning the company's future business direction and objectives.
Audit Office	Take charge of and implement the company's various audit businesses, evaluate the soundness and effectiveness of the internal control system, and provide timely improvement suggestions.
Chief corporate governance officer	Handle relevant matters of the board of directors and shareholders' meetings according to law, prepare minutes of the board of directors and shareholders' meetings, assist directors in taking office and continuing education, provide data necessary for directors to perform business, assist directors in complying with laws and regulations, etc
Chairman Office	Assist the chairman in supervising the operation of the company and the important decisions of the board of directors, and assist the chairman in planning the future business direction and objectives.
Labor Safety Office (Labor Relations Coordination Office)	Responsible for coordinating various labor relations and labor safety prevention and control of the company.
General Manager Office	The general manager coordinates the planning and implementation of all operations of the company. 1- Legal affairs, application for (change) gas stations, alliance with different industries, research and implementation of the company's long-term development, overall planning, and assisting the heads of various departments to promote the company's businesses.
Administration Department	1- Execution of procurement, general affairs and miscellaneous business. 2- Document management.
Business Department	1- Business planning management and execution of the company. 2- Work safety, education and training, and manage the operation of the company's gas stations. 3- Works Establishment, construction and renovation planning of new gas stations (construction and building) Administrative leadership of new gas station (communication with architects and other relevant personnel) 4- Promotion of new gas stations (new station opening activities)

Construction Department	1- Gas station and its auxiliary facilities 2- Industrial plant construction project 3-Residential building and house construction project 4- Other commercial real estate construction projects
Finance Department	1- Establishment and implementation of accounting system. 2- Various accounting, tax treatment, announcement and declaration, etc. 3- Preparation of annual budget. 4- Preparation and analysis of various financial statements. 5- Financial management and fund dispatching, bank cashier operation, etc. 6- Stock affairs business, announcement and declaration, etc. 7- Formulation, planning and implementation of property inventory plan.
Personnel Department	Human resources and salary calculation.
Electric Energy Department	Operation and investment of charging piles.

II. Data of directors, supervisors, general managers, deputy general managers, assistant vice president, heads of departments and branches

(I) Data of directors and supervisors:

Data of directors and supervisors (I)

April 25, 2022

Title (Note 1)	Nationality or place of registration	Name	Gender and age (Note 2)	Date of election (appointment)	Term of office	Date of initial appointment (Note 3)	Shares held at election		Current number of shares held		Current shares held by spouse and minor children		Holding shares in the name of others		Major experience (education) (Note 4)	Positions currently held in the company and other companies	Other heads, directors or supervisors with relationship as a spouse or within second degree of kinship			Remarks (Note 5)
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Chairman	Republic of China	Zhong Jia-Cun	Male, 61-70 years old	2019.06.18	3 years	2014.07.01	20,680,000	10.78%	20,680,000	8.35%	0	0.00%	0	0.00%	See attached table I for details	See attached table I for details	Director Director	Zhong Xin-Bei Zhong Yu-Lin	Father and daughter Father and son	none
Director	Republic of China	Kaohsiung Transportation Company Limited		2019.06.18	3 years	2016.06.13	43,409,000	22.63%	43,409,000	17.53%	0	0.00%	0	0.00%	Not applicable	none	none	none	none	none
Vice Chairman	Republic of China	Representative: He Jia-Jing	Male, 31-40 years old	2020.11.23	3 years	2020.11.23	0	0.00%	0	0	0	0.00%	0	0.00%	See attached table I for details	See attached table I for details	none	none	none	none
Director	Republic of China	Representative: Zhong Xin-Bei	Female, 31-40 years old	2019.06.18	3 years	2016.06.13	0	0.00%	0	0	0	0.00%	0	0.00%	See attached table I for details	See attached table I for details	Director	Zhong Jia-Cun	Father and daughter	none

Title (Note 1)	Nationality or place of registration	Name	Gender and age (Note 2)	Date of election (appointment)	Term of office	Date of initial appointment (Note 3)	Shares held at election		Current number of shares held		Current shares held by spouse and minor children		Holding shares in the name of others		Major experience (education) (Note 4)	Positions currently held in the company and other companies	Other heads, directors or supervisors with relationship as a spouse or within second degree of kinship			Remarks (Note 5)
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Director	Republic of China	Representative: Lu Jin-Fa	Male, 51-60 years old	2019.06.18	3 years	2016.06.13	1,480,000	0.77%	1,367,520	0.55%	0	0.00%	0	0.00%	See attached table I for details	See attached table I for details	none	none	none	none
Director	Republic of China	Representative: Zhong Yu-Lin	Male, 31-40 years old	2019.06.18	3 years	2019.06.18	0	0.00%	0	0	0	0.00%	0	0.00%	See attached table I for details	See attached table I for details	Director	Zhong Jia-Cun	Father and son	none
Director	Republic of China	Representative: Li Zong-Xi	Male, 41-50 years old	2019.06.18	3 years	2019.06.18	0	0.00%	0	0	0	0.00%	0	0.00%	See attached table I for details	none	none	none	none	none
Director	Republic of China	Representative: Chen Ke-Pei	Male, 51-60 years old	2019.06.18	3 years	2019.06.18	0	0.00%	0	0	0	0.00%	0	0.00%	See attached table I for details	none	none	none	none	none
Director	Republic of China	Representative: Liao Shun-Qing	Male, 51-60 years old	2019.06.18	3 years	2017.12.06	260,563	0.14%	372,322	0.15%	0	0.00%	0	0.00%	See attached table I for details	none	General Manager / Director	none	none	none
Director	Republic of China	Representative: Chen He-Qi	Male, 61-70	2019.06.18	3 years	2019.06.18	0	0.00%	0	0	0	0.00%	0	0.00%	See attached	See attached table I for	none	none	none	none

Title (Note 1)	Nationality or place of registration	Name	Gender and age (Note 2)	Date of election (appointment)	Term of office	Date of initial appointment (Note 3)	Shares held at election		Current number of shares held		Current shares held by spouse and minor children		Holding shares in the name of others		Major experience (education) (Note 4)	Positions currently held in the company and other companies	Other heads, directors or supervisors with relationship as a spouse or within second degree of kinship			Remarks (Note 5)
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
			years old												table I for details	details				
Director	Republic of China	Representative: Wang Yu-Jing	Male, 81-90 years old	2019.06.18	3 years	1995.05.21	896,351	0.47%	1,035,429	0.42%	0	0.00%	0	0.00%	See attached table I for details	See attached table I for details	none	none	none	none
Independent director	Republic of China	Zhang Zhi-Ming	Male, 61-70 years old	2019.06.18	3 years	2016.06.13	0	0.00%	10,000	0.00%	0	0.00%	0	0.00%	See attached table I for details	See attached table I for details	none	none	none	none
Independent director	Republic of China	Hou Shu-Hui	Female, 51-60 years old	2019.06.18	3 years	2016.06.13	0	0.00%	0	0	0	0.00%	0	0.00%	See attached table I for details	See attached table I for details	none	none	none	none
Independent director	Republic of China	Cai Jia-Yu	Female, 41-50 years old	2019.06.18	3 years	2016.06.13	0	0.00%	0	0	0	0.00%	0	0.00%	See attached table I for details	See attached table I for details	none	none	none	none
Supervisor	Republic of China	Xie An-Qi	Male, 51-60 years old	2019.06.18	3 years	2001.06.15	297,012	0.15%	716,363	0.29%	0	0.00%	0	0.00%	See attached table I for details	See attached table I for details	none	none	none	none
Supervis	Republic of	Zeng Yi-Nan	Female,	2019.06.18	3 years	2016.06.13	0	0	592,000	0.24%	0	0	0	0	See	See	none	none	non	non

Title (Note 1)	Nationality or place of registration	Name	Gender and age (Note 2)	Date of election (appointment)	Term of office	Date of initial appointment (Note 3)	Shares held at election		Current number of shares held		Current shares held by spouse and minor children		Holding shares in the name of others		Major experience (education) (Note 4)	Positions currently held in the company and other companies	Other heads, directors or supervisors with relationship as a spouse or within second degree of kinship			Remarks (Note 5)
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
or	China		41-50 years old												attached table I for details	attached table I for details			e	e

Note 1: the corporate shareholder shall list the name of the corporate shareholder and its representative respectively (if it is the representative of the corporate shareholder, it shall indicate the name of the corporate shareholder), and shall fill in the following table 1.

Note 2: Please list the actual age and express it in a way of range, such as 41~50 years old or 51~60 years old.

Note 3: Fill in the time of first serving as a director or supervisor of the company. If there is any interruption, a note shall be made.

Note 4: for the experience related to the current position, if the personw has worked in the CPAs firm or affiliated enterprise during the period mentioned above, the professional title and responsible position shall be stated.

Note 5: if the chairman and the general manager or the equivalent (top manager) of the company are the same person, spouses or relatives within the first degree of kinship, the reasons, reasonableness, necessity and countermeasures (such as increasing the number of independent directors, and more than half of the directors should not concurrently serve as employees or managers) should be explained.

Attached table I: list of main eduction and experience of directors and supervisors

Title	Name	Major education		Main experience		Current positions held in the company and other companies	
		School	Department	Company / institution name	Title	Company / institution name	Title
Chairman	Zhong Jia-Cun	Higher vocational education	General business	Kaohsiung Transportation Company Limited	Chairman	Kaohsiung Transportation Company Limited	Chairman
						Nstar Energy Corporation	
						Sandi Development Industrial Co., Ltd.	
						Tainan Bus	
						Nan Ren Lake Leisure Amusement Co., Ltd.	
						Hi-Scene World Enterprise Co., Ltd.	
						Jin Shi Hu Hotel Co., Ltd.	
						Dongzheng Investment Consultants Co., Ltd.	Director
Corporate director	Kaohsiung Transportation Company Limited(9 位)	-	-	-	-	-	-
Vice Chairman	Representative: He Jia-Jing	National Cheng Kung University	Business Management Department	North-Star International Co., Ltd.	Vice Chairman	Kaohsiung Transportation Company Limited	Director
						He Fong Energy Co., Ltd.	
						Chiayi Bus Company, Ltd.	
						Jiake International Asset Management Co., Ltd	
						Jiakelai investment Co., Ltd.	
						Sanlu Development Co., Ltd.	
						Yingguang Enterprise Co., Ltd.	
						Jiaxin Energy Co., Ltd.	
						Yaogu Energy Co., Ltd.	
						Sandi Monster Power Co., Ltd	
Corporate director	Representative: Zhong Xin-Bei	The University of British Columbia	Asian Institute	Kaohsiung Transportation Company Limited	Director	Kaohsiung Transportation Company Limited	Director
						Nstar Energy Corporation	
						Tainan Bus	
Corporate director	Representative: Lu Jin-Fa	Cheng Shiu University		North-Star International Co., Ltd.	Director	Beiji International Development Co., Ltd.	Chairman
						Heyi Construction Co., Ltd	
						Yisheng Investment Co., Ltd	
						Chongfa Investment Co., Ltd	
						Shangfa Development and Construction Co. Ltd.	
						Chengyi Development and Construction Co., Ltd	
						Taijia Development and Construction Co., Ltd	
Corporate director	Representative: Zhong Yu-Lin	The University of British Columbia	Department of Nutrition	SanDi Properties Co., Ltd.	Chairman	Kaohsiung Transportation Company Limited	Director
						Tainan Bus	
						Beiji International Development Co., Ltd.	
						Dongli Investment Consulting Co., Ltd	Chairman
						Sandi Construction Co., Ltd	
						Chiayi Bus Company, Ltd.	
Corporate director	Representative: Li Zong-Xi	National Kaohsiung University of Applied Science	Commercial Business Management	Kaohsiung Transportation Company Limited	Vice Chairman	Kaohsiung Transportation Company Limited	Vice Chairman
						Nan Ren Lake Leisure Amusement Co., Ltd.	
						Hi-Scene World Enterprise Co., Ltd.	

						Dongzheng Investment Consultants Co., Ltd.	Director
						Jin Shi Hu Hotel Co., Ltd.	
						SanDi Properties Co., Ltd.	
						Jetwell Computer Co., Ltd.	Independent director
Corporate director	Representative: Chen Ke-Pei	National Kaohsiung University of Applied Science	Institute of Industrial Engineering and Management	North-Star International Co., Ltd.	Director	Zhonghua Prince Gas Station Co., Ltd	Director
						Chiayi Bus Company, Ltd.	
						Jiake International Asset Management Co., Ltd	
						Kaison Green Energy Technology Co., LTD	
Corporate director	Representative: Liao Shun-Qing	Jingwen High School	Automobile repair department	North-Star International Co., Ltd.	General manager	-	-
Corporate director	Representative: Chen He-Qi	National Taipei University	Business Administration	Formosa Oil (Asia Pacific) Corporation	Deputy General Manager	Whalehome International Co., Ltd.	Director
						Formosa Oil (Asia Pacific) Corporation	Deputy General Manager
Corporate director	Representative: Wang Yu-Jing	Kaohsiung Municipal Kaohsiung Industrial High School Senior engineering department	Metallics	Kaohsiung 60 Arsenal	Station 16 cartridge case department	North-Star International Co., Ltd.	Director
				Kaohsiung thermal power engineering division of electric power company	Electric welding technology department		
				Kaohsiung Port Authority expansion engineering division	Welding department		
				Yulon Motor Co., Ltd. chassis department	Welding department		
Independent director	Zhang Zhi-Ming	National Chung Hsing University	Bachelor of law	Ministry of Justice Investigation Bureau	Investigator	Dano Law Firm	Responsible person
		Ministry of Justice Investigation Bureau Completion of the 23rd investigation class					
		Training Institute for Judges and Prosecutors27th graduation (with training)		Civil, criminal and administrative proceedings	Lawyer		
		Pass the lawyer examination				Nan Ren Lake Leisure Amusement Co., Ltd.	Independent director
						Hi-Scene World Enterprise Co., Ltd.	
Independent director	Hou Shu-Hui	Department of Accounting, National Chengchi University	Master	Weihua Education Foundation	Administrative director	Zhonghui CPAs Firm	Certified Public Accountant
		Department of Finance, National Chung Hsing University	Bachelor	Chia Nan University of Pharmacy & Science	Adjunct lecturer		
				China University of Technology	Adjunct lecturer		
Independent director	Cai Jia-Yu	Department of Accounting, Tamkang University	Master	Accton Technology CorporationFinance and Administration Center	Project managerrr	We Win CPAs Firm	Certified Public Accountant
						Uborn International Co., Ltd.	Director
						Joymom Biotechnical Co., Ltd.	
						Jiaze Management Consulting Co., Ltd	Chairman
Supervisor	Zeng Yi-Nan	Dayeh	Business	Sandi Development Industrial	Finance	Dongzheng Investment	Supervisor

		University	administration department	Co., Ltd.		Consultants Co., Ltd.	
Supervisor	Xie An-Qi	Tamkang High School	General	North-Star International Co., Ltd.	Supervisor	None	None

Table 1: major shareholders of corporate shareholders

April 25, 2022

Name of cprorate shareholder (Note 1)	Major shareholders of corporate shareholders (Note 2)
Kaohsiung Transportation Company Limited	Dongzheng Investment Consulting Co., Ltd (78.56%), Zhong Jia-Cun (11.28%), Sandi Development Industry Co., Ltd (3.43%), Xu Zhen-Zhi (1.01%), Wanjinyi International Investment Co., Ltd (0.51%), Wu Fang-Zhi (0.30%), Zhong Yu-Lin (0.29%), Wu Xiang-Zhi (0.21%), Zhong Xin-Bei (0.20%), Chen Shi-Qian (0.18%)

Note 1: if a director or supervisor is a corporeate shareholder representative, the name of the corporate shareholder shall be filled in.

Note 2: fill in the name of the major shareholders of the corporeate shareholder (whose shareholding ratio accounts for the top 10) and their shareholding ratio. If the major shareholder is a legal person, the following table 2 shall be filled out.

Note 3: if the corporate shareholder is not a corporation, the name and shareholding ratio of the shareholder to be disclosed in the preceding section shall be the name of the contributor or donor (refer to the Judicial Yuan announcement for inquiry) and its contribution or donation ratio. If the donor has passed away, it shall be noted with "dead".

Table 2: Major shareholders of the major corporate shareholders in Table 1

April 25, 2022

Name of the legal person (Note 1)	Major shareholders of legal person (Note 2)
Dongzheng Investment Consulting Co., Ltd	Zhong Jia-Cun(99.87%), Zhong Yu-Lin(0.04%), Li Zong-Xi(0.04%), Zeng Yi-Nan (0.04%)
Sandi Development Industry Co., Ltd	Zhong Jia-Cun(33.33%), Sun Guo-Cheng (13.33%), Cai Yu-Min (13.33%), Zeng Yi-Ling (13.33%), Wu You-Hua (13.33%), Li Mu-Xin (13.33%)

Note 1: if the major shareholder in Table 1 above is a legal person, the name of the legal person shall be filled in.

Note 2: fill in the name of the major shareholders of the legal person (whose shareholding ratio accounts for the top 10) and their shareholding ratio.

Note 3: the corporeate shareholder is not a corporation. The name and shareholding ratio of the shareholder to be disclosed in the preceding section shall be the name of the contributor or donor (refer to the Judicial Yuan announcement for inquiry) and its contribution or donation ratio. If the donor has passed away, it shall be noted with "dead".

Data of directors and supervisors (II)

I. Disclosure of professional qualifications of directors and supervisors and independence of independent directors:

Condition / Name	Professional qualifications and experience (Note 1)	Independence (Note 2)	Number of companies in which the Directors also serves concurrently as an Independent Director
Zhong Jia-Cun	(1) Education: Higher vocational education -- comprehensive business (2) Experience: Chairman of Kaohsiung Transportation Company Limited Chairman of Nstar Energy Corporation Zhonghua Prince Gas Station Co., Ltd Chairman of Sandi Energy Co., Ltd. Chairman of Sandi Development Industrial Co., Ltd. Chairman of Tainan Bus (3) There is no circumstance under Article 30 of the Company Act.	-	0
Li Zong-Xi	(1) Education: Business Administration Department of Chengchi University (2) Experience: Vice Chairman of Kaohsiung Transportation Company Limited Vice Chairman of Chiayi Bus Company, Ltd. Vice Chairman of Nan Ren Lake Leisure Amusement Co., Ltd. Vice Chairman of Hi-Scene World Enterprise Co., Ltd. (3) There is no circumstance under Article 30 of the Company Act.	-	1
Zhong Xin-Bei	(1) Education: Asian Institute of University of British Columbia (2) Experience: Director of Kaohsiung Transportation Company Limited Director of Nstar Energy Corporation Director of Tainan Bus (3) There is no circumstance under Article 30 of the Company Act.	-	0
Lu Jin-Fa	(1) Education:Cheng Shiu University (2) Experience: Chairman of Yisheng Investment Co., Ltd Chairman of Chongfa Investment Co., Ltd Chairman of Shangfa Development and Construction Co. Ltd. Chairman of Chengyi Development and Construction Co., Ltd (3) There is no circumstance under Article 30 of the Company Act.	-	0

Zhong Yu-Lin	(1) Education: Department of Nutrition, University of British Columbia (2) Experience: Chairman of SanDi Properties Co., Ltd. Chairman of Sanjia Development & Construction Co., Ltd Chairman of Chiayi Bus Company, Ltd. Chairman of Dongli Investment Consulting Co., Ltd (3) There is no circumstance under Article 30 of the Company Act.	-	0
Liao Shun-Qing	(1) Education: Jingwen High School Automobile repair department (2) Experience: General manager of Nstar Energy Corporation (3) There is no circumstance under Article 30 of the Company Act.	-	0
Chen Ke-Pei	(1) Education: National Kaohsiung University of Applied ScienceInstitute of Industrial Engineering and Management (2) Experience: Director of Zhonghua Prince Gas Station Co., Ltd Director of Chiayi Bus Company, Ltd. Director of Jiake International Asset Management Co., Ltd Director of Kaison Green Energy Technology Co., LTD (3) There is no circumstance under Article 30 of the Company Act.	-	0
Chen He-Qi	(1) Education:National Taipei University Business Administration (2) Experience: Director of Whalehome International Co., Ltd. Deputy general manager of Formosa Oil (Asia Pacific) Corporation (3) There is no circumstance under Article 30 of the Company Act.	-	0
Wang Yu-Jing	(1) Education: Kaohsiung Municipal Kaohsiung Industrial High SchoolSenior engineering departmentMetallics (2) Director of Experience: North-Star International Co., Ltd. (3) There is no circumstance under Article 30 of the Company Act.	-	0
He Jia-Jing	(1) Education:National Cheng Kung University (traffic control and management)、National Kaohsiung University of Applied Science (commercial and business admnistration) (2) Experience: Director of Kaohsiung Transportation Company Limited Director of Chiayi Bus Company, Ltd. Director of Sandi Energy Co., Ltd. Director of Yaogu Energy Co., Ltd (3) There is no circumstance under Article 30 of the Company Act.	-	0

Zhang Zhi-Ming	(1) Education: National Chung Hsing University-Bachelor of law (2) Experience: Independent director of Nan Ren Lake Leisure Amusement Co., Ltd. Independent director of Hi-Scene World Enterprise Co., Ltd. (3) There is no circumstance under Article 30 of the Company Act.	(1) The person, his/her spouse, and relatives within the second degree of kinship have not served as directors, supervisors, or employees of the company or its affiliated enterprises. (2) The number and proportion of shares held by the person, his/her spouse, relatives within the second degree (or in the name of others): 10,000 shares, accounting for 0.004% of the outstanding shares. (3) Not serving as a director, supervisor or employee of a company with a specific relationship with the company. (4) Amount of remuneration received from the company or its affiliated enterprises for business, legal, financial, accounting, and other services in the last two years: none.	2
Hou Shu-Hui	(1) Education:Department of Accounting, National Chengchi UniversityMaster、Department of Finance, National Chung Hsing UniversityBachelor。 (2) Experience: Administrative director of Weihua Education Foundation Adjunct lecturer of Chia Nan University of Pharmacy ＆ Science Adjunct lecturer of China University of TechnologyAdjunct lecturer。 (3) There is no circumstance under Article 30 of the Company Act.	(1) The person, his/her spouse, and relatives within the second degree of kinship have not served as directors, supervisors, or employees of the company or its affiliated enterprises. (2) The number and proportion of shares held by the person, his/her spouse, relatives within the second degree (or in the name of others): none (3) Not serving as a director, supervisor or employee of a company with a specific relationship with the company. (4) Amount of remuneration received from the company or its affiliated enterprises for business, legal, financial, accounting and other services in the last two years: none.	0
Cai Jia-Yu	(1) Education: Master in accounting of Tamkang University (2) Experience: Chairman of Jiaze Management Consulting Co., Ltd Director of Uborn International Co., Ltd. Director of Joymom Biotechnical Co., Ltd. (3) There is no circumstance under Article 30 of the Company Act.	(1) The person, his/her spouse, and relatives within the second degree of kinship have not served as directors, supervisors, or employees of the company or its affiliated enterprises. (2) The number and proportion of shares held by the person, his/her spouse, relatives within the second degree (or in the name of others): none (3) Not serving as a director, supervisor or employee of a company with a specific relationship with the company. (4) Amount of remuneration received from the company or its affiliated enterprises for business, legal, financial, accounting and other services in the last two years: none.	1

Zeng Yi-Nan	(1) Education: Dayeh UniversityBusiness administration department (2) Experience: Supervisor of Dongzheng Investment Consultants Co., Ltd. (3) There is no circumstance under Article 30 of the Company Act.	-	0
Xie An-Qi	(1) Education: Tamkang High School - General (2) Experience: Supervisor of North-Star International Co., Ltd. (3) There is no circumstance under Article 30 of the Company Act.	-	0

II. Diversity and independence of the board of directors:

(I) Board diversity: describe the diversification policies, objectives, and achievements of the board of directors. The diversification policy includes but is not limited to the selection criteria of directors, the professional qualifications and experience that the board of directors should have, the composition or proportion of gender, age, nationality, and culture, and describes the specific objectives of the company and the achievement of the above policies.

The composition of the board of directors of the company has reached the Taipei Exchange Directions for Compliance Requirements for the Appointment and Exercise of Powers of the Boards of Directors of TPEx Listed Companies, the Securities and Exchange Act and the relevant regulations of the Company Act. In addition, in accordance with Article 20 of Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, the members of the board of directors as a whole must meet the following requirements:

1. Business judgment
2. Accounting and financial analysis ability
3. Operation and management ability
4. Crisis handling capacity
5. Industrial knowledge
6. International market view
7. Leadership
8. Decision making ability.

At present, the qualifications of the board members cover personnel in the accounting, finance, legal affairs, management and other related fields, and they have considerable experience in corporate governance and operation, all of which meet the code of practice and the needs of diversification. In order to cooperate with the continuous promotion of the company's business philosophy and self-requirements, the members actively and systematically continue to study diversified professional knowledge according to laws, regulations, internal audit, and the needs of the company, in order to provide more opinions and policies for the company's future sustainable operation.

(II) Independence of the board of directors: state the number and proportion of independent directors, explain that the board of directors is independent, and attach reasons to explain whether there are no circumstances specified in paragraphs 3 and 4 of article 26-3 of the Securities and Exchange Act, including whether the directors, supervisors, or directors and supervisors have relationship as spouses and second degree relatives.

The company has a total of three independent directors, who are in compliance with the Taipei Exchange Directions for Compliance Requirements for the Appointment and Exercise of Powers of the Boards of Directors of TPEx Listed Companies, the Securities and Exchange Act and the relevant regulations of the Company Act. The other three independent directors of the company also comply with the provisions of article 14-2 of the Securities and Exchange Act. In addition, in terms of the independence of directors, the current directors of the company comply with the provisions of article 26-3 of the Securities and Exchange Act. Therefore, they can make independent judgments and provide objective professional opinions on the company's business matters and corporate governance.

(II) General manager, deputy general manager, assistant vice presient, and supervisors of all the company's departments and branch units

April 25, 2022

Title (Note 1)	Nationality	Name	Gender	Election (on board) date	Shares held		Shares held by spouse and minor children		Holding shares in the name of others		Main experience (education) (Note 2)		Currently holding positions in other companies	Managers with spouse or second degree relationship			Remarks (Note 3)
					Number of shares	Share holding ratio	Number of shares	Share holding ratio	Number of shares	Share holding ratio				Title	Name	Relationship	
General manager	Republic of China	Liao Shun-Qing	Male	2017.12.06	372,322	0.15%	0	0.00%	0	0.00%	Jingwen High School	AVP of the comany	None	None	None	None	None
AVP of general manager office	Republic of China	Chen Qiong-Hua	Female	2019.06.01	15,000	0.00%	0	0.00%	0	0.00%	Department of Continuing Education, Chihlee University of Technology	AVP of the comany	None	None	None	None	None
Manager of Business Department	Republic of China	Chen He-Zhèn	Male	2017.12.31	0	0.00%	0	0.00%	0	0.00%	China University of Technology	Deputy manager of Business Department of Taiwan Youli Distribution Co., Ltd	None	None	None	None	None
Deputy Manager of Information Section	Republic of China	Lin Zhong-Hui	Male	2010.03.01	0	0.00%	0	0.00%	0	0.00%	Department of Information Management of Lunghwa University of Science and Technology	Engineer of Well Take Computer Department I, information supervisor of Power-Con Electronics Corporation	None	None	None	None	None
Manager of Finance Department	Republic of China	Han Jia-Xian	Male	2020.03.17	8,000	0.00%	0	0.00%	0	0.00%	Department of Finance, National Chung Hsing University	Sandi Development Industrial Co., Ltd., Logah Technology Corporation, Ying Cheng Environmental Technology Co., Ltd, Compostar Technology Co., Ltd.), WUS Printed Circuit Co., Ltd	None	None	None	None	None
Deputy manager of Personnel Department	Republic of China	Huang Mei-Ling	Female	2015.03.01	0	0.00%	0	0.00%	0	0.00%	Department of Accounting Shin Chien University	Finance Department of North-Star International Co., Ltd.	None	None	None	None	None

Deputy manager of Administration Department (Note 4)	Republic of China	Yin Geng-Fan	Male	2021.07.01	,10,000	0.00%	0	0.00%	0	0.00%	Chemical Engineering , Minth University of Science and Technology	Station manager, district supervisor of North-Star International Co., Ltd.	None	None	None	None	None
Manager of Audit Office	Republic of China	Huang Meng-Kai	Male	2005.09.01	209,199	0.00%	0	0.00%	0	0.00%	DepartmentOftourismmanägemen of Chinese Culture University	Auditor of North-Star International Co., Ltd.	None	None	None	None	None
Construction Department	Republic of China	Jian Mao-Sheng	Male	2015.03.01	0	0.00%	0	0.00%	0	0.00%	Automobile repair department of Taoyuan Agricultural & Industrial Senior High School	Station manager of Jiying Enterprise Co., Ltd, safety, environment and public works of Taiwan Youli Distribution Co., Ltd.	None	None	None	None	None
Deputy Manager of Labor Safety Office	Republic of China	Zhang Yong-Zheng	Male	2012.04.16	0	0.00%	0	0.00%	0	0.00%	Departmetn of Finance of Dahan Institute of Tecnhology	Labor Safety Office of North-Star International Co., Ltd.	None	None	None	None	None

Note 1: it should include the data of the general manager, deputy general manager, assistant vice president, supervisors of various departments and branches, and those whose positions are equivalent to the general manager, deputy general manager or assistant vice president, regardless of their professional titles, should also be disclosed.

Note 2: for the experience related to the current position, if the person has worked in the CPAs firm or affiliated enterprise during the period mentioned above, the professional title and responsible position shall be stated.

Note 3: when the general manager or equivalent (top manager) and the chairman are the same person, spouses or first-degree relatives of each other, relevant information about the reasons, rationality, necessity and response measures (such as increasing the number of independent directors, and more than half of the directors are not concurrently employees or managers) shall be disclosed.

Note 4: Yin Geng fan, deputy manager of Administration Department, resigned on April 14, 2022

III. Remuneration paid to directors (including independent directors), supervisors, general manager and deputy general manager in the most recent year:

(I) Remuneration of ordinary directors and independent directors (separate disclosure of names and methods of remuneration)

Unit: NT$1,000

Title	Name	Remuneration of directors								Proportion of the total amount of items A, B, C and D to net income after tax (Note 6)		Part time employees receive relevant remuneration								Proportion of the total amount of items A, B, C, D, E, F and G to the net profit after tax		Any remuneration received from reinvestment enterprises or parent company other than subsidiaries
		Remuneration (A) (Note 1)		Retirement pension (B)		Directors' remuneration (C) (Note 2)		Business execution cost (D) (Note 3)				Salary, bonus and special expenses (E) (Note 4)		Retirement pension (F)		Employee remuneration (G) (Note 5)						
																The company		All companies in the financial report				
		The company	All companies in the financial report	The company	All companies in the financial report	The company	All companies in the financial report	The company	All companies in the financial report	The company	All companies in the financial report	The company	All companies in the financial report	The company	All companies in the financial report	Cash amount	Stock amount	Cash amount	Stock amount	The company	All companies in the financial report	
Chairman	Zhong Jia-Cun	195	195	0	0	925	925	25	25	0.82	0.82	1869	1869	0	0	54	0	54	0	2.19	2.19	None
Director	Kaohsiung Transportation Company Limited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	None
Vice Chairman	Representative: He Jia-Jing	195	195	0	0	462	462	25	25	0.49	0.49	1665	1665	0	0	47	0	47	0	1.71	1.71	None
Director	Representative: Liao Shun-Qing	195	195	0	0	462	462	30	30	0.49	0.49	1730	1730	0	0	40	0	40	0	1.75	1.75	None
Director	Representative: Zhong Xin-Bei	195	195	0	0	231	231	30	30	0.33	0.33	1082	1082	0	0	34	0	34	0	1.12	1.12	None

Director	Representative: Lu Jin-Fa	195	195	0	0	231	231	20	20	0.32	0.32	0	0	0	0	0	0	0	0	0.32	0.32	None
Director	Representative: Zhong Yu-Lin	195	195	0	0	231	231	30	30	0.33	0.33	0	0	0	0	0	0	0	0	0.33	0.33	None
Director	Representative: Li Zong-Xi	195	195	0	0	231	231	30	30	0.33	0.33	0	0	0	0	0	0	0	0	0.33	0.33	None
Director	Representative: Chen Ke-Pei	195	195	0	0	231	231	30	30	0.33	0.33	0	0	0	0	0	0	0	0	0.33	0.33	None
Director	Representative: Chen He-Qi	195	195	0	0	231	231	30	30	0.33	0.33	0	0	0	0	0	0	0	0	0.33	0.33	None
Director	Representative: Wang Yu-Jing	195	195	0	0	231	231	30	30	0.33	0.33	0	0	0	0	0	0	0	0	0.33	0.33	None
Independent director	Cai Jia-Yu	390	390	0	0	231	231	50	50	0.48	0.48	0	0	0	0	0	0	0	0	0.48	0.48	None
Independent director	Hou Shu-Hui	390	390	0	0	231	231	40	40	0.47	0.47	0	0	0	0	0	0	0	0	0.47	0.47	None
Independent director	Zhang Zhi-Ming	390	390	0	0	231	231	50	50	0.48	0.48	0	0	0	0	0	0	0	0	0.48	0.48	None

1. please describe the policy, system, standard and structure of remuneration payment for independent directors, and describe the relationship with the amount of remuneration according to the responsibilities, risks, engaged time and other factors:

The remuneration of independent directors is divided into two categories: the fixed amount of travel expenses for each meeting and the director's remuneration for profit distribution. The total remuneration of directors and supervisors has been specified in the articles of association of the company.

2. Except as disclosed in the above table, the remuneration received by the directors of the company for providing services (such as serving as consultants other than employees) to all companies in the financial report in the most recent year: None

(II) Remuneration of supervisors (separate disclosure of names and methods of remuneration)

Unit: NT$1,000

Title	Name	Supervisor's remuneration						Proportion of total amount of items A, B and C to net profit after tax (%)		Remuneration received from reinvested enterprises or parent companies other than subsidiaries
		Remuneration (A)		Remuneration (B)		Business execution expenses (C)				
		The company	All companies in the financial report	The company	All companies in the financial report	The company	All companies in the financial report	The company	All companies in the financial report	
Supervisor	Xie An-Qi	195	195	231	231	25	25	0.32	0.32	None
Supervisor	Zeng Yi-Nan	195	195	231	231	30	30	0.33	0.33	None

(III) Remuneration of the general manager and deputy general manager (separate disclosure of names and methods of remuneration)

Title	Name	Remuneration (A) (Note 2)		Retirement pension (B)		Bonus and Special expenses, etc (C) (Note 3)		Employee remuneration amount (D) (Note 4)				Proportion of the total amount of A, B, C and D to the net profit after tax (%) (Note 6)		Any remuneration received from reinvestment enterprises or the parent compoany other than subsidiaries (Note 9)
								The company		All companies in the financial report				
		The company	All companies in the financial report	The company	All companies in the financial report	The company	All companies in the financial report	Cash amount	Shares Amount	Cash amount	Shares Amount	The company	All companies in the financial report	
General manager	Liao Shun-Qing	1,550	1,550	0	0	180	180	40	0	40	0	1.26	1.26	

＊Regardless of the title, any position equivalent to general manager or deputy general manager (such as president, CEO, director, etc.) shall be disclosed.

(IV) The remuneration of the top five highest paid management of a TWSE/TPEx-listed company (separate deisclosure of names and methods of remuneration):

Title	Nationality	Name	Salary (A) (Note 2)		Retirement pension (B)		Bonus and special expenses, etc. (C) (Note 3)		Employee remuneration amount (D) (Note 4)				Proportion of the total amount of A, B, C and D to the net profit after tax (%) (Note 6)		Any remuneration received from reinvestment enterprises or the parent comopany other than subsidiaries (Note 7)
			The company	All companies in the financial report (Note 5)	The company	All companies in the financial report (Note 5)	The company	All companies in the financial report (Note 5)	The company		All companies in the financial report (Note 5)		The company	All companies in the financial report	
									Cash amount	Shares Amount	Cash amount	Shares Amount			
Chairman	Republic of China	Zhong Jia-Cun	1,726	1,726	0	0	143	143	54	0	54	0	1.37	1.37	None
Vice Chairman	Republic of China	He Jia-Jing	1,536	1,536	0	0	129	129	47	0	47	0	1.22	1.22	None
General manager	Republic of China	Liao Shun-Qing	1,550	1,550	0	0	180	180	40	0	40	0	1.26	1.26	None
Assistnat vice president	Republic of China	Chen Qiong-Hua	942	942	0	0	154	154	46	0	46	0	0.82	0.82	None
Special assistant	Republic of China	Zhong Xin-Bei	1,018	1,018	0	0	64	64	34	0	34	0	0.80	0.80	None

Note 1: the "top five supervisors with the highest remuneration" refers to the Company's managers. For the recognition standards related to the managers, according to the applicable scope of the "managers" as stipulated in the Letter No. 0920001301 of the former Securities and Futures Commission of the Ministry of Finance dated March 27, 2003. As for the determination principle of the calculation of the "top five highest remuneration", it is determined by the sum of the salaries, retirement pensions, bonuses and special expenses received by the Company's managers from all companies in the consolidated financial report, as well as the employee bonus (i.e. the sum of four items A + B + C + D), as the top five remuneration after ranking. If the director also serves as the above supervisor, this table and the above table (1-1) shall be filled in.

Note 2: fill in the salary, extra wage for job and severance pay of the top five supervisors receiving the highest payment in the most recent year.

Note 3: fill in all kinds of bonuses, incentives, traffic allowance, special fees, various allowances, dormitories, car allocation and other physical supplies of the top five supervisors receiving the highest payments in the latest year. If housing, vehicle or other means of transportation, or personal expenses are provided, the nature and cost of the asset provided, the rental calculated based on the actual cost or the fair market value, fuel, and other payments shall be disclosed. If a driver is provided, disclose compensation paid to the driver in a note; however, do not calculate such as part of executive compensation. Any salary listed under IFRS Share-Based Payment, including employee share subscription warrants, new restricted employee shares, and cash capital increase by stock subscription should also be included in remuneration.

Note 4: it is to fill in the compensation amount (including stock and cash) of the top five supervisors receiving the highest payment approved by the board of directors in the most recent year. If it cannot be estimated, the proposed distribution amount of this year shall be calculated according to the proportion of the actual distribution amount of last year, and it shall also fill in schedule 1-3.

Note 5: the total amount of remuneration paid by all companies (including the Company) to the top five supervisors with the highest remuneration of the Company in the consolidated report shall be disclosed.
Note 6: Net income after tax refers to net income after tax listed in the parent only or stand-alone financial statements in the most recent year.
Note 7: a. This field should clearly indicate the amount of remuneration received by the Company's top five supervisor with the highest payments from a reinvestment business other than a subsidiary or the parent company (if none, please fill in "none").
b. Remuneration in this case refers to remuneration, bonuses (including employee, director, or supervisor bonuses), and allowances received by the top five supervisors with the highest payment of the Company as the directors, supervisors, or managerial officers of invested companies other than subsidiaries or parent company.
＊The remuneration disclosed in this table is different from the concepts stipulated in the Income Tax Act. The purpose of this table is for information disclosure, not taxation

Employees RemunerationDistributed to Management Team

December 31, 2021 Unit: NT$1,000

	Title	Name	Share amount	Cash amount	Total	Ratio of total amount to net income (%)
Manager	Chairman	Zhong Jia-Cun	0	232	232	0.17
	General manager	Liao Shun-Qing				
	Assistant vice president	Chen Qiong-Hua				
	Head of Business Department	Chen He-Zhèn				
	Head of Administration Department	Yin Geng-Fan				
	Chief financial officer	Han Jia-Xian				
	Chief accounting officer	Han Jia-Xian				

(V) Analysis of the total remuneration paid to the company's directors, supervisors, general managers, and deputy general managers by the company and all consolidated entities in the most recent two years as a percentage of net income, and explanation on the remuneration policy, standards and packages, determination procedures, and correlation with business performance

Title	2021		2020	
	The company	All companies	The company	All companies
Director	10.16	10.16	7.79	7.79
Supervisor	0.65	0.65	0.37	0.37
General manager	1.26	1.26	1.49	1.49

Explanation: the net profit after tax of the company's parent only financial report in 2021 increased by 16.23% compared with that in 2020. The net profit after tax in 2021 is proposed according to the profit distribution table. In addition to the statutory surplus reserve set forth in the articles of association, it is proposed to issue cash shares of NT$0.6 per share.

2. The policy, standard and combination of remuneration, the procedure for setting remuneration and the explanation of the relationship with business performance:

The directors' remuneration of the company is divided into two categories: the fixed amount of travel expenses for each meeting and the director's remuneration for profit distribution.

The total remuneration of directors and supervisors has been specified in the articles of association of the company. The remuneration structure of the general manager is the basic salary, food allowance, job allowance, etc. In addition, considering the company's overall operating performance and personal performance, and to avoid the manager's pursuit of future risks that the company cannot bear in order to create higher performance, employee remuneration and year-end bonuses paid is approved by the chairman and adopted by the board of directors at the time of appointment.

IV. Implementation of Corporate Governance

(I) Implementation of board meetings

(1) Information on operations of the Board

The meeting of the Board of Directors was held for 6 times (A) in total in the most recent year, with the attendance of directors and supervisors as follows: January 1, 2021 to December 31, 2021

Title	Name	Number of attendance in person (B)	By proxy	Actual attendance rate (%) (B/A)	Remarks
Chairman	Zhong Jia-Cun	5	0	83%	Reappointment
Corporate director	Kaohsiung Transportation Company Limited Representative: Zhong Xin-Bei	6	0	100%	Reappointment
Corporate director	Kaohsiung Transportation Company Limited Representative: Lu Jin-Fa	4	0	67%	Reappointment
Corporate director	Kaohsiung Transportation Company Limited Representative: Zhong Yu-Lin	6	0	100%	Reappointment
Corporate director	Kaohsiung Transportation Company Limited	6	0	100%	Reappointment

	Representative: Li Zong-Xi				
Corporate director	Kaohsiung Transportation Company Limited Representative: Chen Ke-Pei	6	0	100%	Reappointment
Corporate director	Kaohsiung Transportation Company Limited Representative: Liao Shun-Qing	6	0	100%	Reappointment
Corporate director	Kaohsiung Transportation Company Limited Representative: Chen He-Qi	6	0	100%	Reappointment
Corporate director	Kaohsiung Transportation Company Limited Representative: Wang Yu-Jing	6	0	100%	Reappointment
Corporate director	Kaohsiung Transportation Company Limited Representative: He Jia-Jing	5	0	83%	New appointment on November 23, 2020
Independent director	Zhang Zhi-Ming	6	0	100%	Reappointment
Independent director	Hou Shu-Hui	6	0	100%	Reappointment
Independent director	Cai Jia-Yu	6	0	100%	Reappointment

Other matters:

I. With regard to the implementation of the Board of Directors, if any of the following circumstances occur, the dates, terms of the meetings, contents of motions, all independent directors' opinions and the Company's handling of such opinions shall be specified:

(I) Other resolutions of the board meeting that have been opposed or reserved by independent directors and have records or written statements: None

The company fully explains and discusses each proposal or report of the board of directors to the independent directors. In 2021, there was no matter as stated in the above (I).

II. Regarding recusals of directors from voting due to conflicts of interests, the names of the directors, contents of motions, reasons for recusal, and results of voting shall be specified: there is no need for recusal as there is no proposal with important content that has conflict of interest and there is no any harm to the interests of the company.

III. A TWSE/TPEx-listed company shall disclose such information as the evaluation cycle, period, scope, method, and content of the board of directors' self (or peer) evaluation, and fill in Schedule II (2) implementation of the board of directors' evaluation.

The company has formulated the self-evaluation or peer evaluation measures of the board of directors on August 7, 2019, which took effect on January 1, 2020. See table (2) on page 34 for details of the evaluation and implementation of the board of directors

IV. Targets for strengthening the functions of the Board of Directors (such as establishing an Audit Committee and enhancing information transparency) in the current and the most recent fiscal year and assessing implementation thereof. In recent years, in order to strengthen the functions of the board of directors, the company has formulated self-evaluation or peer evaluation measures for the board of directors, taking into accout the company's status and needs, and formulated measurement items for the board of directors (functional committee): participation in the company's operations, improvement of the quality of decisions made by the board of directors, composition and structure of the board of directors, selection of directors and continuous learning.

Note: Where the Director or supervisor is an institution, the name of the institutional shareholder and the name of its representative shall be disclosed.

Note: (1) Where Directors or Supervisors resign before the end of the year, the Notes column shall be annotated with the date of resignation. Actual presence rate (%) shall be calculated using the number of Board meetings convened and actual presence during the term of service.

(2) If any Director or Supervisor were re-elected before the end of the year, the incoming and former Directors and Supervisors shall be both listed in the table. In addition, please specify in the Remark column the re-election date and whether the Director or Supervisor are re-elected, newly elected, or Directors or Supervisors who won a by-election. Actual attendance rate (%) shall be calculated using the number of Board meetings convened and actual attendance during the term of office.

(2) Evaluation and implementation of the board of directors

Evaluation cycle (Note 1)	Evaluation period (Note 2)	Evaluation scope (Note 3)	Evaluation method (Note 4)	Evaluation contents (Note 5)
Once / year	2021.01.01 ~ 2021.12.31	■Overall board of directors □Individual directors ■Functional committees	■Internal self-evaluation of the board of directors □Self-evaluation of directors □Peer evaluation □external evaluation	The performance evaluation items of the board of directors shall include the following five aspects: 1. Participation in the operation of the company. 2. Improve the decision-making quality of the board of directors. 3. Composition and structure of the board of directors. 4. Election and continuing education of directors. 5. Internal control. The performance evaluation items of the functional committee shall include the following five aspects: 1. Participation in the operation of the company. 2. Awareness of the duties of functional committees. 3. Improve the decision-making quality of functional committees. 4. Composition and member selection of functional committees. 5. Internal control.
Once / year	2021.01.01 ~ 2021.12.31	□Overall board of directors ■Individual directors □Functional committees	□Internal self-evaluation of the board of directors ■Self-evaluation of directors □Peer evaluation □External evaluation	The measurement items for the performance evaluation of directors shall include the following six aspects: 1. Grasp the company's objectives and tasks. 2. Awareness of Directors' Duties. 3. Participation in the operation of the company. 4. Internal relationship management and communication. 5. Professional and continuing education of directors. 6. Internal control.

Note 1: it refers to the execution cycle of the evaluation of the board of directors, for example, once a year.

Note 2: it refers to the period covered by the evaluation of the board of directors, such as the performance evaluation of the board of directors from January 1, 2021 to December 31, 2021.

Note 3: the scope of evaluation includes the performance evaluation of the board of directors, individual directors and functional committees.

Note 4: evaluation methods include internal self-evaluation of the board of directors, self-evaluation of directors, peer evaluation, appointment of external professional institutions, experts or other appropriate methods for performance evaluation.

Note 5: the evaluation content shall at least include the following items according to the evaluation scope:

(1) The performance evaluation of the board of directors shall at least include the degree of participation in the company's operation, the quality of the decision-making of the board of directors, the composition and structure of the board of directors, the selection and continuing education of directors, internal control, etc.

(2) The performance evaluation of individual directors shall at least include the mastery of the company's objectives and tasks, the directors' understanding of their duties, their participation in the company's operations, the operation and communication of internal relations, the directors' professional and continuing education, internal control, etc.

(3) Performance evaluation of functional committees: participation in the operation of the company, awareness of the responsibilities of functional committees, decision-making quality of functional committees, composition and member selection of functional committees, internal control, etc.

(II) Supervisors' participation in the operation of the board of directors:

1. Supervisors' participation in the operation of the board of directors

The board of directors held six meetings (A) in 2021, and the attendance was as follows:

January 1, 2021 to December 31, 2021

Title	Name	Actual attendance times (B)	Actual attendance rate (%) (B/A)	Remarks
Supervisor	Xie An-Qi	6	86%	Reappointment
Supervisor	Zeng Yi-Nan	6	86%	Reappointment

Other items to be recorded:

I. Composition and responsibilities of supervisors:

(I) Communication between supervisors and employees and shareholders of the company (such as communication channels and methods). Not applicable

(II) The communication between the supervisor and the chief internal audit officer and the CPAs (such as the matters, methods and results of the communication on the company's financial and business conditions). Not applicable

II. If supervisors present at the board of directors as nonvoting delegates have made statements, the date of the board of directors, the period, the content of the proposal, the results of the resolution of the board of directors, and the company's handling of the supervisors' statements should be specified. Not applicable

Note:

＊If an independent director leaves office before the end of the year, the date of resignation shall be indicated in the remarks column. The actual attendance rate (%) shall be calculated based on the number of meetings of the audit committee and the number of actual attendance during his tenure.

＊Before the end of the year, if any independent director is re-elected, the new and old independent directors shall be filled in, and it should be indicated in the remarks column that the independent director is an exising, newly appointed or re-elected director, and the date of re-election. The actual attendance rate (%) shall be calculated based on the number of meetings of the audit committee and its actual attendance during his tenure.

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

Evaluation item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	
I. Does the company establish and disclose the Corporate Governance Best-Practice Principles" based on "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"?	ˇ		The company has formulated and disclosed a Code of Practice for Corporate Governance	No
II. Shareholding structure & shareholders' rights				
(1) Did the company establish an internal procedure for handling shareholder proposals, inquiries, disputes, and litigation? Are such matters handled according to the internal procedure?	ˇ		The company has a spokesperson responsible for handling relevant matters, handling shareholder suggestions, doubts, disputes and litigation matters. If legal issues are involved, they should be referred to the legal adviser for handling.	No
(2) Did the company maintain a register of major shareholders with controlling power as well as a register of persons exercising ultimate control over those major shareholders?	ˇ		The company's stock affairs are handled by itself, and the company keeps abreast of the changes and pledge of the shares of directors and major shareholders at any time, and regularly reports to the MOPS every month.	No
(3) Did the company establish and enforce risk control and firewall systems with its affiliated businesses?	ˇ		Control and management through relevant operation methods of the company	No
(4) Did the company stipulate internal rules that prohibit company insiders from trading securities using information not disclosed to the market?	ˇ		The company has established the Code of Ethic Conducts for Directors, Supervisors and Managers and the Code of Ethic Conducts for Employees.	No
III. Composition and responsibilities of the Board of Directors				
(1) Has a policy of diversity been established and implemented for the composition of the board of directors?	ˇ		The composition of the board members of the company shall be diverse and shall generally possess the knowledge, skills and qualities	No

Evaluation item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	
			necessary for the performance of its duties.	
(2) In addition to salary and remuneration committee and audit committee established according to law, has the company voluntarily established other functional committees?	ˇ		In addition to the Remuneration Committee established by the company in accordance with the law, each department is responsible for corporate governance and operation according to its duties. For the review of major mergers and acquisitions, the company voluntarily establishes a "Special Committee on Mergers and Acquisitions".	No
(3) Did the company stipulate regulations for performance evaluation of the board, and its evaluation method, and conduct performance evaluation on a yearly basis; and submit the results of performance assessments to the board of directors and use them as reference in determining compensation for individual directors, their nomination and additional office term?	ˇ		The company has formulated the meausres for the board of directors' self-evaluation or peer evaluation.	No
(4) Did the company regularly implement assessments on the independence of CPA?	ˇ		The company has evaluated the independence and competence of the CPAs employed.	No

Evaluation item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	
IV. Has the publicly-listed company appointed qualified and suitable number of corporate governance personnel and appointed a Corporate Governance Officer to handle governance related affairs (including but not limited to supplying information requested by the directors and supervisors, assisting Directors and Supervisors with legal compliance matters, processing company matters related to board meetings and shareholders' meetings according to laws, and preparing minutes of the board meetings and shareholders' meetings)?	ˇ		The company has set up a full-time (part-time) corporate governance unit or personnel to be responsible for corporate governance related affairs.	No
V. Has the company established a communication channel with stakeholders (including but not limited to shareholders, employees, customers, and suppliers)? Has a stakeholders' area been established in the company's website? Are major Corporate Social Responsibility (CSR) topics that the stakeholders are concerned with addressed appropriately by the company?		ˇ	Relevant departments are responsible for dealing with consumers, suppliers, banks, or relevant stakeholders of the company. Employees' opinions can be reflected through hierarchy, and will be evaluated and determined according to law and as needed in the future.	No
VI. Has the Company appointed a professional shareholder service agency to deal with shareholder affairs?	ˇ		Stock affairs agency is SinoPac Securities' stock affairs agency department	No
VII. Information disclosure				
(1) Did the company establish a website to disclose information on financial operations and corporate governance?	ˇ		The company makes public its business status on its website and its financial information on the MOPS.	No

Evaluation item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	
(2) Does the company have other information disclosure channels (e.g. establishing an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences, etc.)?	ˇ		The company has a Chinese website, and a designated person is responsible for the collection and disclosure of information, and implements the spokesperson system.	No
(3) Does the Company publish and report its annual financial report within two months after the end of a fiscal year, and publish and report its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline?		V	The company shall announce and report the annual financial report, quarterly financial report and the operation of each month in accordance with relevant regulations: 1. The company shall, within three months after the end of each fiscal year, announce and report the annual financial report information. 2. The company shall announce and report the financial report information within 45 days after the end of the first quarter, the second quarter and the third quarter. 3. The company shall announce and report the operation of the previous month before the 10th day of each month.	No
VIII. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, stakeholder rights, directors' and supervisors' training records, implementation of risk management policies and risk evaluation measures, implementation of customer policies, and	ˇ		(1) Employee rights and interests: The company protects the legitimate rights and interests of employees in accordance with the Labor Standards Act, Act of Gender Equality in Employment and the mployment Service Act, and establishes employee welfare committees (education grants, maternity subsidies, tourism subsidies, wedding and funeral subsidies, condolence funds, etc.) in accordance with laws and regulations, implements the pension system,	No

Evaluation item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	
participation in liability insurance by directors and supervisors)?			and insures employee group insurance. (2) Employee care: Organize regular health examination for all employees. (3) Investor Relations: The company implements the spokesperson system and sets up an acting spokesperson to assist in handling shareholder consultation. (4) Supplier relationship: The supplier of the company is CPC Corporation, Taiwan and has signed a fixed-term contract to maintain a good supply relationship. (5) Rights of stakeholder: According to the laws and regulations, the detailed and timely disclosure of the company's various information is made public for the reference of the investing public. (6) Continuing education of directors and supervisors: The company provides the directors and supervisors with information on their continuing education at any time, and the information on their continuing education is regularly disclosed at the MOPS. (see the contents of the annual report for details) (7) Implementation of risk management policies and risk measurement standards: The management of the company has a full understanding of the industry, the position of the company and the future development direction of the company. Any decision-	

Evaluation item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	
			making is discussed, authorized and implemented by the board of directors after careful evaluation, so as to protect the company's assets and reduce risks. (8) Implementation of consumer or customer protection policies: The company has a dedicated customer service hotline. For suggestions or customer complaints made by consumers to the company, specially assigned personnel shall provide consulting services and replies, and inform each unit in writing at the same time. (9) The company's purchase of liability insurance for directors and supervisors and its social responsibilities: The company has purchased liability insurance for directors and supervisors in accordance with regulations.	
IX. Describe improvements made according to the corporate governance assessment made in the latest fiscal year by the Corporate Governance Center of the Taiwan Stock Exchange Corporation (TWSE), and provide priority improvements and measures to be taken for improvements that have yet to be carried out. (not required for those not listed in the evaluated company) 1. The company has formulated and disclosed the Code of Practice for Corporate Governance. 2. The company has set up a full-time (part-time) corporate governance unit or personnel to be responsible for corporate governance related affairs. 3. The company expects to set up communication channels for stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.), and set up a stakeholder zone on the company's website, and properly respond to important corporate social responsibility issues concerned by stakeholders.				

Note: whether "yes" or "no" is checked, the operation status shall be described in the summary description field.

(IV) Composition, responsibilities, and operation of the Remuneration Committee:

(1) Information of the members of Remuneration Committee

December 31, 2021

Identity (Note 1)	Condition / Name	Professional qualifications and experience (Note 2)	Independence (Note 3)	Number of other public companies where the individual concurrently serves as a remuneration committee member
Convener	Zhang Zhi-Ming	Investigator of Ministry of Justice Investigation Bureau Lawyer for civil, criminal, and administrative proceedings	Please refer to the description of the independence of independent directors.	0
Member	Cai Mu-Lin	Takming University of Science and Technology (2006) Assistant Professor, Department of Logistics Management Assistant Professor, Institute of Economic and Trade Research Management	(1) I, my spouse, and relatives within the second degree of kinship have not served as directors, supervisors, or employees of the company or its affiliated enterprises. (2) The number and proportion of the company's shares held by me, my spouse, relatives within the second degree (or in the name of others): none. (3) Not serving as a director, supervisor or employee of a company with a specific relationship with the company. (4) Amount of remuneration received from the company or its affiliated enterprises for business, legal, financial, accounting and other services in the last two years: none.	0
Member	Cai Jia-Yu	CPA of We Win CPAs Firm	Please refer to the description of the independence of independent directors.	0

(2) Operations of Remuneration Committee

I. The Company's Remuneration Committee composes of three members.

II. The term of office of the current member: June 13, 2019 to June 12, 2022. In 2021, the Remuneration Committee held three meetings (A). The qualifications and attendance of the members are as follows:

Title	name	Number of attendance in person (B)	By proxy	Attendance Rate (%) (B/A)	Remarks
Convener	Zhang Zhi-Ming	3	0	100%	Not applicable
Member	Cai Mu-Lin	3	0	100%	Not applicable
Member	Cai Jia-Yu	3	0	100%	Not applicable
Other matters: I. If the Board of Directors does not adopt or amend the proposal of the Remuneration Committee, it shall state the date, session, contents of the proposal, resolution results of the Board of Directors and the Company's handling of the opinions of the Remuneration Committee (if the remuneration adopted by the Board of Directors is superior to the proposal of the Remuneration Committee, the difference and reason shall be stated): No such circumstance. II. Resolutions of the Remuneration Committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the proposal, all members' opinions and the response to members' opinion should be specified: No such circumstance.					

Note:

(1) If any member of Compensation Committee resigned before the end of the year, the date of resignation shall be specified in the remark column. The actual attendance rate (%) shall be calculated based on the number of meetings of Compensation Committee held, and number of his/her actual attendance, during the term of his/her service.

(2) If any member of Compensation Committee was reappointed before the end of the year, the new and old member shall be specified, and it shall be specified in remark column that such member is a new one or old one, or new election and reelection date shall be specified in remark column.

1. Composition: (all meet the requirements for obtaining professional qualification, independence qualification statement and relevant supporting documents)

Name	Major education	Major experience	professional qualification
Zhang Zhi-Ming	Bachelor of law, National Chung Hsing University Completion of the 23rd investigation class of the Ministry of Justice Investigation Bureau Lawyer for civil, criminal, and administrative proceedings Training Institute for Judges and Prosecutors 27th graduation (with training) Pass the lawyer examination	Dano Law Firm	Investigator of the Ministry of Justice Investigation Bureau Lawyer for civil, criminal and administrative proceedings
Cai Mu-Lin	Doctor of Business Administration, National Taipei University	Chairman of TawanTobacco & Liquor Corp	Taking University of Science and Technology (2006) Assistant Professor, Department of Logistics Management Assistant Professor, Institute of Economic and Trade Research Management
Cai Jia-Yu	Master in accounting department of Tamkang University	We Win CPAs Firm Certified Public Accountant Accton Technology CorporationFinance and Administration CenterProject manager	We Win CPAs Firm Certified Public Accountant

2. Responsibilities:

(1) Regularly review this procedure and put forward suggestions for amendment.

(2) Formulate and regularly review the policies, systems, standards and structures of the annual and long-term performance objectives and remuneration of the directors, supervisors, and managers of the company.

(3) Regularly evaluate the achievement of the performance objectives of the directors, supervisors, and managers of the company, and determine the content and amount of their individual remuneration.

When performing the functions and powers referred to in the preceding paragraph, the committee shall act in accordance with the following principles:

(1) Ensure that the company's remuneration arrangements comply with relevant laws and regulations and are sufficient to attract talents.

(2) The performance evaluation and remuneration of directors, supervisors and managers shall refer to the general level of the industry, and consider the time input by individuals, their responsibilities, the achievement of personal goals, performance in other positions,

the remuneration of the company for equivalent positions in recent years, and evaluate the reasonableness of the relationship between personal performance and the company's operating performance and future risks from the achievement of the company's short-term and long-term business objectives and the company's financial status.

(3) Directors and managers should not be guided to engage in behaviors that exceed the risk appetite of the company in pursuit of remuneration.

(4) The proportion of dividends to be paid for the short-term performance of directors and senior managers and the payment time of partial variable remuneration shall be determined by considering the industry characteristics and the nature of the company's business.

(5) Members of this committee shall not participate in the discussion or vote on their personal remuneration decisions.

3. Operation:

(1) 2011/12/14 the preparatory meeting for the first term Remuneration Committee:
Cai Mu-Lin was elected from among the members to serve as the convener and chair of this committee.

(2) 2011/12/14 the first meeting of the first term Remuneration Committee:
Reviewed the company's existing remuneration performance appraisal system.

(3) 2012/07/24 the second meeting of the first term Remuneration Committee:
Discussed the remuneration of directors and supervisors of the company in 2011.

(4) 2012/12/20 the third meeting of the first term Remuneration Committee:
Discussed the 2012 year-end bonus payment of the company's directors and supervisors

(5) 2013/07/13 the first meeting of the second term Remuneration Committee:
Cai Mu-Lin was elected from among the members to serve as the convener and chair of the second term Remuneration Committee.
The company passed the 2012 remuneration distribution plan for directors and supervisors.

(6) 2013/12/03 the second meeting of the second term Remuneration Committee:
The year-end bonus payment of the company's directors and supervisors in 2013 was approved.

(7) 2014/10/01 the third meeting of the second term Remuneration Committee:
Passed that the company's 2013 employee bonus and directors' and supervisors' remuneration were not paid.

(8) 2014/12/25 the fourth meeting of the second term Remuneration Committee:
Discussed the year-end bonus payment of the company's directors and supervisors in 2014; resolved to discuss at the next meeting; discussed the standard of salary scale of the company; resolved to discuss at the next meeting.

(9) 2015/01/26 the fifth meeting of the second term Remuneration Committee:
Passed that the year-end bonus of the company's directors, supervisors and general manager in 2014 was not paid.
Passed the company's standard of salary scale.

(10) 2015/07/22 the sixth meeting of the second term Remuneration Committee:

Passed the company's standard of salary scale.

(11) 2015/11/26 the seventh meeting of the second term Remuneration Committee:

Adopted an amendment to the articles of association relating to the earning distribution.

(12) 2016/01/19 the eighth meeting of the second term Remuneration Committee:

Passed that the company's 2015 year-end bonus for directors and supervisors was not granted.

(13) 2016/06/13 the first meeting of the third term Remuneration Committee:

Passed to elect the convener and chairman of the third term Remuneration Committee;

Passed the remuneration distribution plan for directors and supervisors in 2015;

Adopted the travel expenses, attendance fees and salaries of directors and supervisors, they are paid according to the level of the industry.

(14) 2017/01/05 the second meeting of the third term Remuneration Committee;

Adopted the year-end bonus payment of directors, supervisors, chairman and managers in 2016.

(15) 2017/06/13 the third meeting of the third term Remuneration Committee:

Passed that the remuneration of directors and supervisors of the company were not paid in 2016.

(16) 2017/09/05 the fourth meeting of the third term Remuneration Committee:

Passed the voluntary retirement case of general manager of the company.

Passed the remuneration of the chairman concurrently serving as the general manager.

(17) 2018/01/03 the fifth meeting of the third term Remuneration Committee:

Passed the remuneration proposal of the chairman of the company.

Passed the remuneration proposal of the general manager of the company.

Passed the 2019 annual bonus payment plan for directors, supervisors, chairman and managers.

(18) 2018/07/25 the sixth meeting of the third term Remuneration Committee:

The company's employee bonus distribution case was discussed, but the management decided to incorporate the small amount into the year-end distribution.

Discussed the payment of directors' and supervisors' remuneration.

(19) 2019/01/03 the seventh meeting of the third term Remuneration Committee:

Discussed the employee bonus payment case.

Discussed the year-end bonus payment of the company's directors, supervisors, chairman and managers in 2019.

(20) 2019/03/30 the 8th meeting of the 3rd term Remuneration Committee:

Discussed the proposal for the remuneration of directors, supervisors and employees in 2019.

(21) 2019/06/25 the first meeting of the fourth term Remuneration Committee

Case (1): proposal on the distribution of directors' and supervisors' remuneration and employees' remuneration in 2018.

Case (2): remuneration case of new vice chairman Li Zong-Xi.

(22) 2019/07/17 the seond meeting of the fourth term Remuneration Committee

Case (1): remuneration case of new vice chairman Li Zong-Xi

(23) 2019/12/24 the third meeting of the fourth term Remuneration Committee

Case (1): discussed the payment of year-end bonus of the company's directors, supervisors, chairman, vice chairman and managers in 2019.

(24)2020/03/17 the fourth meeting of the foruth term Remuneration Committee

Case (1): allocation proportion and payment method of directors' and supervisors' remuneration, employee remuneration in 2019.

(25) 2020/11/12 The fourth meeting of the fifth term Remuneration Committees

Case (1): year end bonus payment for directors, supervisors, chairman, vice chairman and general manager in 2020.

(26) 2020/12/02 The fourth meeting of the sixth term Remuneration Committees

Case (1): monthly remuneration case of newly appointed vice chairman He Jia-Jing.

(27) 2021/03/16 the seventh meeting of the fourth term Remuneration Committees

Case (1): the allocation proportion and distribution method of directors' and supervisors' remuneration and employees' remuneration in 2020.

(28) The eighth meeting of the fourth term Remuneration Committees

Case (1): discussed the 2021 year-end bonus of the company's directors, supervisors, and employees with directorship.

Case (2): discussed the amendment to the company's "measures for employee share subscription in cash capital increase".

Case (3): discussed the distribution of the number of shares that the company’s managers can subscribe to when it issues new shares for cash capital increase this year.

(29) 2022/03/17 The ninth meeting of the fourth term Remuneration Committee

Case (1): Discussed amendments to some provisions of the company's "employee bonus measures".

Case (2): Allocation proportion and distribution method of directors' and supervisors' remuneration and employees' remuneration in 2021.

(V) Implementation of promoting sustainable development and differences with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons:

Promoted items	Implementation (Note 1)			Differences and reasons between the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
I. Does the company establish a governance structure to promote sustainable development, and set up a full-time (part-time) unit to promote sustainable development, which is handled by the senior management authorized by the board of directors, and the supervision of the board of directors?		ˇ	1. Describe the governance structure of the company to promote sustainable development. 2. Describe the implementation of each organization of the company, including but not limited to: (1) Name, setting time and authorization of the board of directors of full-time (part-time) units promoting sustainable development. (2) The composition, operation and current year performance of the promotion unit (e.g., work plan and execution). (3) The frequency (at least once a year) with which the promotion unit reports to the board of directors or the date of the current year's report to the board of directors. 3. Describe the supervision of the board of directors on sustainable development, including but not limited to: management policy, strategy and objective formulation, review measures, etc.	No
II. Does the company conduct risk assessment on environmental, social and corporate governance issues related to the company's operation in accordance with the principle of materiality, and formulate relevant risk management policies or strategies? (Note 2)		ˇ	1. State the boundary of risk assessment (the scope of subsidiaries covered). In addition, the boundary of this risk assessment shall be the same as that of the subsequent environmental and social issues in this table. If there is any difference, the boundary shall be stated in each issue. 2. Describe the risk assessment criteria, process, results and risk management policies or strategies for identifying major issues related to environment, society	No

			and corporate governance.	
III. Environmental issues (I) Does the company establish an appropriate environmental management system according to its industrial characteristics?		ˇ	The company has established an appropriate environmental management system according to the industrial characteristics: 1. Oil and gas recovery equipment shall be set up, and oil and gas recovery and A//L ratio detection and declaration shall be made regularly every six months. 2. The setting of leak detection pipe, and the soil gas detection and declaration shall be carried out quarterly. 3. Clean the oil tank at least once every two years to ensure the stability of gas and oil in the oil tank. 4. Sewage discharge facilities and water quality inspection and declaration every six months.	No
(II) Is the company committed to improving energy efficiency and using recycled materials with low impact on environmental load?		ˇ	① Established oil and gas recovery system ② Recycling of car washing machine wastewater ③ Use energy-saving bulbs for station lighting ④ Fully implement e-Invoicing system ⑤ Some stations are equipped with solar power generation.	No
(III) Does the company evaluate the potential risks and opportunities of climate change to enterprises now and in the future, and take relevant countermeasures?		ˇ	The company has evaluated the potential risks and opportunities of climate change to the enterprise now and in the future, incorporated them into risk management, actively promoted energy conservation and carbon reduction, and set up solar green energy power generation equipment.	No
(IV) Does the company count the greenhouse gas emissions, water consumption and total weight of waste in the past two years, and formulate policies for greenhouse gas reduction, water reduction or other waste management?		ˇ	The company has formulated strategies for energy conservation, carbon reduction and greenhouse gas reduction: 1. Do not turn on the signboard lights and fuel island lights during the day, and reduce the lights of signboards, fuel islands and gas station houses under the principle of maintaining illumination and community safety. 2. Promote environmental protection in the office, turn off the lights at will, unplug the socket plug, the room temperature of the air-conditioning room shall not be	No

			too low, and the air-conditioning in the gas station room shall not be opened except at noon. 3. Use water saving devices to avoid waste of water resources. 4. Check the electrical equipment every half a year, not only to maintain the safety of the gas station, but also to ensure that the electricity resources will not be inadvertently wasted. 5. Electronic sign off and reduce the use of paper.	
IV. Social issues (I) Does the company formulate relevant management policies and procedures in accordance with relevant laws and regulations and International Bill of Human Rights?		ˇ	The company abides by relevant labor laws and regulations and respects the internationally recognized basic human rights principles, protects the legitimate rights and interests of employees and the employment policy of no differential treatment, and establishes appropriate management methods, procedures and practical situations: 1. "Personnel management measures" and "employee work rules" have bee stipulated. 2. Provide employees with complete education and training plan and good welfare system, such as annual employee health examination, marriage subsidy, childbirth subsidy etc.	No
(II) Does the company formulate and implement reasonable employee welfare measures (including remuneration, vacation and other benefits), and properly reflect the business performance or results in the employee remuneration?		ˇ	The company has established a reasonable remuneration policy and established a clear and effective reward and punishment system, but has not combined the employee performance appraisal system with the corporate social responsibility policy.	No
(III) Does the company provide a safe and healthy working environment for employees and regularly implement safety and health education for employees?		ˇ	In view of the importance of work environment and personal safety protection measures for employees, the company has established a "Labor Safety Office" and achieved remarkable results and control through the following measures	No

<table>
<tr><td></td><td></td><td></td><td>
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<tr><th>Target</th><th>programme</th><th>Implementation</th></tr>
<tr><td>Provide a safe and healthy working environment for employees</td><td>Assign or encourage employees to take the initiative to participate in training courses of "professional license of gas station supervisor", such as training courses for first-aid personnel and labor safety and health business supervisors.</td><td>It shall be implemented regularly every year and combined with the employee performance appraisal system to establish a clear and effective reward and punishment system.</td></tr>
<tr><td>Regularly implement safety and health education for employees</td><td>Regularly conduct fire safety inspection and public safety inspection of buildings.</td><td>It is implemented every six months to maintain the safety of the lives and property of employees and the community public.</td></tr>
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</td><td></td></tr>
<tr><td>(IV) Does the company establish an effective career competency development training plan for employees?</td><td></td><td>ˇ</td><td>Organize regular internal and external education and training according to job requirements to improve employees' self-ability.</td><td>No</td></tr>
</table>

(V) Does the company comply with relevant laws and regulations and international standards on issues such as customer health and safety, customer privacy, marketing and labeling of products and services, and formulate relevant policies and complaint procedures to protect the rights and interests of consumers or customers?		ˇ	The company provides transparent and effective consumer complaint procedures to safeguard the rights and interests of consumers for its products and services 1. There is a special customer service area on the company's website. In addition to appealing to each business site, the head office also has a dedicated customer complaint unit and personnel. 2. Apply for a metrological inspection at least every two years to ensure the correctness of the fuel gauge.	No
(VI).Does the company formulate supplier management policies to require suppliers to comply with relevant regulations and their implementation on environmental protection, occupational safety and health or labor human rights?		ˇ	The company is in the wholesale and retail gas station industry, and the largest supplier of our products is CPC Corporation, Taiwan. For 30 years, the company has been using the oil products of CPC, which is the leading supplier of oil products in Taiwan and has a good social image.	No
V. Does the company refer to the internationally accepted standards or guidelines for the preparation of reports to prepare sustainability reports and other reports that disclose the company's non-financial information? Has the disclosure report obtained the confirmation or assurance opinion of the third-party verification unit?		ˇ	The company provides transparent and effective consumer complaint procedures to safeguard the rights and interests of consumers for its products and services 1. There is a special customer service area on the company's website. In addition to appealing to each business site, the head office also has a dedicated customer complaint unit and personnel. 2. Apply for a metrological inspection at least every two years to ensure the correctness of the fuel gauge.	No
VI. If the company has its own sustainable development code in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please describe the differences between its operation and the established code: At present, there is no code of sustainable development yet				
VII. Other important information helpful to understand the implementation of promoting sustainable development: 1. Actively participate in the activities of mutual help in the neighborhood, such as: irregularly donating the corporate fuel ticket to the patrol team, Keelung station sponsoring Ghost Festival every year, and Zhengzhong station giving annual festival feedback to the residents every year, etc. 2. The employment of disabled people is praised by New Taipei City every year. 3. All gas stations are equipped with accessible toilets.				

4. A/L ratio detection of refueling gun 5. Set up oil and gas recovery system and regularly implement gas leakage detection and soil gas detection

Note 1: if "yes" is checked, please specify the adopted important policies, strategies, measures and implementation. For iImplementation status, if "no" is checked, please explain the differences and reasons in the field of "Differences and reasons between the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies ", and explain the plans to adopt relevant policies, strategies and measures in the future.

Note 2: the principle of materiality refers to issues related to environmental, social and corporate governance that have a significant impact on the company's investors and other stakeholders.

Note 3: for the disclosure method, please refer to the best practice reference example on the website of the Corporate Governance Center of the Taiwan Stock Exchange.

(IV) Differences and reasons between the company's performance of ethical corporate management and the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies

Evaluation items	Operation			Differences and reasons between the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary description	
I. Formulate ethical corporate management policies and plans				
(I) Whether the company has formulated an ethical corporate management policy approved by the board of directors, and clearly stated the policies and practices of ethical corporate management in the rules and external documents, as well as the commitment of the board of directors and senior management to actively implement the operation policy?	ˇ		The company has formulated an ethical corporate management policy approved by the board of directors, and clearly stated the policies and practices of ethical corporate management in the rules and external documents, as well as the commitment of the board of directors and senior management to actively implement the operation policy	No significant difference
(II). Does the company establish an evaluation mechanism for the risk of unethical conduct, regularly analyze and evaluate the business activities with high risk of unethical conduct within its business scope, and formulate a plan to prevent unethical conduct, which at least covers the preventive measures for the conducts in paragraph 2 of Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?	ˇ		The company establishes an evaluation mechanism for the risk of unethical conduct, regularly analyzes and evaluates the business activities within the scope of business that have a high risk of unethical conduct, and based on this, formulates a plan to prevent unethical conduct, which at least covers the preventive measures for the conducts under Article 7, paragraph 2, of Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.	No significant difference
(III) Does the company specify the operating procedures, conduct guidelines, punishment and appeal system for violations in the plan for preventing unethical conduct, implement it, and regularly review and amend the aforementioned	ˇ		The company's plan for preventing unethical conduct specifies the operating procedures, conduct guidelines, punishment and appeal systems for violations, and implements them, and regularly reviews and amends the preceding	No significant difference

Evaluation items	Operation			Differences and reasons between the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary description	
plan?			disclosure plan	
II. Implement ethical corporate management				
(I) Does the company evaluate the ethical record of the trading partner and specify the ethical conduct terms in the contract signed between the company and the trading partner?	ˇ		Before conducting business transactions, the company will consider the legitimacy of its agents, suppliers, customers, or other business transaction partners and whether they have records of unethical conduct, so as to avoid conducting transactions with those who have records of unethical conduct.	No significant difference
(II) Does the company set up a dedicated unit subordinate to the board of directors to promote ethical corporate management, and regularly (at least once a year) report to the board of directors on its ethical corporate management policy, plan to prevent unethical conduct and supervision and implementation?	ˇ		The company has set up a dedicated unit under the board of directors to promote ethical corporate management, and has not regularly reported its ethical corporate management policy and plan to prevent unethical conduct to the board of directors, as well as its supervision and implementation	No significant difference
(III) Does the company formulate policies to prevent conflicts of interest, provide appropriate presentation channels, and implement them?	ˇ		The company formulates policies to prevent conflicts of interest, provides appropriate presentation channels, implements the specified punishment and appeal system for violating the provisions on ethial corporate management, and promptly discloses the professional title, name, date of violation, content of violation and handling of violators on the company's internal website.	No significant difference

Evaluation items	Operation			Differences and reasons between the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary description	
(IV).Has the company established an effective accounting system and internal control system for the implementation of ethical corporate management, and the internal audit unit formulates the relevant audit plan according to the evaluation results of the risk of unethical conduct, so as to check the compliance of the plan to prevent unethical conduct, or appoint CPAs to carry out the audit?	ˇ		The company shall establish an effective accounting system and internal control system for business activities with high risk of unethical conduct, and shall not have internal accounts or keep secret accounts, and shall review at any time to ensure that the design and implementation of the system are continuously effective. The internal auditors shall regularly check the compliance with the system referred to in the preceding paragraph, and the CPAs shall also review the implementation of the company's internal control system every year.	No significant difference
(V) Does the company regularly hold internal and external education and training on ethical corporate management?	ˇ		The company regularly organizes internal and external education and training on ethical corporate management.	No significant difference
III. Operation of the company's whistleblower system				
(I) Does the company have a specific reporting and reward system, establish a convenient reporting channel, and assign appropriate special personnel to accept the reported object?	ˇ		The company formulates a specific whistleblowing and reward system, establishes a convenient whistleblowing channel, and assigns appropriate handling personnel to the reported objects	No significant difference
(II) Whether the company has established the standard operating procedures for the investigation of complaints, the follow-up measures to be taken after the investigation and the relevant confidentiality mechanism?	ˇ		The company has established a standard operating procedure for the investigation of whistleblowing matters, and shall take subsequent measures and relevant confidentiality mechanisms after the investigation is completed	No significant difference

Evaluation items	Operation			Differences and reasons between the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary description	
(III) Does the company take measures to protect the whistleblower from improper treatment due to reporting?	ˇ		It clearly stipulates the punishment and appeal system for violating the provisions on ethical corporate management, and promptly discloses the professional title, name, date of violation, content of violation, and handling of the violators on the company's internal website.	No significant difference
V. Strengthen information disclosure (I) Does the company disclose the content and promotion effectiveness of its code of ethical corporate management on its website and MOPS?	ˇ		Disclose the company's "ethical corporate management" on the company's website	No significant difference
V. If the company has its own code of ethical corporate management in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, please describe the differences between its operation and the code: The company has established its own code of ethical corporate management, and the operation is not different from the Principles.				
VI. Other important information helpful to understand the company's ethical corporate management: (such as the company's review and amendment of its code of ethical corporate management): none				

(VII) Where a company has formulated a code of corporate governance and related regulations, it shall disclose its inquiry methods:

The company has formulated the code of practice for corporate governance and published the articles of association, the rules of procedure of the board of directors and other information on the company's website at www.nspco com.tw.

(VIII) Other important information sufficient to enhance the understanding of the operation of corporate governance:

1. The company has formulated the "operating points for the management and control of preventing insider trading of North-Star International Co., Ltd." for the directors, supervisors, managers, and relevant parties applicable to preventing insider trading of the company to follow and notify their institutions at all levels by letter, so as to avoid improper leakage of the company's information and ensure the timeliness and correctness of information published to the public.

2. The company has formulated the "code of ethical conduct for employees" and the "code of ethical conduct for directors, supervisors and managers" in 2015.

3. The current directors' and supervisors' continuing education:

Title	Name	Date of appointment	Date of continuing education		Organizer	Course name	Hours	Whether the education meets the requirements (note)	Remarks
			Beginning	End					
Corporate director	Representative: Liao Shun-Qing	2017/12/06	2021/08/31	2021/08/31	Taipei Exchange	2021 online forum for sustainable upgrading of TPEx	2.0	Yes	-
			2021/09/01	2021/09/01	Financial Supervisory Commission	The 13th Taipei Corporate Governance Forum	3.0	Yes	
			2021/09/01	2021/09/01	Taipei Exchange	2021 online forum for sustainable upgrading of TPEx	2.0	Yes	
			2021/10/18	2021/10/18	Taipei Exchange	Advocacy and publicity meeting for insiders' equity of TPEx/emerging companies	3.0	Yes	
Corporate director	Representative: Li Zong-Xi	2019/06/18	2021/03/17	2021/03/17	Taiwan Corporate Governance Association	Practical issues of unconventional transactions that the directors and supervisors should pay attention to	3.0	Yes	
			2021/09/01	2021/09/01	Taipei Exchange	2021 online forum for sustainable upgrading of TPEx	2.0	Yes	
			2021/10/2	2021/10/2	Taiwan Corporate Governance Association	Corporate sustainable profit model and possible risks from the	3.0	Yes	

			2	2		perspective of financial reports			
Corporate director	Representative: Chen Ke-Pei	2019/06/18	2021/03/17	2021/03/17	Taiwan Corporate Governance Association	Practical issues of unconventional transactions that the directors and supervisors should pay attention to	3	Yes	
			2021/09/01	2021/09/01	Taipei Exchange	2021 online forum for sustainable upgrading of TPEx	2	Yes	

4. Statistics and expenditure of continuing education and training of employees:

Total expenditure	NT$236,467
Training content	Fire prevention manager training, storage system pollution monitoring personnel training, type C occupational safety and health training, first aid personnel training, organic solvent operation training, occupational safety and health training, oil and gas recovery training, continuous education of internal auditors, and continuous training of accounting supervisors

(IX) Implementation status of internal control system:

1. Internal control statement

North-Star International Co., Ltd.
Statement of internal control system

Date: March 17, 2022

Based on the results of self-evaluation, the company's internal control system in 2021 is hereby declared as follows:

I. The company confirms that it is the responsibility of the board of directors and managers of the company to establish, implement and maintain the internal control system, and the company has established this system. Its purpose is to provide reasonable assurance for the achievement of the objectives of operation effect and efficiency (including profit, performance and ensuring asset safety), reliability, timeliness and transparency of reporting, and compliance with relevant norms and relevant laws and regulations.

II. The internal control system has its inherent limitations. No matter how perfect the design is, an effective internal control system can only provide a reasonable guarantee for the achievement of the above three objectives. Moreover, due to the change of environment and situation, the effectiveness of internal control system may change accordingly. However, the company's internal control system has a self-monitoring mechanism. Once the deficiency is identified, the company will take corrective action.

III. The company judges the effectiveness of the design and implementation of the internal control system in accordance with the Regulations Governing Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the "Regulations"). The judgment items of the internal control system adopted in the "Regulations" are to divide the internal control system into five constituent elements according to the process of management control: 1. Control environment, 2. Risk assessment, 3. Control operation, 4. Information and communication, and 5. Supervise the operation. Each component includes several items. For the above items, please refer to the provisions of the "Regulations".

IV. The company has adopted the above internal control system judgment items to evaluate the effectiveness of the design and implementation of the internal control system.

V. Based on the evaluation results of the preceding paragraph, the company believes that the internal control system (including the supervision and management of subsidiaries) of the company on December 31, 2021, including the understanding of the effect of operation and the degree of achievement of efficiency objectives, the reliability, timeliness, transparency of reports, compliance with relevant norms and relevant laws and regulations, and the design and implementation of relevant internal control systems are effective, and it can reasonably ensure the achievement of the above objectives.

VI. This statement will be the main content of the company's annual report and prospectus and will be made public. If the contents disclosed above are false, concealed and there are other illegal matters, it will involve the legal liability under Articles 20, 32, 171 and 174 of the Securities and Exchange Act.

VII. This statement was approved by the board of directors of the company on March 17, 2022. Among the 13 directors present, 0 held objections, and the remaining agreed with the contents of this statement as stated.

North-Star International Co., Ltd.

Chairman: Zhong Jia-Cun signature and seal

General manager: Liao Shun-Qing signature and seal

2. CPAs project review report: none.

(X) For the most recent year and up to the printing date of the annual report, the company and its internal personnel have been punished according to law, and the company has punished its internal personnel for violating the provisions of the internal control system, major deficiencies and improvements: none.

(XI) Important resolutions of the shareholders' meeting and the board of directors in the most recent year and up to the printing date of the annual report:

1. 2021 shareholders' meeting
   (1) Time: 10:30 am, June 29, 2021
   (2) Important resolutions:

Item	Motion	Resolution	Implementation
1	The company's 2020 business report, financial statements and consolidated financial statements are submitted for recognition.	The total voting rights of the shareholders present at the time of voting were 118,879,056, and the number of votes in favor were 115,777,936 (including e-voting 634,203, accounting for 97.39% of the total voting rights, exceeding the legal amount. This proposal was passed by voting as proposed.	It has been announced and reported to the competent authority.
2	The company's 2020 profit distribution proposal is submitted for recognition.	The total voting rights of the shareholders present at the time of voting were 118,879,056, and the number of votes in favor were 115,777,936 (including e-voting 634,203, accounting for 97.39% of the total voting rights, exceeding the legal amount. This proposal	Handled.

		was passed by voting as proposed.	
3	Discussion of the amendment to the rules of procedure of the shareholders' meeting of the company	The total voting rights of the shareholders present at the time of voting were 118,879,056, and the voting rights in favor were 115,777,907 (including e-voting 634,174, accounting for 97.39% of the total voting rights, exceeding the legal amount. This proposal was passed by voting as proposed.	It has carried out in accordance with the amended rules of procedure for shareholders' meetings.
4	Discussion of the amendment to the "terms of reference for supervisors" of the company	The total voting rights of the shareholders present at the time of voting were 118,879,056, and the votes in favor were 115,777,901 (including e-voting 634,168, accounting for 97.39% of the total voting rights, exceeding the legal amount. This proposal was passed by voting as proposed.	It has been carried out in accordance with the revised "terms of reference of supervisors".
5	Discussion of the amendment to the company's "endorsement and guarantee procedures"	The total voting rights of the shareholders present at the time of voting were 118,879,056, and the votes in favor were 115,777,908 (including e-voting 634,175, accounting for 97.39% of the total voting rights, exceeding the legal amount. This proposal	It has been carried out in accordance with the revised endorsement and guarantee procedures.

		was passed by voting as proposed.	
6	Discussion of the company's proposal to lift the non-competition restriction on directors and their representatives.	At the time of voting, the total voting rights of shareholders present were 98,199,056, and the votes in favor were 95,083,639 (including e-voting 619,906, accounting for 96.82% of the total voting rights, exceeding the legal amount. This proposal was adopted by voting as proposed.	Handled.

2. Important resolutions of the board of directors

2021.02.19 The company plans to establish a "Special Committee on Mergers and Acquisitions" and formulate the "Organizational Rules of the Special Committee on Mergers and Acquisitions" and proposes to appoint a "Special Committee Member on Mergers and Acquisitions"

2021.03.16 The company's 2020 business report, financial statements and consolidated financial statements

Profit distribution plan of the company in 2020

Report on the distribution of employee remuneration and directors' and supervisors' remuneration of the company in 2020

The company's 2020 "assessment of the effectiveness of internal control system" and "statement of internal control system"

Discussion of the amendment to the rules of procedure of the shareholders' meeting of the company

Discussion of the amendment to the "terms of reference for supervisors" of the company

Discussion of the amendment to the company's "endorsement and guarantee procedures"

Discussion of the matters related to the company's 2021 shareholders' meeting

Discussion of matters related to the acceptance of shareholders' proposal rights at the shareholders' meeting

Proposal to lift the non-competition restriction of directors and their representatives of the company

Discussion of the company's reinvestment plan

Discussion of the commissioned construction of the company's Wenming section (changed to Guangming section) land construction project

Discussion of the cash capital increase of the company to the subsidiary Sanlu Development Co., Ltd. (hereinafter referred to as "Sanlu")

Discussion of the cash capital increase of the company to the subsidiary "Yankee Limited" (hereinafter referred to as "Yankee")

Discussion of the amendments to the company's "organizational chart" and "approval authority measures"

Discussion of the amendment to the "rules of procedure for board meetings" of the company

Discussion of the amendment to the "self-assessment or peer assessment measures of the board of directors" of the company

2021.05.05 The company's consolidated financial report for the first quarter of 2021 and the draft of the CPA review report

Proposal to set the benchmark date for capital increase by issuing new shares for the company's fifth domestic secured convertible corporate bonds

Discussion of the cash capital increase of the company to the subsidiary Sanlu Development Co., Ltd. (hereinafter referred to as "Sanlu")

Real estate leasing case of the company

The Company's lease of a gas station on the Minhung Interchange

Evaluation of the independence and competence of the CPAs employed by the company

Discussion of the amendment to the "rules on the scope of duties of independent directors" of the company

Discussion of amendments to the company's code of ethical conduct for

employees
Discussion of the amendment to the company's "operating regulations on financial business among affiliated enterprises"
Discussion of the amendment to the organizational rules of the company's remuneration committee
2021.07.08 Discussion of the company's proposal of "changing the date of holding the 2021 shareholders' meeting"
2021.08.05 Proposal to set the benchmark date for capital increase by issuing new shares for the company's fifth domestic secured convertible corporate bonds
Discussion of the ex-dividend base date and cash dividend payment date of the company
The company's lease of a gas station in Bian, Xindian District, New Taipei City
Discuss of the cash capital increase of the company to the subsidiary Sanlu Development Co., Ltd. (hereinafter referred to as "Sanlu")
Land lease case of the company's subsidiary Cathy Sunrise Electric Power One Co., Ltd. (hereinafter referred to as Cathy Sunrise)
In order to repay the loans of financial institutions, the company plans to handle the cash capital increase in 2021 and the sixth domestic unsecured convertible corporate bond financing case
Discussion of the credit case between the company and financial institutions
2021.11.10 The company's consolidated financial report for the third quarter of 2021 and the draft of the CPA's review report. This case sets the benchmark date for capital increase by issuing new shares for the company's fifth domestic secured convertible corporate bonds
Discussion of the company's 2022 operation plan
Discuss the company's 2022 audit plan
Year-end bonus payment for directors, supervisors, chairman and managers of the company in 2021
Discussion of the cash capital increase of the company to the subsidiary Sanlu Development Co., Ltd. (hereinafter referred to as "Sanlu ")
Discussion of the amendment to the company's "employee share subscription measures in cash capital increase"
Discussion of the allocation plan for the number of shares subscribed by the managers in the company's cash capital increase and issuance of new shares this year
Discussion of the credit case between the company and financial institutions The issuance price of new shares issued by the company for cash capital increase in 2021 and the benchmark date for capital increase
2022.03.17 The company's 2021 business report, financial statements and consolidated financial statements
Proposal to set the benchmark date for capital increase by issuing new shares of the company's domestic "fifth secured convertible corporate bonds"
Profit distribution of the company in 2021
Report on the distribution of employee remuneration and directors' and supervisors' remuneration of the company in 2021
The accounting policy of the company's inventory cost is changed to the weighted average method
Proposed capitalization of capital reserve with issuance of new shares

Discuss the amendment to the articles of association of the company
Discussion of amendments to some provisions of the company's "endorsement and guarantee procedures"
Discussion of amendments to some provisions of the rules of procedure of the shareholders' meeting of the company
Discussion of the amendment of some provisions of the company's "election measures for directors and supervisors" and change its name to "election measures for directors"
Discussion of amendments to some provisions of the company's measures for the handling of acquisition or disposal of assets
Discussion of amendments to some provisions of the company's code of ethical conduct for employees
Discussion of the amendment of some provisions of the company's "code of ethical conduct for directors, supervisors and managers" and rename it as "code of ethical conduct for directors and managers"
Discussion of the repeal of the company's "rules on the scope of supervisors' functions and powers"
The company plans to issue the first ordinary corporate bonds in 2022
Discussion of matters related to the company's 2022 shareholders' meeting
Discussion of matters related to the acceptance of shareholders' proposal rights at the shareholders' meeting
The period and venue for the company's 2022 shareholders' meeting to accept nominations for directors and independent director candidates from shareholders holding at least one percent of the company's total issued shares
The company's 2021 "assessment of the effectiveness of internal control system" and "statement of internal control system", formulated the company's "code of practice on corporate governance"
The company plans to set up the post of "chief corporate governance officer" Evaluation of the independence and competence of the CPAs employed by the company
Discussion of the cash capital increase of the company to its subsidiary, Sandi Energy Co., Ltd. (hereinafter referred to as "Sandi")
It is proposed to issue a letter of commitment and support for the syndication in which the company's subsidiary Cathy Sunrise Electric Power One Co., Ltd. negotiated with the syndication group with Bank SinoPac as the lead arranger and manager bank to borrow a principal of not more than NT$4.9 billion
Discussion of the change of the company's CPAs
Discussion of amendments to some provisions of the company's "employee bonus measures"
Discussion of the credit case between the company and financial institutions

2022.04.13 Proposed re-election of directors (including independent directors) of the company
Proposed lifting of the non-competition restrictions on new directors and their representatives of the company
The company plans to formulate the "organizational rules of the audit committee"
Discussion of the amendment to the organizational rules of the company's remuneraton committee

Discussion of the amendment to the "rules of procedure for board meetings" of the company
2022.05.11
The company's consolidated financial report for the first quarter of 2022 and the draft of the CPA review report. This case sets the benchmark date for the issuance of new shares and capital increase of the company's domestic "fifth secured convertible corporate bonds" and "sixth unsecured convertible corporate bonds"
The accounting policy of the company's inventory cost is changed to the moving average method
Discussion of the cash capital increase of the company to its subsidiary, Sandi Energy Co., Ltd. (hereinafter referred to as "Sandi")
Discussion of the credit case between the company and financial institutions

(XII) In the most recent fiscal year and up to the date of printing of the annual report, where the directors or supervisors have different opinions on the important resolutions adopted by the board of directors and have recorded or made a written statement, the main contents of the statement are: no different opinions.

(XIII) Summary of resignations and dismissals of the company's chairman, general manager, chief accounting officer, chief financial officer, chief internal audit officer and chief R&D officer in the most recent year and up to the date of printing of the annual report: None

V. Information on CPAs' fees

Unit: NT$1,000

Name of CPAs firm	Name of CPAs	CPA audit period	Audit fees	Non-audit fees	Total	Remarks
KPMG	Huang Yong-Hua Chen Guo-Zong	2021/01/01 ~ 2021/12/31	2,623	473	3,096	Direct deduction method:120 Review the annual report:60 Salary check:60 The review of 6th corporate bond issuance:180 Advance expense:53

Please specify the service contents of non-audit fee (e.g. tax certification, assurance or other financial advisory services)
Note: If the company changes its CPAs or accounting firm during the current year, it shall separately list the audit period, explain the reasons for the change in the remarks column, and disclose the audit

and non-audit fees paid in sequence. Non-audit companies shall also note their services.

(I) If the accounting firm is changed and the audit fee paid in the year of change is lower than that in the year before the change, the amount and reasons for the reduction of audit fee shall be disclosed: there is no such situation.

(II) When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 15 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) thereof shall be disclosed: there is no such situation.

VI. Information on replacement of CPAs: if the company has changed its CPAs in the last two years and the subsequent periods, it shall disclose the following matters: None

Change of CPAs:

(I) About former CPAs

<table>
<tr><td>Replacement date</td><td colspan="4">2022.03.1</td></tr>
<tr><td>Replacement reason and description</td><td colspan="4">Change of CPAs due to internal work adjustment of the firm</td></tr>
<tr><td rowspan="3">Indicate whether the appointment is terminated or not accepted by the appointor or CPAs</td><td colspan="2">Persons involved
Situation</td><td>CPAs</td><td>Appointer</td></tr>
<tr><td colspan="2">Voluntary termination of appointment</td><td colspan="2" rowspan="2">Not applicable</td></tr>
<tr><td colspan="2">No longer accept (continue) appointment</td></tr>
<tr><td>Opinions and reasons for issuing audit reports other than unqualified opinions within the latest two years</td><td colspan="4">None</td></tr>
<tr><td rowspan="2"></td><td rowspan="2">None</td><td></td><td colspan="2">Accounting principles or practices</td></tr>
<tr><td></td><td colspan="2">Disclosure of financial statements</td></tr>
</table>

Whether there is any disagreement with the issuer			Audit scope or steps
			Other
	None	V	
	Explanation		
Other disclosure matters (those that should be disclosed under items 1-4 to 1-7 of subparagraph 6 of Article 10 of these guidelines)	None		

(II) Regarding the successor accountant:

CPA firm	KPMG
Name of CPAs	Yu Sheng-He / Chen Guo-Zong
Date of appointment	2022.03.01
Matters and results of consultation on accounting treatment methods or accounting principles for specific transactions and possible issuance of financial reports prior to appointment	None
Written opinions of the succeeding CPAs on matters in which the former CPA disagreed	None

(III) The former CPAs' reply to items 1 and 2-3 of subparagraph 6 of Article 10 of these guidelines: not applicable.

VII. The chairman, general manager, and manager in charge of financial or accounting affairs of the company have not served in the CPAs firm or its affiliated enterprises within the most recent year.

VIII. Changes in equity transfer and equity pledge of directors, supervisors, managers, and shareholders with a shareholding ratio of more than 10% in the most recent year and up to the printing date of the annual report:

(I) Changes in equity of directors, supervisors, managers, and major shareholders

Title	Name	2021		As of April 25 of the current year	
		Increase (decrease) in number of shares held	Increase (decrease) in pledged shares	Increase (decrease) in number of shares held	Increase (decrease) in pledged shares
Chairman	Zhong Jia-Cun	0	0	0	0
Major shareholders	Kaohsiung Transportation Company Limited	0	0	0	0
Director	Representative: Zhong Xin-Bei	0	0	0	0
Director	Representative: Lu Jin-Fa	-24,480	0	-36,000	0
Director	Representative: Zhong Yu-Lin	0	0	0	0
Director	Representative: Li Zong-Xi	0	0	0	0
Director	Representative: Chen Ke-Pei	0	0	0	0
Director	Representative: Liao Shun-Qing	0	0	0	0
Director	Representative: Chen He-Qi	0	0	0	0
Director	Representative: Wang Yu-Jing	139,078	0	0	0
Director	Representative: He Jia-Jing	0	0	0	0
Independent director	Zhang Zhi-Ming	10,000	0	0	0
Independent director	Hou Shu-Hui	0	0	0	0
Independent director	Cai Jia-Yu	0	0	0	0
Supervisor	Xie An-Qi	96,221	0	0	0
Supervisor	Zeng Yi-Nan	0	0	0	0
General manager	Liao Shun-Qing	111,759	0	0	0
Finance and accounting supervisor	Han Jia-Xian	8,000	0	0	0

(II) Equity transfer information: the counterpart of equity transfer of directors, managers and major shareholders of the company is not a related party, so it is not applicable.

(III) Equity pledge information: the counterpart of the company's directors, managers and major shareholders' equity transfer is not a related party, so it is not applicable.

IX. Among the top 10 shareholders, information on anyone who is a related party or spouse, a relative within the second degree of kinship

Information on the relationship between the top ten shareholders and their respective shareholdings April 25, 2022

Name (Note 1)	Shares held by the person		Shares held by spouse and minor children		Total shares held in the name of others		Among ten largest shareholders, name and relationship with anyone who is a related party or a relative within the second degree of kinship (Note 3)		Remarks
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Title (or name)	Relationship	
Kaohsiung Transportation Company Limited Responsible person:Zhong Jia-Cun	43,409,000	17.53%	0	0.00%	0	0.00%	Zhong Jia-Cun	Responsible person	-
Zhong Jia-Cun	20,680,000	8.35%	0	0.00%	0	0.00%	Kaohsiung Transportation Company Limited	Responsible person	-
							Sandi Development Industrial Co., Ltd.	Responsible person	
							Kuai Kuai Co., Ltd.	Responsible person	
Shangfa Construction Co., Ltd. Responsible person:Xie Shun-Fa	20,542,000	8.29%	0	0.00%	0	0.00%	Xie Shun-Fa	Responsible person	
Dongzheng Investment Consultants Co., Ltd. Responsible person:Zhong Jia-Cun	18,862,170	7.62%	0	0.00%	0	0.00%	Zhong Jia-Cun	Responsible person	-
Sandi Development Industrial Co., Ltd. Responsible person:Zhong Jia-Cun	12,000,000	4.84%	0	0.00%	0	0.00%	Zhong Jia-Cun	Responsible person	
Formosa Oil (Asia Pacific) Corporation Responsible person:Cao Ming	11,551,607	4.66%	0	0.00%	0	0.00%	-	-	
Cai Tian-Zan	9,320,763	3.76%	0	0.00%	0	0.00%	-	-	
Xin'an Enterprise Co., Ltd Responsible person:Yang Li-Ying	8,182,000	3.30%	0	0.00%	0	0.00%	-	-	-

Kuai Kuai Co., Ltd.) Responsible person:Zhong Jia-Cun	7,893,368	3.19%	0	0.00%	0	0.00%	Zhong Jia-Cun	Responsible person	
Huang Ya-Yu	2,639,118	1.07%	0	0.00%	0	0.00%	-	-	

Note 1: the top ten shareholders shall be listed, and the names of corporate shareholders and representatives shall be listed respectively if they are corporate shareholders.
Note 2: the calculation of shareholding ratio refers to the calculation of shareholding ratio in one's own name, spouse, minor children or in the name of others.
Note 3: the shareholders listed above, including legal persons and natural persons, shall disclose their relationship in accordance with the issuer's financial reporting standards.

X. The number of shares held by the company, its directors, supervisors, managers and enterprises directly or indirectly controlled by the company in the same reinvested enterprise shall be combined to calculate the comprehensive shareholding ratio: Unit: share; %

Reinvestment business	Investment of the company		Investment of directors, supervisors, managers and enterprises directly or indirectly controlled		Comprehensive investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
Beiji International Development Co., Ltd.	14,700,000	49.00	0	0	14,700,000	49.00
Nstar Energy Corporation(	7,000,000	100.00	0	0	7,000,000	100.00
Zhonghua Prince Gas Station Co., Ltd	26,000,000	100.00	0	0	26,000,000	100.00
Sandi Energy Co., Ltd. (formerly: Sanlu Development Co., Ltd.)	75,925,000	100.00	0	0	75,925,000	100.00
Jin Shi Hu Hotel	2,550,000	51.00	0	0	2,550.000	51.00
Ying Guang Enterprise Co., Ltd	3,000,000	100.00	0	0	3,000,000	100.00
Yankee Limited	5,000,000	50.00	0	0	5,000,000	50.00
He Fong Energy Co., Ltd	17,340,000	51.00	0	0	17,340,000	51.00
Jiaxin Energy Co., Ltd	1,360,000	100.00	0	0	1,360,000	100.00
Yaogu Energy Co., Ltd	3,600,000	100.00	0	0	3,600,000	100.00
Sandi Monster Power Co., Ltd	100,000	100.00	0	0	100,000	100.00
Lvyou Energy Co., Ltd	7,100,000	100.00	0	0	7,100,000	100.00
Sanlu Energy Storage Co., Ltd	600,000	100.00	0	0	600,000	100.00
Cathy Sunrise Electric Power One Co., Ltd.	22,585,000	100.00	0	0	22,585,000	100.00
Tur Power Co., Ltd	100,000	100.00	0	0	100,000	100.00

Shengyang Engineering Co., Ltd	200,000	100.00	0	0	200,000	100.00

Note: it refers to the company's investment using the equity method.

Four. Fund raising

I. Capital and shares

(I) Source of capital

Unit: shares; April 25, 2022

Year Month	Issue price	Approved share capital		Paid in share capital		Remark		
		Number of shares	Amount	Number of shares	Amount	Source of capital	Using asset other than cash to substitute the share capital	Other
December 1996	10	65,000,000	650,000,000	53,971,580	539,715,800	Capitalization of retained earning NT$39,515,800	None	Note 1
August 1997	10	65,000,000	650,000,000	65,000,000	650,000,000	Capitalization of retained earning NT$41,558,110 Cash capital increase NT$ 68,726,090	None	Note 2
February 1999	10	76,000,000	760,000,000	70,200,000	702,000,000	Capitalization of retained earning NT$50,700,000 Capitalization of capital reserve NT$1,300,000	None	Note 3
December 1999	10	83,000,000	830,000,000	83,000,000	830,000,000	Capitalization of retained earning NT$28,290,600 Capitalization of capital reserve NT$12,425,400 Cash capital increase NT$87,284,000	None	Note 4
December 2000	10	95,400,000	954,000,000	86,154,000	861,540,000	Capitalization of retained earning NT$31,540,000	None	Note 5
July 2001	3	86,154,000	861,540,000	86,154,000	861,540,000	—	None	Note 6
July 2005	10	88,738,620	887,386,200	88,738,620	887,386,200	Capitalization of retained earning NT$17,230,800 Capitalization of capital reserve NT$8,615,400	None	Note 7
July 2008	10	200,000,000	2,000,000,000	90,957,085	909,570,850	Capitalization of retained earning NT$22,184,650	None	Note 8
January, 2010	10	200,000,000	2,000,000,000	100,932,044	1,009,320,440	Issuance of new shares for conversion of secured convertible corporate bonds	None	Note 9
April, 2010	10	200,000,000	2,000,000,000	104,748,665	1,047,486,650		None	
August, 2010	10	200,000,000	2,000,000,000	105,806,991	1,058,069,910		None	
September, 2010	10	200,000,000	2,000,000,000	109,455,918	1,084,559,180	Capitalization of retained earning NT$26,489,270	None	Note 10
October 2010	10	200,000,000	2,000,000,000	109,609,011	1,086,090,110	Issuance of new	None	Note 9

February, 2011	10	200,000,000	2,000,000,000	110,226,931	1,102,269,310	shares for conversion of	None	Note 11
October 2011	10	200,000,000	2,000,000,000	112,982,604	1,129,826,040	Capitalization of capital reserve NT$27,556,730	None	Note 12
May, 2012	10	200,000,000	2,000,000,000	113,078,389	1,130,783,890	Issuance of new shares for conversion of secured convertible	None	
August, 2012	10	200,000,000	2,000,000,000	117,258,745	1,172,587,450	Capitalization of retained earning NT$41,803,560	None	Note 13
October 2013	10	200,000,000	2,000,000,000	119,486,661	1,194,866,610	Capitalization of capital reserve NT$22,279,160	None	Note 14
May 2014	10	200,000,000	2,000,000,000	114,560,661	1,145,606,610	Repurchase of treasury stock NT$49,260,000	None	
September 2014	10	200,000,000	2,000,000,000	117,140,066	1,171,400,660	Issuance of new shares for conversion of secured convertible corporate bonds	None	Note 15
December 2014	10	200,000,000	2,000,000,000	131,833,166	1,318,331,660	Issuance of new shares for conversion of secured convertible corporate bonds	None	Note 15
July 2015	10	200,000,000	2,000,000,000	161,833,166	1,618,331,660	Private placement	None	Note 16
January 2016	10	200,000,000	2,000,000,000	191,833,166	1,918,331,660	Private placement	None	Note 17
May 2021	10	300,000,000	3,000,000,000	197,966,242	1,979,662,420	Issuance of new shares for conversion of	None	Note 18
August 2021	10	300,000,000	3,000,000,000	205,078,402	2,050,784,020	Issuance of new shares for conversion of	None	Note 18
November 2021	10	300,000,000	3,000,000,000	206,237,765	2,062,377,650	Issuance of new shares for conversion of	None	Note 18
January 2022	10	300,000,000	3,000,000,000	246,237,765	2,462,377,650	Cash capital increase NT$ 400,000,000	None	Note 19
April 2022	10	300,000,000	3,000,000,000	246,604,251	2,466,042,510	Issuance of new shares for conversion of secured convertible corporate bonds	None	Note 18

Note 1: Approved by the Securities & Futures Institute (85) TCZ (I) No. 72768 on December 13, 1996.
Note 2: Approved by the Securities & Futures Institute (86) TCZ (I) No. 50653 on June 25, 1997
Note 3: Approved by the Securities & Futures Institute (87) TCZ (I) No. 107418 on December 29, 1998.
Note 4: Approved by the Securities & Futures Institute (88) TCZ (I) No. 87440 and 87441 on October 5, 1999.
Note 5: Approved by the Securities & Futures Institute (89) TCZ (I) No. 89286 on October 31, 2000.
Note 6: Approved by the Ministry of Economic Affairs (90) SZ No. 09001244630 on July 3, 2001.
Note 7: Approved by the Financial Supervisory Commission of the Executive Yuan JGZYZ No. 0940128292 on July 13, 2005.
Note 8: Approved by the Financial Supervisory Commission of the Executive Yuan JGZYZ No. 0970032604 on July 9, 2008.

Note 9: Approved by the Financial Supervisory Commission of the Executive Yuan JGZFZ No. 0980051359 on October 8, 2009.
Note 10: Approved by the Financial Supervisory Commission of the Executive Yuan JGZFZ No. 0990036810 on July 15, 2010.
Note 11: Approved by the Financial Supervisory Commission of the Executive Yuan JGZFZ No. 0990044948 on September 1, 2010.
Note 12: Approved by the Financial Supervisory Commission of the Executive Yuan JGZFZ No. 1000035484 on July 29, 2011.
Note 13: Approved by the Financial Supervisory Commission of the Executive Yuan JGZFZ No. 1010028833 on June 29th, 2012.
Note 14: Approved by the Financial Supervisory Commission of the Executive Yuan JGZFZ No. 1020029793 on July 31, 2013.
Note 15: Approved by the Financial Supervisory Commission of the Executive Yuan JGZFZ No. 1010056357 on December 17, 2012.
Note 16: Approved by the Financial Supervisory Commission of the Executive Yuan JGZFZ No. 10401147240 on July 23, 2015.
Note 17: Approved by the Financial Supervisory Commission of the Executive Yuan JGZFZ No. 10501000770 on January 8, 2016.
Note 18: Approved by the Financial Supervisory Commission of the Executive Yuan JGZFZ No. 1090370778 on November 11, 2020.
Note 19: Approved by the Financial Supervisory Commission of the Executive Yuan JGZFZ No. 11003599331 on October 19, 2021,

Class of shares	Approved share capital			Remarks
	Outstanding shares	Unissued shares	Total	
Registered common shares	247,687,273	53,395,749	300,000,000	TPEx-listed stocks, including 60 million privately placed shares

Information about the general reporting system: N/A

(II) Shareholder structure

April 25, 2022

Shareholder structure / Quantity	Government agency	Financial institution	Other legal entities	Individual	Foreign institutions and foreigners	Total
Number of shareholders	0	5	147	15,048	20	15,220
Number of shares held	0	425,826	104,353,216	142,426,417	481,814	247,687,273
Shareholding ratio	0	0.17%	42.13%	57.51%	0.19%	100%

(III) Equity dispersion

April 25, 2022

Shareholding classification	Number of shareholders	Number of shares held	Shareholding ratio
1 ~ 999	12,230	173,099	0.07%
1,000 ~ 5,000	1,990	3,930,404	1.59%
5,001 ~ 10,000	323	2,486,303	1.00%
10,001 ~ 15,000	144	1,842,375	0.74%
15,001 ~ 20,000	91	1,662,182	0.67%
20,001 ~ 30,000	99	2,449,315	0.99%
30,001 ~ 40,000	51	1,809,317	0.73%
40,001 ~ 50,000	39	1,824,078	0.74%
50,001 ~ 100,000	90	6,532,073	2.64%
100,001 ~ 200,000	57	7,830,096	3.16%
200,001 ~ 400,000	42	12,099,400	4.88%
400,001 ~ 600,000	16	7,951,962	3.21%
600,001 ~ 800,000	9	6,110,692	2.47%
800,001 ~ 1,000,000	12	10,634,155	4.29%
1,000,001 or more	27	180,351,822	72.82%
Total	15,220	247,687,273	100%

Preferred stock

April 25, 2022

Shareholding classification	Number of shareholders	Number of shares held	Shareholding ratio
Self-grading according to actual situation	0	0	0
Total	0	0	0

(IV) List of major shareholders:

Name, shareholding amount and proportion of shareholders with shareholding ratio of more than 5% or top 10 shareholders in terms of shareholding ratio

April 25, 2022

Shares / Name of major shareholders	Number of shares held	Shareholding ratio (%)
Kaohsiung Transportation Company Limited	43,409,000	17.53%
Zhong Jia-Cun	20,680,000	8.35%
Shangfa Construction Co., Ltd	20,542,000	8.29%
Dongzheng Investment Consulting Co., Ltd	18,862,170	7.62%
Sandi Development Industrial Co., Ltd.	12,000,000	4.84%
Formosa Oil (Asia Pacific) Corporation	11,551,607	4.66%

Ye Tian-Zan	9,320,763	3.76%
Xin'an Enterprise Co., Ltd	8,182,000	3.30%
Kuai Kuai Co., Ltd.	7,893,368	3.19%
Huang Ya-Yu	2,639,118	1.07%
Total of the top 10 shareholders	155,080,026	62.61%

(V) Price, net worth, earnings, dividends per share and related information for the last two years

Unit: NT$ / 1,000 shares

Item \ Year			2020	2021	As of March 31, 2022 (Note 8)
Market price per share (Note 1)	Highest		20.40	44.55	36.60
	Lowest		13.60	17.30	31.25
	Average		17.26	34.35	33.46
Net worth per share (Note 2)	Before distribution		12.41	14.65	
	After distribution		11.91	Unpaid	Unpaid
Earnings per share	Weighted average number of shares		191,833	201,914	—
	EPS (Note 3)	Before retroactive adjustment	0.63	0.69	Unpaid
		Before retroactive adjustment	0.54	Unpaid	—
Dividend per share	Cash dividends		0.50	Unpaid	—
	Stock dividend	Stock dividend from retained earnings	—		—
		Stock dividend from capital reserve	—		—
	Accumulated unpaid dividends (Note 4)		—		—
Return on investment analysis	PE ratio (Note 5)		28.77	35.96	NA
	Price-to-dividend ratio (Note 6)		34.52	Unpaid	—
	Cash dividend yield (%) (Note 7)		2.90%	Unpaid	—

* In the event of a share distribution from capitalization of retained earning or capital reserve, the market price and cash dividend information shall be disclosed retroactively adjusted according to the number of shares issued.

Note 1: the highest and lowest market prices of common shares in each year are listed, and the average market price of each year is calculated according to the transaction value and volume of each year.

Note 2: please take the number of shares issued at the end of the year as the basis and fill in the distribution according to the resolution of the board of directors or the next annual shareholders' meeting.

Note 3: in case of retroactive adjustment due to the distribution of share dividends, the earnings per share before and after adjustment shall be listed.

Note 4: if the conditions for the issuance of equity securities stipulate that the dividends not paid in the current year may be accumulated until the year in which there is a profit, the accumulated and unpaid dividends as of the current year shall be disclosed respectively.

Note 5: P/E ratio = average closing price per share/earnings per share in the current year.

Note 6: Price-to-dividend ratio = average closing price per share for the year/cash dividend per share.

Note 7: Cash dividend yield = cash dividend per share / average closing price per share for the year.

Note 8: the net worth per share and earnings per share shall be filled in the data audited (reviewed) by the CPAs for the most recent quarter up to the date of printing of the annual report; the remaining fields shall be filled with the data of the current year as of the printing date of the annual report.

(VI) Company dividend policy and implementation status

1. Dividend policy

If the company has profits in the year, it shall allocate not less than 1% as its employees' remuneration, which shall be distributed in shares or cash by resolution of the board of directors. The distribution objects may include employees of subordinate companies who meet certain conditions. The company may, by resolution of the board of directors, allocate no more than 3% of the above profit to the directors and supervisors. The distribution of employee remuneration and directors' and supervisors' remuneration shall be reported to the shareholders' meeting.

However, if the company still has accumulated losses, it shall reserve the amount to be made up in advance, and then allocate the remuneration of employees and the remuneration of directors and supervisors in accordance with the proportion in the preceding paragraph.

If there is any surplus in the annual final accounts, the tax shall be paid first and the previous losses should be made up, and then 10% shall be set aside as the statutory surplus reserve. However, when the statutory surplus reserve has reached the amount of the company's paid in capital, it may no longer be listed, and a special surplus reserve shall be set aside according to the company's operational needs and laws and regulations. If there is still any balance, together with the accumulated undistributed profits, the board of directors shall prepare a profit distribution proposal and submit it to the shareholders' meeting for a resolution to distribute dividends to shareholders.

The dividend policy of the company is to allocate not less than 50% of the available earnings for distribution each year to distribute shareholders' dividends in accordance with the current and future development plans, considering the investment environment, capital demand and domestic and international competition, while taking into account the interests of shareholders. When distributing shareholders' dividends, it can be paid in cash or stock, of which the cash dividend is not less than 20% of the total dividend.

2. Proposed dividend distribution at the shareholders' meeting

The 2021 profit distribution plan of the company was adopted by the board of directors on March 17, 2022. It is proposed to distribute NT$6,894,975 of remuneration to employees, directors and supervisors and NT$0.6 of dividend per share in this year, but it has not been approved by the shareholders' meeting.

(VII) The impact of the stock dividend proposed at the shareholders' meeting on the company's operating performance and earnings per share: not applicable

(VIII) Remuneration of employees, directors and supervisors:

1. The percentage or range of remuneration for employees, directors and supervisors as stated in the articles of association:
   (1) The employee bonus shall not be less than 1%.
   (2) The remuneration of directors and supervisors shall not exceed 3%.
2. The basis for the valuation of the remuneration of employees, directors and supervisors, the basis for the calculation of the number of shares allotted as dividends, and the accounting treatment of the actual amount allotted in the current period if there is any difference between the amount assessed and the amount:

   The company's employee bonus and directors' and supervisors' remuneration after January 1, 2008 (inclusive) are estimated in accordance with the Accounting Research and Development Foundation's (96) Ji-Mi-Zi No. 052 explanatory letter, and are listed as appropriate accounting items under operating costs or operating expenses according to the nature of employee bonus and directors' and supervisors' remuneration.
3. The distribution of remuneration approved by the board of directors and other information:
   (1) Amount of employee remuneration and directors' and supervisors' remuneration distributed in cash or shares:

   The company's profit distribution plan for 2021 has been adopted by the board of directors on March 17, 2022. It is proposed to allocate NT$6,894,975 to employees, directors and supervisors (NT$1,730,042 to employees and NT$5,164,933 to directors and supervisors) in this year.
   (2) The amount of employee remuneration distributed by shares and its proportion to the total amount of net income after tax and employee remuneration in the parent only or individual financial reports of the current period: not applicable.
4. The actual allotment of the remuneration of employees, directors and supervisors in the previous year (including the number of shares allotted, the amount and the share price), and the difference between the remuneration of employees, directors and supervisors and the recognized remuneration of employees, directors and supervisors, shall also state the difference, the reasons and the treatment:

In 2020, NT$6,164,880 (NT$1,541,220 for employees and NT$4,623,660 for directors and supervisors) were allotted to employees, directors and supervisors. The actual remuneration allocated to employees, directors and supervisors was NT$6,164,880 (NT$1,541,220 for employees and NT$4,623,660 for directors and supervisors), with no difference.

(IX) The company bought back its shares: none.

II. Handling of Corporate bonds:

1. Report on the implementation of the fifth and sixth domestic secured convertible corporate bonds

Types of corporate bonds	The fifth domestic secured convertible corporate bond	The sixth domestic unsecured convertible corporate bond
Issue (processing) date	December 23, 2020	December 10, 2021
Face value	NT$100,000	NT$100,000
Place of issue and transaction (Note 3)	Republic of China	Republic of China NT $100
Issue price	NT$102	NT$100
Total	NT$600 million only	NT$300 million only
Interest rate	Annual interest rate 0%	Annual interest rate 0%
Term	5-year maturity date: December 23, 2025	3-year maturity date: December 10, 2024
Guarantee Agency	Taiwan Cooperative Bank	Taiwan Cooperative Bank
Trustee	JihSun International Commercial Bank Co., Ltd.	Bank SinoPac Co., Ltd.
Underwriting institution	Taiwan Cooperative Securities	Taiwan Cooperative Bank
Certified lawyer	Far Eastern Law Office Lawyer Qiu Ya-Wen	Far Eastern Law Office Lawyer Qiu Ya-Wen
Certified public accountant	KPMG CPAs Huang Yong-Hua, Chen Guo-Zong	KPMG CPAs Huang Yong-Hua, Chen Guo-Zong
Repayment method	Except for conversion into common shares of the company in accordance with Article 10 of the conversion regulations, or early redemption by the company in accordance with Article 18 of the conversion regulations, or exercise of the call back right in accordance with Article 19 of the conversion regulations, or repurchase and cancellation by the company from the business premises	Except for conversion into common stock of the company in accordance with Article 10 of the conversion regulations, or early redemption by the company in accordance with Article 18 of the conversion regulations, or exercise of the call back right in accordance with Article 19 of the conversion regulations, or repurchase and cancellation by the company from

		of securities firms, the company will repay the convertible bonds held by the bondholders in a lump sum in cash at the maturity of the convertible bond at the face value of the bonds	the business premises of securities firms, the company shall repay the convertible corporate bonds held by the bondholders in a lump sum in cash at 100.7519% of the face value of the bonds (with a real yield of 0.25%) within seven business days from the day following the maturity of the convertible corporate bonds.
Outstanding principal		NT$315,200,000	NT$296,600,000
Terms of redemption or prepayment		See article 18 of the issuance and conversion measures for details	See article 18 of the issuance and conversion measures for details
Restrictions (Note 4)		None	None
Name of credit rating agency, rating date, corporate bond rating results		Not applicable	Not applicable
Additional rights	Amount of converted (exchanged or subscribed) common shares, overseas depositary receipts or other securities as of the printing date of the annual report	15,754,199 common shares have been converted (as of April 25, 2022, the book closure date)	99,908 common shares have been converted (as of April 25, 2022, the book closure date)
	Measures for issuance and conversion (exchange or subscription)	See page 105 of the company's domestic fifth secured convertible corporate bond prospectus	See page 125 of the company's sixth domestic unsecured convertible corporate bond prospectus
Issuance and conversion, exchange or share subscription methods, possible dilution of equity by issuance conditions and impact on existing shareholders' equity		The company issued the fifth domestic secured convertible corporate bonds of NT$600,000.000. At present, the outstanding principal is NT$315,200,000, and the conversion price is NT$17.19. At present, it can be converted into 18,336,242 common shares of the company. Based on the current issued and outstanding shares of 247,687,273 shares plus the estimated number of convertible shares, the dilution ratio is 6.89%, and the dilution degree is limited. Moreover, the holders of convertible bonds are usually gradually converted into common shares, and the dilution of equity is not immediate. The issuance of convertible bonds on the capital stock does not have a significant impact on shareholders' equity.	The company issued the sixth domestic unsecured convertible corporate bonds of NT$300,000,000. Currently, the outstanding principal is NT$296,600,000, and the conversion price is NT$34.03. At present, it can be converted into 8,715,839 common shares of the company. Based on the number of shares currently issued and outstanding of the company plus the estimated number of convertible shares, the dilution ratio is 3.27%, and the dilution degree is limited. Moreover, the holders of convertible bonds are usually gradually converted into common shares, and the dilution of equity is not immediate. The issuance of convertible bonds on the capital stock does not have a significant impact on shareholders' equity.
Name of appointed custodian institution of exchange object		None	None

2. The report on the implementation of the first domestic ordinary corporate bonds in 2022

I. In order to repay loans from financial institutions, invest in subsidiaries and enrich working capital, the company plans to issue ordinary corporate bonds with a total face value of NT$3.8 billion as the upper limit. The main conditions for issuance are as follows:

1. Name of Bond: the ordinary corporate bond of North Star International Co., Ltd.
2. Total amount of issuance: the total face value of issuance shall be limited to NT$3.8 billion, and the chairman may be authorized to conduct one or more issues within one year depending on market conditions.
3. Face value: NT$1million, issued in full face value.
4. Issuance period: no more than five years. The chairman is authorized to decide.
5. Coupon rate: the fixed interest rate shall be adopted for issuance, which shall be determined according to the market conditions at the time of pricing, and the chairman shall be authorized to decide.
6. Interest payment method: the interest shall be paid once a year according to the outstanding balance at the coupon rate.
7. Method of repayment of principal: the principal of the corporate bonds shall be repaid once due.
8. Guarantee bank: authorize the chairman to decide.
9. Underwriting method: appoint a securities firm to conduct public underwriting by means of negotiated sales.

II. In case of any change in the above-mentioned issuance conditions, together with other issuance matters, the selection of relevant institutions, and one-time or split issuance, the chairman is authorized to make a decision according to the market conditions. In accordance with Article 8 of the Securities and Exchange Act, the issuance of ordinary corporate bonds may not print physical bonds, and after it has been submitted to the competent authority for effective registration, it shall apply to Taipei Exchange for TPEx trading.

III. In order to cooperate with the issuance of ordinary corporate bonds of the company, it is proposed to authorize the chairman to sign all contracts and documents necessary for the issuance of the aforesaid corporate bonds on behalf of the company, and to handle all relevant issuance matters on behalf of the company.

IV. If there are any matters not covered in this offering, it is proposed to authorize the chairman to handle them with full power.

V. This case was approved by the 20th meeting of the 11th term board of directors of the company on March 17, 2022.

Data of convertible corporate bond

Types of corporate bonds		The fifth domestic secured convertible corporate bond			The sixth domestic unsecured convertible corporate bond	
Item / Year		2020	2021	As of April 25, 2022	2021	As of April 25, 2022
Market price of the convertiable corporate bond	Highest	125.55	228.00	230.00	102.35	117.50
	Lowest	112.20	120.50	190.00	98.20	101.80
	Average	118.93	167.89	207.03	99.99	105.82
Conversion price		18.18	17.19	17.19	34.03	34.03
Issuance (processing) date and conversion price at the time of issuance		Issued on December 23, 2020 / NT$102.00			Issued on December 10, 2021 / NT$100.00	
Method of performing conversion obligation		Delivery by issuing new shares			Delivery by issuing new shares	

III. Handling of preferred shares: none.

IV. Handling of overseas depositary receipts: none.

V. Handling of employee stock option certificates: none.

VI. Handling of new shares with restricted employee rights: None

VII. Merger or acquisition of shares of other companies and issuance of new shares: none.

VIII. Implementation of fund utilization plan: none.

Five. Operation overview

I. Business content

(I) Business scope

1. Main contents of the company's business

(1) CA02010 Metal structure and building component manufacturing.
(2) 101060 Renewable energy self-use power generation equipment industry.
(3) E502010 Fuel pipe installation engineering.
(4) E599010 Piping engineering.
(5) E601020 Electrical installation industry.
(6) E603010 Cable installation engineering.
(7) E603040 Fire safety equipment installation engineering.
(8) E603100 Electric welding engineering industry.
(9) E603110 Cold work engineering.
(10) E603120 Sand blasting engineering.
(11) E603130 Gas water heater installation industry.
(12) E604010 Mechanical installation industry.
(13) E903010 Anti-corrosion and anti-rust engineering industry.
(14) EZ02010 Hoisting engineering industry.
(15) EZ03010 Furnace installation industry.
(16) EZ07010 Drilling engineering industry.
(17) EZ09010 Electrostatic protection and elimination engineering.
(18) EZ15010 Thermal insulation and cold insulation installation engineering.
(19) EZ99990 Other engineering industries.
(20) F112010 Gasoline and diesel wholesale.
(21) F112040 Petroleum products wholesale.
(22) F113030 Precision instrument wholesale
(23) F113100 Wholesale of pollution control equipment
(24) F114030 Wholesale of automobile and motorcycle parts.
(25) F203010 Food and beverage retail.
(26) F203020 Tobacco and alcohol retailing.
(27) F206020 Retail of daily necessities.
(28) F212011 Gas station industry.
(29) F212050 Retail of petroleum products.
(30) F212061 Gas station industry.
(31) F213040 Precision instrument retail
(32) F213100 Retail of pollution control equipment
(33) F214010 Automobile retailing.
(34) F214030 Retail of automobile and motorcycle parts.
(35) F399010 Convenience store industry.
(36) F401010 International Trade
(37) F501030 Beverage store industry.
(38) F501070 Restaurant industry.
(39) G202010 Parking lot operation.
(40) H701010 Rental and sale of residential and building development.
(41) H701020 Industrial plant development, lease and sale.
(42) H701040 Development industry in specific specialized areas.
(43) H701050 Investment in public construction.

(44) H701090 Urban renewal and reconstruction.
(45) H703090 Real estate business.
(46) H703100 Real estate leasing.
(47) H703110 Housing for the elderly.
(48) I103060 Management consulting industry.
(49) I199990 Other consulting services
(50) IG03010 Energy technology service industry
(51) J101050 Environmental testing service industry
(52) J101090 Waste disposal industry
(53) J101990 Other environmental sanitation and pollution prevention services
(54) J701020 Amusement park industry.
(55) J801030 Sports and leisure venues industry.
(56) JA01010 Automobile repair industry.
(57) JA01040 Liquefied petroleum car modification industry.
(58) JA01990 Other automotive services.
(59) JE01010 Leasing industry.
(60) I301010 Information software service industry.
(61) I301020 Data processing services.
(62) I301030 Electronic information supply service industry.
(63) F399040 Retail without storefront.
(64) ZZ99999 Except for the permitted business, it may engage in business not prohibited or restricted by laws and regulations.

2. Current goods and services of the company and their business proportion

⑴ Current goods and services of the company

A. It mainly sells high-grade diesel, unleaded gasoline and motor oil

B. Service Items:

Provide car cleaning, washing and waxing services

Provide various services according to the business content of the company's license

⑵ The operating proportion is as follows:

Unit: NT$1,000;%

Year / Product type	Operating income in 2021	
	Amount	Ratio (%)
98 unleaded gasoline	332,218	6.01
95 unleaded gasoline	3,153,746	57.02
92 unleaded gasoline	685,651	12.40
Premium diesel	1,179,853	21.32
Other	179,564	3.25
Total	5,531,032	100.00

3. Planned new products and services

The company will evaluate the land asset development business and diversified operation to enhance the added value of the company's business station.

(II) Industry Overview:

1. Current situation and development of the industry:

The company mainly operates gas stations. In recent years, due to the impact of the external competitive environment and the overall operating environment, peers' price cuts, promotional activities, difficulties in obtaining new operating sites and the rise and fall of international oil prices, the gross margin has gradually declined, and the domestic people have higher and higher requirements for environmental protection. The competent authorities have gradually tightened the regulations of gas stations. On the whole, the environment for operating gas stations is difficult. However, with the efforts of all colleagues, the company has made great progress in all aspects and achieved good results.

2. Relevance of upstream, midstream and downstream industries:

Upstream	midstream	downstream
Gasoline and diesel manufacturing suppliers	gas station	Transportation industry and general consumers

(1) Supplier:

In terms of suppliers in the domestic oil market, the CPC Corporation, Taiwan (CPC) and Formosa Petrochemical Corporation (FPCC) remain as the two major oil companies. Although FPCC has joined the domestic gasoline and diesel market, CPC still maintains a market share of more than 78%.

Under the guidance of the policies of the Ministry of Economic Affairs, CPC is currently using the "floating oil price adjustment" mechanism with reference to the international oil prices of Dubai and Brent. Under the structure of the domestic oligopoly market, CPC announces the adjustment range of oil prices, while FPCC maintains roughly the same rise and fall range with the adjustment of CPC.

(2) Distributors:

With the low profit of oil products, the business environment of gas station operators is difficult. As of March 2021, the number of gas stations in the whole island has increased to 2,495. It can be seen that the market competition is fierce, the weaker are eliminated and the stronger are retained. It can also be seen that new competitors have been deterred by the upsurge of land and labor before they join the market.

(3) Countermeasures:

As a result of the fierce competition in the gas stations, all group operators have shifted their focus to operating members, and cooperated with the weekly price cut promotion and member points feedback, hoping to consolidate the basic customer source and strengthen customer loyalty with the meager oil profits. In addition, they provided diversified services to consumers, and cooperated with the marketing methods of boutique sales, refueling and car washing, member gift exchange, etc., so as to increase other income besides oil sales.

3. Future development trend and external competitive environment of gas stations

In the future, the market will develop in the direction of the big getting bigger, so industry integration will occur one after another; secondly, gas stations provide differentiated services to highlight the characteristics of gas stations as much as possible and improve the visibility of consumers, supplemented by diversified business items to increase consumers' diversified consumption in gas stations. With the development of conglomeration for gas stations, each group will attract consumers with more brilliant creative marketing to consolidate consumers' loyalty, and cooperate with consistent service processes. On the one hand, it can make consumers accustomed to high-quality service methods, on the other hand, it can improve customer satisfaction, so that customers can consume in gas stations without pressure.

4. Regulatory environmental impact

In recent years, there has been no major change in the laws and regulations on the establishment of gas stations. In the management of gas stations, the competent authorities have paid more attention to the monitoring and management for the improvement of environmental pollution in recent years. In order to comply with the laws and regulations and fulfill social responsibilities, the company has set up an oil and gas recovery system, and for the oil filling and storage equipment, soil and groundwater pollution, regular detection is also carried out to improve the general block equipment with a high risk of leakage, reduce the possibility of pollution, and strengthen the professional training of detection personnel to avoid the impact caused by personnel negligence.

5. Lifestyle impact:

With the economic recovery, leisure lifestyle is becoming more and more popular, promoting the growth of oil consumption. In daily life, with the opening of metro systems in the metropolitan area, the rising parking costs in urban areas, and the rising awareness of environmental protection, led by the trend of energy conservation and carbon reduction, consumers' living habits have gradually changed, and the proportion of taking public transport has increased, which has relatively reduced the demand for oil products. A number of favorable and unfavorable factors of lifestyle affect the sales volume, and the company responds with different marketing strategies.

(III) Technology and R&D overview:

At present, the company mainly sells oil products supplied by CPC, and has not invested in relevant technology and R&D expenses in the most recent year and as of the printing date of the annual report.

(IV) Long term and short-term business development plan:

1. Short term business development plan

(1) Steadily increase the sites and regional flexible promotion.

(2) Actively strive for excellent customers for long-term supply and marketing to increase operating revenue.

(3) Strengthen the promotion of membership cards, improve customer loyalty, and make the turnover grow steadily.

(4) Diversified operation and alliance with different industries.

(5) The MIS management information system is strengthened and the work flow is simplified.

2. Long term business development plan:

(1) Continue to expand the overall operation scale by means of self ownership, leasing and franchising.

(2) Actively establish ERP system and strengthen information integration and resource sharing.

(3) Member services are combined with joint marketing of different businesses to expand the scope of physical channels.

(4) Gradually implement the model of eliminating the weak and supporting the strong, and develop excellent sites.

II. Market and production and marketing overview

(I) Market analysis

1. Sales region of main products

All oil products and other services sold by the company in the last three years are sold domestically. If the company's gas station sites are divided into sales regions, the situation is as follows:

Unit: NT$1,000

Year / Region	2021		2020		2019	
	Amount	%	Amount	%	Amount	%
Keelung City×3	395,626	7.153	306,815	6.955	366,095	7.109

New Taipei City×10	1,195,629	21.618	1,148,406	26.031	1,576,553	30.615
Taoyuan County×9	677,124	12.242	518,406	11.751	589,669	11.451
Hsinchu County×1	50,769	0.918	43,189	0.979	48,979	0.951
Miaoli County×1	45,392	0.821	37,587	0.852	45,328	0.880
Taichung City×5	516,328	9.335	423,246	9.594	523,106	10.158
Yunlin County×2	398,748	7.209	329,481	7.469	412,110	8.003
Jiayi City×1	80,751	1.460				
Taitung Couty×2	133,090	2.406	116,930	2.651	138,592	2.691
Hualien County×5	263,624	4.766	251,217	5.694	240,834	4.677
Tainan City×6	481,780	8.710	393,799	8.926	421,505	8.185
Kaohsiung City×10	892,173	16.130	555,328	12.588	506,976	9.845
Pingdong County×7	335,726	6.070	232,738	5.276	267,416	5.193
Meal travel income	61,017	1.103	37,430	0.378	8,870	0.172
IFRS	2,029	0.037	16,661	0.848	3,601	0.070
Rental income	1,226	0.022	360	0.008	0	0
Total	5,531,032	100.000	4,411,593	100.000	5,149,620	100.00

Note: 1. Xinshi station opened on July 19, 2021.
2. Jiahe station opened on June 1, 2021.
3. Minxiong station opened on June 6, 2021.
4. Huwei station opened on November 22, 2021.
5. The subsidiary, Chung Hwa Da Sun Station, opened on October 26, 2021.
6. Lucky station closed on December 31, 2021.
7. Yongkang station opened on January 28, 2022.
8. Shanhua station opened on March 21, 2022.

2. Market share and future supply and demand status and growth of the market

From the establishment of the company in December 1988 to March 2022, the company has 63 gas stations in operation, including 10 gas stations in the operation of subsidiaries.

In terms of the number of stations, according to the statistics of the Bureau of Energy, Ministry of Economic Affairs by March 2022, the total share of 2,507 state-run and privately owned gas stations in Taiwan is about 2.513%.

According to the data statistics of the Bureau of Energy, Ministry of Economic Affairs in February 2022, the gasoline and diesel fuel sales of the state-run and privately owned gas stations in Taiwan totaled 1,105,541 KL, with the share of North Star being about 1.86%. In the future, with the increase of new sites, its market share will gradually rise regardless of gas stations or oil sales, and maintain steady growth.

3. Competitive edge

By March 2022, the company has 63 stations in total, of which 32 were owned by the company, accounting for 50.79%. Compared with other domestic gas station operators who are mostly leasing the sites and facing the risk of declining profit and number of sites under the pressure of rent adjustment and the successive development of gas stations, the company enjoys a stable and sustainable operation advantage in this respect.

4. Favorable and unfavorable factors of product development prospect

(1) Favorable factors:

A. The oil supplier is CPC, and the oil supply is stable without fear of shortage.

B. The development of gas station channels has stepped into diversified operation to increase the revenue of gas stations. In addition to oil sales, the company also provides refined car washing services. At present, the company has issued and promoted membership cards, hoping to cultivate members, improve member loyalty, expand the number of members and achieve economic scale, which will reduce various procurement costs.

(2) Unfavorable factors:

A. There are strict restrictions on land use, road width, public facilities, distance from other gas stations, etc. in applying for the establishment of gas stations. Therefore, it is not easy to obtain appropriate business sites. It requires huge funds to expand business sites to develop business scale and enhance operational competitiveness.

B. In the service industry, the shortage of labor force in gas stations, coupled with the high turnover rate of gas workers and the government's annual increase in the minimum basic wage have led to an increase in management and operating costs.

5. Countermeasures:

(1) Actively look for good station locations and strengthen land development planning, and expand the number of stations by means of purchase, lease or merger.

(2) Strive to improve the company's operating performance and provide better employee benefits to attract excellent employees and reduce the turnover rate.

(3) In the future, we can form a strategic alliance in the industry to raise the oil sales and increase the bargaining space with oil suppliers to increase profits. In addition, diversified operation will help to boost profits to create a good corporate image and improve market visibility.

(4) Add self-service refueling facilities.

(II) Important uses and manufacturing process of main products

1. Use:

The 98 unleaded gasoline, 95 unleaded gasoline, 92 unleaded gasoline and diesel oil sold by the company are all used as vehicle power fuel.

2. Production process.

At present, all kinds of oil products supplied by the company can be sold after being purchased from CPC, so there is no production process.

(III) Supply of main raw materials:

At present, the company's main raw material supplier is CPC. Both parties have signed an oil supply contract, with stable supply and good quality.

(IV) The names of the customers who have accounted for more than 10% of the total amount of goods purchased (sold) in any one of the most recent two years, and their respective amount and proportion of goods purchased (sold). The reasons for the increase or decrease has to be explained. However, if the contract stipulates that the name of the customer shall not be disclosed or the transaction counterparty is an individual and not a related party, the code name can be used.

1. Data of major sales customers in the last two years: The company has no customers accounting for more than 10% of the total sales.
2. Data of major suppliers in the last two years:

Unit: NT$1,000

	2020				2021				As of the first quarter of 2022 (Note)			
Item	Name	Amount	As a percentage of net purchase for the year〔%〕	Relationship with the issuer	Name	Amount	As a percentage of net purchase for the year〔%〕	Relationship with the issuer	Name	Amount	As a percentage of net purchase for the year ended the previous quarter〔%〕	Relationship with the issuer
1	CPC	3,549,551	94.13	None	CPC	3,943,255	90.70	None	CPC	895,193	87.60	None
2	FPCC	208,679	5.54	None	FPCC	383,090	8.81	None	FPCC	123,149	12.05	None
3	Other	12,688	0.33	None	Other	21,151	0.49	None	Other	3,534	0.35	None
4	Net purchase	3,770,918	100.00		Net purchase	4,347,496	100.00		Net purchase	1,021,876	100	

Note: as of the date of printing of the annual report, no financial data for the most recent period audited, certified or reviewed by the CPAs should be disclosed.

(V) Production value of the last two years: the company is mainly a trading service company, so it is not applicable.

(IV) Sales volume and value in the last two years:

Unit: KL / NT$1,000

Sales Volume Value / Year 度 / Main proudcts (or department)	2020 度				2021			
	Domestic		Export		Domestic		Export	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
92 unleaded gasoline	27,652	568,003	0	0	26,662	685,651	0	0
Premium diesel	45,285	797,461	0	0	51,813	1,179,853	0	0
95 unleaded gasoline	118,989	2,620,025	0	0	116,207	3,153,746	0	0
98 unleaded gasoline	11,271	268,389	0	0	11,417	332,218	0	0
By product		29,155	0	0		31,395	0	0
Car washing revenue		74,110	0	0		75,945	0	0
Parking revenue		0	0	0		194	0	0
Rental income		360	0	0		1,033	0	0
Catering income		37,430	0	0		61,017	0	0
IFRS		16,660	0	0		2,028	0	0
Charging pile			0	0		7,814	0	0
Charging income			0	0		138	0	0
Total	203,197	4,411,593	0	0	206,099	5,531,032	0	0

III. Employee data of the last two years

Year		2020	2021	As of March 31, 2022
Number of employees	Staff	296	339	333
	Part-time worker	466	433	449
	T\total	762	772	782
Average age		27.33	28.12	28.19
Average length of service		2.43	2.8	2.78
Education distribution ratio	Doctor	0	0	0
	Master	5	3	3
	College	290	322	332
	High school	415	408	409
	Below high school	52	39	38

IV. Environmental protection expenditure

1. Losses caused by environmental pollution in the last two years:

Unit: NT$1,000

Year	Environmental protection expenditure pollution remediation amount
2021	150

2. Countermeasures
   (1) In order to meet the government's policy requirements for improving air quality, it is planned to gradually build a refueling oil and gas recovery system to enhance the company's image and gain customers' trust.

(2) Estimated environmental capital expenditure in the next two years

Unit: NT$

Objective	Response measures	Expenditure
Air pollution control	The fuel dispenser is equipped with an oil and gas recovery system to reduce the concentration of oil and gas and harmful substances on the site of the gas station. The oil returned to the oil tank by the oil and gas recovery system will positively contribute to the inventory surplus.	NT$25,000 ~ 30,000 / fuel filler based on the number of the newly purchased fuel filler
Soil pollution control	Soil gas monitoring shall be carried out regularly every four months to detect possible soil pollution as soon as possible.	About NT$1,200,000 per year on average
Prevention and control of water pollution	Soil gas monitoring shall be carried out regularly every four months to detect possible soil pollution as soon as possible.	Same project as above
	The car washing machine is equipped with sewage treatment and recovery equipment according to the estimated sewage treatment capacity, so that the discharged sewage meets the environmental protection standards and the recovered water resources can be effectively utilized and recycled for car washing water.	It is estimated that the sewage treatment specification of the new car washing machine is about NT$450,000 ~ 550,000 / set, and the maintenance cost is about NT$78,000 / set

(3) Impact after improvement

In order to implement various environmental protection policies of the government, each business station plans to set up various environmental protection equipment, and achieve the benefits of environmental protection equipment by standardizing the relevant operations of employees. The company establishes a good social image through practical actions and management.

3. The total amount of losses (including compensation) and disposals suffered due to environmental pollution in the last three years, its future countermeasures and possible expenditures:

(1) Pollution penalties in recent three years:

a. Xinhai station and Lucky station were fined NT$300,000 for violating the land pollution act in the second and third quarters of 2019, respectively, and the remediation of soil pollution is under handling.

(2) Losses caused by environmental pollution and countermeasures: none.

4. The impact of the current pollution and its improvement on the company's earnings, competitive position and capital expenditure, and the estimated major environmental capital expenditure in the next three years:

In response to the Water Pollution Control Act, each industry also needs to install, which has little impact on its competitive position. It is estimated that the capital expenditure on environmental protection in the next three years will account for less than 1% of the annual turnover.

5. Relevant information in response to the EU Restriction of Hazardous Substances (RoHs): not applicable.

V. Labour Relations

(I) The current employee welfare measures, continuing education, training, retirement systems and their implementation, as well as the agreements between labor and management and various employee rights and interests protection measures:

1. Employee welfare measures: the company has always adhered to the belief that employees are the most important assets of the company. In addition to abiding by the provisions of the group agreement, the company has also added a number of welfare measures, such as baby welfare and employee dividends. The company continues to do its duty of care, and provides communication and consultation channels for employees, with a view to establishing a harmonious relationship between labor and management.

(1) The company insures employees with group insurance to protect their interests.

(2) The company has established an "employee welfare committee" to promote various welfare measures.

A. Annual travel subsidy

B. Wedding congratulation gift money

C. Maternity allowance

D. Work injury hospitalization consolation fund

E. General injury and hospitalization Consolation Fund

F. Consolation Fund for the death of immediate family members

(3) Implementation: the total expenditure in 2021 is NT$3,555,675. The detailed items and amounts are as follows:

Benefit items	Account name	Amount (NT$)
Welfare subsidy	Wedding and funeral subsidies	138,200
	Emergency medical assistance	19,000
	Emergency assistance for childbirth	36,000
Education grants	Children's education grant	103,500
	Other	578,000
Leisure / entertainment	Recreational activities	792,650
	Other	492,025
Other benefits	New year's greetings	1,379,030
	Other	17,270

2. Retirement system:

The company has formulated the "Employee Retirement Measures" to allocate the labor retirement reserve on a monthly basis and deposit it in the special account of the Central Trust of China in the name of the Pension Supervision Committee. On April 13, 2018, the company issued a document XLGZ No. 10750090131 to settle the account.

3. Agreement between labor and management:

The company's management system and welfare measures are implemented, the opinions of both labor and management can be fully communicated, and the labor relations are harmonious.

(II) Working environment and personal safety of employees:

1. The company, its branches and sub-branches implement automatic inspection and environmental measurement of gas stations, continuously improve various safety and health measures, and create a safe, healthy, comfortable, and friendly working environment.
2. Strengthen the handling of various safety and health education, training, advocacy, and drills in gas stations, effectively strengthen the employees' awareness of operation safety, intelligence, and adaptability to ensure the operation safety of employees and contractors.
3. Handle employee health examination every year.

VI. Information and communication security management:

(I) Describe the security risk management framework, security policy, specific management plan and resources invested in security management of information and communication.

Information and communication security risk management framework

The information section, the company's information security authority and responsibility unit, is responsible for planning and implementing, promoting the company's colleagues' understanding of information security management matters, and teaching the causal relationship of information security events in response to the current situation, so as to strengthen the strength of information security.

The information section is the company's information security responsible unit and the authority and responsibility audit unit. In case of any information security incident or artificially caused information security problem, the information section will immediately intervene in the inspection and inform the supervisor of the unit according to the inspection results to urge improvement, so as to minimize the impact of the information security problem as soon as possible.

The operation model of information security audit adopts PDCA to ensure timeliness and reliability to achieve continuous correction and improvement.

Information security policy

Maintain the sustainable operation of the business system
Prevent unfriendly network intrusion
Prevent improper use and access of data
Prevent intentional persons from leakage of business information
Avoid negligence caused by improper operation
Ensure information environment data security

Specific management scheme

Computer information equipment management

1. The company's server host and important source data are stored in the computer room, and access control is adopted for personnel.
2. The air conditioners in the machine room and the office are set separately, and are equipped with relevant fire-fighting equipment so that they can be obtained nearby in case of problems.
3. The cabinet of the machine room is equipped with a constant voltage and continuous power system to ensure that the system can operate normally or stop normally in case of voltage instability or sudden power failure to avoid data loss and damage.

Network security management

1. The external network is connected to the entrance of the company, and an enterprise

level firewall is configured to block network hackers and network unfriendly behaviors.
2. When information colleagues must be connected to the company for business needs, they must have VPN account and other permissions before they can be connected to the company from the outside. The date and time of entry and exit will be reserved for inspection.
3. Configure network equipment that can adjust the bandwidth used by internal personnel to avoid intentional people occupying the company's bandwidth and cause internal operation trouble.

Safety protection and management
1. The computer room and office computers are equipped with basic anti-virus and anti hacker software, and are updated in a centralized way, so that they can immediately find malicious programs or behaviors at the user end and immediately respond to them.
2. When colleagues send and receive internal and external mails, the originator will scan the mail to determine that the mail content is free of any suspicious files or words before transmission.

Permission management and control
1. When using and accessing data, the staff of each department and office shall apply for an account number and password, and the permission range that can be used shall be confirmed by the person in charge, and then propose to the information section for setting and use.
2. For account password settings, there will be a preset password. After logging in with the preset password, the applicant should change the password. The password needs to be at least 4 digits to change smoothly.
3. When leaving the company, the employee shall fill in the resignation form according to the standardized operation procedures of personnel management, and all the use rights and access cards applied for when arriving at the company shall be deleted and returned.

Ensure the sustainable operation of the operating system
1. The system backup is regularly backed up on the local machine and other machines every day, and the backup status is checked every day to confirm that the backup operation is normal.
2. Disaster recovery regularly tests whether the restore read and write data is correct and whether there are exceptions or errors. Avoid being unable to respond correctly in case of disaster.
3. Two networks are configured to achieve uninterrupted data transmission and exchange and automatic line switching without human intervention.

Information security education and advocacy
1. Take the actual information security incidents as the basic teaching material for educating colleagues on information security, and tell them how to prevent and deal with them in case of encountering.
2. When holding meetings in each district or cadre education and training, we should advocate and supervise the importance of account and password security, so that colleagues can pay more attention to the use of system and information security.

Information and communication security investment management
1. Preliminary treatment and judgment shall be made on the company's network portal for network anti-hacking, malware and extortion virus which are triggered behaviors. Other behaviors not mentioned above shall be re-inspected, observed and released

by the user anti-virus and anti-hack software.
2. Hire personnel with information security certificates, comprehensively check and improve the company's information security, and put forward effective and reliable response measures and guidelines.

(II) List the losses, possible impacts and response measures caused due to major information and communication security incidents in the most recent year and up to the printing date of the annual report. If it is impossible to reasonably estimate, the fact that it is impossible to reasonably estimate should be explained: no major information and communication security incident has occurred

VII. Important Contracts

Nature of contract	Party	Contract start and end date	Main content	Restrictions
Oil purchase contract	CPC	2017.03.01~2024.02.28	Automobile gas station supply alliance contract	None

Six. Financial overview

I. Condensed balance sheet and comprehensive income statement for the last five years

(I) Condensed balance sheet and comprehensive income statement

1. Condensed balance sheet (consolidated)

Unit: NT$1,000

Item \ Year		Financial data of the last five years (Note 1)					Financial data as of March 31, 2022 (Note 3)
		2021	2020	2019	2018	2017	
Current assets		1,738,905	1,039,503	746,722	630,992	336,643	2,094,092
Property, plant and equipment (Note 2)		4,064,580	3,745,842	3,106,458	3,010,444	2,964,745	4,201,406
Intangible assets		183,969	42,500	8,528	52,768	66,882	183,640
Other assets (Note 2)		3,272,465	1,866,611	1,237,409	404,708	332,619	3,842,395
Total assets		9,259,919	6,694,456	5,099,117	4,098,912	3,700,889	10,321,533
Current liabilities	Before distribution	1,637,032	1,993,733	898,262	782,382	562,961	2,703,927
	After distribution	(Note 4)	2,001,763	936,629	820,749	584,063	(Note 4)
Non-current liabilities		3,838,972	2,319,377	2,004,344	1,149,354	1,024,557	3,801,324
Total liabilities	Before distribution	5,476,004	4,313,110	2,902,606	1,931,736	1,587,518	6,505,251
	After distribution	(Note 4)	4,351,477	2,940,973	1,970,103	1,608,620	(Note 4)

Equity attributable to owners of the parent company		3,607,956	2,287,376	2,177,540	2,159,243	2,105,419	3,638,431
Share capital		2,462,493	1,918,332	1,918,332	1,918,332	1,918,332	2,469,357
Capital reserve		838,381	106,087	78,270	74,406	74,406	842,971
Retained earnings	Before distribution	308,757	264,650	182,548	168,051	112,681	327,778
	After distribution	(Note 4)	226,283	144,181	129,684	91,579	(Note 4)
Other equity		(1,675)	(1,693)	(1,610)	(1,510)	0	(1675)
Treasury stock		0	0	0	0	0	0
Non controlling interest		175,959	93,970	18,971	7,933	7,952	177,851
Total equity	Before distribution	3,783,915	2,381,346	2,196,511	2,167,176	2,113,371	3,816,282
	After distribution	(Note 4)	2,342,979	2,158,144	2,128,809	2,092,269	(Note 4)

Note 1: the annual data listed above have been audited and certified by the CPAs.

Note 2: as of December 31, 2021, the company has not conducted asset revaluation.

Note 3: as of March 31, 2022, the financial data have been reviewed by the CPAs.

Note 4: undistributed.

2. Condensed comprehensive income statement (consolidated)

Unit: NT$1,000

Item \ Year	Financial data of the last five years (Note 1)					Financial data as of March 31, 2022 (Note 2)
	2021	2020	2019	2018	2017	
Operating revenue	5,531,032	4,411,593	5,149,620	5,252,048	4,267,188	1,603,944
Gross profit	808,889	753,440	695,500	663,392	599,192	237,344
Operating profit or loss	68,086	110,347	97,140	102,964	94,461	36,294
Non-operating income and expenses	100,410	33,842	(25,462)	(7,848)	(949)	(8,937)
Net profit before tax	168,496	144,189	71,678	95,116	93,512	27,357
Net profit from continuous operations for the current period	168,496	144,189	71,678	95,116	93,512	27,357
Loss of discontinuous operation	0	0	0	0	0	0
Current net profit (loss)	136,263	114,666	47,589	77,070	81,612	20,913
Other comprehensive profit and loss in the current period (net of tax)	18	(83)	(100)	(1,510)	(2,176)	0
Total comprehensive profit and loss of the current period	136,281	114,583	47,489	75,560	79,436	20,913
Net profit attributable to the owner of the parent company	140,024	120,469	52,900	76,436	81,014	19,021
Net profit attributable to non controlling-interests	(3,761)	(5,803)	(5,311)	634	598	1,892
Total comprehensive profit and loss attributable to the owner of the parent company	140,042	120,386	52,800	74,926	78,838	19,021
Total comprehensive profit and loss attributable to non-controlling interests	(3,761)	(5,803)	(5,311)	634	598	1,892
Earnings per share	0.69	0.63	0.28	0.40	0.42	0.08

Note 1: the annual data listed above have been audited and certified by the CPAs.

Note 2: as of March 31, 2022, the financial data have been reviewed by the CPAs.

3. Condensed balance sheet (parent only)

Unit: NT$1,000

Item / Year		Financial data of the last five years (Note 1)				
		2021	2020	2019	2018	2017
Current assets		938,224	730,812	620,403	485,847	275,656
Property, plant and equipment		3,673,411	3,439,508	3,017,033	2,986,006	2,938,065
Intangible assets		4,126	5,486	6,931	9,072	10,057
Other assets		2,336,978	1,470,547	842,757	565,775	454,412
Total assets		6,952,739	5,646,353	4,487,124	4,046,700	3,678,190
Current liabilities	Before distribution	1,092,632	1,878,726	833,416	738,136	1,037,715
	After distribution	(Note 2)	1,917,093	871,783	776,503	1,037,715
Non-current liabilities		2,252,151	1,480,251	1,476,168	1,149,321	1,026,069
Total liabilities	Before distribution	3,344,783	3,358,977	2,309,584	1,887,457	1,521,881
	After distribution	(Note 2)	3,397,344	2,347,951	1,925,824	1,521,881
Equity attributable to owners of the parent company		3,607,956	2,287,376	2,177,540	2,159,243	2,105,419
Share capital		2,462,493	1,918,332	1,918,332	1,918,332	1,918,332
Capital reserve		838,381	106,087	78,270	74,406	74,406
Retained earnings	Before distribution	308,757	264,650	182,548	168,015	33,843
	Before distribution	(Note 2)	226,283	144,181	129,648	33,843
Other equity		(1,675)	(1,693)	(1,610)	(1,510)	(1,510)
Treasury stock			-	-	-	-
Non-controlling interest			-	-	-	-
Total equity	Before distribution	3,607,956	2,287,376	2,177,540	2,159,243	2,026,581
	After distribution	(Note 2)	2,249,009	2,139,173	2,120,876	2,026,581

Note 1: the annual data listed above have been audited and certified by the CPAs.

Note 2: undistributed.

4. Condensed income statement (parent only)

Unit: NT$1,000

Item \ Year	Financial data of the last five years (Note 1)				
	2021	2020	2019	2018	2017
Operating revenue	4,471,135	3,794,593	4,509,252	4,551,262	3,638,702
Gross profit	651,029	661,211	625,321	586,106	521,843
Operating profit or loss	58,495	117,719	102,299	79,787	63,698
Non-operating income and expenses	106,749	30,238	(23,245)	15,755	28,449
Net profit before tax	165,244	147,957	79,054	95,542	92,147
Net profit from continuous operations for the current period	165,244	147,957	79,054	95,542	92,147
Loss of discontinuous operation	0	0	0	0	0
Current net profit (loss)	140,024	120,469	52,900	76,436	81,014
Other comprehensive profit and loss in the current period (net of tax)	18	(83)	(100)	(1,510)	(2,176)
Total comprehensive profit and loss of the current period	140,042	120,386	52,800	74,926	78,838
Net profit attributable to the owner of the parent company	140,024	120,469	52,900	76,436	81,014
Net profit attributable to non controlling-interests	0	0	0	0	0
Total comprehensive profit and loss attributable to the owner of the parent company	140,042	120,386	52,800	74,926	78,838
Total comprehensive profit and loss attributable to non-controlling interests	0	0	0	0	0
Earnings per share	0.69	0.63	0.28	0.40	0.42

Note 1: the annual data listed above have been audited and certified by the CPAs.

Note 2: not applicable.

(II) Condensed balance sheet and condensed comprehensive income statement – Taiwan's corporate financial accounting standards: not applicable

(III) Names of CPAs and audit opinions in the last five years

Year	Names of CPAs	Audit opinions
2017	Yu Sheng-He, Li Chi-Hui	Unqualified opinion
2018	Yu Sheng-He, Chen Guo-Zong	Unqualified opinion
2019	Huang Yong-Hua, Chen Guo-Zong	Unqualified opinion
2020	Huang Yong-Hua, Chen Guo-Zong	Unqualified opinion
2021	Huang Yong-Hua, Chen Guo-Zong	Unqualified opinion

II. Financial analysis for the last five years

(I) Financial analysis

1. Consolidated

Analysis items (Note 3)	Year (Note 1)	Financial data for the last five years 2021	2020	2019	2018	2017	Financial data as of March 31, 2022 (Note 2)
Financial structure (%)	Ratio of liabilities to assets (%)	59.14	64.43	56.92	47.13	42.90	63.03
	Ratio of long-term capital to property, plant and equipment (%)	119.53	78.48	110.89	110.09	105.71	114.77
Debt service ability	Current ratio (%)	106.22	52.14	83.13	80.65	59.80	77.45
	Quick Ratio (%)	68.85	27.78	31.98	32.37	36.54	54.79
	Interest coverage ratio (%)	3.48	4.73	3.13	5.25	5.83	2.62
Operating capacity	Receivables turnover rate (times)	189.06	201.14	169.89	152.82	160.85	46.69
	Average cash received days	1.93	1.81	2.15	2.39	2.27	1.93
	Inventory turnover rate (times)	8.93	7.89	10.82	18.74	35.72	2.35
	Payable turnover rate (times)	26.94	30.77	30.14	27.50	14.87	4.63
	Average sales days	40.86	46.27	33.74	19.47	10.21	38.36
	Property, plant and equipment turnover rate (times)	1.42	1.29	1.68	1.76	1.46	0.39
	Total asset turnover rate (times)	0.69	0.75	1.12	1.35	1.17	0.16
Profitability	Return on assets (%)	2.44	2.57	1.74	2.42	2.65	0.33
	Return on equity (%)	4.75	5.40	2.44	3.57	3.90	0.52
	Percentage of net income before tax to paid-in capital (%) (Note 7)	6.84	7.52	3.74	4.96	4.87	1.11
	Net income ratio (%)	2.53	2.73	1.03	1.46	1.86	1.19
	Earnings per share (NT$)	0.69	0.63	0.28	0.40	0.42	0.01
Cash flow	Cash flow ratio (%)	11.83	18.34	14.66	(11.75)	(9.92)	11.38
	Cash flow adequacy ratio (%)	29.07	32.43	11.96	1.95	5.71	67.44
	Cash reinvestment ratio (%)	1.82	9.23	2.85	(3.47)	(1.82)	5.79
Leverage	Operating leverage	81.24	39.98	53.01	51.01	45.17	44.19
	Financial leverage	1215.82	1.54	1.53	1.28	1.26	1.87
Please explain the reasons for changes in various financial ratios in the last two years. (If the increase or decrease is less than 20%, the analysis can be exempted) (See attached table 1 for details)							

＊ If a company has prepared a parent only financial report, it shall also prepare an analysis of the company's parent only financial ratio.

＊ If the financial data adopted in accordance with international financial reporting standards is less than 5 years, the following table (2) financial data adopted in accordance with Taiwan's financial accounting standards shall be prepared separately.

Note 1: the year that has not been audited and certified by the CPAs shall be noted.

Note 2: as of the date of publication of the annual report, if a company listed or whose shares have been traded on the over-the-counter market of a securities firm has financial data audited, certified, or reviewed by the CPAs for the most recent period, it shall also be analyzed.

Note 3: the following calculation formula shall be listed at the end of this table of the annual report:

1. Financial structure
   (1) Debt ratio = Total liabilities/Total assets.
   (2) Long-term capital to property, plant and equipment ratio = (net shareholders' equity + non-current

liabilitiess) / net property, plant and equipment.

2. Debt service ability

(1) Current ratio = Current assets/Current liabilities.

(2) Quick ratio = (Current assets - Inventory - Prepaid expenses)/Current liabilities.

(3) Times interest earned ratio = Earnings before interest and taxes/Interest expenses.

3. Operating capacity

(1) Accounts receivable turnover rate (including accounts receivable and bills receivable from business activities) = Net sales/Balance of average accounts receivable in each period (including accounts receivable and bills receivable from business activities).

(2) Average days for cash receipts = 365/Accounts receivable turnover.

(3) Inventory turnover rate= Cost of sales/Average inventory.

(4) Payables turnover rate (including accounts payable and bills payable from business activities) = Cost of sales/Balance of average accounts payable in each period (including accounts payable and bills payable from business activities).

(5) Average days for sale of goods = 365/Inventory turnover.

(6) Turnover of property, plant and equipment = average net property, plant and equipment.

(7) Total asset turnover rate = Net sales/Average total assets.

4. Profitability

(1) Asset return ratio = [Profit or loss after tax + Interest expenses × (1 - Tax rate)]/Average total assets.

(2) Return on shareholders' equity = profit or loss after tax/average net shareholders' equity.

(3) Net profit ratio = Profit or loss after tax/Net sales.

(4) Earnings per share = (profit and loss attributable to the owner of the parent company - preferred dividend)/weighted average number of issued shares. (Note 4)

5. Cash flow

(1) Cash flow ratio = Net cash flows from operating activities/Current liabilities.

(2) Cash flow sufficiency ratio = Net cash flow from operating activities for the most recent five years/(Capital expenditures + Inventory increment + Cash dividends) for the most recent five years.

(3) Cash reinvestment ratio = (net cash flow from operating activities - cash dividend)/(gross property, plant and equipment + long-term investments + other non-current assets + working capital). (Note 5)

6. Leverage

(1) Operating leverage = (net operating revenue - variable operating costs and expenses) / operating profit (Note 6).

(2) Financial leverage = Operating income/(Operating income - Interest expenses).

Note 4: for the above calculation formula of earnings per share, special attention shall be paid to the following matters when measuring:

1. Based on the weighted average number of common shares rather than the number of shares issued at the end of the year.

2. Where there is a cash capital increase or treasury stock transaction, the weighted average number of shares shall be calculated taking into account the period of outstanding.

3. Where there is a capitalization of retained earnings or capital reserve, when calculating the earnings per share

for previous years and half a year, it shall be adjusted retroactively according to the proportion of capital increase, without considering the issuance period of the capital increase.

4. If the preferred shares are non-convertible cumulative preferred shares, the current year's dividend (whether paid or not) shall be deducted from the net profit after tax or increased by the net loss after tax.

If the preferred shares are non-cumulative in nature, the dividends of the preferred shares shall be deducted from the net profits after tax in the case of net profits after tax; in case of loss, no adjustment is necessary.

Note 5: During the measurement of cash flow analysis, special attention shall be paid to the following matters:

1. Net cash flow from operating activities refers to the net cash inflow from operating activities in the cash flow statement.
2. Capital expenditure refers to the cash outflow of capital investment each year.
3. The increase in inventory is only included when the ending balance is greater than the opening balance. If the ending inventory decreases, it is calculated as zero.
4. Cash dividends include cash dividends of common shares and preferred shares.
5. Gross amount of property, plant and equipment refers to the total amount of property, plant and equipment before deducting accumulated depreciation.

Note 6: the issuer shall classify various operating costs and operating expenses as fixed and variable according to their nature. If estimates or subjective judgments are involved, the issuer shall pay attention to their rationality and maintain consistency.

Note 7: if the company's shares have no par value or the par value per share is not NT$10, the above calculation of the ratio of paid in capital shall be based on the equity ratio attributable to the owners of the parent company in the balance sheet

2. Parent only

Analysis items (Note 1) / Year (Note 1)		Financial data of the last five years				
		2021	2020	2019	2018	2017
Financial structure (%)	Ratio of liabilities to assets (%)	48.11	59.49	51.47	46.64	42.76
	Ratio of long-term capital to property, plant and equipment (%)	132.26	85.47	113.54	110.72	107.4
Debt service ability	Current ratio (%)	85.87	38.9	74.44	65.82	50.42
	Quick Ratio (%)	33.37	14.06	20.40	15.15	28.48
	Interest coverage ratio (%)	5.06	6.50	3.76	5.27	5.76
Operating capacity	Receivables turnover rate (times)	222.26	181.88	219.65	166.97	166.02
	Average cash received days	1.64	2.01	1.67	2.19	2.20
	Inventory turnover rate (times)	7.62	7.56	14.14	16.67	34.06
	Payable turnover rate (times)	24.47	12.95	29.66	25.93	12.62
	Average sales days	47.91	48.25	25.80	21.89	10.71
	Property, plant and equipment turnover rate (times)	1.34	1.18	1.51	1.54	1.27
	Total asset turnover rate (times)	0.78	0.78	1.10	1.18	1.04
Profitability	Return on assets (%)	2.98	2.9	1.82	2.44	2.75
	Return on equity (%)	4.84	5.42	2.47	3.58	3.92

	Percentage of net income before tax to paid-in capital (%)	6.71	7.71	4.12	4.98	4.80
	Net income ratio (%)	3.13	3.17	1.17	1.68	2.23
	Earnings per share (NT$)	0.57	0.63	0.28	0.40	0.42
Cash flow	Cash flow ratio (%)	11.43	18.64	17.08	(16.04)	(14.97)
	Cash flow adequacy ratio (%)	22.63	28.03	7.36	(3.96)	0.22
	Cash reinvestment ratio (%)	1.61	8.98	3.14	(4.28)	(2.65)
Leverage	Operating leverage	76.44	32.23	44.08	57.04	57.12
	Financial leverage	3.28	1.30	1.39	1.39	1.44
Please explain the reasons for changes in various financial ratios in the last two years. (If the increase or decrease is less than 20%, the analysis can be exempted) (See attached table below)						

(

Note 1: the year that has not been audited and certified by the CPAs shall be noted.

Note 2: the following calculation formula shall be listed at the end of this table of the annual report:

1. Financial structure

(1) Debt ratio = Total liabilities/Total assets.

(2) Long-term capital to fixed asset ratio = (net shareholders' equity + non-current liabilitiess) / net fixed assets.

2. Debt service ability

(1) Current ratio = Current assets/Current liabilities.

(2) Quick ratio = (Current assets - Inventory - Prepaid expenses)/Current liabilities.

(3) Times interest earned ratio = Earnings before interest and taxes/Interest expenses.

3. Operating capacity

(1) Accounts receivable turnover rate (including accounts receivable and bills receivable from business activities) = Net sales/Balance of average accounts receivable in each period (including accounts receivable and bills receivable from business activities).

(2) Average days for cash receipts = 365/Accounts receivable turnover.

(3) Inventory turnover rate= Cost of sales/Average inventory.

(4) Payables turnover rate (including accounts payable and bills payable from business activities) = Cost of sales/Balance of average accounts payable in each period (including accounts payable and bills payable from business activities).

(5) Average days for sale of goods = 365/Inventory turnover.

(6) Fixed asset turnover = average net fixed asset.

(7) Total asset turnover rate = Net sales/Average total assets.

4. Profitability

(1) Asset return ratio = [Profit or loss after tax + Interest expenses × (1 - Tax rate)]/Average total assets.

(2) Return on shareholders' equity = profit or loss after tax/average net shareholders' equity.

(3) Net profit ratio = Profit or loss after tax/Net sales.

(4) Earnings per share = (net profit after tax - preferred dividend)/weighted average number of issued shares. (Note 4)

5. Cash flow

(1) Cash flow ratio = Net cash flows from operating activities/Current liabilities.

(2) Cash flow sufficiency ratio = Net cash flow from operating activities for the most recent five years/(Capital

expenditures + Inventory increment + Cash dividends) for the most recent five years.

(3) Cash reinvestment ratio = (net cash flow from operating activities - cash dividend)/(gross fxied asset + long-term investments + other assets + working capital). (Note 5)

6. Leverage

(1) Operating leverage = (net operating revenue - variable operating costs and expenses) / operating profit (Note 6).

(2) Financial leverage = Operating income/(Operating income - Interest expenses).

Note 3: for the above calculation formula of earnings per share, special attention shall be paid to the following matters when measuring:

1. Based on the weighted average number of common shares rather than the number of shares issued at the end of the year.

2. Where there is a cash capital increase or treasury stock transaction, the weighted average number of shares shall be calculated taking into account the period of outstanding.

3. Where there is a capitalization of retained earnings or capital reserve, when calculating the earnings per share for previous years and half a year, it shall be adjusted retroactively according to the proportion of capital increase, without considering the issuance period of the capital increase.

4. If the preferred shares are non-convertible cumulative preferred shares, the current year's dividend (whether paid or not) shall be deducted from the net profit after tax or increased by the net loss after tax.

If the preferred shares are non-cumulative in nature, the dividends of the preferred shares shall be deducted from the net profits after tax in the case of net profits after tax; in case of loss, no adjustment is necessary.

Note 4: During the measurement of cash flow analysis, special attention shall be paid to the following matters:

1. Net cash flow from operating activities refers to the net cash inflow from operating activities in the cash flow statement.

2. Capital expenditure refers to the cash outflow of capital investment each year.

3. The increase in inventory is only included when the ending balance is greater than the opening balance. If the ending inventory decreases, it is calculated as zero.

4. Cash dividends include cash dividends of common shares and preferred shares.

5. Gross amount of property, plant and equipment refers to the total amount of property, plant and equipment before deducting accumulated depreciation.

Note 5: the issuer shall classify various operating costs and operating expenses as fixed and variable according to their nature. If estimates or subjective judgments are involved, the issuer shall pay attention to their rationality and maintain consistency

(Attached table 1) the following table describes the variance of more than 20% between 2021 and 2020 (consolidated)

Item	Variance ratio in the two years %	Explanation of variance in the two years
Ratio of long-term capital to property, plant and equipment	52.31	It is mainly due to the increase of non-current liabilities from the borrowing for long-term investment.
Current ratio	103.72	It is mainly due to the reduction of current liabilities due to cash capital increase at the end of 2021.
Quick ratio	147.84	(Same as above)
Interest coverage	-26.43	It is mainly due to the increase in net income before interest and tax in 2021.
Cash flow ratio	-35.50	It is mainly due to the decrease of net cash flow from operating activities in 2021.
Cash flow reinvestment ratio	80.28	(Same as above)
Operating leverage	103.20	It is mainly due to the increase in operating revenue in 2021.
Financial leverage	78849.35	It is mainly due to the increase of interest expense in 2021.

(Attached table 1) the following table describes the variance of more than 20% between 2021 and 2020 (parent only)

Item	Variance ratio in the two years %	Explanation of variance in the two years
Ratio of long-term capital to property, plant and equipment	54.74	It is mainly due to the increase of non-current liabilities from the borrowing for long-term investment.
Current ratio	120.75	It is mainly due to the reduction of current liabilities due to cash capital increase at the end of 2021.
Quick ratio	137.34	(Same as above)
Interest coverage	-22.15	It is mainly due to the increase in net income before interest and tax in 2021.
Turnover of accounts receivable	22.20	It is mainly due to the increase in net sales in 2021.
Cash flow ratio	-38.68	It is mainly due to the decrease of net cash flow from operating activities in 2021.
Cash flow reinvestment ratio	-82.07	(Same as above)
Operating leverage	137.17	It is mainly due to the increase in operating revenue in 2021.
Financial leverage	152.31	It is mainly due to the increase of interest expense in 2021.

III. Supervisor review report of the latest annual financial report

North-Star International Co., Ltd.

Supervisor review report

This is to certify that

The board of directors prepared and submitted the company's financial report for the year of 2021 audited and certified by Huang Yong-Hua, Chen Guo-Zong, CPAs of KPMG, together with the business report and profit distribution proposal, which were reviewed by the supervisor and found to be consistent. Therefore, in accordance with Article 219 of the Company Act, a report was prepared and submitted for inspection.

Best regards,

North-Star International Co., Ltd.

Supervisor:

March 17, 2022

North-Star International Co., Ltd.

Supervisor review report

This is to certify that

The board of directors prepared and submitted the company's financial report for the year of 2021 audited and certified by Huang Yong-Hua, Chen Guo-Zong, CPAs of KPMG, together with the business report and profit distribution proposal, which were reviewed by the supervisor and found to be consistent. Therefore, in accordance with Article 219 of the Company Act, a report was prepared and submitted for inspection.

Best regards,

North-Star International Co., Ltd.

Supervisor: 曾宜男

March 17, 2022

IV. Latest annual financial report

Representation Letter

The entities that are required to be included in the combined financial statements of North-Star International Co., Ltd. as of and for the year ended December 31, 2021 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, North-Star International Co., Ltd. and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: North-Star International Co., Ltd.
Chairman: Chung, Chia-Tsun
Date: March 28, 2022

Independent Auditors' Report

To the Board of Directors of North-Star International Co., Ltd.:

Opinion

We have audited the consolidated financial statements of North-Star International Co., Ltd. and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Other Matter

We did not audit the financial statements of NORTH-STAR INTERNATIONAL DEVELOPMENT INDUSTRIES CORPORATION (NORTH-STAR INTERNATIONAL DEVELOPMENT) for the years ended December 31, 2021 and 2020 which represented investment accounted for using the equity method of the Group. These statements were audited by another auditor. Therefore, our opinion, insofar as it relates to NORTH-STAR INTERNATIONAL DEVELOPMENT, is based solely on the reports of the other auditors. The recognized investment in NORTH-STAR INTERNATIONAL DEVELOPMENT, using the equity method, constituted 2% and 3% of the total consolidated assets, as of December 31, 2021 and 2020, respectively, and the recognized share of profit or loss of associates and joint ventures accounted for using equity method constituted 50% and 22% of profit before tax, for the years ended December 31, 2021 and 2020, respectively.

We did not audit the financial statements of YANG JI ENTERPRISE CO., LTD. (YANG JI ENTERPRISE) for the year ended December 31, 2021 and 2020. Those financial statements were audited by other auditors. Therefore, our opinion, insofar as it relates to YANG JI ENTERPRISE, is based solely on the reports of the other auditors. The recognized investment in YANG JI ENTERPRISE, using the equity method, constituted 1% and 1% of the total consolidated assets, as of December 31, 2021 and 2020, respectively, and the recognized share of profit or loss of associates and joint ventures accounted for using equity method constituted (1)% and 7% of profit before tax, for the years ended December 31, 2021 and 2020, respectively.

North-Star International Co., Ltd. has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2021 and 2020, on which we have issued an unmodified opinion.

Key Audit Matters

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

1. Revenue recognition

   Refer to Note 4(p) “Revenue” and Note 6(y) “Revenue from contracts with customers” to the consolidated financial statements.

   Description of key audit matter:

   NORTH-STAR INTERNATIONAL CO., LTD. is principally engaged in the retail business of gasoline products, with petrol filling stations located throughout Taiwan. The operating income of each station is recorded through the Point-of-Sale Information System (POS) for each transaction in terms of the quantity, unit price and total price. After the daily checkout, sales are counted according to each station's daily sales report and reviewed by the way of customer payment method (by cash, by credit cards, credits sales on account). Therefore, revenue recognition was the key audit matter in the audit of consolidated financial reports for the years ended December 31, 2021 and 2020 of the Group.

   How the matter was addressed in our audit:

   Our principal audit procedures to the above key audit matter included: understanding the Group’s accounting policies adopted for the revenue recognition and the procedures of transactions; sampling and testing effectiveness of the internal controls surrounding revenue recognition; testing selected sales samples and agreeing to daily sales report, bank deposit records, or credit card bill with related certificates, records on ledger, etc., testing sales cut-off, on a sampled basis, for transactions incurred within a certain period before or after the balance sheet date by evaluating whether the revenue was recorded in proper period.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

KPMG

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

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

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

KPMG

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

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

The engagement partners on the audit resulting in this independent auditors' report are Huang, Yung-Hua and Chen, Kuo-Tsung.

KPMG

Taipei, Taiwan (Republic of China)
March 28, 2022

Notes to Readers

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

The auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

North-Star International Co., Ltd. and subsidiaries

Consolidated Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	Assets	December 31, 2021 Amount	%	December 31, 2020 Amount	%
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 929,652	10	392,746	6
1150	Notes receivable, net (note 6(d))	148	-	301	-
1170	Accounts receivable, net (note 6(d)(y) and 7)	37,495	1	20,566	-
1206	Other non-operating receivables, others	27,782	-	3,950	-
130X	Total inventories (note 6(e)(g) and 8)	580,994	6	476,397	7
1479	Other current assets, others (note 6(o) and 8)	162,834	2	145,543	2
		1,738,905	19	1,039,503	15
	Non-current assets:				
1510	Non-current financial assets at fair value through profit or loss (note 6(b)(s))	2,443	-	-	-
1517	Non-current financial assets at fair value through other comprehensive income (note 6(c))	535	-	517	-
1550	Investments accounted for using equity method (note 6(f))	272,858	3	272,446	4
1600	Property, plant and equipment (note 6(k) and 8)	4,064,580	44	3,745,842	56
1755	Right-of-use assets (note 6(l))	2,018,522	22	1,134,441	17
1760	Investment property, net (note6 (m))	34,332	-	34,332	1
1780	Intangible assets (note 6 (h)(n)	183,969	2	42,500	1
1840	Deferred tax assets (note 6(v))	11,966	-	12,967	-
1915	Prepayments for land and business facilities (note 7)	543,175	6	126,318	2
1920	Guarantee deposits paid	81,010	1	57,400	1
1980	Other non-current financial assets (note 8)	270,581	3	228,180	3
1990	Other non-current assets	37,043	-	10	-
		7,521,014	81	5,654,953	85
	Total assets	**$ 9,259,919**	**100**	**6,694,456**	**100**

	Liabilities and Equity	December 31, 2021 Amount	%	December 31, 2020 Amount	%
	Current liabilities:				
2100	Short-term borrowings (note 6(q) and 8)	$ 233,400	3	432,500	6
2110	Short-term notes and bills payable (note 6(p))	49,841	-	139,774	2
2130	Current contract liabilities (note 6(y))	172,605	2	44,594	1
2150	Notes payables	2,691	-	977	-
2170	Trade payables	259,378	3	319,332	5
2200	Other payables	134,818	1	101,033	1
2230	Current tax liabilities	15,517	-	15,826	-
2280	Current lease liabilities (note 6(t) and 7)	155,124	2	94,437	1
2322	Long-term borrowings, current portion (note 6(r) and 8)	546,099	6	808,048	12
2399	Other current liabilities (note 6(y) and 7)	67,559	1	37,212	1
		1,637,032	18	1,993,733	29
	Non-Current liabilities:				
2500	Non-current financial liabilities at fair value through profit or loss (note 6(b)(s))	210	-	300	-
2530	Bonds payable (note 6(s) and 8))	619,143	7	583,385	9
2540	Long-term borrowings (note 6(r) and 8))	1,250,457	13	652,526	10
2580	Non-current lease liabilities (note 6(t) and 7))	1,929,717	21	1,044,648	15
2670	Other non-current liabilities (note 6(v))	39,445	-	38,518	1
		3,838,972	41	2,319,377	35
	Total liabilities	5,476,004	59	4,313,110	64
	Equity attributable to owners of parent (note 6(s)(w)):				
3100	Share capital	2,462,493	27	1,918,332	29
3200	Capital surplus	838,381	9	106,087	2
3300	Retained earnings	308,757	3	264,650	4
3400	Other equity interest	(1,675)	-	(1,693)	-
	Total equity attributable to owners of parent	3,607,956	39	2,287,376	35
36XX	Non-controlling interests	175,959	2	93,970	1
	Total equity	3,783,915	41	2,381,346	36
	Total liabilities and equity	**$ 9,259,919**	**100**	**6,694,456**	**100**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

North-Star International Co., Ltd. and subsidiaries

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		2021		2020	
		Amount	%	Amount	%
4000	**Operating revenue (note 6(y) and 7)**	$ 5,531,032	100	4,411,593	100
5000	**Operating costs (note 6(e)(u))**	4,722,143	85	3,658,153	83
	Gross profit from operations	808,889	15	753,440	17
	Operating expenses (note 6(k)(l)(u)(z) and 7):				
6100	Selling expenses	649,874	12	569,860	13
6200	Administrative expenses	90,929	2	73,233	1
	Total operating expenses	740,803	14	643,093	14
	Net operating income	68,086	1	110,347	3
7000	**Non-operating income and expenses:**				
7100	Interest income	790	-	646	-
7010	Other income (note 6(t) and 7)	55,462	1	29,391	-
7020	Other gains and losses, net (note 6(o)(s))	29,175	1	(244)	-
7050	Finance costs (note 6(s)(t))	(68,030)	(1)	(38,694)	(1)
7060	Share of profit of associates and joint ventures accounted for using equity method (note 6(f))	83,013	1	42,743	1
	Total non-operating income and expenses	100,410	2	33,842	-
	Profit from continuing operations before tax	168,496	3	144,189	3
7950	**Less: income tax expenses (note 6(t))**	32,233	1	29,523	-
	Profit	136,263	2	114,666	3
8300	**Other comprehensive income:**				
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	18	-	(83)	-
8349	Less: income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
8300	**Other comprehensive income**	18	-	(83)	-
	Total comprehensive income	**$ 136,281**	**2**	**114,583**	**3**
	Profit (loss), attributable to:				
8610	Owners of parent	$ 140,024	2	120,469	3
8620	Non-controlling interests	(3,761)	-	(5,803)	-
		$ 136,263	**2**	**114,666**	**3**
	Comprehensive income attributable to:				
8710	Owners of parent	$ 140,042	2	120,386	3
8720	Non-controlling interests	(3,761)	-	(5,803)	-
		$ 136,281	**2**	**114,583**	**3**
	Earnings per share (NT dollars) (note 6(x))				
9750	**Basic earnings per share**	**$**	**0.69**		**0.63**
9850	**Diluted earnings per share**	**$**	**0.68**		**0.54**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

North-Star International Co., Ltd. and subsidiaries

Consolidated Statements of Changes in Equity

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent										
	Share capital			Retained earnings				Other equity interest			
	Ordinary shares	Certificate of entitlement to new shares from convertible bond	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance on January 1, 2020	$ 1,918,332	-	78,270	97,428	-	85,120	182,548	(1,610)	2,177,540	18,971	2,196,511
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	-	5,290	-	(5,290)	-	-	-	-	-
Special reserve appropriated	-	-	-	-	1,610	(1,610)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	(38,367)	(38,367)	-	(38,367)	-	(38,367)
	-	-	-	5,290	1,610	(45,267)	(38,367)	-	(38,367)	-	(38,367)
Profit	-	-	-	-	-	120,469	120,469	-	120,469	(5,803)	114,666
Other comprehensive income	-	-	-	-	-	-	-	(83)	(83)	-	(83)
Total comprehensive income	-	-	-	-	-	120,469	120,469	(83)	120,386	(5,803)	114,583
Other changes in capital surplus:											
Due to recognition of equity component of convertible bonds issued	-	-	28,380	-	-	-	-	-	28,380	-	28,380
Difference between consideration and carrying amount of subsidiaries acquired	-	-	(563)	-	-	-	-	-	(563)	4,852	4,289
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	75,950	75,950
Balance on December 31, 2020	1,918,332	-	106,087	102,718	1,610	160,322	264,650	(1,693)	2,287,376	93,970	2,381,346
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	-	12,047	-	(12,047)	-	-	-	-	-
Special reserve appropriated	-	-	-	-	83	(83)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	(95,917)	(95,917)	-	(95,917)	-	(95,917)
	-	-	-	12,047	83	(108,047)	(95,917)	-	(95,917)	-	(95,917)
Profit (loss)	-	-	-	-	-	140,024	140,024	-	140,024	(3,761)	136,263
Other comprehensive income	-	-	-	-	-	-	-	18	18	-	18
Total comprehensive income	-	-	-	-	-	140,024	140,024	18	140,042	(3,761)	136,281
Issue of shares	400,000	-	600,000	-	-	-	-	-	1,000,000	-	1,000,000
Conversion of convertible bonds	144,046	115	108,691	-	-	-	-	-	252,852	-	252,852
Other changes in capital surplus:											
Due to recognition of equity component of convertible bonds issued	-	-	19,308	-	-	-	-	-	19,308	-	19,308
Difference between consideration and carrying amount of subsidiaries acquired	-	-	563	-	-	-	-	-	563	-	563
Share-based payments	-	-	3,732	-	-	-	-	-	3,732	-	3,732
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	85,750	85,750
Balance on December 31, 2021	$ 2,462,378	115	838,381	114,765	1,693	192,299	308,757	(1,675)	3,607,956	175,959	3,783,915

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

North-Star International Co., Ltd. and subsidiaries

Consolidated Statements of Cash Flows

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

		2021	2020
Cash flows from (used in) operating activities:			
Profit before tax	$	168,496	144,189
Adjustments:			
Adjustments to reconcile profit:			
Depreciation expense		235,610	177,573
Amortization expense		2,565	1,963
Net loss on financial assets or liabilities at fair value through profit or loss		2,657	-
Interest expense		68,030	38,694
Interest income		(790)	(646)
Dividend income		(9,601)	(100)
Share-based payments		3,732	-
Share of profit of associates accounted for using equity method		(83,013)	(42,743)
Gain on disposal of non-current assets classified as held for sale		(28,764)	-
Others		-	(67)
Total adjustments to reconcile profit		190,426	174,674
Changes in operating assets and liabilities:			
Notes receivable		153	27
Trade receivable		(16,929)	2,115
Other receivable		(23,832)	(315)
Inventories		(104,597)	(23,908)
Other current assets		(65,390)	(72,044)
Total changes in operating assets		(210,595)	(94,125)
Contract liabilities		128,011	796
Notes payable		1,714	-
Trade payable		(59,954)	167,195
Other payable		33,775	3,206
Other current liabilities		30,904	35,399
Total changes in operating liabilities		134,450	206,596
Total adjustments		114,281	287,145
Cash inflow generated from operations		282,777	431,334
Interest received		790	646
Dividends received		9,601	100
Interest paid		(68,020)	(38,630)
Income taxes paid		(31,541)	(27,864)
Net cash flows from operating activities		193,607	365,586

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

NORTH-STAR INTERNATIONAL CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from (used in) investing activities:		
Acquisition of investments accounted for using equity method	(25,000)	(25,000)
Net cash receipts from acquisitions of subsidiaries	563	4,289
Cash payments to acquire subsidiaries	-	(174,478)
Proceeds from capital reduction of investments accounted for using equity method	98,000	-
Proceeds from disposal of non-current assets classified as held for sale	86,464	-
Acquisition of property, plant and equipment	(369,944)	(477,289)
Proceeds from disposal of property, plant and equipment	5,343	892
(Decrease) increase in refundable deposits	(23,610)	21,575
Acquisition of intangible assets	(144,034)	(438)
Acquisition of right-of-use assets	-	(25,655)
Increase in other non-current assets	(79,434)	(221,442)
Increase in prepayments for land and business facilities	(421,183)	(110,420)
Net cash flows used in investing activities	(872,835)	(1,007,966)
Cash flows from (used in) financing activities:		
(Decrease) increase in short-term loans	(199,100)	200,000
(Decrease) increase in short-term notes and bills payable	(89,933)	49,823
Proceeds from issuing bonds	302,728	612,000
Proceeds from long-term debt	2,602,219	1,797,750
Repayments of long-term debt	(2,266,237)	(1,804,287)
(Decrease) increase in guarantee deposits received	(473)	90
Payment of lease liabilities	(122,903)	(57,160)
Cash dividends paid	(95,917)	(38,367)
Proceeds from issuing shares	1,000,000	-
Change in non-controlling interests	85,750	75,950
Net cash flows from financing activities	1,216,134	835,799
Net increase in cash and cash equivalents	536,906	193,419
Cash and cash equivalents at beginning of period	392,746	199,327
Cash and cash equivalents at end of period	$ **929,652**	**392,746**

See accompanying notes to consolidated financial statements.

(1) Company history

NORTH-STAR INTERNATIONAL CO., LTD. (the "Company") was legally established with the approval of the Ministry of Economic Affairs on December 16, 1988, with registered address at No. 137, Xinhai Rd., Banqiao Dist., New Taipei City 220, Taiwan (R.O.C.). The Company and its subsidiaries ("the Group") mainly engaged in petrol filling stations and the retail business of gasoline products. In addition, for the diversification operation of the Group, the Group has been expanding into hotels, real estate development, and sale as well as renewable energy development services.

(2) Approval date and procedures of the consolidated financial statements:

These consolidated financial statements were authorized for issue by the Board of Directors on March 17, 2022.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2021:

- Amendments to IFRS 4 "Extension of the Temporary Exemption from Applying IFRS 9"
- Amendments to IFRS 9, IAS39, IFRS7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform—Phase 2"

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from April 1, 2021:

- Amendments to IFRS 16 "Covid-19-Related Rent Concessions beyond June 30, 2021"

(b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2022, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 16 "Property, Plant and Equipment－Proceeds before Intended Use"
- Amendments to IAS 37 "Onerous Contracts－Cost of Fulfilling a Contract"
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IFRS 3 "Reference to the Conceptual Framework"

(Continued)

(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of balance sheet, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.	January 1, 2023

The Group is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its consolidated financial position and consolidated financial performance. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 17 " Insurance Contracts" and amendments to IFRS 17 " Insurance Contracts"
- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

(4) Summary of significant accounting policies:

The significant accounting policies presented in the consolidated financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "the Regulations") and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C..

(Continued)

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the consolidated financial statements have been prepared on a historical cost basis.

1) Financial assets at fair value through other comprehensive income are measured at fair value.

(ii) Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan Dollar (NTD), which is the Company's functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

(Continued)

(ii) List of subsidiaries in the consolidated financial statements

List of the subsidiaries included in the consolidated financial statements:

Name investor	Name of investee	Scope of business	Percentage of ownership December 31, 2021	Percentage of ownership December 31, 2020	Description
The Company	NSTAR ENERGY CORPORATION	Petrol filling station	100.00 %	100.00 %	Control commenced from January 2015
The Company	ZHONGHUA PRINCE PETROL FILLING STATION CO., LTD.	Petrol filling station	100.00 %	100.00 %	Control commenced from April 2015
The Company	SANTI ENERGY CO., LTD. (Previous: SANLU DEVELOPMENT CO., LTD.)	Petrol filling station	100.00 %	100.00 %	Control commenced from June 2015
The Company	JIN SHI HU HOTEL CO., LTD.	Hotel	51.00 %	51.00 %	Control commenced from August 2019
The Company	YING GUANG ENTERPRISE CO., LTD.	Petrol filling station	100.00 %	100.00 %	Control commenced from December 2020
SANTI ENERGY CO., LTD. (Previous: SANLU DEVELOPMENT CO., LTD.)	HE FONG ENERGY CO., LTD.	Renewable energy	51.00 %	51.00 %	Control commenced from July 2020
SANTI ENERGY CO., LTD. (Previous: SANLU DEVELOPMENT CO., LTD.)	JIAXIN ENERGY CO., LTD.	Renewable energy	100.00 %	100.00 %	Incorporated in December 2020
ANTI ENERGY CO., LTD. (Previous: SANLU DEVELOPMENT CO., LTD.)	YAOGU ENERGY CO., LTD.	Renewable energy	100.00 %	100.00 %	Incorporated in December 2020
SANTI ENERGY CO., LTD. (Previous: SANLU DEVELOPMENT CO., LTD.)	SANTI MONSTERS POWER CO., LTD.	Electricity sales	100.00 %	- %	Incorporated in February 2021
SANTI ENERGY CO., LTD. (Previous: SANLU DEVELOPMENT CO., LTD.)	LYU YOU ENERGY CO., LTD.	Energy storage	100.00 %	- %	Incorporated in June 2021
SANTI ENERGY CO., LTD. (Previous: SANLU DEVELOPMENT CO., LTD.)	SANLU ENERGY STORAGE CO., LTD.	Energy storage	100.00 %	- %	Incorporated in June 2021
SANTI ENERGY CO., LTD. (Previous: SANLU DEVELOPMENT CO., LTD.)	CATHY SUNRISE ELECTRIC POWER ONE CO., LTD.	Renewable energy	100.00 %	- %	Incorporated in July 2021
SANTI ENERGY CO., LTD. (Previous: SANLU DEVELOPMENT CO., LTD.)	TEL POWER CO., LTD.	Marketing	100.00 %	- %	Incorporated in September 2021
SANTI ENERGY CO., LTD. (Previous: SANLU DEVELOPMENT CO., LTD.)	SHENG YANG ENGINEERING CO., LTD.	Engineering	100.00 %	- %	Incorporated in December 2021

(iii) Subsidiaries excluded from the consolidated financial statements: None.

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

An asset is classified as current under one of the following criteria, and all other assets are classified as noncurrent.

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

(iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are

(Continued)

classified as noncurrent.

An entity shall classify a liability as current when:

(i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(e) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(f) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at: amortized cost or fair value through other comprehensive income (FVOCI) – equity investment. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

(Continued)

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

3) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, financial assets measured at amortized costs, notes and trade receivables, other receivable, leases receivable, guarantee deposit paid and other financial assets) and contract assets.

The Group measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

(Continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment as well as forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 60 days past due.

The Group considers a financial asset to be in default when the financial asset is more than 90 days past due or the debtor is unlikely to pay its credit obligations to the Group in full.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade which is considered to be BBB- or higher per Standard & Poor's, Baa3 or higher per Moody's or twA or higher per Taiwan Ratings'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data:

· significant financial difficulty of the borrower or issuer;

· a breach of contract such as a default or being more than 90 days past due;

· the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;

(Continued)

· it is probable that the borrower will enter bankruptcy or other financial reorganization; or

· the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charge to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

4) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

(Continued)

3) Compound financial instruments

Compound financial instruments issued by the Group comprise convertible bonds denominated in NTD that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognized in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognized.

4) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

5) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

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

6) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(Continued)

(g) Inventories

(i) Trading/Tourist Hotels

Inventories are measured at the lower of cost or net realizable value. The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to the location and condition.

1) Trading: using first-in-first-out method.

2) Tourist Hotels: using weighted average method.

Net realizable value represents the estimated selling price in the ordinary course of business, less the necessary selling expenses.

(ii) Construction

The cost of inventories includes all necessary expenditures and charges for bringing the inventory to an available to sale and construction condition and location. The real estate development costs include construction costs, land costs, borrowing costs, and project costs incurred during the development period. When completion, construction in progress is carried over to buildings and land held for sale. The real estate development costs proportionate to the sale are carried forward to the operating cost. When the cost of inventories is higher than the net realizable value, it should be offset against the cost to net realizable value, and the amount of inventory should be recognized as cost of goods sold in the current period. The methods of determining the net realizable value are as follows:

1) Land held for development: the net realizable value is the replacement cost or estimated price (based on the market condition), less, the estimated selling expenses at the end of the period.

2) Construction in progress: Net realizable value is the estimated selling price (based on current market condition) in the ordinary course of business, less the estimated costs of completion and selling expenses, or estimated by recent market value.

3) Buildings and land held for sale: the net realizable value is the estimated price (based on the market condition), less, the estimated selling expenses at the end of the period.

(h) Investment in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

(Continued)

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Group, from the date on which significant influence commences until the date on which significant influence ceases. The Group recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual significant influence.

Gains and losses resulting from transactions between the Group and an associate are recognized only to the extent of unrelated Group's interests in the associate.

When the Group's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group discontinues the use of the equity method and measures the retained interest at fair value from the date when its investment ceases to be an associate. The difference between the fair value of retained interest and proceeds from disposing, and the carrying amount of the investment at the date the equity method was discontinued is recognized in profit or loss. The Group accounts for all the amounts previously recognized in other comprehensive income in relation to that investment on the same basis as would have been required if the associates had directly disposed of the related assets or liabilities. If a gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss (or retained earnings) on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) (or retained earnings) when the equity method is discontinued. If the Group's ownership interest in an associate is reduced while it continues to apply the equity method, the Group reclassifies the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest to profit or loss.

If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method without remeasuring the retained interest.

When the Group subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment will differ from the amount of the Group's proportionate interest in the net assets of the associate. The Group records such a difference as an adjustment to investments, with the corresponding amount charged or credited to capital surplus. The aforesaid adjustment should first be adjusted under capital surplus. If the capital surplus resulting from changes in ownership interest is not sufficient, the remaining difference is debited to retained earnings. If the Group's ownership interest is reduced due to the additional subscription to the shares of the associate by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate will be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

(Continued)

(i) Joint Arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. The IFRS classifies joint arrangements into two types — joint operations and joint ventures, which have the following characteristics: (a) the parties are bound by a contractual arrangement; and (b) the contractual arrangement gives two or more of those parties joint control of the arrangement. IFRS 11 "Joint Arrangements" defines joint control as the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities (ie activities that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control.

A joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Group accounts for the assets, liabilities, revenues and expenses in relation to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses. When assessing whether a joint arrangement is a joint operation or a joint venture, the Group considers the structure and legal form of the arrangement, the terms agreed by the parties in the contractual arrangement and, when relevant, other facts and circumstances.

(j) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(k) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(Continued)

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1)	buildings	1~60 years
2)	machinery and equipment	1~20 years
3)	transportation equipment	5 years
4)	office and other equipment	1~12 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(l) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a leasee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group’s incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

(Continued)

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- there is a change of its assessment on whether it will exercise a extension or termination option; or
- there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

If an arrangement contains lease and non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(Continued)

(ii) As a leasor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies IFRS15 to allocate the consideration in the contract.

(m) Intangible assets

(i) Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

Other intangible assets, including computer software, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for current and comparative periods are as follows:

1) Computer software 1~15 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(Continued)

(n) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, contract assets, deferred tax assets and investment properties and biological assets, measured at fair value, less costs) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(o) Provisions

A provision is recognized if, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

In accordance with the Group's environmental policy and applicable regulatory requirements, the provision for recovery liabilities is recognized when contaminated land satisfies the recognition criteria of the provision mentioned above, and the related costs are recognized.

(p) Revenue from contracts with customers

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below.

(Continued)

1) Sale of goods – gasoline products

The Group provides various gasoline products for sale in the retail market and recognizes revenue when the product is delivered to the customers. The price is paid immediately upon the customer's purchase of the product.

2) Customer loyalty program

The Group operates a customer loyalty program to its retail customers. Retail customers obtain points for purchases made, which entitle them to discount on future purchases. The Group considers that the points provide a material right to customers that they would not receive without entering into a contract. Therefore, the promise to provide points to the customer is a separate performance obligation. The transaction price is allocated to the product and the points on a relative stand-alone selling price basis. Management estimates the stand-alone selling price per point on the basis of the discount granted when the points are redeemed and on the basis of the likelihood of redemption, based on past experience. The stand-alone selling price of the product sold is estimated on the basis of the retail price. The Group has recognized contract liability at the time of sale on the basis of the principle mentioned above. Revenue from the award points is recognized when the points are redeemed or when they expire.

3) Service

The Group provides room services and catering service to customers and recognizes revenue from providing services in the accounting period in which the services are rendered.

4) Land development and sale of real estate

The Group develops and sells residential properties and usually sales properties in advance during construction or before construction begins. Revenue is recognized when control over the properties has been transferred to the customer. The properties have generally no alternative use for the Group due to contractual restrictions. However, an enforceable right to payment does not arise until legal title of a property has passed to the customer. Therefore, revenue is recognized at a point in time when the legal title has passed to the customer.

The revenue is measured at the transaction price agreed under the contract. For sale of readily available house, in most cases, the consideration is due when legal title of a property has been transferred. While deferred payment terms may be agreed in rare circumstances, the deferral never exceeds twelve months. The transaction price is therefore not adjusted for the effects of a significant financing component. For pre-selling properties, the consideration is usually received by installment during the period from contract inception until the transfer of properties to the customer. If the contract includes a significant financing component, the transaction price will be adjusted for the effects of the time value of money during the period, using the specific borrowing rate of the construction project. Receipt of a prepayment from a customer is recognized as contract liability. Interest expense and contract liability are recognized when adjusting the effects of the time value of money. Accumulated amount of contract liability is recognized as revenue when control over the property has been transferred to the customer.

(Continued)

Certain contracts include multiple deliverables, such as sale of residential properties and a decoration service. The Group accounts for the decoration service as a single performance obligation, and the transaction price is allocated to the decoration service on a relative stand-alone selling price basis. Revenue from providing the decoration service is recognized in the accounting period in which the services are rendered.

5) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money.

(ii) Contract costs

1) Incremental costs of obtaining a contract

The Group recognizes as an asset the incremental costs of obtaining a contract with a customer if the Group expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

The Group applies the practical expedient to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the entity otherwise would have recognized is one year or less.

2) Costs to fulfil a contract

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), the Group recognizes an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

a) the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify;

b) the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

c) the costs are expected to be recovered.

General and administrative costs, costs of wasted materials, labor or other resources to fulfil the contract that were not reflected in the price of the contract, costs that relate to satisfied performance obligations (or partially satisfied performance obligations), and costs for which the Group cannot distinguish whether the costs relate to unsatisfied performance obligations or to satisfied performance obligations(or partially satisfied performance obligations), the Group recognizes these costs as expenses when incurred.

(Continued)

(q) Government grants and government assistance

The Group recognizes an unconditional government grant related to employees' salaries, working capital subsidies, and quarantine hotels as other income when the grant becomes receivable. Grants that compensate the Group for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

Government assistance in the form of a guarantee from the government for loans from financial institutions is considered part of the unit of account in determining the fair value of the loan.

(r) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(s) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes in the liability are recognized in profit or loss.

Grant date of a share-based payment award is the date which the board of directors decided the capital increase date.

(t) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

(Continued)

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if the following criteria are met:

(i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(Continued)

(u) Business combination

The Group accounts for business combinations using the acquisition method. The goodwill arising from an acquisition is measured as the excess of (i) the consideration transferred (which is generally measured at fair value) and (ii) the amount of non-controlling interest in the acquiree, both over the identifiable net assets acquired at the acquisition date. If the amount calculated above is a deficit balance, the Group recognized that amount as a gain on a bargain purchase in profit or loss immediately after reassessing whether it has correctly identified all of the assets acquired and all of the liabilities assumed.

All acquisition-related transaction costs are expensed as incurred, except for the issuance of debt or equity instruments.

For each business combination, the Group measures any noncontrolling interests in the acquiree either at fair value or at the noncontrolling interest’ s proportionate share of the acquiree’ s identifiable net assets, if the noncontrolling interests are present ownership interests and entitle their holders to a proportionate share of the Group’ s net assets in the event of liquidation. Other components of noncontrolling interests are measured at their acquisition-date fair values, unless another measurement basis is required by the IFRSs endorsed by the FSC.

(v) Earnings per share

The Group discloses the Company’s basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as convertible bonds and employee compensation.

(w) Segment information

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group’s chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the consolidated financial statements in conformity with the IFRSs endorsed by the FSC requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the next period.

(Continued)

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is as follows:

(a) Judgment of whether the Group has substantive control over its investees

The Group holds 49% and 50% of the outstanding voting shares of NORTH STAR INTERNATIONAL DEVELOPMENT INDUSTRIES CORPORATION and YANG JI ENTERPRISE CO., LTD., respectively. The remaining shares are concentrated within specific shareholders, the Group cannot obtain more than half of the total number of both companies' directors, and it also cannot obtain more than half of the voting rights at a shareholders' meeting. Therefore, it is determined that the Group has significant influence on both companies.

Information about assumptions and estimation uncertainties does not have a significant risk of resulting in a material adjustment within the next financial year.

The Group's accounting policies include measuring financial and non financial assets and liabilities at fair value through profit or loss. The Group's financial instrument valuation group conducts independent verification on fair value by using data sources that are independent, reliable, and representative of exercise prices. This financial instrument valuation group also periodically adjusts valuation models, conducts back testing, renews input data for valuation models, and makes all other necessary fair value adjustments to assure the rationality of fair value. The Group strives to use market observable inputs when measuring assets and liabilities. Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the assets or liability that are not based on observable market data.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2021	December 31, 2020
Cash	$ 25,575	16,227
Check and demand deposit	904,077	376,519
Cash and cash equivalents in the consolidated statement of cash flows	**$ 929,652**	**392,746**

(b) Financial assets and liabilities at fair value through profit or loss

	December 31, 2021	December 31, 2020
Non-current financial asset measured at fair value through		
Convertible bond-embedded derivative	**$ 2,443**	**-**

(Continued)

		December 31, 2021	December 31, 2020
Non-current financial liability measured at fair value throughprofit or loss:			
Convertible bond-embedded derivative	**$**	**210**	**300**

Please refer to note 6(s) for the convertible corporate bonds issue by the Group on December 10, 2021 and December 23, 2020. The call option and put option of convertible corporate bonds were mandatorily measured at fair value through profit or loss.

(c) Non-current financial assets at fair value through other comprehensive income

		December 31, 2021	December 31, 2020
Unlisted stocks			
MA LI QIANG GREEN ENERGY CO., LTD.	**$**	**535**	**517**

(i) Equity investments at fair value through other comprehensive income.

The Group designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term strategic purposes.

There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments as of December 31, 2021 and 2020.

(ii) For credit risk and market risk, please refer to note 6(ab).

(iii) As of December 31, 2021 and 2020, the financial assets at fair value through other comprehensive income of the Group had not been pledged as collateral.

(d) Notes and accounts receivables

		December 31, 2021	December 31, 2020
Notes receivables	$	148	301
Trade receivables		37,495	20,566
	$	**37,643**	**20,867**

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provisions in Taiwan were determined as follows:

(Continued)

	December 31, 2021		
	Gross carrying amount	**Weighted average loss rate**	**Loss allowance provision**
Current	$ 37,008	0%	-
1 to 30 days past due	635	0%	-
31 to 60 days past due	-	0%	-
61 to 90 days past due	-	2.78%	-
More than 91 days past due	-	100%	-
	$ 37,643		**-**

	December 31, 2020		
	Gross carrying amount	**Weighted average loss rate**	**Loss allowance provision**
Current	$ 20,664	0%	-
1 to 30 days past due	203	0%	-
31 to 60 days past due	-	0%	-
61 to 90 days past due	-	3.33%	-
More than 91 days past due	-	100%	-
	$ 20,867		**-**

For the years ended December 31, 2021 and 2020, the were no changes in allowance for notes and trade receivables.

As of December 31, 2021 and 2020, the notes and trade receivables of the Group had not been pledged as collateral.

(e) Inventories

	December 31, 2021	**December 31, 2020**
Trading/Tourist Hotels:		
Premium Diesel	$ 29,605	30,461
Unleaded gasoline 98	12,811	14,311
Unleaded gasoline 95	49,548	51,167
Unleaded gasoline 92	25,309	27,643
Coproducts and others	2,808	1,039
Merchandise and food	80	65
Subtotal	120,161	124,686

(Continued)

		December 31, 2021	December 31, 2020
Construction industry:			
Land held for construction site		-	201,223
Construction in progress		460,833	150,488
Subtotal		460,833	351,711
	$	**580,994**	**476,397**

The details of the cost of sales were as follows:

		2021	2020
Inventory that has been sold	$	4,687,807	3,627,169
Parking service cost		1,485	1,145
Hotel room and catering service cost		37,515	34,857
Stock take surplus		(4,664)	(5,018)
	$	**4,722,143**	**3,658,153**

Capitalized interest costs of the Group were as follows:

		2021	2020
Capitalization of interest	$	**3,799**	**4,290**
Range of rate for capitalization		**1.75%~1.90%**	**1.75%~1.95%**

(f) Investments accounted for using equity method

A summary of the Group's financial information for investments accounted for using the equity method at the reporting date is as follows:

		December 31, 2021	December 31, 2020
Associates	$	**272,858**	**272,446**

(i) Associates

Name of Associates	Nature of Relationship with the Group	Main operating location/ Registered Country	Proportion of shareholding and voting rights December 31, 2021	December 31, 2020
NORTH STAR INTERNATIONAL DEVELOPMENT INDUSTRIES CORPORATIO	The main businesses are interior decoration construction, wholesale building materials, and residential and building development and rental.	Taiwan	49 %	49 %
YANG JI ENTERPRISE CO., LTD.	Mainly engages in advertisement consignment.	Taiwan	50 %	50 %

(Continued)

On April 7, 2020, the Group acquired 50% of ownership in YANG JI ENTERPRISE CO., LTD. for $5,000 thousand, thereby obtaining significant influence on YANG JI ENTERPRISE CO., LTD. In addition, on August 5, 2020 and March 16, 2021, the Board resolved to participate in the capital increase of YANG JI ENTERPRISE CO., LTD. The increase in investments of $20,000 thousand and $25,000 thousand proportioned to the shareholding, respectively. As of December 31, 2021, the total investment in YANG JI ENTERPRISE CO., LTD. is $50,000 thousand.

On September 14, 2021, the resolution was approved in the shareholders' meeting of NORTH-STAR INTERNATIONAL DEVELOPMENT CO., LTD. regarding the capital reduction. The Group proportionally reduced its shareholding of NORTH-STAR INTERNATIONAL DEVELOPMENT CO., LTD. by $98,000 thousand. As of December 31, 2021, the investment in NORTH-STAR INTERNATIONAL DEVELOPMENT CO., LTD. amounted to $147,000 thousand.

The following is the aggregated financial information of the major associates, and necessary changes have already been made to the information therein concerning the associates' consolidated financial statements based on the IFRS as endorsed by FSC to reflect the fair value adjustments made at the time of acquisition and adjustment for accounting policy variations.

1) Financial information summary of NORTH STAR INTERNATIONAL DEVELOPMENT INDUSTRIES CORPORATION were as follows:

	December 31, 2021	December 31, 2020
Current assets	$ 3,306,371	3,419,320
Non-current assets	529,028	796,874
Current liabilities	(1,519,725)	(1,321,604)
Non-current liabilities	(1,860,815)	(2,411,369)
Net assets	**$ 454,859**	**483,221**

	2021	2020
Operating revenue	$ 1,526,636	540,468
Profit for the year	171,638	65,459
Other comprehensive income	-	-
Total comprehensive income	**$ 171,638**	**65,459**

	2021	2020
Share of net assets of associates as of January 1	$ 236,778	204,702
Comprehensive income attributable to the Group	84,103	32,076
Decrease in investment in associates during the period	(98,000)	-
Share of net assets of associates as of December 31	**$ 222,881**	**236,778**

(Continued)

2) Financial information summary of YANG JI ENTERPRISE CO., LTD. were as follows:

	December 31, 2021	December 31, 2020
Current assets	$ 36,958	85,947
Non-current assets	93,346	433
Current liabilities	(351)	(15,044)
Non-current liabilities	(30,000)	-
Net assets	**$ 99,953**	**71,336**

	2021	2020
Operating revenue	$ 12,114	45,253
Profit for the year	(2,180)	21,336
Other comprehensive income	-	-
Total comprehensive income	**$ (2,180)**	**21,336**

	2021	2020
Share of net assets of associates as of January 1	$ 35,668	-
Capital increase during the period	25,000	25,000
Comprehensive income attributable to the Group	(1,090)	10,668
Dividends received from associates	(9,601)	-
Share of net assets of associates as of December 31	**$ 49,977**	**35,668**

(ii) Collateral

As of December 31, 2021 and 2020, the Group did not provide any investments accounted for using the equity method as collateral.

(g) Joint operations

The Group entered into joint development agreements with HEYI CONSTRUCTION CO., LTD., which is not a separate entity, responsible for 50% of the real estate development expenses respectively. HEYI CONSTRUCTION CO., LTD. is the implementing company responsible for real estate development, such as planning and design, outsourcing, and progress tracking. The joint agreement between the Group and HEYI CONSTRUCTION CO., LTD. for participation in land development provides that each party uses its assets and assumes its liabilities in the performance of the contract. The Group and HEYI CONSTRUCTION CO., LTD. recognize revenue from the sale of the products as a 50% share each. The construction license for this case has been issued and started construction in March 2021. As of December 31, 2021, the amount of the buildings held by the joint development was $257,278 thousand, which is recognized under inventories. Please note 6(e) for details.

(Continued)

(h) Acquisition of assets

The Group acquired 100% shares of Cathy Sunrise Electric Power One Co., Ltd. (hereinafter referred to as Cathy Sunrise Electric Power One) from its related party in July 2021 and acquired its assets and liabilities. Cathy Sunrise Electric Power One is a company with a license issued by the Ministry of Economic Affairs to prepare for the project solar power generation system. The solar project under development has obtained a consent letter from Taiwan Power Company for parallel power generation. Please note 7 for details.

The following table summarized the assets acquired and liabilities assumed recognized at the acquisition date:

Acquisition of assets		
Cash and cash equivalents	$	5
Other current assets		3,604
Intangible assets (note 6(n))		142,909
Total assets acquired		146,518
Less: liabilities assumed		
Other liabilities		(30,019)
Considerations for assets acquisition	**$**	**116,499**

(i) Acquisition of subsidiaries and non-controlling interests

The Group acquired an additional 51% shareholdings of HE FONG ENERGY CO., LTD. on July 1, 2020, for cash amounted to $5,533 thousand.

The following table summarizes the effect on the equity attributable to the shareholders of the Company arising from abovementioned changes in ownership interests in HE FONG ENERGY CO., LTD. at acquisition date:

		2020
Carrying amount of purchase non-controlling interests	$	4,970
Consideration paid to non-controlling interest		(5,533)
Capital surplus - difference between the consideration and the carrying amount of subsidiaries' share acquired	**$**	**(563)**

(j) Business combination

On November 24, 2020, the Group acquired 100% of the shares of YING GUANG ENTERPRISE CO., LTD. and obtained control over the entity, which engaged in the operation of petrol filling stations.

Obtaining the control over YING GUANG ENTERPRISE CO., LTD. has enabled the Group to acquire the customer base of the acquiree through this acquisition, which is expected to increase the market share of the Group in the petrol filling station industry. The Group also expects to reduce costs through economies of scale.

(Continued)

A month starting from the acquisition date to December 31, 2020, YING GUANG ENTERPRISE CO., LTD. contributed revenue and net profit of $14,087 thousand and $634 thousand, respectively. If the acquisition had taken place on January 1, 2021, management estimated that the consolidated revenue and net profit for the years ended December 31, 2021 would have been $160,491 thousand and $5,994 thousand, respectively. In determining these amounts, the management has assumed that the fair value adjustments determined provisionally, that arose on the acquisition date would have been the same if the acquisition had occurred on January 1, 2021.

The major categories of considerations transferred, assets acquired, liabilities assumed and goodwill recognized on the acquisition date, were as follows:

(i) The following table summarizes the acquisition date fair value of major class of consideration transferred.

Major class of consideration transferred

Cash	**$**	**188,000**

(ii) The following table summarizes the recognized amounts of assets acquired and liabilities assumed at the acquisition date:

Identifiable net assets acquired in a business combination		
Working capital (including cash and cash equivalents of $13,522 thousand)	$	13,726
Land and buildings (Note 6(k))		176,832
Other assets		13,298
Total identifiable net assets acquired in a business combination Total amount		203,856
Less: liabilities assumed		
Bank loan		(10,000)
Other liabilities		(41,353)
Fair value of net identifiable assets	**$**	**152,503**

(iii) Goodwill arising from the acquisition has been recognized as follows:

Consideration transferred	$	188,000
Less: fair value of net identifiable assets		(152,503)
Goodwill (Note 6(n))	**$**	**35,497**

Goodwill is mainly derived from the profitability of YING GUANG ENTERPRISE CO., LTD. in the petrol filling station market and is expected to result from integrating such company's petrol filling station business with the Group's. Goodwill is recognized as intangible assets with no income tax effect expected.

(Continued)

(k) Property, plant and equipment

The following table summarizes the cost, depreciation and impairment of property, plant and equipment of the Group:

	Land	Buildings and construction	Machinery and equipment	Others	Construction in progress	Total
Cost or deemed cost:						
Balance on January 1, 2021	$ 3,327,688	510,476	313,306	138,665	-	4,290,135
Additions	255,780	19,907	20,972	11,940	61,345	369,944
Disposal	-	(15,116)	(10,940)	(6,341)	-	(32,397)
Transfer from premayments	-	100	4,226	-	-	4,326
Balance on December 31, 2021	**$ 3,583,468**	**515,367**	**327,564**	**144,264**	**61,345**	**4,632,008**
Balance on January 1, 2020	$ 2,707,218	459,944	285,057	134,297	-	3,586,516
Business combination	165,900	25,334	14,534	1,688	-	207,456
Additions	454,570	25,776	13,885	7,223	-	501,454
Disposal	-	(578)	(170)	(4,543)	-	(5,291)
Transfer from premayments	-	-	-	-	-	-
Balance on December 31, 2020	**$ 3,327,688**	**510,476**	**313,306**	**138,665**	**-**	**4,290,135**
Depreciation and impairments losses:						
Balance on January 1, 2021	$ -	201,874	239,262	103,157	-	544,293
Depreciation	-	19,820	20,208	10,161	-	50,189
Disposal	-	(10,063)	(10,851)	(6,140)	-	(27,054)
Balance on December 31, 2021	**$ -**	**211,631**	**248,619**	**107,178**	**-**	**567,428**
Balance on January 1, 2020	$ -	171,830	212,912	95,316	-	480,058
Business combination	-	11,577	7,181	1,416	-	20,174
Depreciation	-	18,847	19,339	10,547	-	48,733
Disposal	-	(380)	(170)	(4,122)	-	(4,672)
Balance on December 31, 2020	**$ -**	**201,874**	**239,262**	**103,157**	**-**	**544,293**
Carrying amount:						
Balance on December 31, 2021	**$ 3,583,468**	**303,736**	**78,945**	**37,086**	**61,345**	**4,064,580**
Balance on December 31, 2020	**$ 3,327,688**	**308,602**	**74,044**	**35,508**	**-**	**3,745,842**
Balance on January 1, 2020	**$ 2,707,218**	**288,114**	**72,145**	**38,981**	**-**	**3,106,458**

As of December 31, 2021 and 2020, there was agricultural land of $39,633 thousand and $39,849 thousand for use by the Group as petrol filling stations, respectively. The ownership of the land is temporarily registered in the trusted third party designated by the Group. The trustee either pledged the land as collateral for the Group or entered into a contractual agreement with the Group at a total price of $43,250 thousand.

As of December 31, 2021 and 2020, the property, plant and equipment of the Group had been pledged as collateral for long-term and short-term borrowings; please refer to note 8.

(Continued)

(l) Right-of-use assets

The following table summarizes the cost and depreciation of right-of-use assets of the Group:

	Land and building	Transportation equipment	Total
Cost:			
Balance on January 1, 2021	$ 1,345,760	2,816	1,348,576
Additions	1,075,415	6,953	1,082,368
Write-off	(43,277)	-	(43,277)
Balance on December 31, 2021	**$ 3,723,658**	**12,585**	**2,387,667**
Balance on January 1, 2020	$ 975,100	2,649	977,749
Additions	414,407	-	414,407
Write-off	(43,477)	(103)	(43,580)
Reclassification	(270)	270	-
Balance on December 31, 2020	**$ 1,345,760**	**2,816**	**1,348,576**
Accumulated depreciation:			
Balance on January 1, 2021	$ 211,421	2,714	214,135
Depreciation for the year	183,926	1,495	185,421
Write-off	(30,411)	-	(30,411)
Balance on December 31, 2021	**$ 364,936**	**4,209**	**369,145**
Balance on January 1, 2020	$ 96,154	1,667	97,821
Depreciation for the year	127,468	1,047	128,515
Write-off	(12,201)	-	(12,201)
Balance on December 31, 2020	**$ 211,421**	**2,714**	**214,135**
Carrying amount:			
Balance on December 31, 2021	**$ 3,358,722**	**8,376**	**3,367,098**
Balance on December 31, 2020	**$ 1,134,339**	**102**	**1,134,441**
Balance on January 1, 2020	**$ 878,946**	**982**	**879,928**

For the years ended December 31, 2021 and 2020, the increase of the right-of-use assets was mainly for expanding the scale of operations, such as new leased petrol filling stations. On the other hand, the sites for developing power plants acquired in 2021 amounted to $773,583 thousand.

(Continued)

(m) Investment property

The cost, depreciation, and impairment of the investment property of the Group for the years ended December 31, 2021 and 2020, were as follows:

	Land	Buildings and construction	Total
Cost or deemed cost:			
Balance on January 1, 2021	$ 83,125	-	83,125
Balance on December 31, 2021	**$ 83,125**	**-**	**83,125**
Balance on January 1, 2020	$ 83,125	7,748	90,873
Disposal	-	(7,748)	(7,748)
Balance on December 31, 2020	**$ 83,125**	**-**	**83,125**
Depreciation and impairments losses:			
Balance on January 1, 2021	$ 48,793	-	48,793
Depreciation for the year	-	-	-
Balance on December 31, 2021	**$ 48,793**	**-**	**48,793**
Balance on January 1, 2020	$ 48,793	7,217	56,010
Depreciation for the year	-	324	324
Disposal	-	(7,541)	(7,541)
Balance on December 31, 2020	**$ 48,793**	**-**	**48,793**
Carrying amount:			
Balance on December 31, 2021	**$ 34,332**	**-**	**34,332**
Balance on December 31, 2020	**$ 34,332**	**-**	**34,332**
Balance on January 1, 2020	**$ 34,332**	**531**	**34,863**
Fair value:			
Balance on December 31, 2021	**$ 61,402**	**-**	**61,402**
Balance on December 31, 2020	**$ 56,376**	**-**	**56,376**

Investment property is vacant agricultural land amounted to $83,125 thousand. The land is a restricted use land under the Water Act as it is located on the river reservation zone and was planned as a river land in 2011.

The fair value of the investment property aforementioned is assessed by management using the present value of the relevant land announcement and the present value of property tax.

The fair value of the investment property aforementioned is calculated by management using the present value of the relevant land announcement and the present value of property tax. In addition, the buildings and construction of such investment property were approved by the Taichung City local Tax Bureau for a write-off of the property tax in September 2020 when the Group applied to the land administration for demolition in July 2020.

(Continued)

The Group assessed the recoverable amount for investment properties that showed signs of possible impairment and recognized the accumulative impairment loss of both $48,793 thousand as of December 31, 2021 and 2020.

As of December 31, 2021 and 2020, the investment property of the Group had not been pledged as collateral.

(n) Intangible assets

	Goodwill	Computer Software	Value of contract	Total
Cost：				
Balance on January 1, 2021	$ 37,513	11,599	-	49,112
Additions	-	1,125	142,909	144,034
Disposals	-	(1,134)	-	(1,134)
Balance on December 31, 2021	**$ 37,513**	**11,590**	**142,909**	**192,012**
Balance on January 1, 2020	$ 2,016	11,595	-	13,611
Additions	-	438	-	438
Acquisition through business combinations	35,497	-	-	35,497
Disposals	-	(434)	-	(434)
Balance on December 31, 2020	**$ 37,513**	**11,599**	**-**	**49,112**
Accumulated amortization and impairment losses:				
Balance on January 1, 2021	$ -	6,612	-	6,612
Amortization for the year	-	2,565	-	2,565
Disposals	-	(1,134)	-	(1,134)
Balance on December 31, 2021	**$ -**	**8,043**	**-**	**8,043**
Balance on January 1, 2020	$ -	5,083	-	5,083
Amortization for the year	-	1,963	-	1,963
Disposals	-	(434)	-	(434)
Balance on December 31, 2020	**$ -**	**6,612**	**-**	**6,612**
Carrying amount:				
Balance on December 31, 2021	**$ 37,513**	**3,547**	**142,909**	**183,969**
Balance on December 31, 2020	**$ 37,513**	**4,987**	**-**	**42,500**
Balance on January 1, 2020	**$ 2,016**	**6,512**	**-**	**8,528**

(Continued)

(i) Amortization expenses

The amortization expenses of the intangible assets of the Group for the years ended December 31, 2021 and 2020, were as follows:

	2021	2020
Operating expenses	$ 2,565	1,965

(ii) Collateral

As of December 31, 2021 and 2020, the intangible assets of the Group had not been pledged as collateral.

(o) Other current asset

	December 31, 2021	December 31, 2020
Other current assets:		
Non-current assets held for sale	$ -	57,700
Prepayments to suppliers	59,391	38,034
Prepaid rents	2,718	1,008
Net input VAT	17,815	29,431
Prepaid expenses	30,808	9,336
Supplies inventories	6,978	2,338
Incremental costs of obtaining a contract	33,360	-
Others	11,764	7,696
	$ 162,834	145,543

The Group sold its non-current assets classified as held for sale to other party in April 2021 for a total price of $86,464 thousand, and the gain on disposal amounted to $28,764 thousand. The transfer procedures had been completed, and as of December 31, 2021, the disposal proceeds had been fully recovered.

For the marketing activities information on other current assets provided as deposits, as of December 31, 2021, and 2020, please refer to Note 8.

(Continued)

(p) Short-term notes and bills payable

	December 31, 2021		
	Guarantee or acceptance institution	**Range of interest rates**	**Amount**
Commercial paper payable	TAIWAN FINANCE CORPORATION	1.23%	$ 50,000
Less: Discount on short-term notes and bills payable			(159)
Total			**$ 49,841**

	December 31, 2020		
	Guarantee or acceptance institution	**Range of interest rates**	**Amount**
Commercial paper payable	DAH CHUNG BILLS FINANCE CORPORATION	1.27%	$ 40,000
Commercial paper payable	CHINA BILLS FINANCE CORPORATION	1.23%	50,000
Commercial paper payable	MEGA BILLS FINANCE CORPORATION	1.20%	50,000
Less: Discount on short-term notes and bills payable			(226)
Total			**$ 139,774**

(q) Short-term borrowings

	December 31, 2021	**December 31, 2020**
Unsecured bank loans	$ 15,000	200,000
Secured bank loans	218,400	232,500
Total	**$ 233,400**	**432,500**
Unused short-term credit lines	**$ 1,631,200**	**388,200**
Range of interest rates	**1.45%~1.9%**	**1.54%~2.38%**

(Continued)

(r) Long-term borrowings

	December 31, 2021			
	Currency	**Range of interest rates**	**Maturity year**	**Amount**
Unsecured bank loans	NTD	1.60%	2023.06.15	$ 44,262
Secured bank loans	NTD	1.28%~2.35%	2022.02.10~ 2028.07.16	1,752,294
				1,796,556
Less: current portion				(546,099)
Total				**$ 1,250,457**
Unused long-term credit lines				**$ 1,978,200**

	December 31, 2020			
	Currency	**Range of interest rates**	**Maturity year**	**Amount**
Unsecured bank loans	NTD	1.60%	2023.06.15~ 2025.11.16	$ 51,652
Secured bank loans	NTD	1.40%~1.85%	2021.03.23~ 2027.09.08	1,408,922
				1,460,574
Less: current portion				(808,048)
Total				**$ 652,526**
Unused long-term credit lines				**$ 324,250**

(i) For the collateral for long-term borrowings, please refer to note 8.

(ii) Government credit guarantee loans

The Group obtained an interim working capital of $150,000 thousand for relief and economic stimulus package of COVID-19 from the Ministry of Economic Affairs in October 2020 for a period of five years, which is allocated in a split and is not revolving. As of December 31, 2021 and 2020, the balance of borrowing amounted to $139,958 thousand and $17,750 thousand, respectively, with the interest rates of 1.55%, and received an 80% guarantee from the Small and Medium Enterprise Credit Guarantee Fund of Taiwan.

(s) Bonds payable

The following table summarized the bonds payable information of the Group:

	December 31, 2021	**December 31, 2020**
Total convertible corporate bonds issued	$ 638,200	600,000
Unamortized discounted corporate bonds payable	(19,057)	(16,615)
Corporate bonds issued balance at year-end	**$ 619,143**	**583,385**

(Continued)

	December 31, 2021	December 31, 2020
Embedded derivative – redemption rights:		
included in financial assets at fair value through profit or loss	$ 2,443	-
included in financial liabilities at fair value through profit or loss	$ 210	300
Equity component – conversion options, included in capital surplus– stock options	$ 35,295	28,380

	2021	2020
Embedded derivative instruments – redemption rights, included in financial liabilities at fair value through profit or loss	$ 5,017	-
Interest expense	$ 2,741	65

On December 10, 2021, the Company issued 3,000 three-year unsecured convertible corporate bonds with a nominal interest rate of 0% for the sixth time, which were repaid in cash at maturity per the principal amount of the bonds.

The conversion price was $35.50 per share, when it comes to adjusting conversion price of the Company's common share, it should adhere to the conversion's rules. The conversion price change with formula within issuance details. These secured convertible bonds do not have reset feature.

On December 23, 2020, the Company issued 6,000 five-year unsecured convertible corporate bonds with a nominal interest rate of 0% for the fifth time, which were repaid in cash at maturity per the principal amount of the bonds.

The conversion price was 18.18 per share, when it comes to adjusting conversion price of the Company's common share, it should adhere to the conversion's rules. The conversion price change with formula within issuance details. These secured convertible bonds do not have reset feature. Other conditions are as follows:

(i) Redemption right is the bondholders may require the Company to redeem the bonds in cash at 100% of the principal amount of the bonds at the base date of early redemption.

(ii) The redemption right satisfies one of the following, and the Company reclaims its outstanding bonds in cash at the principal amount:

1) Within the period between three months after the issuance date and 40 days before the last convertible date, if the closing price of the Company's common shares on the Taipei Exchange for a period of 30 consecutive trading days before redemption has been at least 30% of the conversion price in effect on each such trading day, the Company may redeem all bonds at par value by cash.

2) If the amount outstanding of bonds is less than 10% of the principal amount between the three months after the share issuance date and the 40 days before the maturity date, the Company may redeem the outstanding bonds at their principal amount.

(Continued)

(t) Lease liabilities

	December 31, 2021	December 31, 2020
Current	$ 155,124	94,437
Non-current	$ 1,929,717	1,044,648

For the maturity analysis, please refer to note 6(aa).

The amounts recognized in profit or loss was as follows:

	2021	2020
Interest on lease liabilities	$ 49,772	16,593
Variable lease payments not included in the measurement of lease liabilities	$ 798	619
Income from sub-leasing right-of-use assets	$ 3,974	4,280
Expenses relating to short-term leases	$ 1,226	406
Expenses relating to leases of low-value assets	$ 40	77
COVID-19-related rent concessions (recognized as other income)	$ 923	1,476

The amounts recognized in the statement of cash flows for the Group was as follows:

	2021	2020
Total cash outflow for leases	$ 174,689	74,885

(i) Real estate leases

The Group leases land and buildings for its petrol filling station and hotels. The leases typically run for 1 to 22 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

Some leases provide for additional rent payments that are based on changes in local price indices, or sales that the Group makes at the leased store in the period. Some also require the Group to make payments that relate to the property taxes levied on the lessor and insurance payments made by the lessor; these amounts are generally determined annually.

Some leases of petrol filling station contain extension or cancellation options exercisable by the Group up to one year before the end of the non-cancellable contract period. These leases are negotiated and monitored by local management, and accordingly, contain a wide range of different terms and conditions. The extension options held are exercisable only by the Group and not by the lessors. In which lessee is not reasonably certain to use an optional extended lease term, payments associated with the optional period are not included within lease liabilities.

(Continued)

(ii) Other leases

The Group also leases machineries and billboard with lease terms of one year. These leases are short-term or leases of low value items. The Group decided to apply recognition exemptions, and had elected not to recognize its right-of-use assets and lease liabilities for these leases.

(u) Employee benefits

Defined contribution plans

The Company allocates 6% of each employee’ s monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to \$16,971 thousand and \$14,613 thousand for the years ended December 31, 2021 and 2020, respectively.

(v) Income tax

(i) Income tax expense

For the years ended December 31, 2021 and 2022, income tax expense of the Group were as follows:

		2021	2020
Current tax expense	$	31,232	26,592
Deferred tax expense		1,001	2,931
Tax expense	**$**	**32,233**	**29,523**

There were no income tax recognized directly in equity or in other comprehensive income for 2021 and 2020.

(ii) Reconciliation of income tax and profit before tax for 2021 and 2020 is as follows:

		2021	2020
Profit excluding income tax	**$**	**168,496**	**144,189**
Income tax using the Company’s domestic tax rate	$	33,699	29,591
Income from domestic investment accounted for using equity method		(6,928)	(1,596)
Additional tax on undistributed earnings		706	382
Others		4,756	1,146
	$	**32,233**	**29,523**

(Continued)

(iii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	December 31, 2021	December 31, 2020
Tax effect of deductible temporary differences	$ 3,915	4,111
The carryforward of unused tax losses	23,043	10,729
	$ 26,958	**14,840**

The R.O.C. Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom.

As of December 31, 2021, the information of the Group’s unused tax losses for which no deferred tax assets were recognized are as follows:

Group entity	Year of loss	Unused tax loss	Expiry year
SANTI ENERGY (Previous: SANLU DEVELOPMENT)	2017(assessed)	$ 976	2027
SANTI ENERGY (Previous: SANLU DEVELOPMENT)	2018(assessed)	551	2028
SANTI ENERGY (Previous: SANLU DEVELOPMENT)	2019(assessed)	1,011	2029
SANTI ENERGY (Previous: SANLU DEVELOPMENT)	2020(filed)	2,676	2030
SANTI ENERGY (Previous: SANLU DEVELOPMENT)	2021(estimated)	33,633	2031
JIN SHI HU HOTEL	2019(assessed)	11,188	2029
JIN SHI HU HOTEL	2020(filed)	6,968	2030
ZHONGHUA PRINCE PETROL FILLING STATION	2020(filed)	28,950	2030
ZHONGHUA PRINCE PETROL FILLING STATION	2021(estimated)	29,260	2031
	Total	**$ 115,213**	

2) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2021 and 2020 were as follows:

(Continued)

Deferred tax assets:

	Deferred revenue	Unrealized loss	Tax loss	Others	Total
Balance on January 1, 2021	$ 1,525	721	5,049	5,672	12,967
Recognized in profit or loss	67	-	(2,882)	1,814	(1,001)
Balance on December 31, 2021	**$ 1,592**	**721**	**2,167**	**7,486**	**11,966**
Balance on January 1, 2020	$ 1,506	721	7,114	6,557	15,898
Recognized in profit or loss	19	-	(2,065)	(885)	(2,931)
Balance on December 31, 2020	**$ 1,525**	**721**	**5,049**	**5,672**	**12,967**

As of December 31, 2021, the information of the Group's unused tax losses for which deferred tax assets were recognized are as follows:

Deferred tax assets:

Group entity	Year of loss	Unused tax loss	Expiry year
ZHONGHUA PRINCE PETROL FILLING STATION	2019 (assessed)	**$ 10,834**	2029

Deferred tax liabilities:

As of December 31, 2020, the Group recognized land value-added tax provision amounting to $36,659 thousand due to the acquisition of YING GUANG ENTERPRISE CO., LTD., which deferred income tax liabilities were recognized as other non-current liabilities.

(iv) The Company's tax returns for the years through 2019 were assessed by the Taipei National Tax Administration.

(w) Capital and other equities

As of December 31, 2021 and 2020, the total value of authorized ordinary shares were both amounted to $3,000,000 with par value of $10 per share, the number of authorized ordinary shares were both 300,000 thousand of shares. As of that date, 246,249 thousand (2020: 191,833 thousand) of ordinary shares were issued. All issued shares were paid up upon issuance.

Reconciliation of shares outstanding for 2021 and 2020 was as follows:

	Ordinary Shares	
(in thousands of shares)	**2021**	**2020**
Balance on January 1	191,833	191,833
Issued for cash	40,000	-
Conversion of convertible bonds	14,416	-
Balance on December 31	**246,249**	**191,833**

(Continued)

(i) Ordinary shares

On August 5, 2021, the Company increased its capital by issuing 40,000 ordinary shares with a par value of $10 per share, amounting to $400,000 thousand pursuant to a resolution of the Board of Directors. The base date was December 13, 2021, and the relevant registration procedures had been completed. The Company reserved 10% of newly issued shares for 10% for its employee to purchase. In 2021, the expenses related to the share-based payments amounted to $3,732 thousand.

For the year ended December 31, 2021, the convertible bonds issued by the Company amounting to $144,161 thousand were converted into 14,416 thousand shares of common stock. The related registration procedures, of which 14,405 thousand of shares, were completed.

(ii) Capital surplus

The balances of capital surplus as of December 31, 2021 and 2020, were as follows:

	December 31, 2021	December 31, 2020
Share premium	600,000	-
Premium of convertible corporate bonds	185,218	64,144
Difference arising from subsidiary's share price and its carrying value	4,028	3,465
Share-based payment	3,732	-
Employee share options-expired	10,108	10,098
Employee share options	35,295	28,380
	$ **838,381**	**106,087**

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(iii) Retained earnings

The Company's article of incorporation stipulate that Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, and then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

(Continued)

Before the distribution of dividends, the Company shall first take into consideration its operating environment, industry developments, and the long-term interests of stockholders, as well as its programs to maintain operating efficiency and meet its capital expenditure budget and financial goals in determining the stock or cash dividends to be paid. The Company could appropriate dividends by more 50% of appropriable earnings each year; the dividend could be distributed in the types of stock dividends or cash dividend and the cash dividends shall be greater than 20% of total dividends.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Earnings distribution

The amounts of cash dividends on the appropriations of earnings for 2020 and 2019 had been approved during the shareholders meeting on August 8, 2021 and June 9, 2020, respectively. The relevant dividend distributions to shareholders were as follows:

	2020		2019	
	Amount per share	**Amount**	**Amount per share**	**Amount**
Dividends distributed to ordinary shareholders:				
Cash	$ 0.50	95,917	0.20	38,367

The amount of cash dividends on the appropriations of earnings for 2021, had been approved and proposed during the board meeting on March 17, 2022 was $0.6 cash dividend per share, total $148,228 thousand.

(iv) Other comprehensive income accumulated in reserves, net of tax

	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income
Balance on January 1, 2021	$ (1,693)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	18
Balance on December 31, 2021	**$ (1,675)**
Balance on January 1, 2020	$ (1,610)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	(83)
Balance on December 31, 2020	**$ (1,693)**

(Continued)

(x) Earnings per share

	2021	2020
Basic earnings per share		
Profit of the Company for the year	**$ 140,024**	**120,469**
Weighted average number of ordinary shares on December 31 (thousand of share)	**201,914**	**191,833**
Basic earnings per share (dollar)	**$ 0.69**	**0.63**
Diluted earnings per share		
Profit of the Company for the year	$ 140,024	120,469
Effect of dilutive potential ordinary shares	-	-
Effect of employee share bonus		52
Interest expense on convertible bonds, net of tax	2,193	-
Profit attributable to ordinary shareholders of the Company (diluted)	**$ 142,217**	**120,521**
Weighted average number of ordinary shares	201,914	191,833
Effect of dilutive potential ordinary shares		
Effect of employee share bonus	65	94
Effect of convertible corporate bonds conversion	6,308	33,003
Weighted average number of ordinary shares (diluted) on December 31	**208,287**	**224,930**
Diluted earnings per share (dollar)	**$ 0.68**	**0.54**

(y) Revenue from contracts with customers

(i) Disaggregation of revenue

	2021	2020
Primary geographical markets:		
Taiwan	**$ 5,531,032**	**4,411,593**
Major products:		
Gasoline products	$ 5,353,498	4,267,367
Other	177,534	144,226
Total	**$ 5,531,032**	**4,411,593**

(Continued)

(ii) Contract balances

	December 31, 2021	December 31, 2020	January 1, 2020
Trade receivables	$ **37,065**	**20,566**	**22,671**
Contract assets	$ **172,605**	**44,594**	**-**

For details on trade receivables and allowance for impairment, please refer to note 6(d).

For details on onerous contracts as of December 31, 2021 and 2020, please refer to note 9(f).

The Group implemented a customer loyalty program to stimulate the sale of gasoline products. When a customer purchases a gasoline product, the Group gives him a credit that can be used in exchange for an advertisement gift.

As of December 31, 2021 and 2020, the deferred income of the Group was $7,951 thousand and $7,616 thousand, respectively, which are recognized under other current liabilities. Such amounts are allocated to the award points based on the relative stand-alone selling price of the products and award points.

(z) Employee compensation and directors' and supervisors' remuneration

In accordance with the articles of incorporation the Company should contribute no less than 1% of the profit as employee compensation and less than 3% as directors' and supervisors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

The accrued amount of employee compensation and directors' and supervisors' remuneration of the Company in 2021 and 2020 were as follows:

	2021	2020
Employee remuneration	$ 1,730	1,541
Directors' and supervisors' remuneration	5,165	4,624
	$ **6,895**	**6,165**

The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, directors and supervisors of each period, multiplied by the percentage of remuneration to employees, directors and supervisors as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during 2021 and 2020. The numbers of shares to be distributed were calculated based on the closing price of the Company's ordinary shares one day before the date of the meeting of Board of Directors. Related information would be available at the Market Observation Post System website. The amounts, as stated in the consolidated financial statements, are identical to those of the actual distributions for 2021 and 2020.

(Continued)

(aa) Financial instruments

(i) Type of financial instruments

1) Financial assets

		December 31, 2021	December 31, 2020
Financial assets at fair value through profit or loss	$	2,443	-
Financial assets at fair value through other comprehensive income		535	517
Financial assets measured at amortized cost:			
Cash and cash equivalents		973,238	392,746
Notes and accounts receivable, net		37,213	20,867
Other receivable		37,643	3,950
Guarantee deposits paid		81,010	57,400
Other current financial assets (restricted deposits)		300	300
Other non-current financial assets (restricted deposits)		270,581	228,180
Total	**$**	**1,402,963**	**703,960**

2) Financial liabilities

		December 31, 2021	December 31, 2020
Financial liabilities at fair value through profit or loss	$	210	300
Financial liabilities measured at amortized cost:			
Short-term borrowings	$	233,400	432,500
Short-term notes and bills payable		49,841	139,774
Notes and trade payable		262,069	320,309
Other payable		134,818	101,333
Bonds payable		619,143	583,385
Long-term borrowings (including current portion)		1,796,556	1,460,574
Lease liabilities		2,084,841	1,139,085
Total	**$**	**5,180,878**	**4,177,260**

(ii) Credit risk

1) Credit risk exposure

The carrying amount of financial assets except cash and cash equivalents represent the maximum amount exposed to credit risk. As of December 31, 2021 and 2020, the maximum amount exposed to credit risk amounted to $386,139 thousand, and $311,216 thousand, respectively.

(Continued)

2) Concentration of credit risk

As sales are made to customers worldwide, the Group' s exposure to credit risk concentration is expected to be low. To reduce credit risk, the Group continuously assesses the financial position of its customers, normally without a request for collateral.

(iii) Liquidity risk

	Carrying amount	Contractual cash flows	Within 1 year	Over 1 year
December 31, 2021				
Non-derivative financial liabilities				
Short-term borrowings	$ 233,400	242,568	18,868	223,700
Short-term notes and bills payable	49,841	50,000	50,000	-
Notes and trade payable	262,069	262,069	262,069	-
Other payable	134,818	134,818	134,818	-
Long-term borrowings (including current portion)	1,796,556	1,859,342	566,189	1,293,153
Bonds payable	619,143	638,200	-	638,200
Lease liabilities	2,084,841	2,543,855	214,543	2,329,312
	$ 5,180,668	**5,730,852**	**1,246,487**	**4,484,365**
December 31, 2020				
Non-derivative financial liabilities				
Short-term borrowings	$ 432,500	440,669	214,261	226,408
Short-term notes and bills payable	139,774	140,000	140,000	-
Notes and trade payable	320,309	320,309	320,309	-
Other payable	101,333	101,333	101,333	-
Bonds payable	583,385	600,000	-	600,000
Long-term borrowings (including current portion)	1,460,574	1,498,274	823,517	674,757
Lease liabilities	1,139,085	1,376,169	111,415	1,264,754
	$ 4,176,960	**4,476,754**	**1,710,835**	**2,765,919**

The Group is not expecting that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

(iv) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is based on the risk exposure to the interest rates risk of derivative and non-derivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increase or decrease by 0.25%, when reporting to

(Continued)

management internally, which also represents the assessment of the Group's management for the reasonably possible interval of interest rate change.

If the interest rate increases or decreases by 0.25% the Group's net income will decrease /increase by $5,075 thousand and $4,733 thousand for the years ended December 31, 2021 and 2020, respectively, assuming all other variable factors remain constant. This is mainly due to the Group's variable rate bank borrowings.

(v) Fair value of financial instruments

1) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through other comprehensive income are measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities were as follows:

	December 31, 2021				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 1	Total
Financial assets at fair value through other comprehensive income					
Unquoted equity instruments measured at fair value	$ 535	-	-	535	535
Financial assets at fair value through profit or loss					
Convertible bond-embedded derivative	$ 2,443	-	2,443	-	2,443
Financial liabilities at fair value through profit or loss					
Convertible bond-embedded derivative	$ 210	-	210	-	210

	December 31, 2020				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Unquoted equity instruments measured at fair value	$ 517	-	-	517	517
Financial liabilities at fair value through profit or loss					
Convertible bond	$ 300	-	300	-	300

(Continued)

2) Valuation techniques for financial instruments measured at fair value

A. Non-derivative financial instruments

Measurements of fair value of financial instruments are based on a valuation technique or quoted price from a competitor. Fair value, measured by using valuation technique that can be extrapolated from either similar financial instruments or discounted cash flow method or other valuation techniques, including models, is calculated based on available market data at the reporting date. The categories and nature of the fair value for the Group's financial instruments which without an active market are as below:

· The main assumption behind this is that the estimated pretax, pre-depreciation, and pre amortization earnings of the investee company is added to the earnings multiplier derived from the comparable quoted price of the listed company. The estimate of the fair value of equity instruments has been adjusted due to the effect of the discount arising from the lack of market liquidity of the equity security.

3) Reconciliation of Level 3 fair values

	Fair value through other comprehensive income
	Unquoted equity instruments
Balance on January 1, 2021	$ 517
Total gains and losses recognized	
In profit or loss	-
In other comprehensive	18
Balance on December 31, 2021	**$ 535**
Balance on January 1, 2020	$ 600
Total gains and losses recognized	
In profit or loss	-
In other comprehensive	(83)
Balance on December 31, 2020	**$ 517**

The aforementioned total gains or losses were classified as "unrealized losses from financial assets at fair value through other comprehensive income". The information regarding assets held as of December 31, 2021 and 2020 was as follows:

	2021	**2020**
Total gains and losses recognized		
In other comprehensive income, and presented in "unrealized gains and losses from financial assets at fair value through other comprehensive income"	18	(83)

(Continued)

4) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group's financial instruments that use Level 3 inputs to measure fair value was "fair value through other comprehensive income – equity investments".

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income -unquoted equity instruments	Comparable company analysis/Net asset value method	·Price-book ratio (1.45 and 1.41 respectively on December 31, 2021 and 2020) ·Lack of marketability discount rate (10% on both December 31, 2021 and 2020) ·Non-controlling interest discount rate (25% on both December 31, 2021 and 2020)	·The higher the ratio is, the higher the fair value will be. ·The higher the lack of marketability discount rate is, the lower the fair value will be. · The higher the non-controlling interest discount rate is, the lower the fair value will be.

(ab) Financial risk management

(i) Overview

The Group have exposures to the following risks from its financial instruments:

1) credit risk

2) liquidity risk

3) market risk

The following likewise discusses the Group's exposure information, objectives, policies and processes for measuring and managing the above-mentioned risks. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying consolidated financial statements.

(ii) Structure of risk management

The Group's finance management department provides business services for the overall internal department. It sets the objectives, policies and processes for managing the risk and the methods used to measure the risk arising from both the domestic and international financial market operations. The Group minimizes the risk exposure through derivative financial instruments. The Board of Directors regulated the use of derivative financial instruments in accordance with the Company's policy about risks arising from financial instruments such as

(Continued)

currency risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments and the investments of excess liquidity. The internal auditors of the Group continue with the review of the amount of the risk exposure in accordance with the Group’s policies and the risk management policies and procedures. The Group has no transactions in financial instruments (including derivative financial instruments) for the purpose of speculation.

(iii) Credit risk

Credit risk means the potential loss of the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group’s receivables from customers and investments in debt securities.

1) Trade receivable and other receivable

The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, and in some cases, bank references. Purchase limits are established for each customer, and are reviewed periodically. Customers that fail to meet the Group’s benchmark creditworthiness may transact with the Group only on a prepayment basis.
Trade receivable mainly relate to a wide range of customers from different industries and geographic regions. The Group constantly assesses the financial status of the customers and, if necessary, purchases credit guarantee insurance contracts.

The Group does not have significant credit risk exposure against any counterparty or group of counterparties with similar characteristics. Also, the Group mitigates its exposure by evaluating the customers’ financial situation regularly.

2) Investments

The credit risks exposure in the bank deposits, investments with fixed income, and other financial instruments were measured and monitored by the Company’s finance department. As the Group deals with the banks and other external parties with good credit standing and financial institutions, corporate organization and government agencies which are graded above investment level, management believes that the Group do not have compliance issues and no significant credit risk.

(iv) Liquidity risk

The Group manages and maintains sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Group’s management supervises the banking facilities and ensures in compliance with the terms of the loan agreements.

Bank borrowing is an essential liquidity source for the Group. Please refer to note 6(q) for the Group’s unused credit line of short-term bank borrowing for the years ended December 31, 2021 and 2020.

(Continued)

(v) Market risk

Market risk is the risk that changes in market prices, such as interest rates and equity prices, will affect the Group income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

1) Interest rate risk

The entity of the Group borrows funds on variable interest rates, which has a risk exposure to cash flow.

2) Other market price risks

The Group is exposed to equity price risk due to the investments in unlisted equity securities. The aforementioned equity investments are not held for trading but are strategic investments. The Group has not actively traded such investments, significant investments in the portfolio are managed individually, and the financial management department approves all trading decisions.

(ac) Capital management

The Board of Directors' policy is to maintain a strong capital base in order to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of ordinary shares, capital surplus, and retained earnings of the Group. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary stockholders.

The Group sets its objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return to stockholders, to safeguard the interest of related parties, and to maintain an optimal capital structure to reduce the cost of capital.

The Group uses the debt-to-equity ratio to manage capital. This ratio is using the total net debt divided by the total capital. The net debt from the balance sheet is the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity plus net debt. The Group's debt-to-equity ratios at the end of the reporting periods were as follows:

	December 31, 2021	**December 31, 2020**
Total liabilities	$ 5,476,004	4,313,110
Less: cash and cash equivalents	(929,652)	(392,746)
Net debts	**$ 4,546,352**	**3,920,364**
Total equity	**$ 3,783,915**	**2,381,346**
Debt-to-equity ratio	**55 %**	**62 %**

(Continued)

(ad) Investing and financing activities not affecting current cash flow

The Group's investing and financing activities which did not affect the current cash flow in the years ended December 31, 2021 and 2020, were as follows:

(i) For right-of-use assets under leases, please refer to note 6(l).

(ii) Reconciliation of liabilities arising from financing activities were as follows:

			Non-cash changes			
	January 1, 2021	**Cash flows**	**Acquisition**	**Conversion of convertible bonds**	**Other**	**December 31, 2021**
Short-term borrowings	$ 432,500	(199,100)	-	-	-	233,400
Short-term notes and bills payable	139,774	(89,933)	-	-	-	49,841
Long-term borrowings	1,460,574	335,982	-	-	-	1,796,556
Bonds payble	583,385	302,728	-	(276,455)	9,485	619,143
Lease liabilities	1,139,085	(122,903)	1,072,826	-	(4,167)	2,084,841
Total liabilities from financing activities	**$ 3,755,318**	**226,774**	**1,072,826**	**(276,455)**	**5,318**	**4,783,781**

			Non-cash changes			
	January 1, 2020	**Cash flows**	**Acquisition**	**Conversion of convertible bonds**	**Other**	**December 31, 2020**
Short-term borrowings	$ 222,500	210,000	-	-	-	432,500
Short-term notes and bills payable	89,951	49,823	-	-	-	139,774
Long-term borrowings	1,467,111	(6,537)	-	-	-	1,460,574
Bonds payble	-	612,000	-	-	(28,615)	583,385
Lease liabilities	832,921	(57,160)	389,993	-	(26,669)	1,139,085
Total liabilities from financing activities	**$ 2,612,483**	**808,126**	**389,993**	**-**	**(55,284)**	**3,755,318**

(7) Related-party transactions

(a) Names and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in the consolidated financial statements.

Name of related party	Relationship with the Group
NORTH STAR INTERNATIONAL DEVELOPMENT INDUSTRIES CORPORATION	An associate
YANG JI ENTERPRISE CO., LTD.	An associate
Chung, Chia-Tsun	Chairman of the Company
Tsai, Tsung-Jung	Director of subsidiary-HE FONG ENERGY CO., LTD.
SOLAR MASTER ENERGY CO., LTD.	Major shareholder of subsidiary-HE FONG ENERGY CO., LTD.
KAOHSIUNG TRANSPORTATION CO., LTD.	Same chairman with the Company

(Continued)

Name of related party	Relationship with the Group
FU CHENG TRANSPORTATION CO., LTD.	Same chairman with the Company
PUYUMA TRANSPORTATION CO., LTD.	Same chairman with the Company
KUAI KUAI CO., LTD.	Same chairman with the Company
CHIAYI TRANSPORTATION CO., LTD.	The entity's chairman is the second immediate family of the chairman of the Company
GANGLONG INVESTMENT CO., LTD.	The entity's chairman is the second immediate family of the chairman of the Company
DONG JHENG INVESTMENT CO., LTD.	Same chairman with the Company
HEYI CONSTRUCTION CO., LTD.和	The entity's chairman is director of the Company
DAPENG BAY SIGHTSEEING BOAT Co., LTD.	Same chairman with the Company
EXPOSURE TRAVEL CO., LTD.	Same chairman with the Company
NAN REN LAKE LEISURE AMUSEMENT CO., LTD.	Same chairman with the Company
SHANGFA CONSTRUCTION CO., LTD.	The entity's director is the supervisor of subsidiary's corporate director

(b) Significant transactions with related parties

(i) Operating revenue and trade receivable due from related parties

Significant sales to related parties of the Group were as follows:

	2021	2020
Other related parties	$ 4,615	3,907

There is no significant difference between the sales price of the Group for other related parties and for third parties. The collection period is one to two months, and the general sales are received in the same month. Promissory notes are pledged as collateral for the receivables from related parties.

(ii) Trade receivable due from related parties

Account	Relationship	December 31, 2021	December 31, 2020
Trade receivable	Other related parties	$ 761	455

(Continued)

(iii) Advanced receipts from related parties

Account	Relationship	Nature	December 31, 2021	December 31, 2020
Other current liabilities	Other related parties	Advanced receipts	$ 24,957	11,986

The Group has entered into a contract with other related parties in July 2019 to purchase a fleet card. The amount of the fleet card is deducted from the retail price of the respective petrol filling station at the time of filling when other related parties fill at a mutually agreed location within the value limit of the fleet card. As of December 31, 2021 and 2020, the miscellaneous income amounted to $2,668 thousand and $2,793 thousand, respectively, recognized in other income.

The Group has entered into a contract with other related parties in July 2018 to purchase a business refueling card. Within the value limit of the business refueling card, the other related parties held the business refueling card to the mutually agreed place for refueling. The business refueling card amount is deducted from each filling station's retail price at the filling time. As of December 31, 2021 and 2020, the miscellaneous income amounted to $1,484 thousand and $1,701 thousand, respectively, recognized in other income.

(iv) Other transactions with related parties

Other transactions with related parties of the Group were as follows:

Account	Relationship	December 31, 2021	December 31, 2020
Miscellaneous income	Other related parties	$ 120	213
Other expense	Other related parties	$ -	20
Prepaid expense	Other related parties	$ -	638
Freight	Other related parties	$ -	36
Other receivable	Other related parties	$ -	46
Guarantee deposit paid	Other related parties	$ 1,660	1,120
Construction in progress	SHANGFA CONSTRUCTION CO., LTD.	$ 46,177	-
Construction in progress	Other related parties	$ 21,680	-

(v) Leases

1) As a leassor

	2021	2020
Other related parties	$ 57	57

As of December 31, 2021 and 2020, the aforementioned rent income have been collected.

(Continued)

2) As a leassee

The subject and lease liabilities recognized by the Group for renting property, plant and equipment from related parties were as follows:

Relationship	Lease subject	Lease period	December 31, 2021	December 31, 2020
Other related parties	Land of Luzhu district in Kaohsiung	2019.01~2033.12	$ 22,912	24,668
Other related parties	Kaochi station	2017.11~2032.10	33,830	36,643
Other related parties	Parking lot in Nangang	2020.06~2022.05	299	1,007
Chairman of the Company	Land of Sisigu in Pingtung	2020.09~2040.08	272,168	264,374
			$ 329,209	326,692

Please refer to note 6(r) for interest on lease liabilities.

(vi) Guarantee

The amount of the Group provided guarantee for loans on business purpose were as follows:

	December 31, 2021	December 31, 2020
Other related parties	$ 423,500	423,500

As of December 31, 2021 and 2020, the Chairman of the Company, Chung, Chia-Tsun, was the guarantor for the Group to obtain the credit limit of the loan from financial institutions.

On December 31, 2021, sub-subsidiary, HE FONG ENERGY CO., LTD., obtained the loan's credit limit from financial institutions. The director of the sub-subsidiary, Tsai, Tsung-Jung, and the Chairman of the Company, Chung, Chia-Tsun, provided the joint guarantee.

(vii) Property transactions

The Group acquired 200,000 shares in HE FONG ENERGY CO., LTD. from the subsidiary's directors on July 1, 2020, for an aggregate price of $2,170 thousand. The transfer register procedures had been completed.

(Continued)

(viii) Other

1) The Group entered into a contract for the construction with other related parties on March 29, 2021. The total contract price was $355,891 thousand. The relevant contract amount was appraised based on the quantity provided by the Group. Both parties agreed to re-calculate the quantity after the completion of the design changes in the future with the unit price of the original project appraisal. Amended the contracted amount is the basis of the general contract. As of December 31, 2021, there is no outstanding payable on construction.

2) The Group entered into land joint development agreements with other related parties, HEYI CONSTRUCTION CO., LTD. Please refer to note 6(g) and 9(d) for details.

3) The associate, YANG JI ENTERPRISE, increased its capital by $50,000 thousand in March 2021. The Group recognized an investment of $25,000 thousand in proportion to its shareholding. Please refer to note 6(f) for details of the transactions.

4) The Group entered into a contract to develop the power plant with other related parties, SOLAR MASTER ENERGY CO., LTD, amounting to $2,100,000 thousand in September 2020. As of December 31, 2021, the total deposits paid amounted to $421,800 thousand, which is recognized in the prepayments for land and business facilities.

5) The Group entered into an equity trading contract with the other related party, DONG JHENG INVESTMENT CO., LTD. in May 2021 to acquire 100% equity interest in CATHY SUNRISE ELECTRIC POWER ONE CO., LTD. at $116,499 thousand. The acquisition date was July 1, 2021. Please refer to note 6(h) for details.

6) On September 14, 2021, the resolution was approved in the shareholders' meeting regarding the capital reduction of NORTH-STAR INTERNATIONAL DEVELOPMENT. The Group proportionally reduced its shareholding of NORTH-STAR INTERNATIONAL DEVELOPMENT by $98,000 thousand. As of December 31, 2021, the investment in NORTH-STAR INTERNATIONAL DEVELOPMENT amounted to $147,000 thousand. Please refer to note 6(f) for details.

(c) Key management personnel compensation

Key management personnel compensation comprised:

	2021	2020
Short-term employee benefits	$ 19,188	16,020
Post-employment benefits	349	272
Total	**$ 19,537**	**16,292**

(Continued)

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Object		December 31, 2021	December 31, 2020
Property, plant and equipment, and prepayment for business facilities	Guarantee for gasoline purchase and long-term and short-term borrowings	$	3,644,875	2,457,439
Inventories- construction in progress and land held for construction site	Short-term borrowings		318,334	318,334
Other non-current financial assets	The deposit of the bank issued a guarantee to Freeway Bureau for the operating rights of the petrol filling station		14,583	14,520
Other non-current financial assets	Long-term borrowings, corporate bonds and construction guarantees		255,998	213,660
Other current assets	Guarantee for marketing activities		300	300
		$	**4,234,090**	**3,004,253**

(9) Commitments and contingencies:

(a) The Group's unrecognized contractual commitments are as follows:

		December 31, 2021	December 31, 2020
Purchase of inventory	**$**	**606,986**	**311,246**
Acquisition of property, plant and equipment	**$**	**4,784,346**	**2,138,745**

(b) As of December 31, 2021 and 2020, the Group's outstanding notes for leasing petrol filling stations and purchasing equipment were $79,972 thousand and $48,751 thousand, respectively.

(c) The performance guarantee secured through the bank amounted to $460,000 thousand and $446,000 thousand as of December 31, 2021 and 2020, respectively. The Group has pledged fixed assets as collateral for purchasing gasoline payable and long-term and short-term loans. Please refer to note 8 for details.

(Continued)

(d) The Group entered into joint development agreements with the other related party, responsible for 50% of the real estate development expenses respectively. Please refer to notes 6(g) and 7 for the agreement's details. In addition, the other related party agreed to be responsible for the planning and design of real estate development. The Group contributes the management fee for construction at 3% of the total amount of expected sales agreed by both parties, which shall be shared in proportion to the joint venture and paid according to the agreed schedule. As of December 31, 2021, the Group paid the management fee amounting to $2,289 thousand; the rest has not yet been paid.

(e) The amount of endorsement guarantee provided by the Group due to business transaction is as follows:

	December 31, 2021	December 31, 2020
Other related party	$ 423,500	423,500

(f) As of December 31, 2021 and 2020, details of pre-sales before real estate complete and the advance receipts were as follows:

	December 31, 2021	December 31, 2020
Total contract price (without VAT)	$ 3,343,330	627,352
Collected proceeds	$ 172,605	44,594

(g) The Group entered into a variable rental payment lease with RENDE PRINCE PETROL FILLING STATION CO., LTD. Both parties have agreed that the rental payment should be increased if the average quantity of petrol delivered on that day exceeds a certain base. In 2021, the Group had an increased variable rental payment of $798 thousand.

(h) The Group and the other party entered into a contract for land lease management services to construct solar systems in the aquafarm zone. Both parties have agreed to pay the land rent starting from obtaining a construction permit approved by the Bureau of Energy or the completion of the site until the 20 years of commercial operation of solar systems.

(i) As of December 31, 2021, the Group registered trust for success in the construction and delivery of housing units for cases and projects, which were as follows:

Item	Trustee	Period of trust	Scope of trust
AIMAY CITY	AGRICULTURAL BANK OF TAIWAN	2021.09.27~2025.02.08	Real estate value trust
BRIGHT AS STARS	AGRICULTURAL BANK OF TAIWAN	2021.04.29~until the date of completion of trust purpose	Real estate development trust

(10) Losses Due to Major Disasters: None

(Continued)

(11) Subsequent Events:

(a) The Group signed a memorandum of syndicated loans with multiple banks in December 2021, and entrusted the leading bank with forming syndicated loans amounting to $4,900,000 thousand, which was granted to repay the loans of financial institutions and to finance the construction of solar power plants. As of the approval date for issuance of the financial statements, the relevant credit review procedure is still in progress.

(b) Considering the Company's capital structure, on March 17, 2022, the Board of Directors' meeting resolved to transfer the capital surplus to share capital, which estimated free distribution of 100 shares per thousand shares. The capital increase is presented for approval in the shareholders' meeting and submitted to the authority for approval.

(c) On March 17, 2022, the Company, pursuant to a resolution of the Board of Directors, issued domestic secured corporate bonds with a total limit of $3,800,000 thousand for repaying bank loans, investing subsidiaries, and fulfilling working capital. The Company may authorize the Chairman to issue once or more within one year with a par value of $1,000 per bond at a fixed interest rate, depending on market conditions, for a period not exceeding five years. The Company and the guarantee bank shall authorize the Chairman to decide based on market conditions.

(12) Other:

(a) A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

	For the year ended December 31					
	2021			2020		
By funtion By item	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	9,547	302,561	312,108	8,487	276,098	284,585
Labor and health insurance	1,033	35,951	36,984	974	30,829	31,803
Pension	484	16,487	16,971	492	14,121	14,613
Others	-	7,114	7,114	-	7,110	7,110
Depreciation	-	10,009	10,009	31	8,284	8,315
Depletion	15,826	219,784	235,610	18,754	158,819	177,573
Amortization	-	2,565	2,565	-	1,963	1,963

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the "Regulations" for the Group:

(i) Loans to other parties: None

(Continued)

(ii) Guarantees and endorsements for other parties:

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (Note3)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period (Note4)	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company (Note2)										
0	The Company	HEYI CONSTRUCTION CO., LTD.	5	4,690,343	423,500	423,500	126,500	-	11.74 %	5,411,934	N	N	N

Note1: The numbers filled in as follows:
1. 0 represents the Company
2. Subsidiaries are sorted in a numerical order starting from 1.

Note2: The relationship between the endorser /guarantor and the endorsed guarantor has the following 7 types, just indicate the type:
1. Having business relationship.
2. The borrower has short term financial necessities.
3. The endorser /guarantor parent company directly and indirectly holds more than 50 % of voting shares of the endorser /guarantor subsidiary.
4. The endorser /guarantor company and the endorsed /guaranteed party both be held more than 90% by the parent company.
5. Company that is mutually protected under contractual requirements based on the needs of the contractor.
6. Company that is endorsed by its shareholders in accordance with its shareholding ratio because of the joint investment relationship.
7. Performance guarantees for pre sale contracts under the Consumer Protection Act.

Note3: The endorsement /guarantee provided by the Company to individual guarantee party shall not exceed 130% of the most recent audited net worth of the Company. The total endorsement /guarantee of the Company to others shall not exceed 150% of the most recent audited net worth of the Company. The endorsement /guarantee provided by the Group to individual guarantee party shall not exceed 150% of the most recent audited net worth of the Company. The total endorsement /guarantee of the Group to others shall not exceed 200% of the most recent audited net worth of the Company.

Note4: The Company has a joint development agreement with HEYI CONSTRUCTION CO., LTD., each party owns 50% of the land right. For applying bank loan for land purchase, the shared land was provided as collateral and both parties provided the joint guarantee.

(iii) Securities held as of December 31, 2021 (excluding investment in subsidiaries, associates and joint ventures):

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Highest	Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	Percentage of ownership (%)	
The Company	Stock LANYANG ENERGY TECHNOLOGY CO., LTD.	None	Financial assets at fair value through other comprehensive income	11	-	0.05 %	-	0.06 %	
The Company	Stock MA LI QIANG GREEN ENERGY CO., LTD.	None	Financial assets at fair value through other comprehensive income	41	535	5.50 %	535	5.50 %	
The Company	Stock ART SOURCE CORP.	None	Financial assets at fair value through other comprehensive income	5	-	0.06 %	-	0.06 %	

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock: None

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$300 million or 20% of the capital stock: None

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock: None

(ix) Trading in derivative instruments:Please refer to notes 6(b).

(x) Business relationships and significant intercompany transactions: None

(Continued)

(b) Information on investees:

The following is the information on investees for the years ended December 31, 2021 (excluding information on investees in Mainland China):

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount December 31, 2021	Original investment amount December 31, 2020	Balance as of December 31, 2021 Shares (thousands)	Balance as of December 31, 2021 Percentage of wnership	Balance as of December 31, 2021 Carrying value	Highest Percentage of wnership	Net income (losses) of investee	Share of profits/losses of investee	Note
The Company	NORTH STAR INTERNATIONAL DEVELOPMENT INDUSTRIES CORPORATION	Taiwan	Real estate trading	147,000	245,000	14,700	49.00 %	222,881	49.00 %	171,638	84,103	An associate
The Company	NSTAR ENERGY CORPORATION	Taiwan	1.Petrol filling station 2.Retail of gasoline products	93,465	93,465	7,000	100.00 %	90,318	100.00 %	11,966	9,992	Subsidiary
The Company	ZHONGHUA PRINCE PETROL FILLING STATION CO., LTD.	Taiwan	1. Petrol filling station 2.Retail of gasoline products	275,393	215,393	26,000	100.00 %	205,462	100.00 %	(28,705)	(28,551)	Subsidiary
The Company	SANTI ENERGY CO., LTD. (Previous: SANLU DEVELOPMENT CO., LTD.)	Taiwan	1. Petrol filling station 2.Retail of gasoline products	757,650	128,400	75,925	100.00 %	694,205	100.00 %	(50,248)	(50,280)	Subsidiary
The Company	JIN SHI HOTEL CO., LTD.	Taiwan	Hotel	25,500	25,500	2,550	51.00 %	28,565	51.00 %	20,815	10,616	Subsidiary
The Company	ING GUANG ENTERPRISE CO., LTD.	Taiwan	1. Petrol filling station 2.Retail of gasoline products	188,000	188,000	3,000	100.00 %	195,600	100.00 %	8,440	9,849	Subsidiary
The Company	YANG JI ENTERPRISE CO., LTD	Taiwan	Advertisement consignment for real estate	50,000	25,000	5,000	50.00 %	49,977	50.00 %	(2,180)	(1,090)	An associate
SANTI ENERGY CO., LTD. (Previous: SANLU DEVELOPMENT CO., LTD.)	HE FONG ENERGY CO., LTD.	Taiwan	Renewable energy	84,584	84,584	17,340	51.00 %	155,139	51.00 %	(28,490)	(14,530)	Subsidiary
SANTI ENERGY CO., LTD. (Previous: SANLU DEVELOPMENT CO., LTD.)	JIAXIN ENERGY CO., LTD	Taiwan	Renewable energy	136,000	1,000	13,600	100.00 %	134,753	100.00 %	(1,226)	(1,226)	Subsidiary
SANTI ENERGY CO., LTD. (Previous: SANLU DEVELOPMENT CO., LTD.)	YAOGU ENERGY CO., LTD	Taiwan	Renewable energy	36,000	1,000	3,600	100.00 %	35,119	100.00 %	(860)	(860)	Subsidiary
SANTI ENERGY CO., LTD. (Previous: SANLU DEVELOPMENT CO., LTD.)	SANTI MONSTERS POWER CO., LTD.	Taiwan	Electricity sales	1,000	-	100	100.00 %	839	100.00 %	(161)	(161)	Subsidiary
SANTI ENERGY CO., LTD. (Previous: SANLU DEVELOPMENT CO., LTD.)	LYU YOU ENERGY CO., LTD	Taiwan	Energy storage	71,000	-	7,100	100.00 %	70,819	100.00 %	(181)	(181)	Subsidiary
SANTI ENERGY CO., LTD. (Previous: SANLU DEVELOPMENT CO., LTD.)	ANLU ENERGY STORAGE CO., LTD.	Taiwan	Energy storage	6,000	-	600	100.00 %	4,816	100.00 %	(1,184)	(1,184)	Subsidiary
SANTI ENERGY CO., LTD. (Previous: SANLU DEVELOPMENT CO., LTD.)	CATHY SUNRISE ELECTRIC POWER ONE CO., LTD	Taiwan	Renewable energy	256,499	-	22,585	100.00 %	234,761	100.00 %	(24,589)	(21,738)	Subsidiary
SANTI ENERGY CO., LTD. (Previous: SANLU DEVELOPMENT CO., LTD.)	TEL POWER CO., LTD	Taiwan	Marketing	1,000	-	100	100.00 %	979	100.00 %	(21)	(21)	Subsidiary
SANTI ENERGY CO., LTD. (Previous: SANLU DEVELOPMENT CO., LTD.)	SHENG YANG ENGINEERING CO., LTD	Taiwan	Engineering	2,000	-	200	100.00 %	2,000	100.00 %	-	-	Subsidiary

Note: The transaction had been eliminated in the consolidated financial statements except NORTH STAR INTERNATIONAL DEVELOPMENT INDUSTRIES CORPORATION and YANG JI ENTERPRISE CO., LTD.

(Continued)

(c) Information on investment in mainland China: None

(d) Major shareholders:

Shareholding / Shareholder's Name	Shares	Percentage
KAOHSIUNG TRANSPORTATION CO., LTD.	43,409,000	17.62 %
Chung, Chia-Tsun	20,680,000	8.39 %
DONG JHENG INVESTMENT CO., LTD.	18,862,170	7.65 %
SHANGFA CONSTRUCTION CO., LTD.	18,453,000	7.49 %

Note:(1)The information on major shareholders in this table is calculated by Taiwan Depository & Clearing Corporation on the last business day at the end of each quarter, showing who holds more than 5% of the common shares and preferred shares that have been delivered (including treasury shares) without physical registration. Due to different calculation bases, there may be differences between the share capital recorded in the company's financial report and the actual number.

(2)If the above-mentioned information is that the shareholders hand over the shares to the trust, it will be disclosed by the special account opened by the trustee. As for the insider equity declaration of shareholders holding more than 10%, according to the Securities and Exchange Act, their shareholding includes the shares held by themselves plus the shares that they have delivered to the trust, having the right to exercise decision-making power over the trust property, etc., please refer to Public Information Observatory for the information on the declaration of insider equity.

(14) Segment information:

(a) General information

The Group has three reportable segments: gasoline sales, restaurant and travel service, and optoelectronics business. The gasoline sales segment is engaged in retailing petrol filling stations and gasoline products. The restaurant and travel service segment is engaged in the hotel and restaurant industry. The optoelectronics business segment is engaged in solar power generation, energy storage, and electricity sales.

The other operating segments of the Group are mainly engaged in constructing various real estate or petrol filling stations. For the years ended December 31, 2021 and 2020, the above segments do not meet the quantitative thresholds to be reportable.

(b) Information about reportable segments and their measurement and reconciliations

The Group uses the internal management report that the chief operating decision maker reviews as the basis to determine resource allocation and make a performance evaluation. The internal management report includes profit before taxation, but not including any extraordinary activity and foreign exchange gain or losses because taxation, extraordinary activity, and foreign exchange gain or losses are managed on a group basis, and hence they are not able to be allocated to each reportable segment. In addition, not all reportable segments include depreciation and amortization of significant non-cash items. The reportable amount is similar to that in the report used by the chief operating decision maker.

(Continued)

The operating segment accounting policies are similar to those described in note 4 “significant accounting policies” except for the recognition and measurement of pension cost, which is on a cash basis.

The Group treated intersegment sales and transfers as third-party transactions. They are measured at market price.

The Group’s operating segment information and reconciliation are as follows:

	2021					
	Gasoline sales segment	**Restaurant and travel service segment**	**Optoelectronics business segment**	**Other**	**Reconciliation and elimination**	**Total**
Revenue						
Revenue from external customers	$ 5,473,655	56,151	1,226	-	-	5,531,032
Intersegment revenue	6	6	3,429	-	(3,441)	-
Interest revenue	598	44	148	-	-	790
Total revenue	**$ 5,474,259**	**56,201**	**4,803**	**-**	**(3,441)**	**5,531,822**
Interest revenue	$ (47,020)	(3,935)	(16,779)	(364)	68	(68,030)
Depreciation and amortization	(160,557)	(14,724)	(29,190)	-	(2,918)	(207,389)
Share of profit (loss) of associates and joint ventures accounted for using equity method	(23,098)	-	-	-	106,111	83,013
Reportable segment profit or loss	**$ 172,350**	**20,815**	**-**	**(52,838)**	**(303)**	**140,024**
Investments accounted for using equity method	$ 1,429,271	-	-	-	(1,156,413)	272,858
Non-current assets	303,025	5,253	519,827	76,215	(300)	904,020
Reportable segment assets	**$ 7,635,745**	**289,754**	**2,245,425**	**159,043**	**(1,070,048)**	**9,259,919**
Reportable segment liabilities	**$ 3,646,089**	**233,745**	**1,402,750**	**185,738**	**7,682**	**5,476,004**

	2020					
	Gasoline sales segment	**Restaurant and travel service segment**	**Optoelectronics business segment**	**Other**	**Reconciliation and elimination**	**Total**
Revenue						
Revenue from external customers	$ 4,373,803	37,431	359	-	-	4,411,593
Intersegment revenue	405	-	3,429	-	(3,834)	-
Interest revenue	646	-	-	-	-	646
Total revenue	**$ 4,374,854**	**37,431**	**3,788**	**-**	**(3,834)**	**4,412,239**
Interest revenue	$ (31,803)	(4,113)	(2,882)	(6)	110	(38,694)
Depreciation and amortization	(158,439)	(14,712)	(4,653)	(595)	(1,137)	(179,536)
Share of profit (loss) of associates and joint ventures accounted for using equity method	7,981	-	-	-	34,762	42,743
Reportable segment profit or loss	**$ 139,162**	**(3,522)**	**(6,882)**	**(3,834)**	**(4,455)**	**120,469**
Investments accounted for using equity method	$ 855,158	-	-	-	(582,712)	272,446
Non-current assets	393,003	5,567	90,170	-	-	488,740
Reportable segment assets	**$ 6,083,132**	**275,763**	**480,744**	**354,433**	**(499,616)**	**6,694,456**
Reportable segment liabilities	**$ 3,749,100**	**240,569**	**289,425**	**45,411**	**(11,395)**	**4,313,110**

(Continued)

(c) Product and service information

Revenue from the external customers of the Group was as follows:

Product and services	2021	2020
Gasoline sales	$ 5,353,498	4,267,367
Hotel revenue	55,278	36,217
Restaurant revenue	873	507
Other operating revenue	121,383	107,502
	$ 5,531,032	**4,411,593**

(d) Geographic information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

Geographical information	2021	2020
Revenue from external:		
Taiwan	**$ 5,531,032**	**4,411,593**
	December 31, 2021	**December 31, 2020**
Non-current assets:		
Taiwan	**$ 7,233,212**	**5,369,023**

Non-current assets include property, plant and equipment, investment property, intangible assets, prepayment for business facilities, guarantee deposits pair and other assets, not including financial instruments, deferred tax assets, pension fund assets.

(e) Major customers

There were no customers representing greater than 10% of sales revenues in the consolidated statements of comprehensive income for the years ended December 31, 2021 and 2020.

V. The company's parent only financial report for the most recent fiscal year audited and certified by the CPAs, but excluding the detailed statement of important accounting items

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Independent Auditors' Report

To the Board of Directors of NORTH-STAR INTERNATIONAL CO., LTD.:

Opinion

We have audited the financial statements of NORTH-STAR INTERNATIONAL CO., LTD.("the Company"), which comprise the balance sheets as of December 31, 2021 and 2020, the statements of comprehensive income, changes in equity and cash flows for the years then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and its cash flows 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 audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Other Matter

We did not audit the financial statements of NORTH-STAR INTERNATIONAL DEVELOPMENT INDUSTRIES CORPORATION (NORTH-STAR INTERNATIONAL DEVELOPMENT) for the years ended December 31, 2021 and 2020 which represented investment accounted for using the equity method of the Company. These statements were audited by another auditor. Therefore, our opinion, insofar as it relates to NORTH-STAR INTERNATIONAL DEVELOPMENT, is based solely on the reports of the other auditors. The recognized investment in NORTH-STAR INTERNATIONAL DEVELOPMENT, using the equity method, constituted 3% and 4% of the total assets, as of December 31, 2021 and 2020, respectively, and the recognized share of profit or loss of associates and joint ventures accounted for using equity method constituted 51% and 22% of profit before tax, for the years ended December 31, 2021 and 2020, respectively.

We did not audit the financial statements of YANG JI ENTERPRISE CO., LTD. (YANG JI ENTERPRISE) for the year ended December 31, 2021 and 2020. Those financial statements were audited by other auditors. Therefore, our opinion, insofar as it relates to YANG JI ENTERPRISE, is based solely on the reports of the other auditors. The recognized investment in YANG JI ENTERPRISE, using the equity method, constituted 1% and 1% of the total assets, as of December 31, 2021 and 2020, respectively, and the recognized share of profit or loss of associates and joint ventures accounted for using equity method constituted (1)% and 7% of profit before tax, for the years ended December 31, 2021 and 2020, respectively.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. 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.

1. Revenue recognition

   Refer to Note 4(p) "Revenue" and Note 6(v) "Revenue from contracts with customers" to the consolidated financial statements.

   Description of key audit matter:

   NORTH-STAR INTERNATIONAL CO., LTD. is principally engaged in the retail business of gasoline products, with petrol filling stations located throughout Taiwan. The operating income of each station is recorded through the Point-of-Sale Information System (POS) for each transaction in terms of the quantity, unit price and total price. After the daily checkout, sales are counted according to each station's daily sales report and reviewed by the way of customer payment method (by cash, by credit cards, credit sales on account). Therefore, revenue recognition was the key audit matter in the audit of financial reports for the years ended December 31, 2021 and 2020 of the Company.

   How the matter was addressed in our audit:

   Our principal audit procedures to the above key audit matter included: understanding the Company's accounting policies adopted for the revenue recognition and the procedures of transactions; sampling and testing effectiveness of the internal controls surrounding revenue recognition; testing selected sales samples and agreeing to daily sales report, bank deposit records, or credit card bill with related certificates, records on ledger, etc., testing sales cut-off, on a sampled basis, for transactions incurred within a certain period before or after the balance sheet date by evaluating whether the revenue was recorded in proper period.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

KPMG

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 financial statements.

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

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 the investment in other entities accounted for using the equity method to express an opinion on this 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 those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Huang, Yung-Hua and Chen, Kuo-Tsung.

KPMG

Taipei, Taiwan (Republic of China)
March 28, 2022

Notes to Readers

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

The auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

NORTH-STAR INTERNATIONAL CO., LTD.

Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	Assets	December 31, 2021 Amount	%	December 31, 2020 Amount	%
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 231,742	3	163,658	3
1150	Notes receivable (note 6(d))	148	-	183	-
1170	Accounts receivable, net (note 6(d)(u) and 7)	25,060	-	13,059	-
1206	Other receivables (note 7)	28,080	1	6,768	-
130X	Inventories (note 6(e) and 8)	560,443	8	459,629	8
1470	Other current assets (note 6(k) and 8)	92,751	1	87,515	2
		938,224	13	730,812	13
	Non-current assets:				
1510	Non-current financial assets at fair value through profit or loss (note 6(b)(o))	2,443	-	-	-
1517	Non-current financial assets at fair value through other comprehensive income (note 6(c))	535	-	517	-
1550	Investments accounted for using equity method (note 6(f)))	1,487,008	21	855,158	15
1600	Total property, plant and equipment (note 6(h) and 8)	3,673,411	53	3,439,508	61
1755	Right-of-use assets (note 6(i))	452,036	7	312,640	5
1760	Investment property, net (note 6(j))	34,332	-	34,332	1
1780	Intangible assets	4,126	-	5,486	-
1840	Deferred tax assets (note 6(s))	6,793	-	4,912	-
1915	Prepayments for business facilities	35,846	1	13,222	-
1920	Guarantee deposits paid	61,977	1	36,096	1
1980	Other non-current financial assets (note 8)	255,998	4	213,660	4
1995	Other non-current assets	10	-	10	-
		6,014,515	87	4,915,541	87
	Total assets	$ 6,952,739	100	5,646,353	100

	Liabilities and Equity	December 31, 2021 Amount	%	December 31, 2020 Amount	%
	Current liabilities:				
2100	Short-term borrowings (note 6(m) and 8)	$ 218,400	3	422,500	7
2110	Short-term notes and bills payable (note 6(l))	49,841	1	139,774	3
2130	Current contract liabilities (note 6(u))	172,605	3	44,594	1
2150	Notes payables	2,502	-	609	-
2170	Trade payables	226,550	3	286,225	5
2200	Other payables (note 7)	103,531	1	74,904	1
2230	Current tax liabilities	13,427	-	15,826	-
2280	Current lease liabilities (note 6(p) and 7)	62,106	1	55,276	1
2322	Long-term borrowings, current portion (note 6(n) and 8)	193,299	3	808,048	14
2399	Other current liabilities, others (note 6(u) and 7)	50,371	1	30,970	1
		1,092,632	16	1,878,726	33
	Non-Current liabilities:				
2500	Non-current financial liabilities at fair value through profit or loss (note 6(b)(o))	210	-	300	-
2530	Bonds payable (note 6(o) and 8)	619,143	9	583,385	10
2540	Long-term borrowings (note 6(n) and 8)	1,250,457	18	652,526	12
2580	Non-current lease liabilities (note 6(p) and 7)	381,050	5	242,271	4
2670	Other non-current liabilities	1,291	-	1,769	-
		2,252,151	32	1,480,251	26
	Total liabilities	3,344,783	48	3,358,977	59
	Equity attributable to owners of parent (note 6(o)(s)):				
3100	Share capital	2,462,493	35	1,918,332	34
3200	Capital surplus	838,381	13	106,087	2
3300	Retained earnings	308,757	4	264,650	5
3400	Other equity interest	(1,675)	-	(1,693)	-
	Total equity	3,607,956	52	2,287,376	41
	Total liabilities and equity	$ 6,952,739	100	5,646,353	100

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

NORTH-STAR INTERNATIONAL CO., LTD.

Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		2021		2020	
		Amount	%	Amount	%
4100	**Net operating revenue (note 6(u) and 7)**	$ 4,471,135	100	3,794,593	100
5000	**Operating costs (note 6(e))**	3,820,106	85	3,133,382	83
	Gross profit from operations	651,029	15	661,211	17
	Operating expenses (note 6(h)(i)(j)(q)(v) and 7):				
6100	Selling expenses	508,726	11	477,004	12
6200	Administrative expenses	83,808	2	66,488	2
	Total operating expenses	592,534	13	543,492	14
	Net operating income	58,495	2	117,719	3
7000	**Non-operating income and expenses:**				
7100	Interest income	384	-	389	-
7010	Other income (not 6(p) and 7)	83,517	2	48,842	1
7020	Other gains and losses, net (note 6(k)(o))	28,896	-	(84)	-
7050	Finance costs (note 6(o)(p))	(40,687)	(1)	(26,890)	-
7070	Share of profit of associates and joint ventures accounted for using equity method (note 6(f))	34,639	1	7,981	-
	Total non-operating income and expenses	106,749	2	30,238	1
	Profit from continuing operations before tax	165,244	4	147,957	4
7951	**Less: Income tax expenses (note 6(r))**	25,220	1	27,488	1
	Profit	140,024	3	120,469	3
8300	**Other comprehensive income:**				
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	18	-	(83)	-
8349	Less: income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
8300	**Other comprehensive income**	18	-	(83)	-
	Total comprehensive income	**$ 140,042**	**3**	**120,386**	**3**
	Earnings per share (NT dollars) (note 6(t))				
9750	**Basic earnings per share**	**$**	**0.69**		**0.63**
9850	**Diluted earnings per share**	**$**	**0.68**		**0.54**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

NORTH-STAR INTERNATIONAL CO., LTD.

Statements of Changes in Equity

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	Share capital			Retained earnings				Other equity interest	
	Ordinary shares	Certificate of entitlement to new shares from convertible bond	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total equity
Balance on January 1, 2020	$ 1,918,332	-	78,270	97,428	-	85,120	182,548	(1,610)	2,177,540
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	-	5,290	-	(5,290)	-	-	-
Special reserve appropriated	-	-	-	-	1,610	(1,610)	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	(38,367)	(38,367)	-	(38,367)
	-	-	-	5,290	1,610	(45,267)	(38,367)	-	(38,367)
Profit	-	-	-	-	-	120,469	120,469	-	120,469
Other comprehensive income	-	-	-	-	-	-	-	(83)	(83)
Total comprehensive income	-	-	-	-	-	120,469	120,469	(83)	120,386
Other changes in capital surplus:									
Due to recognition of equity component of convertible bonds issued	-	-	28,380	-	-	-	-	-	28,380
Difference between consideration and carrying amount of subsidiaries acquired	-	-	(563)	-	-	-	-	-	(563)
Balance on December 31, 2020	1,918,332	-	106,087	102,718	1,610	160,322	264,650	(1,693)	2,287,376
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	-	12,047	-	(12,047)	-	-	-
Special reserve appropriated	-	-	-	-	83	(83)	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	(95,917)	(95,917)	-	(95,917)
	-	-	-	12,047	83	(108,047)	(95,917)	-	(95,917)
Profit (loss)	-	-	-	-	-	140,024	140,024	-	140,024
Other comprehensive income	-	-	-	-	-	-	-	18	18
Total comprehensive income	-	-	-	-	-	140,024	140,024	18	140,042
Issue of shares	400,000	-	600,000	-	-	-	-	-	1,000,000
Conversion of convertible bonds	144,046	115	108,691	-	-	-	-	-	252,852
Other changes in capital surplus:									
Due to recognition of equity component of convertible bonds issued	-	-	19,308	-	-	-	-	-	19,308
Difference between consideration and carrying amount of subsidiaries acquired	-	-	563	-	-	-	-	-	563
Share-based payments	-	-	3,732	-	-	-	-	-	3,732
Balance on December 31, 2021	**$ 2,462,378**	**115**	**838,381**	**114,765**	**1,693**	**192,299**	**308,757**	**(1,675)**	**3,607,956**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

NORTH-STAR INTERNATIONAL CO., LTD.

Statements of Cash Flows

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

		2021	2020
Cash flows from (used in) operating activities:			
Profit before tax	$	165,244	147,957
Adjustments:			
Adjustments to reconcile profit:			
Depreciation expense		109,535	109,882
Amortization expense		1,961	1,885
Net gain on financial assets or liabilities at fair value through profit or loss		(5,084)	-
Interest expense		40,687	26,890
Interest income		(384)	(389)
Dividend income		(89)	-
Share-based payments		3,732	-
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method		(34,639)	(7,981)
Gain on disposal of other assets		(28,764)	-
Others		-	(165)
Total adjustments to reconcile profit		86,955	130,122
Changes in operating assets and liabilities:			
Changes in operating assets:			
Notes receivable		35	135
Trade receivable		(12,001)	1,649
Other receivable		(21,312)	(1,284)
Inventories		(100,814)	(17,206)
Other current assets		(62,936)	(59,413)
Total changes in operating assets		(197,028)	(76,119)
Notes payable		1,893	429
Trade payable		(59,675)	156,165
Other payable		27,810	2,927
Other current liabilities		147,048	39,252
Total changes in operating liabilities		117,076	198,773
Total changes in operating assets and liabilities		(79,952)	122,654
Total adjustments		7,003	252,776
Cash inflow generated from operations		172,247	400,733
Interest received		384	389
Dividends received		19,690	3,672
Interest paid		(37,946)	(26,826)
Income taxes paid		(29,500)	(27,864)
Net cash flows from operating activities		124,875	350,104

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

NORTH-STAR INTERNATIONAL CO., LTD.

Statements of Cash Flows

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from (used in) investing activities:		
Net cash receipts from acquisitions of subsidiaries	563	-
Acquisition of investments accounted for using equity method	(714,812)	(423,000)
Proceeds from disposal of investments accounted for using equity method	98,000	-
Proceeds from disposal of non-current assets classified as held for sale	86,464	-
Acquisition of property, plant and equipment	(273,084)	(457,560)
Proceeds from disposal of property, plant and equipment	5,343	893
(Increase) decrease in refundable deposits	(25,881)	29,702
Acquisition of intangible assets	(601)	(440)
Acquisition of right-of-use assets	-	(4,785)
Increase in other non-current assets	(42,338)	(212,921)
Increase in prepayments for business facilities	(26,950)	(10,775)
Net cash flows used in investing activities	(893,296)	(1,078,886)
Cash flows from (used in) financing activities:		
(Decrease) increase in short-term loans	(204,100)	200,000
(Decrease) increase in short-term notes and bills payable	(89,933)	49,823
Proceeds from issuing bonds	307,728	612,000
Proceeds from long-term debt	2,249,419	1,797,750
Repayments of long-term debt	(2,266,237)	(1,804,287)
(Decrease) increase in guarantee deposits received	(478)	37
Payment of lease liabilities	(63,977)	(53,884)
Cash dividends paid	(95,917)	(38,367)
Proceeds from issuing shares	1,000,000	-
Net cash flows from financing activities	836,505	763,072
Net increase in cash and cash equivalents	68,084	34,290
Cash and cash equivalents at beginning of period	163,658	129,368
Cash and cash equivalents at end of period	$ **231,742**	**163,658**

See accompanying notes to parent company only financial statements.

NORTH-STAR INTERNATIONAL CO., LTD.

Notes to the Financial Statements

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

NORTH-STAR INTERNATIONAL CO., LTD. (the "Company") was legally established with the approval of the Ministry of Economic Affairs on December 16, 1988, with registered address at No. 137, Xinhai Rd., Banqiao Dist., New Taipei City 220, Taiwan (R.O.C.). The Company mainly engaged in petrol filling stations and the retail business of gasoline products.

(2) Approval date and procedures of the financial statements:

These financial statements were authorized for issue by the Board of Directors on March 17, 2022.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2021:

- Amendments to IFRS 4 "Extension of the Temporary Exemption from Applying IFRS 9"
- Amendments to IFRS 9, IAS39, IFRS7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform—Phase 2"

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from April 1, 2021:

- Amendments to IFRS 16 "Covid-19-Related Rent Concessions beyond June 30, 2021"

(b) The impact of IFRS issued by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2022, would not have a significant impact on its financial statements:

- Amendments to IAS 16 "Property, Plant and Equipment－Proceeds before Intended Use"
- Amendments to IAS 37 "Onerous Contracts－Cost of Fulfilling a Contract"
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IFRS 3 "Reference to the Conceptual Framework"

(Continued)

(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Company, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of balance sheet, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.	January 1, 2023

The Company is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its consolidated financial position and financial performance. The results thereof will be disclosed when the Company completes its evaluation.

The Company does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its financial statements:

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 17 " Insurance Contracts" and amendments to IFRS 17 " Insurance Contracts"
- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

(4) Summary of significant accounting policies:

The significant accounting policies presented in the parent company only financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the parent company only financial statements.

(a) Statement of compliance

The financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "the Regulations").

(Continued)

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the parent company only financial statements have been prepared on a historical cost basis:

1) Financial assets at fair value through other comprehensive income are measured at fair value.

(ii) Functional and presentation currency

The functional currency of each Company entity is determined based on the primary economic environment in which the entity operates. The parent company only financial statements are presented in New Taiwan Dollar (NTD), which is the Company's functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

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

An asset is classified as current under one of the following criteria, and all other assets are classified as noncurrent.

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

(iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as noncurrent.

An entity shall classify a liability as current when:

(i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(Continued)

(d) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(e) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at: amortized cost or fair value through other comprehensive income (FVOCI) – equity investment. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

· it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

· its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

(Continued)

2) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

· its held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Dividend income is recognized in profit or loss on the date on which the Company's right to receive payment is established.

3) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, financial assets measured at amortized costs, notes and trade receivables, other receivable, guarantee deposit paid and other financial assets) and contract assets.

The Company measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12-month ECL:

· debt securities that are determined to have low credit risk at the reporting date; and

· other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment as well as forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 60 days past due.

(Continued)

The Company considers a financial asset to be in default when the financial asset is more than 90 days past due or the debtor is unlikely to pay its credit obligations to the Company in full.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of ‘ investment grade which is considered to be BBB- or higher per Standard & Poor’s, Baa3 or higher per Moody’s or twA or higher per Taiwan Ratings’.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is ‘ credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data:

· significant financial difficulty of the borrower or issuer;

· a breach of contract such as a default or being more than 90 days past due;

· the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;

· it is probable that the borrower will enter bankruptcy or other financial reorganization; or

· the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charge to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

(Continued)

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

4) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Compound financial instruments

Compound financial instruments issued by the Company comprise convertible bonds denominated in NTD that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

(Continued)

The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognized in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognized.

4) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

5) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

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

6) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(Continued)

(f) Inventories

(i) Trading

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(ii) Construction

The cost of inventories includes all necessary expenditures and charges for bringing the inventory to an available to sale and construction condition and location. The real estate development costs include construction costs, land costs, borrowing costs, and project costs incurred during the development period. When completion, construction in progress is carried over to buildings and land held for sale. The real estate development costs proportionate to the sale are carried forward to the operating cost. When the cost of inventories is higher than the net realizable value, it should be offset against the cost to net realizable value, and the amount of inventory should be recognized as cost of goods sold in the current period. The methods of determining the net realizable value are as follows:

1) Land held for development: the net realizable value is the replacement cost or estimated price (based on the market condition), less, the estimated selling expenses at the end of the period.

2) Construction in progress: Net realizable value is the estimated selling price (based on current market condition) in the ordinary course of business, less the estimated costs of completion and selling expenses, or estimated by recent market value.

3) Buildings and land held for sale: the net realizable value is the estimated price (based on the market condition), less, the estimated selling expenses at the end of the period.

(g) Investment in associates

Associates are those entities in which the Company has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

The consolidated financial statements include the Company's share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Company, from the date on which significant influence commences until the date on which significant influence ceases. The Company recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual significant influence.

(Continued)

Gains and losses resulting from transactions between the Company and an associate are recognized only to the extent of unrelated Company's interests in the associate.

When the Company's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

The Company discontinues the use of the equity method and measures the retained interest at fair value from the date when its investment ceases to be an associate. The difference between the fair value of retained interest and proceeds from disposing, and the carrying amount of the investment at the date the equity method was discontinued is recognized in profit or loss. The Company accounts for all the amounts previously recognized in other comprehensive income in relation to that investment on the same basis as would have been required if the associates had directly disposed of the related assets or liabilities. If a gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss (or retained earnings) on the disposal of the related assets or liabilities, the Company reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) (or retained earnings) when the equity method is discontinued. If the Company's ownership interest in an associate is reduced while it continues to apply the equity method, the Company reclassifies the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest to profit or loss.

If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Company continues to apply the equity method without remeasuring the retained interest.

When the Company subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment will differ from the amount of the Company's proportionate interest in the net assets of the associate. The Company records such a difference as an adjustment to investments, with the corresponding amount charged or credited to capital surplus. The aforesaid adjustment should first be adjusted under capital surplus. If the capital surplus resulting from changes in ownership interest is not sufficient, the remaining difference is debited to retained earnings. If the Company's ownership interest is reduced due to the additional subscription to the shares of the associate by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate will be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

(h) Investment in subsidiaries

The subsidiaries in which the Company holds controlling interest are accounted for using equity method in the financial statements. Under equity method, the net income, other comprehensive income and equity in the financial statements are the same as those attributed to the owners of parent in the consolidated financial statements.

The changes in ownership of the subsidiaries that do not result in the loss of control are recognized as equity transaction.

(Continued)

(i) Joint Arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. The IFRS classifies joint arrangements into two types — joint operations and joint ventures, which have the following characteristics: (a) the parties are bound by a contractual arrangement; and (b) the contractual arrangement gives two or more of those parties joint control of the arrangement. IFRS 11 "Joint Arrangements" defines joint control as the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities (ie activities that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control.

A joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Company accounts for the assets, liabilities, revenues and expenses in relation to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses. When assessing whether a joint arrangement is a joint operation or a joint venture, the Company considers the structure and legal form of the arrangement, the terms agreed by the parties in the contractual arrangement and, when relevant, other facts and circumstances.

(j) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(k) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses. The cost of certain items of property, plant and equipment on January 1, 2012, the Group's date of transition to the Standards, was determined with reference to its fair value at that date.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(Continued)

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1)	buildings	1~60 years
2)	machinery and equipment	1~20 years
3)	transportation equipment	5 years
4)	office and other equipment	1~12 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(l) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a leasee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company’s incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

(Continued)

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- there is a change of its assessment on whether it will exercise a extension or termination option; or
- there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

If an arrangement contains lease and non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(Continued)

(ii) As a leasor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies IFRS15 to allocate the consideration in the contract.

(m) Intangible assets

(i) Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

Other intangible assets, including customer relationships, patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for current and comparative periods are as follows:

1) Computer software	1~15 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(Continued)

(n) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories, contract assets, deferred tax assets and investment properties and biological assets, measured at fair value, less costs) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(o) Provisions

A provision is recognized if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

In accordance with the Group's environmental policy and applicable regulatory requirements, the provision for recovery liabilities is recognized when contaminated land satisfies the recognition criteria of the provision mentioned above, and the related costs are recognized.

(p) Revenue from contracts with customers

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Company's main types of revenue are explained below.

(Continued)

1) Sale of goods – gasoline products

The Company provides various gasoline products for sale in the retail market and recognizes revenue when the product is delivered to the customers. The price is paid immediately upon the customer's purchase of the product.

2) Customer loyalty program

The Company operates a customer loyalty program to its retail customers. Retail customers obtain points for purchases made, which entitle them to discount on future purchases. The Company considers that the points provide a material right to customers that they would not receive without entering into a contract. Therefore, the promise to provide points to the customer is a separate performance obligation. The transaction price is allocated to the product and the points on a relative stand-alone selling price basis. Management estimates the stand-alone selling price per point on the basis of the discount granted when the points are redeemed and on the basis of the likelihood of redemption, based on past experience. The stand-alone selling price of the product sold is estimated on the basis of the retail price. The Company has recognized contract liability at the time of sale on the basis of the principle mentioned above. Revenue from the award points is recognized when the points are redeemed or when they expire.

3) Land development and sale of real estate

The Company develops and sells residential properties and usually sales properties in advance during construction or before construction begins. Revenue is recognized when control over the properties has been transferred to the customer. The properties have generally no alternative use for the Company due to contractual restrictions. However, an enforceable right to payment does not arise until legal title of a property has passed to the customer. Therefore, revenue is recognized at a point in time when the legal title has passed to the customer.

The revenue is measured at the transaction price agreed under the contract. For sale of readily available house, in most cases, the consideration is due when legal title of a property has been transferred. While deferred payment terms may be agreed in rare circumstances, the deferral never exceeds twelve months. The transaction price is therefore not adjusted for the effects of a significant financing component. For pre-selling properties, the consideration is usually received by installment during the period from contract inception until the transfer of properties to the customer. If the contract includes a significant financing component, the transaction price will be adjusted for the effects of the time value of money during the period, using the specific borrowing rate of the construction project. Receipt of a prepayment from a customer is recognized as contract liability. Interest expense and contract liability are recognized when adjusting the effects of the time value of money. Accumulated amount of contract liability is recognized as revenue when control over the property has been transferred to the customer.

(Continued)

Certain contracts include multiple deliverables, such as sale of residential properties and a decoration service. The Company accounts for the decoration service as a single performance obligation, and the transaction price is allocated to the decoration service on a relative standalone selling price basis. Revenue from providing the decoration service is recognized in the accounting period in which the services are rendered.

4) Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money.

(ii) Contract costs

1) Incremental costs of obtaining a contract

The Company recognizes as an asset the incremental costs of obtaining a contract with a customer if the Group expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Company incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

The Company applies the practical expedient to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the entity otherwise would have recognized is one year or less.

2) Costs to fulfil a contract

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), the Company recognizes an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

a) the costs relate directly to a contract or to an anticipated contract that the Company can specifically identify;

b) the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

c) the costs are expected to be recovered.

General and administrative costs, costs of wasted materials, labor or other resources to fulfil the contract that were not reflected in the price of the contract, costs that relate to satisfied performance obligations (or partially satisfied performance obligations), and costs for which the Company cannot distinguish whether the costs relate to unsatisfied performance obligations or to satisfied performance obligations(or partially satisfied performance obligations), the Company recognizes these costs as expenses when incurred.

(Continued)

(q) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(r) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes in the liability are recognized in profit or loss.

Grant date of a share-based payment award is the date which the board of directors authorized the price and number of a new award.

(s) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

(Continued)

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if the following criteria are met:

(i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

   1) the same taxable entity; or

   2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(t) Business combination

The Company accounts for business combinations using the acquisition method. The goodwill arising from an acquisition is measured as the excess of (i) the consideration transferred (which is generally measured at fair value) and (ii) the amount of non-controlling interest in the acquiree, both over the identifiable net assets acquired at the acquisition date. If the amount calculated above is a deficit balance, the Company recognized that amount as a gain on a bargain purchase in profit or loss immediately after reassessing whether it has correctly identified all of the assets acquired and all of the liabilities assumed.

(Continued)

All acquisition-related transaction costs are expensed as incurred, except for the issuance of debt or equity instruments.

For each business combination, the Company measures any noncontrolling interests in the acquiree either at fair value or at the noncontrolling interest' s proportionate share of the acquiree' s identifiable net assets, if the noncontrolling interests are present ownership interests and entitle their holders to a proportionate share of the Company' s net assets in the event of liquidation. Other components of noncontrolling interests are measured at their acquisition-date fair values, unless another measurement basis is required by the IFRSs endorsed by the FSC.

(u) Non-current assets for sale

Non-current assets comprising assets and liabilities that are highly probable to be recovered primarily through sale rather than through continuing use, are reclassified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Company's accounting policies. Thereafter, generally, the assets or disposal groups are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to the remaining assets and liabilities on a *pro rata* basis, except that no loss is allocated to assets not within the scope of IAS 36 – *Impairment of Assets*. Such assets will continue to be measured in accordance with the Company's accounting policies. Impairment losses on assets initially classified as held for sale and any subsequent gains or losses on remeasurement are recognized in profit or loss. Gains are not recognized in excess of the cumulative impairment loss that has been recognized.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortized or depreciated, and any equity-accounted investee is no longer equity accounted.

(v) Earnings per share

The Company discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as convertible bonds and employee compensation.

(w) Operating segments

The Company discloses its segment information in consolidated financial statements. Therefore, the Company need not disclose segment information in the parent-company-only financial statements.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the parent company only financial statements in conformity with the Regulations requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

(Continued)

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the next period.

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is as follows:

(a) Judgment of whether the Company has substantive control over its investees

The Company holds 49% and 50% of the outstanding voting shares of NORTH STAR INTERNATIONAL DEVELOPMENT INDUSTRIES CORPORATION and YANG JI ENTERPRISE CO., LTD., respectively. The remaining shares are concentrated within specific shareholders, the Group cannot obtain more than half of the total number of both companies' directors, and it also cannot obtain more than half of the voting rights at a shareholders' meeting. Therefore, it is determined that the Group has significant influence on both companies.

Information about assumptions and estimation uncertainties does not have a significant risk of resulting in a material adjustment within the next financial year.

The Company's accounting policies include measuring financial and non-financial assets and liabilities at fair value through profit or loss.

The Company's financial instrument valuation group conducts independent verification on fair value by using data sources that are independent, reliable, and representative of exercise prices. This financial instrument valuation group also periodically adjusts valuation models, conducts back testing, renews input data for valuation models, and makes all other necessary fair value adjustments to assure the rationality of fair value. The Company strives to use market observable inputs when measuring assets and liabilities. Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

(a) Level 1: quoted prices (unadjusted) in active markets for identifiable assets or liabilities.

(b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices).

(c) Level 3: inputs for the assets or liability that are not based on observable market data.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2021	December 31, 2020
Cash	$ 20,445	11,516
Check and demand deposit	211,297	152,142
Cash and cash equivalents in the statement of cash flows	**$ 231,742**	**163,658**

Please refer to note 6(x) for the credit risk and interest risk of the financial assets and liabilities of the Company.

(Continued)

(b) Financial assets and liabilities at fair value through profit or loss

		December 31, 2021	December 31, 2020
Non-current financial liability measured at fair value through profit or loss:			
Convertible bond-embedded derivative	$	**210**	**300**
Non-current financial asset measured at fair value through profit or loss:			
Convertible bond-embedded derivative	$	**2,443**	-

Please refer to note6(s) for the convertible corporate bonds issue by the Company on December 10, 2021 and December 23, 2020. The call option and put option of convertible corporate bonds were mandatorily measured at fair value through profit or loss.

(c) Non-current financial assets at fair value through other comprehensive income

		December 31, 2021	December 31, 2020
Unlisted stocks			
MA LI QIANG GREEN ENERGY CO., LTD.	$	**535**	**517**

(i) Equity investments at fair value through other comprehensive income

The Company designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Company intends to hold for long-term strategic purposes.

There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments as of December 31, 2021 and 2020.

(ii) For credit risk and market risk, please refer to note 6(ab).

(iii) As of December 31, 2021 and 2020, the financial assets at fair value through other comprehensive income of the Company had not been pledged as collateral.

(d) Notes and accounts receivables

		December 31, 2021	December 31, 2020
Notes receivables	$	148	183
Trade receivables		25,060	13,059
	$	**25,208**	**13,242**

(Continued)

	December 31, 2021		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Current	$ 24,573	0%	-
1 to 30 days past due	635	0%	-
31 to 60 days past due	-	0%	-
61 to 90 days past due	-	2.78%	-
More than 91 days past due	-	100%	-
	$ 25,208		**-**

	December 31, 2020		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Current	13,039	0%	-
1 to 30 days past due	203	0%	-
31 to 60 days past due	-	0%	-
61 to 90 days past due	-	3.33%	-
More than 91 days past due	-	100%	-
	$ 13,242		**-**

For the years ended December 31, 2021 and 2020, the were no movement in allowance for notes and trade receivables.

As of December 31, 2021 and 2020, the notes and trade receivables of the Company had not been pledged as collateral.

(e) Inventories

	December 31, 2021	**December 31, 2020**
Trading:		
Premium Diesel	$ 24,431	26,357
Unleaded gasoline-98	9,792	12,485
Unleaded gasoline-95	42,032	44,198
Unleaded gasoline-92	20,618	23,917
Coproducts and others	2,737	961
Subtotal	99,610	107,918

(Continued)

	December 31, 2021	December 31, 2020
Construction industry:		
Land held for construction site	-	201,223
Construction in progress	460,833	150,488
Subtotal	460,833	351,711
	$ **560,443**	**459,629**

The details of the cost of sales were as follows:

	2021	2020
Inventory that has been sold	$ 3,822,115	3,136,511
Stock take surplus	(2,009)	(3,129)
	$ **3,820,106**	**3,133,382**

Please refer to note 8 for detail of the Company provided inventories as collateral for short-term borrowings.

For the years ended December 31, 2021 and 2020, amount of capitalized interest were $3,799 thousand and $4,290 thousand, respectively. The interest rate for capitalization were 1.75%~1.90% and 1.75%~1.95%, respectively.

(f) Investments accounted for using equity method

A summary of the Company's financial information for investments accounted for using the equity method at the reporting date is as follows:

	December 31, 2021	December 31, 2020
Subsidiaries	$ 1,214,150	582,712
Associates	272,858	272,446
	$ **1,487,008**	**855,158**

(i) Subsidiaries

For the related information, please refer to the consolidated financial statement for the year ended December 31, 2021.

(Continued)

(ii) Associates

Name of Associates	Nature of Relationship with the Group	Main operating location/ Registered Country	Proportion of shareholding December 31, 2021	Proportion of shareholding December 31, 2020
NORTH STAR INTERNATIONAL DEVELOPMENT INDUSTRIES CORPORATION	The main businesses are interior decoration construction, wholesale building materials, and residential and building development and rental.	Taiwan	49 %	49 %
YANG JI ENTERPRISE CO., LTD.	Mainly engages in advertisement consignment.	Taiwan	50 %	50 %

On April 7, 2020, the Company acquired 50% of ownership in YANG JI ENTERPRISE CO., LTD. for $5,000 thousand, thereby obtaining significant influence on YANG JI ENTERPRISE CO., LTD. In addition, on August 5, 2020 and March 16, 2021, the Board resolved to participate in the capital increase of YANG JI ENTERPRISE CO., LTD. The increase in investments of $20,000 thousand and $25,000 thousand proportioned to the shareholding, respectively. As of December 31, 2021, the total investment in YANG JI ENTERPRISE CO., LTD. is $50,000 thousand.

On September 14, 2021, the resolution was approved in the shareholders' meeting of NORTH-STAR INTERNATIONAL DEVELOPMENT CO., LTD. regarding the capital reduction. The Company proportionally reduced its shareholding of NORTH-STAR INTERNATIONAL DEVELOPMENT CO., LTD. by $98,000 thousand. As of December 31, 2021, the investment in NORTH-STAR INTERNATIONAL DEVELOPMENT CO., LTD. amounted to $147,000 thousand.

The following is the aggregated financial information of the major associates, and necessary changes have already been made to the information therein concerning the associates' consolidated financial statements based on the IFRS as endorsed by FSC to reflect the fair value adjustments made at the time of acquisition and adjustment for accounting policy variations.

1) Financial information summary of NORTH STAR INTERNATIONAL DEVELOPMENT INDUSTRIES CORPORATION were as follows:

	December 31, 2021	December 31, 2020
Current assets	$ 3,306,371	3,419,320
Non-current assets	529,028	796,874
Current liabilities	(1,519,725)	(1,321,604)
Non-current liabilities	(1,860,815)	(2,411,369)
Net assets	**$ 454,859**	**483,221**

(Continued)

	2021	2020
Operating revenue	$ 1,526,636	540,468
Profit for the year	171,638	65,459
Other comprehensive income	-	-
Total comprehensive income	**$ 171,638**	**65,459**

	2021	2020
Share of net assets of associates as of January 1	$ 236,778	204,702
Comprehensive income attributable to the Company	84,103	32,076
Decrease in investment in associates during the period	(98,000)	-
Share of net assets of associates as of December 31	**$ 222,881**	**236,778**

2) Financial information summary of YANG JI ENTERPRISE CO., LTD. were as follows:

	December 31, 2021	December 31, 2020
Current assets	$ 36,958	85,947
Non-current assets	93,346	433
Current liabilities	(351)	(15,044)
Non-current liabilities	(30,000)	-
Net assets	**$ 99,953**	**71,336**

	2021	2020
Operating revenue	$ 12,114	45,253
Profit for the year	(2,180)	21,336
Other comprehensive income	-	-
Total comprehensive income	**$ (2,180)**	**21,336**

	2021	2020
Share of net assets of associates as of January 1	$ 35,668	-
Capital increase during the period	25,000	25,000
Comprehensive income attributable to the Company	(1,090)	10,668
Dividends received from associates	(9,601)	-
Share of net assets of associates as of December 31	**$ 49,977**	**35,668**

(iii) Collateral

As of December 31, 2021 and 2020, the Group did not provide any investments accounted for using the equity method as collateral.

(Continued)

(g) Joint operations

The Company entered into joint development agreements with HEYI CONSTRUCTION CO., LTD., which is not a separate entity, responsible for 50% of the real estate development expenses respectively. HEYI CONSTRUCTION CO., LTD. is the implementing company responsible for real estate development, such as planning and design, outsourcing, and progress tracking. The joint agreement between the Group and HEYI CONSTRUCTION CO., LTD. for participation in land development provides that each party uses its assets and assumes its liabilities in the performance of the contract. The Company and HEYI CONSTRUCTION CO., LTD. recognize revenue from the sale of the products as a 50% share each. The construction license for this case has been issued and started construction in March 2021. As of December 31, 2021, the amount of the buildings held by the joint development was $257,278 thousand, which is recognized under inventories. Please note 6(e) for details.

(h) Property, plant and equipment

The following table summarizes the cost, depreciation and impairment of property, plant and equipment of the Company:

	Land	Buildings and construction	Machinery and equipment	Others	Total
Cost or deemed cost:					
Balance on January 1, 2021	$ 3,123,675	421,484	266,979	97,411	3,909,549
Additions	255,780	5,060	6,896	6,165	273,901
Disposal	-	(15,116)	(10,940)	(6,274)	(32,330)
Transfer from premayments	-	100	4,226	-	4,326
Balance on December 31, 2021	**$ 3,379,455**	**411,528**	**267,161**	**97,302**	**4,155,446**
Balance on January 1, 2020	$ 2,682,605	408,827	260,947	97,842	3,450,221
Additions	441,070	13,235	6,202	4,111	464,618
Disposal	-	(578)	(170)	(4,542)	(5,290)
Balance on December 31, 2020	**$ 3,123,675**	**421,484**	**266,979**	**97,411**	**3,909,549**
Depreciation and impairments losses:					
Balance on January 1, 2021	$ -	172,688	215,381	81,972	470,041
Depreciation	-	16,773	15,679	6,529	38,981
Disposal	-	(10,063)	(10,851)	(6,073)	(26,987)
Balance on December 31, 2021	**$ -**	**179,398**	**220,209**	**82,428**	**482,035**
Balance on January 1, 2020	$ -	156,645	198,100	78,443	433,188
Depreciation	-	16,423	17,451	7,651	41,525
Disposal	-	(380)	(170)	(4,122)	(4,672)
Balance on December 31, 2020	**$ -**	**172,688**	**215,381**	**81,972**	**470,041**
Carrying amount:					
Balance on December 31, 2021	**$ 3,379,455**	**232,130**	**46,952**	**14,874**	**3,673,411**
Balance on December 31, 2020	**$ 3,123,675**	**248,796**	**51,598**	**15,439**	**3,439,508**
Balance on January 1, 2021	**$ 2,682,605**	**252,182**	**62,847**	**19,399**	**3,017,033**

(Continued)

As of December 31, 2021 and 2020, there was agricultural land of $39,633 thousand and $39,849 thousand for use by the Company as petrol filling stations, respectively. The ownership of the land is temporarily registered in the trusted third party designated by the Company. The trustee either pledged the land as collateral for the Company or entered into a contractual agreement with the Group at a total price of $43,250 thousand.

As of December 31, 2021 and 2020, the property, plant and equipment of the Company had been pledged as collateral for long-term and short-term borrowings; please refer to note 8.

(i) Right-of-use assets

The following table summarizes the cost and depreciation of right-of-use assets of the Company:

	Land and building	Transportation equipment	Total
Cost:			
Blance on January 1, 2021	$ 423,388	2,816	426,204
Additions	210,994	6,929	217,923
Write-off	(10,407)	-	(10,407)
Blance on December 31, 2021	**$ 623,975**	**9,745**	**633,720**
Blance on January 1, 2020	$ 358,098	2,649	360,747
Additions	90,772	-	90,772
Write-off	(25,212)	(103)	(25,315)
Reclassification	(270)	270	-
Blance on December 31, 2020	**$ 423,388**	**2,816**	**426,204**
Accumulated depreciation:			
Blance on January 1, 2021	$ 110,850	2,714	113,564
Depreciation for the year	69,059	1,495	70,554
Write-off	(2,434)	-	(2,434)
Blance on December 31, 2021	**$ 177,475**	**4,209**	**181,684**
Blance on January 1, 2020	$ 56,065	1,667	57,732
Depreciation for the year	66,986	1,047	68,033
Write-off	(12,201)	-	(12,201)
Blance on December 31, 2020	**$ 110,850**	**2,714**	**113,564**
Carrying value:			
Blance on December 31, 2021	**$ 446,500**	**5,536**	**452,036**
Blance on December 31, 2020	**$ 312,538**	**102**	**312,640**
Blance on January 1, 2020	**$ 302,033**	**982**	**303,015**

(Continued)

(j) Investment property

The cost, depreciation, and impairment of the investment property of the Company for the years ended December 31, 2021 and 2020, were as follows:

	Owned property		
	Land	**Buildings and structures**	**Total**
Cost or deemed cost:			
Balance on January 1, 2021	$ 83,125	-	83,125
Balance on December 31, 2021	**$ 83,125**	**-**	**83,125**
Balance on January 1, 2020	$ 83,125	7,748	90,873
Disposal	-	(7,748)	(7,748)
Balance on December 31, 2020	**$ 83,125**	**-**	**83,125**
Depreciation and impairments losses:			
Balance on January 1, 2021	$ 48,793	-	48,793
Depreciation for the year	-	-	-
Balance on December 31, 2021	**$ 48,793**	**-**	**48,793**
Balance on January 1, 2020	$ 48,793	7,217	56,010
Depreciation for the year	-	324	324
Disposal	-	(7,541)	(7,541)
Balance on December 31, 2020	**$ 48,793**	**-**	**48,793**
Carrying amount:			
Balance on December 31, 2021	**$ 34,332**	**-**	**34,332**
Balance on December 31, 2020	**$ 34,332**	**-**	**34,332**
Balance on January 1, 2020	**$ 34,332**	**531**	**34,863**
Fair value:			
Balance on December 31, 2021	**$ 61,402**	**-**	**61,402**
Balance on December 31, 2020	**$ 56,376**	**-**	**56,376**

Investment property is vacant agricultural land amounted to $83,125 thousand. The land is a restricted use land under the Water Act as it is located on the river reservation zone and was planned as a river land in 2011.

The fair value of the investment property aforementioned is calculated by management using the present value of the relevant land announcement and the present value of property tax. In addition, the buildings and construction of such investment property were approved by the Taichung City local Tax Bureau for a write-off of the property tax in September 2020 when the Company applied to the land administration for demolition in July 2020.

(Continued)

The Company assessed the recoverable amount for investment properties that showed signs of possible impairment and recognized the accumulative impairment loss of both $48,793 thousand as of December 31, 2021 and 2020.

As of December 31, 2021 and 2020, the investment property of the Group had not been pledged as collateral.

(k) Other current asset

	December 31, 2021	December 31, 2020
Other current assets:		
Non-current assets held for sale	$ -	57,700
Prepayments to suppliers	17,073	10,936
Prepaid rents	2,529	635
Prepaid expenses	23,885	12,159
Supplies inventories	6,306	1,933
Other current financial assets	300	300
Incremental costs of obtaining a contract	33,360	-
Others	9,298	3,852
	$ 92,751	**87,515**

The Company sold its non-current assets classified as held for sale to other party in April 2021 for a total price of $86,464 thousand, and the gain on disposal amounted to $28,764 thousand. The transfer procedures had been completed, and as of December 31, 2021, the disposal proceeds had been fully recovered.

For the marketing activities information on other current assets provided as deposits, as of December 31, 2021, and 2020, please refer to Note 8.

(l) Short-term notes and bills payable

	December 31, 2021		
	Guarantee or acceptance institution	Range of interest rates	Amount
Commercial paper payable	TAIWAN FINANCE CORPORATION	1.23%	$ 50,000
Less: Discount on short-term notes and bills payable			(159)
Total			**$ 49,841**

(Continued)

	December 31, 2020			
	Guarantee or acceptance institution	**Range of interest rates**		**Amount**
Commercial paper payable	DAH CHUNG BILLS FINANCE CORPORATION	1.27%	$	40,000
Commercial paper payable	CHINA BILLS FINANCE CORPORATION	1.23%		50,000
Commercial paper payable	MEGA BILLS FINANCE CORPORATION	1.20%		50,000
Less: Discount on short-term notes and bills payable				(226)
Total			$	**139,774**

(m) Short-term borrowings

		December 31, 2021	**December 31, 2020**
Unsecured bank loans	$	-	200,000
Secured bank loans		218,400	222,500
	$	**218,400**	**422,500**
Unused short-term credit lines	$	**870,200**	**373,200**
Range of interest rates		**1.75%~1.9%**	**1.54%~1.95%**

For the collateral for short-term borrowings, please refer to note 8.

(n) Long-term borrowings

	December 31, 2021				
	Currency	**Range of interest rates**	**Maturity year**		**Amount**
Unsecured bank loans	NTD	1.60%	2023.06.15~	$	44,262
Secured bank loans	NTD	1.28%~1.65%	2022.02.10~ 2028.07.16		1,399,494
					1,443,756
Less: current portion					(193,299)
Total				$	**1,250,457**
Unused long-term credit lines				$	**920,000**

(Continued)

	December 31, 2020			
	Currency	**Range of interest rates**	**Maturity year**	**Amount**
Unsecured bank loans	NTD	1.55%~1.60%	2023.06.15~ 2025.11.16	$ 51,652
Secured bank loans	NTD	1.28%~1.65%	2021.03.23~ 2027.09.08	1,408,922
				1,460,574
Less: current portion				(808,048)
Total				**$ 652,526**
Unused long-term credit lines				**$ 324,250**

(i) For the collateral for long-term borrowings, please refer to note 8.

(ii) Government credit guarantee loans

The Company obtained an interim working capital of $150,000 thousand for relief and economic stimulus package of COVID-19 from the Ministry of Economic Affairs in October 2020 for a period of five years, which is allocated in a split and is not revolving. As of December 31, 2021 and 2020, the balance of borrowing amounted to $139,958 thousand and $17,750 thousand, respectively, with the interest rates of 1.55%, and received an 80% guarantee from the Small and Medium Enterprise Credit Guarantee Fund of Taiwan.

(o) Bonds payable

The following table summarized the secured convertible corporate bonds issued by the Company:

	December 31, 2021	**December 31, 2020**
Total convertible corporate bonds issued	$ 638,200	600,000
Unamortized discounted corporate bonds payable	(19,057)	(16,615)
Corporate bonds issued balance at year-end	**$ 619,143**	**583,385**
Embedded derivative – redemption rights:		
included in financial assets at fair value through profit or loss	**$ 2,443**	**-**
included in financial liabilities at fair value through profit or loss	**$ 210**	**300**
Equity component – conversion options, included in capital surplus– stock options	**$ 35,295**	**28,380**

	2021	**2020**
Embedded derivative instruments – redemption rights, included in financial liabilities at fair value through profit or loss	**$ 5,017**	**-**
Interest expense	**$ 2,741**	**65**

(Continued)

On December 10, 2021, the Company issued 3,000 three-year unsecured convertible corporate bonds with a nominal interest rate of 0% for the sixth time, which were repaid in cash at maturity per the principal amount of the bonds.

The conversion price was $35.50 per share, when it comes to adjusting conversion price of the Company's common share, it should adhere to the conversion's rules. The conversion price change with formula within issuance details. These secured convertible bonds do not have reset feature.

On December 23, 2020, the Company issued 6,000 five-year unsecured convertible corporate bonds with a nominal interest rate of 0% for the fifth time, which were repaid in cash at maturity per the principal amount of the bonds.

The conversion price was $18.18 per share, when it comes to adjusting conversion price of the Company's common share, it should adhere to the conversion's rules. The conversion price change with formula within issuance details. These secured convertible bonds do not have reset feature. Other conditions are as follows:

(i) Redemption right is the bondholders may require the Company to redeem the bonds in cash at 100% of the principal amount of the bonds at the base date of early redemption.

(ii) The redemption right satisfies one of the following, and the Company reclaims its outstanding bonds in cash at the principal amount:

1) Within the period between three months after the issuance date and 40 days before the last convertible date, if the closing price of the Company's common shares on the Taipei Exchange for a period of 30 consecutive trading days before redemption has been at least 30% of the conversion price in effect on each such trading day, the Company may redeem all bonds at par value by cash.

2) If the amount outstanding of bonds is less than 10% of the principal amount between the three months after the share issuance date and the 40 days before the maturity date, the Company may redeem the outstanding bonds at their principal amount.

(p) Lease liabilities

The carrying amount of lease liabilities of the Company was as follows:

	December 31, 2021	December 31, 2020
Current	$ 62,106	55,276
Non-current	$ 381,050	242,271

For the maturity analysis, please refer to note 6(w).

The amounts recognized in profit or loss was as follows:

	2021	2020
Interest on lease liabilities	$ 6,241	$ 4,819
Variable lease payments not included in the measurement of lease liabilities	$ 798	619

(Continued)

		2021	2020
Income from sub-leasing right-of-use assets	$	3,943	4,158
Expenses relating to short-term leases	$	705	312

The amounts recognized in the statement of cash flows for the Company was as follows:

		2021	2020
Total cash outflow for leases	$	71,721	59,634

(i) Real estate leases

The Company leases land and buildings for its petrol filling station and hotels. The leases typically run for 1 to 22 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

Some leases provide for additional rent payments that are based on changes in local price indices, or sales that the Company makes at the leased store in the period. Some also require the Company to make payments that relate to the property taxes levied on the lessor and insurance payments made by the lessor; these amounts are generally determined annually.

Some leases of petrol filling station contain extension or cancellation options exercisable by the Company up to one year before the end of the non-cancellable contract period. These leases are negotiated and monitored by local management, and accordingly, contain a wide range of different terms and conditions. The extension options held are exercisable only by the Company and not by the lessors. In which lessee is not reasonably certain to use an optional extended lease term, payments associated with the optional period are not included within lease liabilities.

(ii) Other leases

The Company also leases machineries and billboard with lease terms of one year. These leases are short-term or leases of low value items. The Company decided to apply recognition exemptions, and had elected not to recognize its right-of-use assets and lease liabilities for these leases.

(q) Employee benefits

Defined contribution plans

The Company allocates 6% of each employee’ s monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to $16,036 thousand and $13,895 thousand for the years ended December 31, 2021 and 2020, respectively.

(Continued)

(r) Income tax

(i) Income tax expense

For the years ended December 31, 2021 and 2022, income tax expense of the Company were as follows:

		2021	2020
Current tax expense	$	27,101	26,592
Deferred tax (profit) expense		(1,881)	896
Tax expense	**$**	**25,220**	**27,488**

There were no income tax recognized directly in equity or in other comprehensive income for 2021 and 2020.

(ii) Reconciliation of income tax and profit before tax for 2021 and 2020 is as follows:

		2021	2020
Profit excluding income tax	**$**	**165,244**	**147,957**
Income tax using the Company's domestic tax rate		33,049	29,591
Income from domestic investment accounted for using equity method		(6,928)	(1,596)
Change in provision in prior periods		(181)	(1,950)
Additional tax on undistributed earnings		621	382
Others		(1,341)	1,061
Tax expense	**$**	**25,220**	**27,488**

(iii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

		December 31, 2021	December 31, 2020
Tax effect of deductible temporary differences	**$**	**3,915**	**3,915**

2) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2021 and 2020 were as follows:

(Continued)

Deferred tax assets:

		Deferred revenue	Unrealized loss	Others	Total
Balance on January 1, 2021	$	1,523	721	2,668	4,912
Recognized in profit or loss		67	-	1,814	1,881
Balance on December 31, 2021	**$**	**1,590**	**721**	**4,482**	**6,793**
Balance on January 1, 2020	$	1,505	721	3,582	5,808
Recognized in profit or loss		18	-	(914)	(896)
Balance on December 31, 2020	**$**	**1,523**	**721**	**2,668**	**4,912**

(iv) The Company's tax returns for the years through 2019 were assessed by the Taipei National Tax Administration.

(s) Capital and other equities

As of December 31, 2021 and 2020, the total value of authorized ordinary shares were both amounted to $3,000,000 with par value of $10 per share, the number of authorized ordinary shares were both 300,000 thousand of shares. As of that date, 246,249 thousand (2020: 191,833 thousand) of ordinary shares were issued. All issued shares were paid up upon issuance.

Reconciliation of shares outstanding for 2021 and 2020 was as follows:

	Ordinary share	
(in thousands of shares)	**2021**	**2020**
Balance on January 1	191,833	191,833
Issued for cash	40,000	-
Conversion of convertible bonds	14,416	-
Balance on December 31	**246,249**	**191,833**

(i) Ordinary shares

On August 5, 2021, the Company increased its capital by issuing 40,000 ordinary shares with a par value of $10 per share, amounting to $400,000 thousand pursuant to a resolution of the Board of Directors. The base date was December 13, 2021, and the relevant registration procedures had been completed. The Company reserved 10% of newly issued shares for 10% for its employee to purchase. In 2021, the expenses related to the share-based payments amounted to $3,732 thousand.

For the year ended December 31, 2021, the convertible bonds issued by the Company amounting to $144,161 thousand were converted into 14,416 thousand shares of common stock. The related registration procedures, of which 14,405 thousand of shares, were completed.

(Continued)

(ii) Capital surplus

The balances of capital surplus as of December 31, 2021 and 2020, were as follows:

	December 31, 2021	December 31, 2020
Share premium	$ 600,000	-
Premium of convertible corporate bonds	185,218	64,144
Difference arising from subsidiary's share price and its carrying value	4,028	3,465
Share-based payment	3,732	-
Employee share options-expired	10,108	10,098
Employee share options	35,295	28,380
	$ 838,381	**106,087**

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(iii) Retained earnings

The Company's article of incorporation stipulate that Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, and then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

Before the distribution of dividends, the Company shall first take into consideration its operating environment, industry developments, and the long-term interests of stockholders, as well as its programs to maintain operating efficiency and meet its capital expenditure budget and financial goals in determining the stock or cash dividends to be paid. The Company could appropriate dividends by more 50% of appropriable earnings each year; the dividend could be distributed in the types of stock dividends or cash dividend and the cash dividends shall be greater than 20% of total dividends.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

(Continued)

2) Earnings distribution

The amounts of cash dividends on the appropriations of earnings for 2020 and 2019 had been approved during the shareholders meeting on August 8, 2021 and June 9, 2020, respectively. The relevant dividend distributions to shareholders were as follows:

	2020			2019	
	Amount per share		**Amount**	**Amount per share**	**Amount**
Dividends distributed to ordinary shareholders:					
Cash	**$**	**0.50**	**95,917**	**0.20**	**38,367**

The amount of cash dividends on the appropriations of earnings for 2021, had been approved and proposed during the board meeting on March 17, 2022 was $0.6 cash dividend per share, total $148,228 thousand.

(iv) Other comprehensive income accumulated in reserves, net of tax

		Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income
Balance on January 1, 2021	$	(1,693)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income		18
Balance on December 31, 2021	**$**	**(1,675)**
Balance on January 1, 2020	$	(1,610)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income		(83)
Balance on December 31, 2020	**$**	**(1,693)**

(Continued)

(t) Earnings per share

The detail of basic earnings per share and diluted earnings per share in 2021 and 2020 were as follows:

		2021	2020
Basic earnings per share			
Profit of the Company for the year	$	**140,024**	**120,469**
Weighted average number of ordinary shares on December 31 (thousand of share)		**201,914**	**191,833**
Basic earnings per share (dollar)	$	**0.69**	**0.63**
Diluted earnings per share			
Profit of the Company for the year	$	140,024	120,469
Effect of dilutive potential ordinary shares			
Interest expense on convertible bonds, net of tax		2,193	52
Profit attributable to ordinary shareholders of the Company (diluted)	$	**142,217**	**120,521**
Weighted average number of ordinary shares		201,914	191,833
Effect of dilutive potential ordinary shares			
Effect of employee share bonus		65	94
Effect of convertible corporate bonds conversion		6,308	33,003
Weighted average number of ordinary shares (diluted) on December 31		**208,287**	**224,930**
Diluted earnings per share (dollar)	$	**0.68**	**0.54**

(u) Revenue from contracts with customers

(i) Disaggregation of revenue

		2021	2020
Primary geographical markets:			
Taiwan	$	**4,471,135**	**3,794,593**
Major products:			
Gasoline products	$	4,368,685	3,696,705
Other		102,450	97,888
Total	$	**4,471,135**	**3,794,593**

(Continued)

(ii) Contract balances

	December 31, 2021	December 31, 2020	January 1, 2020
Trade receivables	$ **25,060**	**13,059**	**14,708**
Contract assets	$ **172,605**	**44,594**	**-**

For details on trade receivables and allowance for impairment, please refer to note 6(d).

For details on onerous contracts as of December 31, 2021 and 2020, please refer to note 9(e).

The Company implemented a customer loyalty program to stimulate the sale of gasoline products. When a customer purchases a gasoline product, the Company gives him a credit that can be used in exchange for an advertisement gift.

As of December 31, 2021 and 2020, the deferred income of the Company was $7,949 thousand and $7,614 thousand, respectively, which are recognized under other current liabilities. Such amounts are allocated to the award points based on the relative stand-alone selling price of the products and award points.

(v) Employee compensation and directors' and supervisors' remuneration

In accordance with the articles of incorporation the Company should contribute no less than 1% of the profit as employee compensation and less than 3% as directors' and supervisors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

The accrued amount of employee compensation and directors' and supervisors' remuneration of the Company in 2021 and 2020 were as follows:

	2021	2020
Employee remuneration	$ 1,730	1,541
Directors' and supervisors' remuneration	5,165	4,624
	$ **6,895**	**6,165**

The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, directors and supervisors of each period, multiplied by the percentage of remuneration to employees, directors and supervisors as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during 2021 and 2020. The numbers of shares to be distributed were calculated based on the closing price of the Company's ordinary shares one day before the date of the meeting of Board of Directors. Related information would be available at the Market Observation Post System website. The amounts, as stated in the financial statements, are identical to those of the actual distributions for 2021 and 2020.

(Continued)

(w) Financial instruments

(i) Type of financial instruments

1) Financial assets

	December 31, 2021	December 31, 2020
Financial assets at fair value through profit or loss	$ 2,443	-
Financial assets at fair value through other comprehensive income	535	517
Financial assets measured at amortized cost:		
Cash and cash equivalents	231,742	163,658
Notes and accounts receivable, net	25,208	13,242
Other receivable	28,080	6,768
Guarantee deposits paid	61,977	36,096
Other current financial assets (restricted deposits)	300	300
Other non-current financial assets (restricted deposits)	255,998	213,660
Total	**$ 606,283**	**434,241**

2) Financial liabilities

	December 31, 2021	December 31, 2020
Financial liabilities at fair value through profit or loss	$ 210	300
Financial liabilities measured at amortized cost:		
Short-term borrowings	218,400	422,500
Short-term notes and bills payable	49,841	139,774
Notes and trade payable	229,052	286,834
Other payable	103,531	25,180
Long-term borrowings (including current portion)	1,443,756	1,460,574
Bonds payable	619,143	583,385
Lease liabilities	443,156	297,547
Total	**$ 3,107,089**	**3,216,094**

(ii) Credit risk

1) Credit risk exposure

The carrying amount of financial assets except cash and cash equivalents represent the maximum amount exposed to credit risk. As of December 31, 2021 and 2020, the maximum amount exposed to credit risk amounted to $374,541 thousand, and $270,583 thousand, respectively.

(Continued)

2) Concentration of credit risk

As sales are made to customers worldwide, the Group' s exposure to credit risk concentration is expected to be low. To reduce credit risk, the Group continuously assesses the financial position of its customers, normally without a request for collateral.

(iii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying amount	Contractual cash flows	Within 1 year	Over 1 year
December 31, 2021				
Non-derivative financial liabilities				
Short-term borrowings	$ 218,400	227,527	3,827	223,700
Short-term notes and bills payable	49,841	50,000	50,000	-
Notes and trade payable	229,052	229,052	229,052	-
Other payable	103,531	103,531	103,531	-
Long-term borrowings (including current portion)	1,443,756	1,416,542	213,389	1,203,153
Bonds payable	619,143	638,200	-	638,200
Lease liabilities	443,156	483,709	69,285	414,424
	$ 3,106,879	3,148,561	669,084	2,479,477
December 31, 2020				
Non-derivative financial liabilities				
Short-term borrowings	$ 422,500	430,620	204,212	226,408
Short-term notes and bills payable	139,774	140,000	140,000	-
Notes and trade payable	286,834	286,834	286,834	-
Other payable	25,180	25,180	25,180	-
Long-term borrowings (including current portion)	1,460,574	1,498,274	823,517	674,757
Bonds payable	583,385	600,000	-	600,000
Lease liabilities	297,547	322,003	60,019	261,984
	$ 3,215,794	3,302,911	1,539,762	1,763,149

The Group is not expecting that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

(Continued)

(iv) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is based on the risk exposure to the interest rates risk of derivative and non-derivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increase or decrease by 0.25%, when reporting to management internally, which also represents the assessment of the Group’s management for the reasonably possible interval of interest rate change.

If the interest rate increases or decreases by 0.25% the Group’ s net income will decrease /increase by $4,155 thousand and $4,708 thousand for the years ended December 31, 2021 and 2020, respectively, assuming all other variable factors remain constant. This is mainly due to the Group’s variable rate bank borrowings.

(v) Fair value of financial instruments

1) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through other comprehensive income are measured on a recurring basis. The carrying amount and fair value of the Company’s financial assets and liabilities were as follows:

	December 31, 2021				
	Carrying	Fair value			
	amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Unquoted equity instruments measured at fair value	$ 535	-	-	535	535
Financial assets at fair value through profit or loss					
Convertible bond-embedded derivative	$ 2,443	-	2,443	-	2,443
Financial liabilities at fair value through profit or loss					
Convertible bond-embedded derivative	$ 210	-	210	-	210

(Continued)

	December 31, 2020				
	Carrying	Fair value			
	amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Unquoted equity instruments measured at fair value	$ 517	-	-	517	517
Financial liabilities at fair value through profit or loss					
Convertible bond	$ 300	-	300	-	300

2) Valuation techniques for financial instruments measured at fair value

a) Non-derivative financial instruments

Measurements of fair value of financial instruments are based on a valuation technique or quoted price from a competitor. Fair value, measured by using valuation technique that can be extrapolated from either similar financial instruments or discounted cash flow method or other valuation techniques, including models, is calculated based on available market data at the reporting date.

The categories and nature of the fair value for the Group's financial instruments which without an active market are as below:

· The main assumption behind this is that the estimated pretax, pre-depreciation, and pre amortization earnings of the investee company is added to the earnings multiplier derived from the comparable quoted price of the listed company. The estimate of the fair value of equity instruments has been adjusted due to the effect of the discount arising from the lack of market liquidity of the equity security.

3) Reconciliation of Level 3 fair values

	Fair value through other comprehensive income
	Unquoted equity instruments
Balance on January 1, 2021	$ 517
Total gains and losses recognized	
In profit or loss	-
In other comprehensive	18
Balance on December 31, 2020	$ 535
Balance on January 1, 2020	$ 600
Total gains and losses recognized	
In profit or loss	-
In other comprehensive	(83)
Balance on December 31, 2020	$ 517

(Continued)

The aforementioned total gains or losses were classified as "unrealized losses from financial assets at fair value through other comprehensive income". The information regarding assets held as of December 31, 2021 and 2020 was as follows:

	2021	2020
Total gains and losses recognized		
In other comprehensive income, and presented in "unrealized gains and losses from financial assets at fair value through other comprehensive income"	$ 18	(83)

4) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group's financial instruments that use Level 3 inputs to measure fair value was "fair value through other comprehensive income – equity investments".

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income-unquoted equity instruments	Comparable company analysis/Net asset value method	· Price-book ratio (1.45 and 1.41 respectively on December 31, 2021 and 2020) · Lack of marketability discount rate (10% on both December 31, 2021 and 2020) · Non-controlling interest discount rate (25% on both December 31, 2021 and 2020)	· The higher the ratio is, the higher the fair value will be. · The higher the lack of marketability discount rate is, the lower the fair value will be. · The higher the non-controlling interest discount rate is, the lower the fair value will be.

(Continued)

(x) Financial risk management

(i) Overview

The Company have exposures to the following risks from its financial instruments:

1) credit risk

2) liquidity risk

3) market risk

The following likewise discusses the Company’s exposure information, objectives, policies and processes for measuring and managing the above-mentioned risks. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying consolidated financial statements.

(ii) Structure of risk management

The Company’s finance management department provides business services for the overall internal department. It sets the objectives, policies and processes for managing the risk and the methods used to measure the risk arising from both the domestic and international financial market operations. The Company minimizes the risk exposure through derivative financial instruments. The Board of Directors regulated the use of derivative financial instruments in accordance with the Company’s policy about risks arising from financial instruments such as currency risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments and the investments of excess liquidity. The internal auditors of the Company continue with the review of the amount of the risk exposure in accordance with the Company’s policies and the risk management policies and procedures. The Company has no transactions in financial instruments (including derivative financial instruments) for the purpose of speculation.

(iii) Credit risk

Credit risk means the potential loss of the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group’s receivables from customers and investments in debt securities.

1) Trade receivable and other receivable

The Company has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, when available, and in some cases, bank references. Purchase limits are established for each customer, and are reviewed periodically. Customers that fail to meet the Company’s benchmark creditworthiness may transact with the Company only on a prepayment basis.

Trade receivable mainly relate to a wide range of customers from different industries and geographic regions. The Company constantly assesses the financial status of the customers and, if necessary, purchases credit guarantee insurance contracts.

(Continued)

The Company does not have significant credit risk exposure against any counterparty or group of counterparties with similar characteristics. Also, the Company mitigates its exposure by evaluating the customers' financial situation regularly.

2) Investments

The credit risks exposure in the bank deposits, investments with fixed income, and other financial instruments were measured and monitored by the Company's finance department. As the Company deals with the banks and other external parties with good credit standing and financial institutions, corporate organization and government agencies which are graded above investment level, management believes that the Company do not have compliance issues and no significant credit risk.

(iv) Liquidity risk

The Company manages and maintains sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Company's management supervises the banking facilities and ensures in compliance with the terms of the loan agreements.

Bank borrowing is an essential liquidity source for the Company. Please refer to note 6(m) for the Company's unused credit line of short-term bank borrowing for the years ended December 31, 2021 and 2020.

(v) Market risk

Market risk is the risk that changes in market prices, such as interest rates and equity prices, will affect the Company income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

1) Interest rate risk

The entity of the Company borrows funds on variable interest rates, which has a risk exposure to cash flow.

2) Other market price risks

The Company is exposed to equity price risk due to the investments in unlisted equity securities. The aforementioned equity investments are not held for trading but are strategic investments. The Company has not actively traded such investments, significant investments in the portfolio are managed individually, and the financial management department approves all trading decisions.

(y) Capital management

The Board of Directors' policy is to maintain a strong capital base in order to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of ordinary shares, capital surplus, and retained earnings of the Company. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary stockholders.

(Continued)

The Company sets its objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return to stockholders, to safeguard the interest of related parties, and to maintain an optimal capital structure to reduce the cost of capital.

The Company uses the debt-to-equity ratio to manage capital. This ratio is using the total net debt divided by the total capital. The net debt from the balance sheet is the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity plus net debt.

The Company's debt-to-equity ratios at the end of the reporting periods were as follows:

	December 31, 2021	December 31, 2020
Total liabilities	$ 3,344,783	3,358,977
Less: cash and cash equivalents	(231,742)	(163,658)
Net debts	**$ 3,113,041**	**3,195,319**
Total equity	**$ 3,607,956**	**2,287,376**
Debt-to-equity ratio	**46 %**	**58 %**

(z) Investing and financing activities not affecting current cash flow

The Company's investing and financing activities which did not affect the current cash flow in the years ended December 31, 2021 and 2020, were as follows:

(i) For right-of-use assets under leases, please refer to note 6(i).

(ii) Reconciliation of liabilities arising from financing activities were as follows:

			Non-cash changes				
	January 1, 2021	**Cash flows**	**Acquisition**	**Foreign exchange movement**	**Conversion of convertible bonds**	**Other**	**December 31, 2021**
Short-term notes and bills payable	$ 139,774	(89,933)	-	-	-	-	49,841
Short-term borrowings	422,500	(204,100)	-	-	-	-	218,400
Long-term borrowings	1,460,574	(16,818)	-	-	-	-	1,443,756
Bonds payble	583,385	302,728	-	-	(276,455)	9,485	619,143
Lease liabilities	297,547	(63,977)	211,091	-	-	(1,505)	443,156
Total liabilities from financing activities	**$ 2,903,780**	**(72,100)**	**211,091**	**-**	**(276,455)**	**7,980**	**2,774,296**

(Continued)

			Non-cash changes				
	January 1, 2020	Cash flows	Acquisition	Foreign exchange movement	Conversion of convertible bonds	Other	December 31, 2020
Short-term notes and bills payable	$ 89,951	49,823	-	-	-	-	139,774
Short-term borrowings	222,500	200,000	-	-	-	-	422,500
Long-term borrowings	1,467,111	(6,537)	-	-	-	-	1,460,574
Bonds payble	-	612,000	-	-	-	(28,615)	583,385
Lease liabilities	272,608	(53,884)	84,562	-	-	(5,739)	297,547
Total liabilities from financing activities	**$ 2,052,170**	**801,402**	**84,562**	**-**	**-**	**(34,354)**	**2,903,780**

(7) Related-party transactions

(a) Names and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in the parent company only financial statementsconsolidated financial statements.

Name of related party	Relationship with the Group
NSTAR ENERGY CORPORATION	Subsidiary
ZHONGHUA PRINCE PETROL FILLING STATION CO., LTD.	Subsidiary
SANTI ENERGY CO., LTD. (Previous: SANLU DEVELOPMENT CO., LTD.)	Subsidiary
JIN SHI HU HOTEL CO., LTD.	Subsidiary
YING GUANG ENTERPRISE CO., LTD.	Subsidiary
HE FONG ENERGY CO., LTD.	Subsidiary
NORTH STAR INTERNATIONAL DEVELOPMENT INDUSTRIES CORPORATION	An associate
YANG JI ENTERPRISE CO., LTD.	An associate
KAOHSIUNG TRANSPORTATION CO., LTD.	Same chairman with the Company
FU CHENG TRANSPORTATION CO., LTD.	Same chairman with the Company
PUYUMA TRANSPORTATION CO., LTD.	Same chairman with the Company
KUAI KUAI CO., LTD.	Same chairman with the Company
SHANGFA CONSTRUCTION CO., LTD.	The entity's director is the supervisor of subsidiary's corporate director

(Continued)

Name of related party	Relationship with the Group
CHIAYI TRANSPORTATION CO., LTD.	The entity's chairman is the second immediate family of the chairman of the Company
HEYI CONSTRUCTION CO., LTD.	The entity's chairman is director of the Company
DAPENG BAY SIGHTSEEING BOAT Co., LTD.	Same chairman with the Company
NAN REN LAKE LEISURE AMUSEMENT CO., LTD.	Same chairman with the Company
Chung, Chia-Tsun	Chairman of the Company

(b) Significant transactions with related parties

(i) Operating income

Significant sales to related parties of the Company were as follows:

	2021	2020
Subsidiaries	$ 2,646	3
Other related parties	4,337	3,049
	$ 6,983	**3,052**

There is no significant difference between the sales price of the Company for other related parties and for third parties. The collection period is one to two months, and the general sales are received in the same month. Promissory notes are pledged as collateral for the receivables from related parties.

(ii) Receivables from related parties

The details of receivable due from related parties were as follows:

Account	Relationship	December 31, 2021	December 31, 2020
Trade receivable	Other related parties	$ 757	455
Other receivable	Subsidiaries	5,539	5,530
Other receivable	Subsidiaries	220	220
Other receivable	Other related parties	18	46
		$ 6,534	**6,251**

(iii) Payables to related parties

The details of payable due to related parties were as follows:

Account	Relationship	December 31, 2021	December 31, 2020
Other payable	Other related parties	**$ 473**	**830**

(Continued)

(iv) Advance receipt of related party payments

The details of advance receipt from related parties were as follows:

Account	Relationship	Nature	December 31, 2021	December 31, 2020
Other current liabilities	Other related parties	Advanced receipts	$ 11,423	7,335

The Company has entered into a contract with other related parties in July 2019 to purchase a fleet card. The amount of the fleet card is deducted from the retail price of the respective petrol filling station at the time of filling when other related parties fill at a mutually agreed location within the value limit of the fleet card. As of December 31, 2021 and 2020, the miscellaneous income amounted to $2,668 thousand and $2,793 thousand, respectively, recognized in other income.

(v) Transactions with other related parties

Other transactions with related parties of the Group were as follows:

Account	Relationship	December 31, 2021	December 31, 2020
Service revenue	Subsidiaries	$ 49,975	29,544
Miscellaneous income	Other related parties	159	213

(vi) Guarantees

The amount of the Group provided guarantee for loans on business purpose were as follows:

	2021	2020
Other related parties	$ 423,500	423,500

As of December 31, 2021 and 2020, the Chairman of the Company, Chung, Chia-Tsun, was the guarantor for the Company to obtain the credit limit of the loan from financial institutions.

(vii) Leases

1) As a leassor

	2021	2020
Other related parties	$ 57	57

As of December 31, 2021 and 2020, the aforementioned rent income have been collected.

(Continued)

2) As a leassee

The subject and lease liabilities recognized by the Company for renting property, plant and equipment from related parties were as follows:

Relationship	Lease subject	Lease period	December 31, 2021	December 31, 2020
Subsidiary	Wudu station	2017.05~2022.04	$ 1,139	4,516
Other related parties	Land of Luzhu district in Kaohsiung	2019.01~2033.12	16,521	17,787
Other related parties	Kaochi station	2017.11~2032.10	33,830	36,643

(viii) Others

1) The Company entered into land joint development agreements with other related parties. Please refer to note 6(g) and 9(d) for details.

2) The Company entered into a contract for the construction with other related parties on March 29, 2021. The total contract price was $355,891 thousand. The relevant contract amount was appraised based on the quantity provided by the Company. Both parties agreed to re-calculate the quantity after the completion of the design changes in the future with the unit price of the original project appraisal. Amended the contracted amount is the basis of the general contract. As of December 31, 2021, there is no outstanding payable on construction.

3) The associate, YANG JI ENTERPRISE, increased its capital by $50,000 thousand in March 2021. The Company recognized an investment of $25,000 thousand in proportion to its shareholding. Please refer to note 6(f) for details of the transactions.

4) On September 14, 2021, the resolution was approved in the shareholders' meeting regarding the capital reduction of NORTH-STAR INTERNATIONAL DEVELOPMENT. The Company proportionally reduced its shareholding of NORTH-STAR INTERNATIONAL DEVELOPMENT by $98,000 thousand. As of December 31, 2021, the investment in NORTH-STAR INTERNATIONAL DEVELOPMENT amounted to $147,000 thousand. Please refer to note 6(f) for details.

(c) Key management personnel compensation

Key management personnel compensation comprised:

	2021	2020
Short-term employee benefits	$ 18,281	15,203
Post-employment benefits	296	269
Total	**$ 18,577**	**15,472**

(Continued)

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Object	December 31, 2021	December 31, 2020
Property, plant and equipment	Guarantee for gasoline purchase and long-term and short-term borrowings	$ 3,153,145	2,457,439
Inventories- construction in progress and land held for construction site	Short-term borrowings	318,334	318,334
Other current assets	Guarantee for marketing activities	300	300
Other non-current financial assets	Long-term borrowings, corporate bonds and construction guarantees	255,998	213,660
		$ 3,727,777	2,989,733

(9) Commitments and contingencies:

(a) The Company's unrecognized contractual commitments are as follows:

	December 31, 2021	December 31, 2020
Purchase of inventory	$ 606,986	311,246
Acquisition of property, plant and equipment	$ 39,106	11,036

(b) As of December 31, 2021 and 2020, the Company's outstanding notes for leasing petrol filling stations and purchasing equipment were $55,599 thousand and $38,481 thousand, respectively.

(c) The performance guarantee secured through the bank amounted to $400,000 thousand and $400,000 thousand as of December 31, 2021 and 2020, respectively. The Company has pledged fixed assets as collateral for purchasing gasoline payable and long-term and short-term loans. Please refer to note 8 for details.

(d) The Company entered into joint development agreements with the other related party, responsible for 50% of the real estate development expenses respectively. Please refer to notes 6(g) and 7 for the agreement's details. In addition, the other related party agreed to be responsible for the planning and design of real estate development. The Company contributes the management fee for construction at 3% of the total amount of expected sales agreed by both parties, which shall be shared in proportion to the joint venture and paid according to the agreed schedule. As of December 31, 2021, the Company paid the management fee amounting to $2,289 thousand; the rest has not yet been paid.

(Continued)

(e) As of December 31, 2021 and 2020, details of pre-sales before real estate complete and the advance receipts were as follows:

	December 31, 2021	December 31, 2020
Total contract price (without VAT)	$ 3,343,330	627,352
Collected proceeds	$ 172,605	44,594

(f) The Company entered into a variable rental payment lease with RENDE PRINCE PETROL FILLING STATION CO., LTD. Both parties have agreed that the rental payment should be increased if the average quantity of petrol delivered on that day exceeds a certain base. In 2021, the Company had an increased variable rental payment of $798 thousand.

(g) As of December 31, 2021, the Company registered trust for success in the construction and delivery of housing units for cases and projects, which were as follows:

Item	Trustee	Period of trust	Scope of trust
AIMAY CITY	AGRICULTURAL BANK OF TAIWAN	2021.09.27~2025.02.08	Real estate value trust
BRIGHT AS STARS	AGRICULTURAL BANK OF TAIWAN	2021.04.29~until the date of completion of trust purpose	Real estate value trust

(10) Losses Due to Major Disasters: None

(11) Subsequent Events:

(a) Considering the Company's capital structure, on March 17, 2022, the Board of Directors' meeting resolved to transfer the capital surplus to share capital, which estimated free distribution of 100 shares per thousand shares. The capital increase is presented for approval in the shareholders' meeting and submitted to the authority for approval.

(b) On March 17, 2022, the Company, pursuant to a resolution of the Board of Directors, issued domestic secured corporate bonds with a total limit of $3,800,000 thousand for repaying bank loans, investing subsidiaries, and fulfilling working capital. The Company may authorize the Chairman to issue once or more within one year with a par value of $1,000 per bond at a fixed interest rate, depending on market conditions, for a period not exceeding five years. The Company and the guarantee bank shall authorize the Chairman to decide based on market conditions.

(12) Other:

(a) A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

(Continued)

	For the year ended December 31					
	2021			2020		
By funtion By item	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	-	291,241	291,241	-	273,014	273,014
Labor and health insurance	-	35,003	35,003	-	29,516	29,516
Pension	-	16,036	16,036	-	13,895	13,895
Remuneration of directors	-	6,934	6,934	-	6,930	6,930
Others	-	9,659	9,659	-	8,238	8,238
Depreciation	-	109,535	109,535	-	109,882	109,882
Depletion	-	-	-	-	-	-
Amortization	-	1,961	1,961	-	1,885	1,885

For the years ended December 31, 2021 and 2020, additional information of number of employee and employee benefit were as follows:

	2021	2020
Number of employees	763	762
Number of directors who were not employees	9	9
The average employee benefit	$ 467	431
The average salaries and wages	$ 386	363
Adjustment of the average salaries and wages	6.34 %	
Salaries of supervisor	$ 1,092	1,085

Details about the policy of salaries (including directors, supervisors, managers and employees)were as follows:

(i) Directors' and supervisors' salaries including:

1) In accordance with the articles of incorporation the Company should contribute less than 3% as directors' and supervisors' remuneration when there is profit for the year.

2) Allocated based on the degree of participation to the Company' s operation and contribution of directors and supervisors.

3) Traveling expenses for directors and supervisors of attending Board's meeting.

(ii) The General Manager, Deputy General Manager, Managers and employees' salaries including wages, bonus and compensation:

1) Salaries for the General Manager, Deputy General Manager, Managers of the Company is based on the guidance, which was approved by the Compensation Committee and the Board of Directors, and contribution to the Company.

2) In accordance with the articles of incorporation the Company should contribute no less than 1% of the profit as employee compensation when there is profit for the year.

3) Bonus is paid on the basis of personal performance and contribution to the Company.

(Continued)

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the "Regulations" for the Company:

(i) Loans to other parties: None

(ii) Guarantees and endorsements for other parties:

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The Company	HEYI CONSTRUCTION CO., LTD	5	4,690,343	423,500	423,500	126,500	-	11.74 %	5,411,934	N	N	N

Note1: The numbers filled in as follows:
1. 0 represents the Company.
2. Subsidiaries are sorted in a numerical order starting from 1.

Note 2: The relationship between the endorser /guarantor and the endorsed guarantor has the following 7 types, just indicate the type:
1. Having business relationship.
2. The borrower has short term financial necessities.
3. The endorser /guarantor parent company directly and indirectly holds more than 50 % of voting shares of the endorser /guarantor subsidiary.
4. The endorser /guarantor company and the endorsed /guaranteed party both be held more than 90% by the parent company.
5. Company that is mutually protected under contractual requirements based on the needs of the contractor.
6. Company that is endorsed by its shareholders in accordance with its shareholding ratio because of the joint investment relationship.
7. Performance guarantees for pre sale contracts under the Consumer Protection Act.

Note3: The endorsement /guarantee provided by the Company to individual guarantee party shall not exceed 130% of the most recent audited net worth of the Company. The total endorsement /guarantee of the Company to others shall not exceed 150% of the most recent audited net worth of the Company. The endorsement /guarantee provided by the Group to individual guarantee party shall not exceed 150% of the most recent audited net worth of the Company. The total endorsement /guarantee of the Group to others shall not exceed 200% of the most recent audited net worth of the Company.

Note4: The Company has a joint development agreement with HEYI CONSTRUCTION CO., LTD., each party owns 50% of the land right. For applying bank loan for land purchase, the shared land was provided as collateral and both parties provided the joint guarantee.

(iii) Securities held as of December 31, 2021 (excluding investment in subsidiaries, associates and joint ventures):

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Stock LANYANG ENERGY TECHNOLOGY CO., LTD.	None	Financial assets at fair value through other comprehensive income	11	-	0.05 %	-	
The Company	Stock MA LI QIANG GREEN ENERGY CO., LTD.	None	Financial assets at fair value through other comprehensive income	41	535	5.50 %	535	
The Company	Stock ART SOURCE CORP.	None	Financial assets at fair value through other comprehensive income	5	-	0.06 %	-	

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock: None

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$300 million or 20% of the capital stock: None

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock: None

(ix) Trading in derivative instruments: Please refer to notes 6(b).

(Continued)

(b) Information on investees:

The following is the information on investees for the years ended December 31, 2021 (excluding information on investees in Mainland China):

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2021			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2021	December 31, 2020	Shares (thousands)	Percentage of wnership	Carrying value			
The Company	NORTH STAR INTERNATIONAL DEVELOPMENT INDUSTRIES CORPORATION	Taiwan	Real estate trading	147,000	245,000	14,700	49.00 %	222,881	171,638	84,103	An associate
The Company	NSTAR ENERGY CORPORATION	Taiwan	1.Petrol filling station 2.Retail of gasoline products	93,465	93,465	7,000	100.00 %	90,318	11,966	9,992	Subsidiary
The Company	ZHONGHUA PRINCE PETROL FILLING STATION CO., LTD.	Taiwan	1.Petrol filling station 2.Retail of gasoline products	275,393	215,393	26,000	100.00 %	205,462	(28,705)	(28,551)	Subsidiary
The Company	SANTI ENERGY CO., LTD. (Previous: SANLU DEVELOPMENT CO., LTD.)	Taiwan	1.Petrol filling station 2.Retail of gasoline products	757,650	128,400	75,925	100.00 %	694,205	(50,248)	(50,280)	Subsidiary
The Company	JIN SHI HU HOTEL CO., LTD.	Taiwan	Hotel	25,500	25,500	2,550	51.00 %	28,565	20,815	10,616	Subsidiary
The Company	YING GUANG ENTERPRISE CO., LTD.	Taiwan	1.Petrol filling station 2.Retail of gasoline products	188,000	188,000	3,000	100.00 %	195,600	8,440	9,849	Subsidiary
The Company	YANG JI ENTERPRISE CO., LTD.	Taiwan	Advertisement consignment for real estate	50,000	25,000	5,000	50.00 %	49,977	(2,180)	(1,090)	An associate
SANTI ENERGY CO., LTD. (Previous: SANLU DEVELOPMENT CO., LTD.)	HE FONG ENERGY CO., LTD.	Taiwan	Renewable energy	84,584	84,584	17,340	51.00 %	155,139	(28,490)	(14,530)	Subsidiary
SANTI ENERGY CO., LTD. (Previous: SANLU DEVELOPMENT CO., LTD.)	JIAXIN ENERGY CO., LTD.	Taiwan	Renewable energy	136,000	1,000	13,600	100.00 %	134,753	(1,226)	(1,226)	Subsidiary
SANTI ENERGY CO., LTD. (Previous: SANLU DEVELOPMENT CO., LTD.)	YAOGU ENERGY CO., LTD.	Taiwan	Renewable energy	36,000	1,000	3,600	100.00 %	35,119	(860)	(860)	Subsidiary
SANTI ENERGY CO., LTD. (Previous: SANLU DEVELOPMENT CO., LTD.)	SANTI MONSTERS POWER CO., LTD.	Taiwan	Electricity sales	1,000	-	100	100.00 %	839	(161)	(161)	Subsidiary
SANTI ENERGY CO., LTD. (Previous: SANLU DEVELOPMENT CO., LTD.)	)LYU YOU ENERGY CO., LTD.	Taiwan	Energy storage	71,000	-	7,100	100.00 %	70,819	(181)	(181)	Subsidiary
SANTI ENERGY CO., LTD. (Previous: SANLU DEVELOPMENT CO., LTD.)	SANLU ENERGY STORAGE CO., LTD.	Taiwan	Energy storage	6,000	-	600	100.00 %	4,816	(1,184)	(1,184)	Subsidiary
SANTI ENERGY CO., LTD. (Previous: SANLU DEVELOPMENT CO., LTD.)	CATHY SUNRISE ELECTRIC POWER ONE CO., LTD.	Taiwan	Renewable energy	256,499	-	22,585	100.00 %	234,761	(24,589)	(21,738)	Subsidiary
SANTI ENERGY CO., LTD. (Previous: SANLU DEVELOPMENT CO., LTD.)	TEL POWER CO., LTD.	Taiwan	Marketing	1,000	-	100	100.00 %	979	(21)	(21)	Subsidiary
SANTI ENERGY CO., LTD. (Previous: SANLU DEVELOPMENT CO., LTD.)	SHENG YANG ENGINEERING CO., LTD.	Taiwan	Engineering	2,000	-	200	100.00 %	2,000	-	-	Subsidiary

(c) Information on investment in mainland China: None

(Continued)

(d) Major shareholders: None

Shareholding / Shareholder's Name	Shares	Percentage
KAOHSIUNG TRANSPORTATION CO., LTD.	43,409,000	17.62 %
Chung, Chia-Tsun	20,680,000	8.39 %
DONG JHENG INVESTMENT CO., LTD.	18,862,170	7.65 %
SHANGFA CONSTRUCTION CO., LTD.	18,453,000	7.49 %

Note: (1) The information on major shareholders in this table is calculated by Taiwan Depository & Clearing Corporation on the last business day at the end of each quarter, showing who holds more than 5% of the common shares and preferred shares that have been delivered (including treasury shares) without physical registration. Due to different calculation bases, there may be differences between the share capital recorded in the company's financial report and the actual number.

(2) If the above-mentioned information is that the shareholders hand over the shares to the trust, it will be disclosed by the special account opened by the trustee. As for the insider equity declaration of shareholders holding more than 10%, according to the Securities and Exchange Act, their shareholding includes the shares held by themselves plus the shares that they have delivered to the trust, having the right to exercise decision-making power over the trust property, etc., please refer to Public Information Observatory for the information on the declaration of insider equity.

(14) Segment information:

Please refer to the consolidated financial statement for the year ended December 31, 2021.

(C10-8-3)

Annex IV

Declaration

It is hereby declared that,
the relationship report of the company for the year 2021 (from January 1, 2021, to December 31, 2021) is prepared in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises", and the information disclosed is not materially inconsistent with the relevant information disclosed in the notes to the financial report of the aforementioned period.

Company name: North-Star International Co., Ltd

Responsible person: Zhong Jia-Cun

March 28, 2022

KPMG
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NORTH-STAR INTERNATIONAL CO., LTD.
Independent Auditors' Opinion on Affiliation Report

NORTH-STAR INTERNATIONAL CO., LTD.:

We have reviewed financial information in relation to the affiliation report for the year ended December 31, 2021, prepared by NORTH-STAR INTERNATIONAL CO., LTD. in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" (hereinafter referred to as "the Criteria"), as well as information disclosed in the notes to the financial statements for the said period, and prepared the opinion according to the Criteria.

In our opinion, we have found neither significant discrepancy between information disclosed in the affiliation report for the year ended December 31, 2021, and information disclosed in the notes to the financial statements for the said period nor any violation of the Criteria.

Sincerely,

NORTH-STAR INTERNATIONAL CO., LTD.

KPMG

CPA: Huang, Yong-Hua (signed and sealed)

CPA: Chen, Kuo-Tsung (signed and sealed)

March 28, 2022

Table I

Overview of the relationship between subordinate companies and the controlling company

Unit: shares;%

Name of controlling company	Reason of control	Shareholding and pledge of the controlling company			Directors, supervisors or managers appointed by the controlling company	
		Number of shares held	Shareholding ratio	Number of pledged shares	Title	Name
Kaohsiung Transportation Company Limited	Appoint more than half of the directors of the subordinate company	43,409,000	17.62%	0	Vice Chairman Director Director Director Director Director Director Director Director	He Jia-Jing Zhong Xin-Bei Lu Jin-Fa Zhong Yu-Lin Liao Shun-Qing Chen Ke-Pei Chen He-Qi Wang Yu-Jing Li Zong-Xi

Note: when the controlling company of a subordinate company is a subordinate company of another company, the relevant information of the other company shall also be filled in; the same is true when the other company is a subordinate of another company, and so on.

Table II

Purchase and sales transactions

Unit: NT$1,000;%

Transactions with the controlling company				Terms of transactions with the controlling company		General trading conditions		Reasons for differences	Accounts / notes receivable (payable)		Overdue accounts receivable			Remarks
Purchase (sales)	Amount	Percentage of total purchase (sales)	Gross profit on sales	Unit price (NT$)	Credit period	Unit price (NT$)	Credit period		Balance	Percentage of total accounts/notes receivable (payables)	Amount	Handling	Allowance for bad debts	
Sales	(2,071)	(0.04%)	258	Note 1	30-60 days	According to the contract	30-60 days	-	229	0.61%	-	-	-	-

Note 1: the sales are mainly the sales of gasoline and diesel oil products and by-products, which is not significantly different from the general sales prices and conditions

Table III

Asset transactions

Unit: NT$1,000

Transaction type (acquisition or disposal)	Name of asset	Date of transaction or date of occurrence of fact	Transaction Amount	Terms of delivery or payment	Receipt and payment of the price	Disposal gain and loss (Note 1)	The reason why the trading partner is the controlling company	Previous transfer data (Note 2)				Transaction decision method (Note 3)	Reference basis for price determination	Purpose and use of acquisition or disposal	Other agreements
								Owner	Relationship with the company	Transfer date	Amount				

Note 1: those who obtain assets are exempted.

Note 2: (1) for those who obtain assets, the original data obtained by the controlling company shall be listed; where the asset is disposed of, the original data obtained by the subordinate company shall be listed.

(2) The "relationship with the company" field shall describe the relationship between the owner and the subordinate company and between the owner and the controlling company.

(3) If the counterpart of the previous transfer transaction is a related party, the previous transfer data of the related party shall be listed in the same field.

Note 3: the decision level of the transaction shall be stated.

Table IV

Financing status

Unit: NT$1,000;%

Transaction type (loan or borrowing)	Maximum balance	Ending balance	Interest rate range	Total current interest	Term of financing	Reason for financing	Collateral obtained (provided)		Transaction decision method (Note 1)	Provision for bad debts (Note 2)
							Name	Amount		

Note 1: the decision level of the transaction shall be stated.

Note 2: fund borrowers are exempted.

Table V

Asset lease

Unit: NT$1,000

Type of transaction (lease or tenancy)	Subject matter		Lease term	Nature of lease (Note 1)	Basis for rent determination	Collection (payment) method	Comparison with general rent level	Total rent of the current period	Current receipt and payment	Other agreements (Note 2)
	Name	Location								
lessee	Land and buildings of Gaoqi station	No. 92, Furen Road, Sheshan District, Kaohsiung	2017/11-2032/10	Operating lease	General rent level	Monthly payment	No significant difference	3,429	Normal	None
lessee	Land in Luzhu District	No. 64-3, Shengmŭ section, Luzhu District	2018/09-2033/08	Operating lease	General rent level	Monthly payment	No significant difference	2,171	Normal	None

Note 1: it should be stated that the nature is capital lease or business lease.

Note 2: if there are other rights, such as superficies, dian, right-of-way, etc., it should be noted.

Table VI

Endorsement and guarantee

Unit: NT$1,000;%

Maximum balance	Ending balance		Reasons for endorseme nt guarantee	Those who provide collateral as a guarantee			Conditions or dates for discharging the guarantee liability or recovering the collateral	Amount of contingent loss recognized in the financial statements	Violation of relevant operating specifications
	Amount	As a percentage of net worth on the financial statements		Name	Quantit y	Value			

Table VII

Other important transactions

Unit: NT$1,000

Transactions with the controlling company			Comparison of transaction terms between general transactions and with the control company
Account	Amount	The unsettled amount recorded as other receivables	
Other income	2,355	18	No significant difference
Advance payment	18,407		No significant difference
Refundable deposits	1,000		No significant difference
Lease liabilities	56,742		No significant difference
Right-of-use assets	55,367		No significant difference
Interest expenses	1,105		No significant difference

VI. In the most recent fiscal year and up to the date of printing of the annual report, if the company and its affiliated enterprises have difficulties in financial turnover, the impact on the financial position of the company shall be listed: none.

Seven. Review and analysis of financial status and financial performance and risk matters

I. Financial position

Unit: NT$1,000

Year / Item	2021	2020	Difference	
			Amount	%
Current assets	1,738,905	1,039,503	699,402	67.28
Long term investment (excluding other financial assets – non-current)	272,858	272,446	412	0.15
Fixed assets	4,064,580	3,745,842	318,738	8.51
Intangible assets	183,969	42,500	141,469	332.87
Other assets (including other financial assets - current)	2,999,607	1,594,165	1,405,442	88.16
Total assets	9,259,919	6,694,456	2,565,463	38.32
Current liabilities	1,637,032	1,993,733	-356,701	-17.89
Long term liabilities	3,838,972	2,319,377	1,519,595	65.52
Other liabilities	0	0	0	0
Total liabilities	5,476,004	4,313,110	1,162,894	26.96
Share capital	2,462,493	1,918,332	544,161	28.37
Capital reserve	838,381	106,087	732,294	690.28
Retained earnings	308,757	264,650	44,107	16.67
Total shareholders' equity	3,783,915	2,381,346	1,402,569	58.9

＜Description of major changes＞

1. Increase in current assets: due to the increase in cash and equivalent cash in 2021.
2. Increase in long-term investment: due to recognition of investment income of affiliated enterprise Beijing International Development Co., Ltd.
3. Increase in fixed assets: due to the increase of newly purchased property, plant and equipment in 2021.
4. Increase in intangible assets: due to the increase in goodwill arising from the merger of new investment companies in 2021.
5. Increase in other assets: mainly due to the increase in prepayments for land and equipment in 2021.
6. Increase in total assets: due to the increase in right-of-use assets, property, plant and equipment in 2021.
7. Decrease in current liabilities: due to the decrease in short-term borrowings and long-term liabilities due within one year in 2021.
8. Increase in long-term liabilities: due to the increase in long-term borrowings in 2021.
9. Increase in total liabilities: due to the increase in long-term borrowings and lease liabilities in 2021.
9. Increase in capital reserve: due to the increase in capital reserve generated by cash capital increase in 2021.
10. Increase in retained earnings: due to the increase in net profit in the current period in 2021.
11. Increase in total shareholders' equity: the same as above

II. Financial performance analysis

(I) Comparative analysis of business results

Unit: NT$1,000

Item \ Year	2021		2020		2021	Change %
	Subtotal	Total	Subtotal	Total	Increase (decrease) amount	Increase (decrease) (%)
Net operating revenue	5,531,032		4,411,593		1,119,439	25.37
Operating costs		-4,722,143		-3,658,153	-1,063,990	29.09
Gross profit		808,889		753,440	55,449	7.36
Operating expense		740,803		643,093	97,710	15.19
Operating profit		68,086		110,347	-42,261	-38.30
Non-operating income		56,252		30,037	26,215	87.28
Non-operating expenses		44,158		3,805	40,353	1060.53
Net profit before tax in the current period		168,496		144,189	24,307	16.86
Income tax expense		32,233		29,523	2,710	9.18
Current net profit		136,263		114,666	21,597	18.83

＜Description of increase / decrease ratio analysis＞

1. Increase in net operating revenue: mainly due to the growth of oil sales in 2021 compared with that in 2020 and the increase of average oil unit price.
2. Increase in operating costs: the same as above.
3. Increase in non-operating income: mainly due to the increase in the "share of profits and losses of associated enterprises and joint ventures recognized by the equity method" and the gain from the disposal of land assets in 2021.
4. Decrease in non-operating expenses: mainly due to the increase in financial costs in 2021.
5. Increase in income tax expense: mainly due to better pre-tax profit in 2021.

(II) Analysis of changes in operating gross profit

It is mainly due to the increase of oil sales and oil price in 2021, which increases the overall operating gross profit.

(III) Expected sales volume and its basis, possible impact on the company's future financial business and response plan

None.

III. Cash flow analysis

(I) Analysis and explanation of cash flow changes in the most recent year

Year / Item	2021	2020	Increase (decrease) %
Cash flow ratio	11.83	18.34	-35.50
Cash flow adequacy ratio	29.07	32.43	-10.36
Cash reinvestment ratio	1.82	9.23	-80.28

(1) The decrease in cash flow ratio and cash flow adequacy ratio in 2021 is due to the decrease in net cash inflow from operating activities in 2021.
(2) Increase of cash reinvestment ratio in 2021: the same as above.

(II) Improvement plan for insufficient liquidity: None

(III) Cash liquidity analysis in the next year Unit: NT$1,000

Opening cash balance	Annual net cash flow from operating activities	Annual cash outflow	Cash surplus (shortfall)	Remedies for insufficient cash	
				investment plan	Financial planning
929,652	500,000	900,000	529,652	None	None

IV. Impact of major capital expenditures on financial business in the most recent year

(I) Application of major capital expenditure and source of funds: None
(II) Expected potential benefits: None

V. Reinvestment policy for the most recent year, main reasons for its profits or losses, improvement plan and investment plan for the next year

<table>
<tr><th>Explaination
Item</th><th>Reinvestment policy</th><th>Main reasons for profit or loss</th><th>Improvement plan</th><th>Investment plan for the next year</th></tr>
<tr><td>Beiji International Development Co., Ltd.</td><td>Diversification strategy</td><td>In 2021, NT$84,103,000 of investment gain was recognized, which was mainly due to the operating income and profit generated by the company's construction.</td><td>None</td><td rowspan="2">Gradually adjust according to future operation needs.</td></tr>
<tr><td>Yankee Limited</td><td>Diversification strategy</td><td>The investment loss of NT$1,090,000 recognized in 2021 was caused by the operating loss of the company in 2021.</td><td>None</td></tr>
</table>

VI. Analysis and evaluation of risk matters

(I) The impact of interest rate, exchange rate changes and inflation on the company's profits and losses and future countermeasures:

1. Impact on the company's profit and loss:

Item	2021 (NT$1,000:%)
Net interest income and expense	67,240
Net exchange gains and losses	-
Ratio of net interest income to operating income	1.22
Ratio of net interest income and expense to net profit before tax	39.91
Ratio of net exchange gains and losses to operating income	-
Ratio of net exchange profit and loss to net profit before tax	-

(1) Change in interest rate

The company has sufficient working capital and maintains a good relationship with banks. The company has sound finance and good credit. It is expected that future interest rate changes will not have a significant impact on the company's profits and losses. As the company borrows funds at a floating interest rate, cash flow risk is generated.

(2) Exchange rate change

The company purchases and sells goods and services in Taiwan, and its revenues and expenses are denominated in New Taiwan dollars. Therefore, changes in exchange rates have no impact on the company's profits and losses.

(3) Inflation

In recent years, the inflation rate in Taiwan is about 2%~3%. The inflation caused by the rise of international oil prices will affect the increase of the company's oil purchase cost. However, the company has entered into a seven-year oil supply contract with the oil supplier, CPC, and maintains a certain profit margin. The company can transfer the increased cost to consumers at the same time. Therefore, inflation will not have a great impact on the company's profits and losses, The purchase cost will fluctuate with the wholesale price of CPC.

2. Future countermeasures

(1) Response measures to interest rate changes

The interest expense of the company in the most recent year accounted for only 1.22% of the revenue, indicating that the change of interest rate has little impact on the revenue. In addition, the company regularly inspects the bank loan interest rate and closely contacts with the bank to obtain a more favorable loan interest rate.

(2) Response measures to exchange rate changes

The Financial Department is responsible for the exchange rate change of the company, and selects a better exchange point to change loans or purchase foreign exchange for repayment to avoid the risk of exchange rate change.

(II) Policies, main reasons for profits or losses and future countermeasures for high-risk, highly leveraged investments, loans to others, endorsements and guarantees, and derivatives transactions in the most recent year:

① The company does not engage in high-risk and highly leveraged investments, nor does it engage in fund lending to others and derivatives transactions.

② Endorse and guarantee for others:

No. (Note 1)	Endorser's company name	Object of endorsement and guarantee		Endorsement guarantee limit for a single enterprise (Note 3)	Maximum balance of endorsement and guarantee in current period	Ending balance of endorsement and guarantee	Actual amount	Amount of endorsement guaranteed by asset	Ratio of accumulated endorsements and guarantees to the net worth of the latest financial statements	Endorsement guarantee ceiling	Parent company's endorsement and guarantee to subsidiaries	Endorsement and guarantee from subsidiary to parent company	Endorsement and guarantee for China
		Company name	Relationship (Note 2)										
0	The company Sandi Energy Co., Ltd.	Heyi Construction Co., Ltd	5	4,729,960	423,500	423,500	137,500	-	11.63%	5,457,647	N	N	N
1	The company Sandi Energy Co., Ltd.	Cathy Sunrise Electric Power One Co., Ltd.	2	4,729,960	1,300,000	1,300,000	-	1,300,000	35.73%	5,457,647	N	N	N

(III) Future R&D plan and estimated R&D cost: no R&D plan.

(IV) The impact of major policy and legal changes at home and abroad on the company's financial business and corresponding measures:

The company has consulted relevant legal and accounting professional units for major changes in domestic policies and laws in recent years in accordance with relevant government decrees and acts, and taken appropriate measures to meet the requirements of laws and regulations without having a significant impact on the company's finance and business.

(V) The impact of technological change and industrial change on the company's financial business and corresponding measures:

In recent years, the company has not had any impact on its finance and business due to technological changes.

(VI) The impact of corporate image change on corporate crisis management and countermeasures:

The company's corporate image has not changed in recent years. It still adheres to the business philosophy of serving customers and putting customers first to reduce customer complaints.

(VII) Expected benefits, possible risks and countermeasures of M&A: there is no M&A plan.

(VIII) Expected benefits, possible risks and countermeasures for the expansion of plant: there is no plan to expand the plant.

(IX) Risks faced by purchase or sales concentration and corresponding measures:

The company's main supplier is CPC, and it has a long-term oil supply contract with CPC, so it will not affect the company.

(X) The impact, risks and countermeasures of a substantial transfer or replacement of shares by the directors, supervisors or major shareholders holding more than 10% of the shares on the company: none.

(XI) The impact, risks and countermeasures of the change of management right on the company: there is no risk of the change of management right.

(XII) For litigation or non-litigation events, the company and its directors, supervisors, general manager, substantial responsible persons, major shareholders with a shareholding ratio of more than 10% and affiliated companies shall list the major litigation, non-litigation or administrative litigation events that have been adjudicated or are still in the process, and the results of which may have a significant impact on shareholders' equity or securities prices, and shall disclose the facts in dispute, the amount of money, the date of commencement of litigation, main litigants involved and their handling as of the printing date of the annual report: None

(XIII) Other important risks and countermeasures: information security risk assessment and analysis and countermeasures

In recent years, extortion of viruses and malicious modification and destruction of Black door have occurred endlessly. For colleagues' Internet access, blacklist filtering and white list establishment have strengthened Internet security, blocked the data flow between points and the head office through enterprise VPN, and we installed online monitor for malicious programs and killed suspicious files or network components, to improve the security and stability of computer use. For DDoS attacks, the number of instant packet attacks or online attacks have been controlled and blocked to prevent the host from being paralyzed due to attacks. At the same time, we monitor traffic and can actively or passively release kick actions online to ensure the security of network behavior.

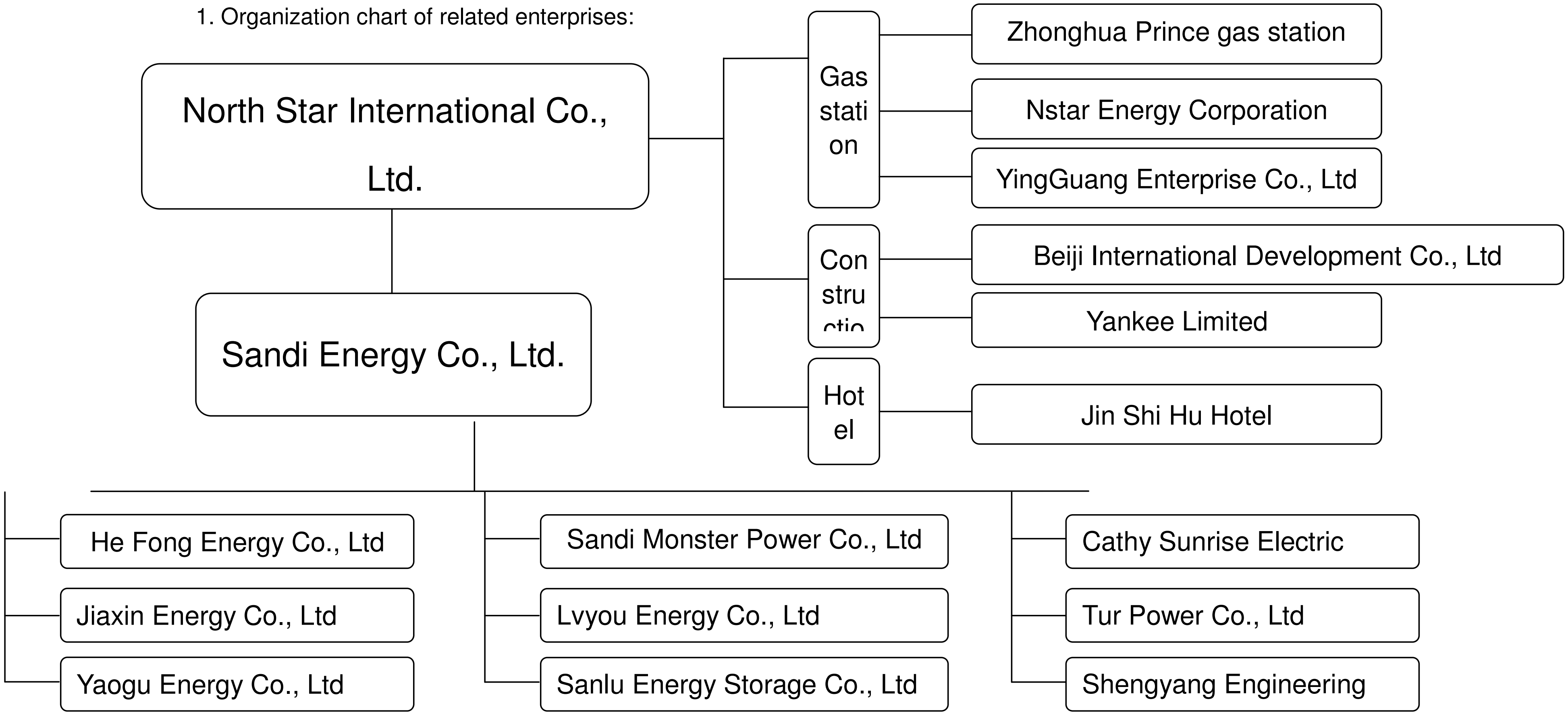
VII. Other important matters: none.

Eight. Special records

I. Related data of related enterprises:

(I) Consolidated business report of related enterprises

1. Organization chart of related enterprises:



2. Basic information of related enterprises (data date: December 31, 2021)

Unit: NT$1,000

Enterprise name	Date of establishment	Address	Paid in capital	Main business items or production
Zhonghua Prince Gas	2002.05.08	No. 91, Section 1, Zhonghua West Road, Tainan City	260,000	Gas stations and petroleum products retail
Nstar Energy Corporation	1998.09.10	No. 2-2 Expressway gas station, Xiluo Town, Yunlin County	70,000	Gas stations and petroleum products retail
YingGuang Enterprise Co., Ltd	1989.02.27	No. 99, Tianxiang 1 Road, Sanmin District, Kaohsiung City	30,000	Gas stations and petroleum products retail
North-Star International Development	2013.04.25	20th floor, 315 Minghua Road, Gushan District, Kaohsiung City	300,000	Real estate business Development of rent and sale industry
Yankee Limited	2020.04.07	5th floor, No. 150, Boai Second Road, Zuoying District, Kaohsiung City	100,000	Real estate business
Jin Shi Hu Hotel	2019.8.15	118 Jinding Road, Sanmin District, Kaohsiung	50,000	Hotel industry
Sandi Energy Co., Ltd	2004.03.03	15/F-3, No. 175, Zhongzheng Second Road, Lingya District, Kaohsiung City	759,250	Gas station and retail industry, renewable energy, leasing industry
He Fong Energy Co., Ltd	2016.11.03	No. 137, Xinhai Road, Banqiao District, New Taipei City	340.000	Power generation Renewable energy industry
Jiaxin Energy Co., Ltd	2020.12.16	No. 137, Xinhai Road, Banqiao District, New Taipei City	136.000	Power generation Renewable energy industry
Yaogu Energy Co., Ltd	2020.12.28	No. 137, Xinhai Road, Banqiao District, New Taipei City	36,000	Power generation Renewable energy industry
Sandi Monster Power Co., Ltd	2021,02.01	No. 137, Xinhai Road, Banqiao District, New Taipei City	1,000	Power generation Renewable energy industry
Lvyou Energy Co., Ltd	2021.06.08	Floor 2, No. 137, Xinhai Road, Banqiao District, New Taipei City	71,000	Power storage industry Renewable energy industry
Sanlu Energy Storage Co., Ltd	2021.06.09	Floor 2, No. 137, Xinhai Road, Banqiao District, New Taipei City	6,000	Power storage industry Renewable energy industry

Cathy Sunrise Electric Power One Co., Ltd.	2018.05.28	Room 2, floor 15, No. 175, Zhongzheng Second Road, Lingya District, Kaohsiung City	225,850	Power generation Renewable energy industry
Tur Power Co., Ltd	2021.09.24	No. 137, Xinhai Road, Banqiao District, New Taipei City	1,000	Charging pile industry
Shengyang Engineering Co., Ltd	2021.12.21	No. 137, Xinhai Road, Banqiao District, New Taipei City (3rd floor)	2,000	Engineering industry Fishery and electric power industry

3. For those presumed to have control and subordination, the same shareholder data: not applicable.

4. Industries covered by the overall related enterprise's business

The industries covered by the overall related enterprise's business mainly include:

1. Core business: gas station business
2. Operation of car washing and parking lot
3. Power generation and renewable energy

The details of the main business or production items of each affiliated enterprise are shown in the above list of basic information of each affiliated enterprise.

5. Data of directors, supervisors and general managers of affiliated enterprises (data date: December 31, 2021)

Enterprise name	Title	Name or representative	Shareholding	
			Number of shares	Shareholding %
Affiliated company: Zhonghua Prince Gas Station Co., Ltd	Chairman	North-Star International Co., Ltd. Representative: Zhong Jia-Cun	26,000,000	100.00%
	Director	North-Star International Co., Ltd. Representative: Chen Ke-Pei	26,000,000	100.00%
	Director	North-Star International Co., Ltd. Representative: Zhong Xin-Bei	26,000,000	100.00%
	Supervisor	North-Star International Co., Ltd. Representative: Zeng Yi-Nan	26,000,000	100.00%

Enterprise name	Title	Name or representative	Shareholding	
			Number of shares	Shareholding %
Affiliated company: Nstar Energy Corporation	Chairman	North-Star International Co., Ltd. Representative: Zhong Jia-Cun	7,000,000	100.00%
	Director	North-Star International Co., Ltd. Representative: Zeng Yi-Nan	7,000,000	100.00%
	Director	North-Star International Co., Ltd. Representative: Zhong Xin-Bei	7,000,000	100.00%
	Supervisor	Cai Yu-Min	7,000,000	100.00%

Enterprise name	Title	Name or representative	Shareholding	
			Number of shares	Shareholding %
Affiliated company: YingGuang Enterprise Co., Ltd	Chairman	North-Star International Co., Ltd. Representative: Zhong Jia-Cun	3,000,000	100.00%
	Director	North-Star International Co., Ltd.	3,000,000	100.00%

		Representative: He Jia-Jing		
	Director	North-Star International Co., Ltd. Representative: Li Zong-Xi	3,000,000	100.00%
	Supervisor	North-Star International Co., Ltd. Representative: Zhong Yu-Lin	3,000,000	100.00%

Enterprise name	Title	Name or representative	Shareholding	
			Number of shares	Shareholding %
Affiliated company: North-Star International Development Co., Ltd	Chairman	Jiatai Development and Construction Co., Ltd Representative: Lu Jin-Fa	15,300,000	51%
	Director	Zeng Ying-Jun	0	0%
	Director	Zhong Yu-Lin	0	0%
	Supervisor	North-Star International Co., Ltd. Representative: Zhong Jia-Cun	14,700,000	49%

Enterprise name	Title	Name or representative	Shareholding	
			Number of shares	Shareholding %
Affiliated company: Yankee Limited	Director	North-Star International Co., Ltd. Representative: Zhong Jia-Cun	5,000,0000	50%
	Director	Shangwei Investment Co., Ltd Representative: Lin Cong-Lin	5,000,0000	50%

Enterprise name	Title	Name or representative	Shareholding	
			Number of shares	Shareholding %
Affiliated company: Jin Shi Hu Hotel	Chairman	North-Star International Co., Ltd. Representative: Zhong Jia-Cun	2,550,000	51.00%
	Director	North-Star International Co., Ltd. Representative: Li Zong-Xi	2,550,000	51.00%

	Director	Yuanding Investment Co., Ltd Representative: Zhuang Mao-Jin	2,450,000	49.00%
	Supervisor	Cai Yu-Min	0	0.00%

Enterprise name	Title	Name or representative	Shareholding	
			Number of shares	Shareholding %
Affiliated company: Sandi Energy Co., Ltd	Chairman	North-Star International Co., Ltd. Representative: Zhong Jia-Cun	75,925,000	100.00%
	Director	North-Star International Co., Ltd. Representative: Zhong Yu-Lin	75,925,000	100.00%
	Director	North-Star International Co., Ltd. Representative: Zhong Xin-Bei	75,925,000	100.00%
	Director	North-Star International Co., Ltd. Representative: Jian Wen-De	75,925,000	100.00%
	Director	North-Star International Co., Ltd. Representative: He Jia-Jing	75,925,000	100.00%
	Supervisor	North-Star International Co., Ltd. Representative: Zeng Yi-Ling	75,925,000	100.00%

Enterprise name	Title	Name or representative	Shareholding	
			Number of shares	Shareholding %
Affiliated company: He Feng Energy Co., Ltd	Chairman	Sandi Energy Co., Ltd. Representative: Zhong Jia-Cun	17,340,000	51.00%
	Director	Sandi Energy Co., Ltd. Representative: He Jia-Jing	17,340,000	51.00%
	Director	Kaiyang Energy Co., Ltd	16,660,000	49.00%

		Representative: Cai Zong-Rong		
	Supervisor	Lu Ding-Jun	0	0%

Enterprise name	Title	Name or representative	Shareholding	
			Number of shares	Shareholding %
Affiliated company: Jiaxin Energy Co., Ltd	Chairman	Sandi Energy Co., Ltd. Representative: Zhong Jia-Cun	13,600,000	100.00%
	Director	Sandi Energy Co., Ltd. Representative: He Jia-Jing	13,600,000	100.00%
	Director	Sandi Energy Co., Ltd. Representative: Li Zong-Xi	13,600,000	100.00%
	Supervisor	Sandi Energy Co., Ltd.Representative: Zhong Yu-Lin	13,600,000	100.00%

Enterprise name	Title	Name or representative	Shareholding	
			Number of shares	Shareholding %
Affiliated company: Yaogu Energy Co., Ltd	Chairman	Sandi Energy Co., Ltd. Representative: Zhong Jia-Cun	3,600,000	100.00%
	Director	Sandi Energy Co., Ltd. Representative: He Jia-Jing	3,600,000	100.00%
	Director	Sandi Energy Co., Ltd. Representative: Li Zong-Xi	3,600,000	100.00%
	Supervisor	Sandi Energy Co., Ltd. Representative: Zhong Yu-Lin	3,600,000	100.00%

Enterprise name	Title	Name or representative	Shareholding	
			Number of shares	Shareholding %
Affiliated company: Sandi Monster Power Co., Ltd	Chairman	Sandi Energy Co., Ltd. Representative: Zhong Jia-Cun	100,000	100.00%
	Director	Sandi Energy Co., Ltd. Representative: He	100,000	100.00%

		Jia-Jing		
	Director	Sandi Energy Co., Ltd. Representative: Li Zong-Xi	100,000	100.00%
	Supervisor	Sandi Energy Co., Ltd. Representative: Zhong Yu-Lin	100,000	100.00%

Enterprise name	Title	Name or representative	Shareholding	
			Number of shares	Shareholding %
Affiliated company: Lvyou Energy Co., Ltd	Chairman	Sandi Energy Co., Ltd. Representative: Zhong Jia-Cun	7,100,000	100.00%
	Director	Sandi Energy Co., Ltd. Representative: He Jia-Jing	7,100,000	100.00%

Enterprise name	Title	Name or representative	Shareholding	
			Number of shares	Shareholding %
Affiliated company: Sanlu Energy Storage Co., Ltd	Chairman	Sandi Energy Co., Ltd. Representative: Zhong Jia-Cun	600,000	100.00%
	Director	Sandi Energy Co., Ltd. Representative: He Jia-Jing	600,000	100.00%

Enterprise name	Title	Name or representative	Shareholding	
			Number of shares	Shareholding %
Affiliated company: Cathy Sunrise Electric Power One Co., Ltd.	Chairman	Sandi Energy Co., Ltd. Representative: Zhong Jia-Cun	22,585,000	100.00%
	Director	Sandi Energy Co., Ltd. Representative: He Jia-Jing	22,585,000	100.00%

Enterprise name	Title	Name or representative	Shareholding	
			Number of shares	Shareholding %

Affiliated company: Tur Power Co., Ltd	Chairman	Sandi Energy Co., Ltd. Representative: Zhong Jia-Cun	100,000	100.00%
	Director	Sandi Energy Co., Ltd. Representative: He Jia-Jing	100,000	100.00%

Enterprise name	Title	Name or representative	Shareholding	
			Number of shares	Shareholding %
Affiliated company: Shengyang Engineering Co., Ltd	Chairman	Sandi Energy Co., Ltd. Representative: Zhong Jia-Cun	200,000	100.00%
	Director	Sandi Energy Co., Ltd. Representative: He Jia-Jing	200,000	100.00%

6. Operation profile of each affiliated enterprise (data date: December 31, 2021) NT$1,000

Enterprise name	Capital	Total assets	Total liabilities	Net worth	Operating income	Operating profit	Current profit and loss (after tax)	Earnings per share
Zhonghua Prince Gas Station Co., Ltd	260,000	551,496	362,179	189,316	447,244	-30,839	-29,705	-1.14
Nstar Energy Corporation	70,000	160,213	73,029	87,185	390,670	12,037	11,966	1.71
YingGuang Enterprise Co., Ltd	30,000	188,077	67,199	120,878	164,611	11,803	9,998	3.33
North-Star International Development Co., Ltd	300,000	3,835,399	3,361,168	474,231	1,509,633	214,343	177,156	5.90
Yankee Limited	100,000	130,305	30,351	99,954	12,114	-1,991	-2,180	-0.22
Jin Shi Hu Hotel	50,000	289,755	233,745	56,009	56,145	11,503	20,815	4.16
Sandi Energy Co., Ltd	759,250	705,219	11,059	694,160	4,655	-10,672	-50,248	-0.66

He Fong Energy Co., Ltd	340,000	928,323	625,232	303,090	0	-17,236	-28,490	-0.84
Jiaxin Energy Co., Ltd	136,000	134,806	52	134,753	0	-1,254	-1,226	-0.09
Yaogu Energy Co., Ltd	36,000	35,160	41	35,119	0	-883	-860	-0.24
Sandi Monster Power Co., Ltd	1,000	874	35	839	0	-163	-161	-1.61
Lvyou Energy Co., Ltd	71,000	70,854	35	70,819	0	-183	-181	-0.025
Sanlu Energy Storage Co., Ltd	6,000	4,851	35	4,816	0	-1,185	-1,184	-1.97
Cathy Sunrise Electric Power One Co., Ltd.	225,850	955,247	766,260	188,987	0	-19,200	-24,589	-1.09
Tur Power Co., Ltd	1,000	979	0	979	0	-21	-21	-0.21
Shengyang Engineering Co., Ltd	2,000	2,000	0	2,000	0	0.03	0.03	0.00

(I) Consolidated financial statements of related enterprises:

In 2021 (from January 1 to December 31, 2021), the affiliated companies that the company should include in the preparation of consolidated financial statements in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" is the same as the affiliated companies that should be included in the preparation of consolidated financial statements of parent and subsidiary companies in accordance with the Financial Accounting Standards No. 7. In addition, the relevant information to be disclosed in the consolidated financial statements of related enterprises has been disclosed in the preceding disclosed consolidated financial statements of parent and subsidiary companies, so the consolidated financial statements of related enterprises will not be prepared separately.

(II) Relationship report

The company is not a subsidiary of another company, so it is not necessary to prepare a relationship report.

The company's affiliated companies are not public companies and are not required to prepare a relationship report under the regulations.

II. Status of private placement of securities in the most recent year and up to the printing date of the annual report: none.

III. In the most recent year and up to the printing date of the annual report, the subsidiaries held or disposed of the company's shares: none.

IV. Other necessary supplementary notes: none.

V. In the most recent fiscal year and up to the date of printing of the annual report, any event that has a significant impact on shareholders' equity or securities prices as specified in subparagraph 2, paragraph 2, Article 36 of the Securities and Exchange Act occurred: none.

NORTH-STAR INTERNATIONAL CO., LTD

Chairman Zhong Jia-Cun

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