Stock Code: 1308

Asia Polymer Corporation

2023 Annual Report

APC corporate website: https://www.apc.com.tw
Market Observation Post System: https://mops.twse.com.tw

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Spokesperson:
Name: Chang, Sheng-Chuan
Title: Accounting Manager
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II. Contact Information of the Head Office, Branch Offices, and Plants:

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Taipei Office:	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	(02)8751-6888

III. Name, Address, and Telephone Number of Stock Transfer Agent:

Name: Stock Affairs Department of Asia Polymer Corporation
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Joint Stock Affairs Website: https://www.usig.com/USIGStockHome.aspx
Phone: (02)2650-3773

IV. Name of Certificated Public Accountants (CPAs) Auditing the Financial Statements in the Most Recent Fiscal Year:

CPAs: : Chiu, Cheng-Chun and Zhuang, Bi-Yu
Name of Accounting Firm: Deloitte Taiwan
Address: 20F., No. 100, Songren Rd., Xinyi Dist., Taipei City
Website: https://www2.deloitte.com/tw
Phone: (02)2725-9988

V. Overseas Securities Listing Exchange and Information: None.

VI. Corporate website: https://www.apc.com.tw

Asia Polymer Corporation

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This English translation is prepared in accordance with the Chinese version and is for reference purpose only. If there is any inconsistency between the Chinese version and the English translation, the Chinese version shall prevail.

Chapter 1. Letter to shareholders

Dear Shareholders:

The Company's 2023 consolidated net operating revenue was NT$ (same hereunder) 6.717 billion, a decrease of $3.098 billion compared to 2022. The consolidated profit before tax was about NT$151 million, a decrease of NT$1.667 billion compared to 2022. The annual net profit was NT$116 millions and the budget achieving rate was 11%.

(I) 2023 Business Report:

Sales and Marketing:

At the beginning of the year, with the EVA market prices being low and the peak season of traditional demand, downstream factories actively stocked up, boosting market confidence and causing EVA prices to rise. At the end of Q1, China's traditional foam, wire & cable, and coating industries were off-season. The demand was weak. The price of the photovoltaic industry chain fell. EVA photovoltaic film manufacturers were not motivated to purchase with bearish forecast, so the price began to fall. In addition, the new production capacity of Gulei Petrochemical's EVA was commissioned in the middle of the year, which aggravated the market decline. Although the demand for photovoltaics and wire & cables improved in the second half of the year, it temporarily drove the price of EVA. However, due to the increase in the inventory of photovoltaic factories, the weakening of module demand, and the lack of improvement in other application demand, the price softened until the end of the year. The total annual sales volume of LDPE/EVA reached 131,000 metric tons, with a budget achievement rate of 97%, a decrease of 1% compared to the previous year. The average selling prices also decreased by 16% and 34% respectively.

Materials and cost:

The prices of ethylene and VAM raw materials have fallen along with the weakening of petrochemical derivatives. The unit costs of ethylene and VAM consumption for the settlement year have decreased by approximately 21% and 23% compared to the previous year and budget, respectively.

Production, research and development:

In addition to continuously improving the manufacturing process for hot-melt adhesive products and gradually expanding their application in the market, we will also replace outdated equipment to enhance production efficiency. At the same time, we will optimize certain system sensors to facilitate future monitoring and analysis of energy consumption and production process parameters. The annual production of LDPE/EVA is approximately 132,000 metric tons, an increase of 2% compared to 2022. The budget achievement rate is 100%.

Comprehensive Annual Operating Performance:

Based on the annual operating results, the decline in product selling prices was greater than in raw material costs, resulting in a narrower margin. The annual consolidated net profit was NT$924 million, a decrease of approximately NT$2.023 billion compared to 2022. The net expenses from non-operating revenue and expenses were NT$773 million, mainly due to a decrease in recognized losses from investments using equity method compared to the same period.

(II) 2024 Business Plan outline and future development strategies:

In terms of overall business operations and competitive environment, global inflation is slowing down and the interest rate hike cycle by central banks around the world is gradually coming to an end. The global economic recovery will take time. However, under the trend of energy saving and carbon reduction, the green energy policy is actively promoted, and coupled with the decline in the price of the solar energy industry chain, the investment in renewable energy is stimulated. The optimistic long-term outlook of solar demand provides favorable support for the demand for the Company’s EVA products. However, in 2024 - 2025, there are more new EVA capacity joining the market, which may cause a certain degree of impact on supply and demand. Under the regulations establishment, climate change and energy management have been major issues impacting businesses in recent years. In addition to international efforts to regulate these issues, domestic requirements in this area are also becoming increasingly stringent. It is necessary to develop comprehensive and adaptive strategies to address these challenges in the long term. After assessing market competition and future industrial development, the company has set an annual LDPE/EVA sales target of about 136,000 tons. In the face of the ever-changing market conditions, apart from closely observing the impact on the PE/EVA market, the Company has also actively developed differentiated products and expanded markets outside of China, such as Southeast Asia/South Asia, to diversify risks. The Company will flexibly adjust appropriate production and sales allocations in response to market changes, implement basic occupational safety training, practice corporate social responsibility, strengthen customer service to add value to the Company, and enhance the competitiveness in the market, to ensure that operation will be able to achieve more growth.

I wish you all good health and good fortune.

Chairman: Wu, Yi-Kuei

General Manager: Wu, Pei-Chi

Chapter 2. Company Profile

I. Date of Founding: January 25, 1977

II. Company History

In response to the government's policy to promote investment, the first chairman of the Company Chao, Ting-Chen invited famous domestic and foreign corporate figures and plastic processing companies to jointly raise NT$600 million in share capital in order to build a medium and low density polyethylene plant in Linyuan Petrochemical Industrial Park. After its completion in March 1979, the plant immediately began operation and produced an annual output of 75,000 metric tons of medium- and low-density polyethylene.

The Company's main products include various film-grade, injection-grade and laminating film-grade low-density polyethylene. As the Company imported and incorporated the latest technology from the Gulf Oil Company into its initial manufacturing methods, its film-grade products possess good optical properties and processability, while its injection-grade products possess excellent gloss and toughness. Thereafter, the Company modified its manufacturing methods to produce laminating films of excellent quality.

In 1980, the Company increased its capital by NT$90 million using its retained earnings in 1979. In order to enhance its capital structure in 1982, the Company increased its capital by NT$110 million upon approval during the shareholders' meeting, thereby increasing its paid-in capital to NT$800,000,000.

In May 1984, construction began on the third production line. The production line officially started operation in September 1985, thereby increasing the Company's production capacity from 75,000 tons to 100,000 tons.

In addition, since June 20, 1986, the Company's shares have been publicly listed on the Taiwan Stock Exchange in response to the government's economic development policy of "securitization of capital and popularization of securities". In November 1986, BTRN Nylex invested in the Company and acquired 51 percent of the Company's shares and transferred all its equity in the Company to its subsidiary - BTRN Asia in December within the same year.

In 1987, the Company increased its capital by NT$80 million using its retained earnings in 1986, thus increasing its paid-in capital to NT$880,000,000.

In 1988, during the shareholders' meeting, the shareholders approved the resolution to increase the Company's authorized capital to NT$1.4 billion, and the Board of Directors was authorized to issue shares in several installments. Within the same year, the Company increased its capital by NT$264 million using its retained earnings in 1987 as part of the funds required for the addition of co-generation equipment, thereby increasing its paid-in capital to NT$1,144,000,000.

In 1989, the Company increased its capital by NT$228.80 million in order to repay the first corporate debt issued by the Company for the construction of the third production line at the LDPE plant, thus increasing its paid-in capital to NT$1,372,800,000.

In 1990, the Company increased its capital by NT$137.28 million for the addition of co-generation equipment in order to deal with shortage of funds in 1987, thereby increasing its paid-in capital to NT$1,510,080,000.

In March 1997, BTRN Asia transferred its 51% stake in the company to Bermuda Fiji Guinea Co., Ltd. This Company was an overseas holding company jointly and indirectly invested in by USI Corporation and UPC Group. This company was an overseas holding company jointly and indirectly invested in by USI Corporation and UPC Group. In addition, Taiwan Union International Investment Co. replaced BTRN Asia as the Company's director and supervisor.

In 1997, the Company increased its capital by NT$256.71 million and NT$120.81 million using its retained earnings and capital reserve in 1996 respectively to increase its working capital, thereby increasing its paid-in capital to NT$1,887,600,000.

In March 1997, the Company's Board of Directors approved the resolution to establish APC (BVI) Holding Co. Ltd. in order to facilitate overseas investment projects.

In June 1998 Bermuda Fiji Guinea Co., Ltd. transferred its 51% stake in the Company to each of them 7.65% and 43.35% out of its stake in the Company to Taiwan Union International Investment Co. and Union Polymer Int'l Investment Corp., which was jointly and directly in invested by USI Corporation and UPC Group, and Union Polymer International Investment Corp. respectively. This Company was an overseas holding company jointly and indirectly invested in by USI Corporation and UPC Group.

In 1998, the Company increased its capital by NT$283.14 million using its retained earnings in 1997, thereby increasing its paid-in capital to NT$2,170,740,000.

In 1999, the Company increased its capital by NT$54,268,500 and NT$54,268,500 using its retained earnings and capital reserve in 1998 respectively, thereby increasing its paid-in capital to NT$2,279,277,000.

During the re-election of directors and supervisors at the 2001 Annual General Meeting, Union Polymer International Investment Corp. replaced Taiwan Union International Investment Co. as the Company's director and supervisor, and Taiwan VCM Corporation was elected a supervisor of the Company.

In July 2003, the Company's Board of Directors approved the resolution to jointly invest in USI International Corp. with APC (BVI) Holding Co., Ltd., and establish an office in Shanghai in the name of USI International Corp., as its base to expand into the Mainland Chinese market.

In 2004, the Company increased its capital by NT$182,342,160 using its retained earnings in 2003, thus increasing its paid-in capital to NT$2,461,619,160. During the re-election of directors and supervisors during the 2004 Annual General Meeting, the Company's previous supervisor, Taiwan VCM Corporation was replaced by Union Polymer Int'l Investment Corp.

In 2005, the Company increased its capital by NT$147,697,150 using its retained earnings in 2004, thereby increasing its paid-in capital of NT$2,609,316,310.

During the re-election of directors and supervisors at the 2007 Annual General Meeting, the Company's previous supervisor, Union Polymer Int'l Investment Corp. was replaced by China General Terminal & Distribution Corporation and Yeh, Te-Chang.

In August 2007, the Company's Board of Directors approved the resolution to establish APC Investment Corporation in order to facilitate domestic investment projects.

During the re-election of directors and supervisors at the 2010 Annual General Meeting, the Company's previous supervisors, Yeh, Te-Chang and Wu, Sheng-Chuan, the representative of China General Terminal & Distribution Corporation, were replaced by Chiang, Hui-Chung and Wu, Sheng-Chuan, the representative of Taiwan Union International Investment Co.

In 2010, the Company increased its capital by NT$521,863,260 using its retained earnings in 2009, thereby increasing its paid-in capital to NT$3,131,179,570.

In 2011, the Company increased its capital by NT$782,794,890 using its retained earnings in 2010, thereby increasing its paid-in capital to NT$3,913,974,460.

On December 25, 2011, the Company's Board of Directors approved the resolution to invest approximately NT$3.1 billion to build an EVA production line with an annual production capacity of 40,000 to 45,000 tons. The production line was completed in 2016.

In 2012, the Company increased its capital by NT$782,794,890 using its retained earnings in 2011, thereby increasing its paid-in capital to NT$4,696,769,350.

In February 2014, the Company's Board of Directors approved the resolution to indirectly invest in the manufacture of petrochemical-related products at Gulei Petrochemical Park located in Zhangzhou, Fujian, China via an investment company established in a third region other than Taiwan and Mainland China. In March 2016, the Company's Board of Directors approved the resolution to indirectly invest no more than NT$6 billion in the above-mentioned project.

On June 26, 2014, the Company obtained the approval of the Ministry of Economic Affairs to increase its authorized capital by NT$1 billion, thereby increasing its total capital to NT$5,696,769,350 for future capital increase.

In 2015, the Company increased its capital by NT$234,838,460 using its retained earnings in 2014, thereby increasing its paid-in capital to NT$4,931,607,810.

In January 2016, the Company's Board of Directors approved the resolution to acquire all the shares of USI Trading (Shanghai) Co., Ltd owned by Swanlake Traders Ltd. via APC (BVI) Holding Co., Ltd. This equity transfer was approved by the Investment Commission under the Ministry of Economic Affairs in August 2016 and was completed in October 2016. The Company obtained the approval letter for the operations headquarters in October of the same year.

In March 2016, the Company's Board of Directors approved the resolution to relocate its headquarters from Taipei City to Kaohsiung City. The relocation was completed in June of the same year.

In 2016, the Company increased its capital by NT$98,632,150 using its retained earnings in 2015, thereby increasing its paid-in capital to NT$5,030,239,960.

In 2017, the Company increased its capital by NT$150,907,190 using its retained earnings in 2016, thereby increasing its paid-in capital to NT$5,181,147,150.

In 2018, the Company increased its capital by NT$362,680,300 using its retained earnings in 2017, thereby increasing its paid-in capital to NT$5,543,827,450.

In February 2009, the Board of Directors approved the resolution that in order to ensure an adequate supply of the raw material ethylene, an ethylene storage tank and underground ethylene pipelines would be constructed.

In 2020, the Company increased its capital by NT$277,191,370 using its retained earnings in 2019, thereby increasing its paid-in capital to NT$5,821,018,820.

In August 2020, the Board of Directors of the Company passed a resolution to establish a joint venture sales company in Fujian Province, China, through a company established in a third region, and complete registration of incorporation and capital investment of Zhangzhou Taiju Trading Co., Ltd. in 2022.

In 2020, the Company won the 13th TCSA “Corporate Sustainability Report Awards - Gold Award”.

In 2021, the Company increased its capital by NT$116,420,370 using its retained earnings in 2020 hereby increasing its paid-in capital to NT$5,937,439,190.

In 2021, the Company won the 14th TCSA “Corporate Sustainability Report Awards - Platinum Award”.

In 2022, the Company won the 15th TCSA “Corporate Sustainability Report Awards - Platinum Award”.

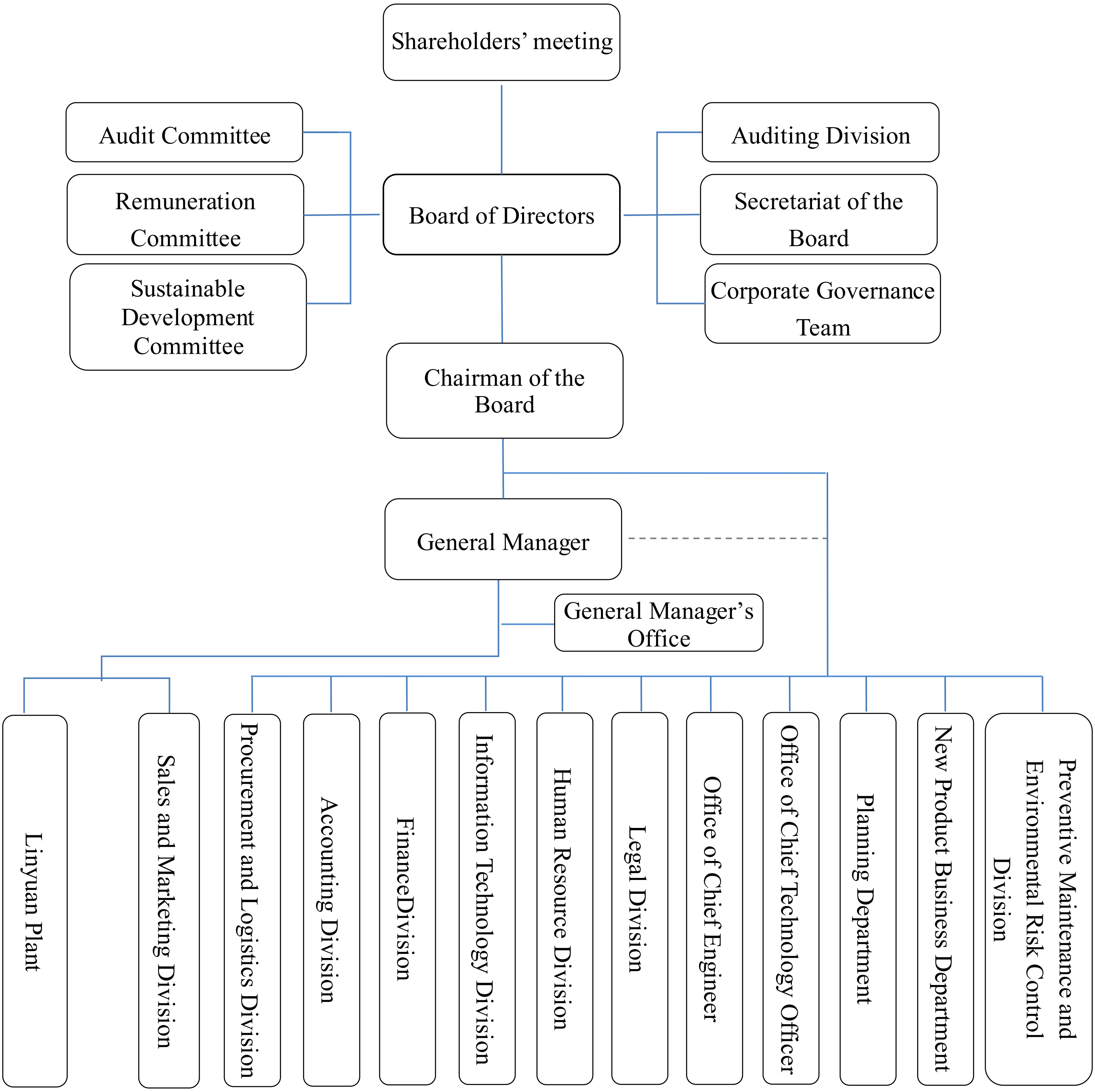
In 2023, the Company won the 16th TSCA “Corporate Sustainability Report Awards - Platinum Award” and “The Most Prestigious Sustainability Awards-Top 100 Domestic Corporate”.

Chapter 3. Corporate Governance Report

I. Organization System

(I) Organizational Structure

Organizational Chart, as of March 31, 2024



(II) Department Functions

Department	Main Responsibilities
General Manager	Management of the Company's operations.
Linyuan Plant	Responsible for matters related to manufacturing, research and development (R&D), storage, coordinating transportation of company products and maintenance of plant equipment, work safety, and environmental protection
Sales and Marketing Division	Responsible for processing product sales, market survey, and after-sales services.
Auditing Division	1. Implement internal audit and improve work flows in the Company. 2. Evaluate the soundness and reasonableness of the Company's internal control systems, as well as the effectiveness of their implementations at all departments and divisions
Procurement and Logistics Division	1. Purchase and audit major capital expenditures including raw materials, machinery and equipment. 2. Plan the supervision and execution of trading and transportation, warehousing and customs-related operations.
Accounting Division	1. Preparation and analysis of financial statements and budgets to be used by decision-making units for the management and formulation of strategies. 2. Establishment, evaluation and implementation of accounting systems. 3. Planning and declaration of various taxes. 4. Regular announcement or reporting of financial performance.
Finance Division	1. Fund management, and planning and scheduling of fund-raising activities. 2. Short-term financing and long-term investments. 3. Property insurance. 4. Credit control operations. 5. Collection of delayed payments. 6. Handling of various shares-related matters
Information Technology Division	1. Plan, build, develop, and manage various information systems and facilities at the Company. 2. Information security system planning and implementation of information security management operations, including network security framework in the identification, protection, detection, response, recovery, and other five major aspects.
Human Resource Division	1. Undertake the strategic goal in the Group's vision, and plan human resources strategies and systems. 2. Deploy and implement annual training plans, and cultivate professional talent at all levels. 3. Arrange recruitment and appointment of manpower, and promote campus recruitment and internships of industry-academia collaboration. 4. Develop and push for a strategic system for salary management, and establish a salary task center.

Department	Main Responsibilities
	5. Perform tasks including annual promotion, salary adjustment, and year-end bonus. 6. Manage relations between labor unions and comply with labor laws and regulations. 7. Assist overseas branches in organizational planning, as well as dispatch and training of personnel. 8. Provide employee services and handle general affairs.
Legal Division	Provide legal advice and handle legal cases and affairs.
Office of Chief Engineer	1. Assist and participate in the construction of new plants, or deal with such constructions entirely. 2. Assist and participate in the improvement of equipment and local manufacturing processes in operation, or deal with such cases entirely. 3. Integration of engineering personnel and engineering specifications.
Office of Chief Technology Officer	Product research, development, and innovation.
Planning Department	1. Develop and propose product trees, according to markets for current products and products to be invested in the future, as well as the technical strengths and weaknesses of such products, for future planning and development. 2. Track and analyze the macro economy. 3. Track and analyze upstream industries and future competitors. 4. Coordination and follow-up of various projects.
Secretariat of the Board	1. Plan and handle matters related to Board of Directors' meetings. 2. Handle matters related to Shareholders' meetings, such as convening, various announcements and reporting associated with such meetings, as well as preparing handbooks and tracking information regarding shareholders presence in accordance with the law. 3. Assist in promoting and handling decrees issued by the competent authority.
Remuneration Committee	1. Regularly review the Committee's charter and propose recommendations to amend it when necessary. 2. Establishing and regularly reviewing the BOD and upper management's performance evaluation in conjunction with the remuneration policies, systems, standards, and structure. 3. Regular evaluation and stipulation on the remuneration of directors and managers.
Audit Committee	1. Establishment, amendment, and evaluation of the effectiveness of internal control systems. 2. Stipulate or amend the procedures for acquiring or disposing of assets, derivatives trading, lending funds to others, and making endorsements or guarantees to others. 3. Items involving the interests of directors. 4. Major assets or derivative trading. 5. Major loaning of funds, making of endorsements or provision of

Department	Main Responsibilities
	guarantees. 6. Offering, issuance, or private placement of any equity-type securities. 7. Appointment, dismissal and compensation of CPAs. 8. Appointments and dismissal of finance, accounting and internal audit managers. 9. Financial reports signed and sealed by the Chairman, a managerial officer, and the accounting manager. 10. Accept and handle the prosecution cases concerning the above-mentioned functions and powers. 11. Other major items required by other companies or the competent authority.
Sustainable Development Committee	1. Determining the sustainable development policy. 2. Negotiation of sustainable development strategic plan, annual plan and project plans. 3. Supervising the implementation of sustainable development strategic plan, annual plan and project plan, and evaluate the implementation. 4. Reviewing and approving the sustainable report. 5. Report the implementation of sustainable development activities to the Board of Directors each year. 6. Other matters to be conducted by the committees based on resolutions of the Board of Directors.
Corporate Governance Team	1. Matters related to meetings of the Board of Directors and shareholders' meetings in accordance with the law. 2. Minutes recording for meetings of the Board of Directors and shareholders' meetings. 3. Assistance to the Directors with taking office and continuous education and training. 4. Provision of the information required for the Directors to conduct business. 5. Assisting Directors in legal compliance. 6. Other matters stipulated in the Articles of Incorporation or the contract.
New Product Business Department	1. Assist in formulating marketing strategies for new businesses, and establish appropriate business models. 2. Responsible for developing new products or acquiring new customers to increase revenue. 3. Integrate Company resources and generate synergy so as to successfully develop new businesses.
Preventive Maintenance and Environmental Risk Control Division	1. Assist the Group in establishing preventive maintenance systems at all plants. 2. Improve and enhance existing equipment. 3. Equipment fault management and prevention. 4. Routine/non-routine audit, counseling and training. 5. Environment risk management planning and technical supervision. 6. Plan and promote compliance with laws related to energy conservation and carbon reduction, and establish related systems.

II. Information on the Directors, President, Vice Presidents, Assistant Vice Presidents, and Supervisors of Divisions and Branch Units

(I) Board meetings

1. Board of Directors

April 1, 2024

Title (Note 1)	Nationality/ Place of Registration	Name	Gender and Age (Note 2)	Date Elected (Appointed)	Term	Date First Elected (Note 3)	When the selected Shareholding		Now Shares Hold		Spouse & Minor Shareholding		Shares Held in the Name of Other Persons		Experience(Education) (Note 4)	Other Position Concurrently Held at the Company and Other Companies	Executive Officers, Directors or Supervisors Who Are Spouses or Relatives within the Second Degree of Kinship			Note(Note 5)
							Number of Shares	Percentage of Shares Held	Number of Shares	Percentage of Shares Held	Number of Shares	Percentage of Shares Held	Number of Shares	Percentage of Shares Held			Title	Name	Relationship	
Chairman and CEO	Republic of China	Union Polymer Int'l Investment Corp.	–	2022.05.27	3 years	2001.06.18	214,245,822	36.08%	214,245,822	36.08%	–	–	0	0%	Chairman of USI	(NOTE 7)	None			
	Republic of China	Representative: Wu, Yi-Kuei	Male 71 ~ 75 years old			1997.02.28	-	-	0	0%	–	–	0	0%						
Director	Republic of China	Union Polymer Int'l Investment Corp.	–	2022.05.27	3 years	2001.06.18	214,245,822	36.08%	214,245,822	36.08%	–	–	0	0%	Bachelor's Degree in Chemical Engineering, Chung Yuan Christian University; General Manager, Taiwan VCM Corporation; General Manager, APC Corporation; Deputy General Manager, USI	Director: Taiwan VCM Corporation	None			
	Republic of China	Representative: Li, Kuo-Hung	Male 76-80 years old			2007.06.15	-	-	0	0%	0	0%	0	0%						
Director and General Manager	Republic of China	APC Investment Corporation	–	2022.05.27	3 years	2022.05.27	1,714,180	0.29%	1,714,180	0.29%	–	–	0	0%	General Manager of Thermoset Materials Division in Asia Pacific, and Director of Basic Plastic Sales in Greater China, Dow Chemical; Sales Engineer, Taiwan Branch, ESSO	(NOTE 8)	None			
	Republic of China	Representative: Wu, Pei-Chi	Male 56-60 years old			2019.06.24	-	-	0	0%	0	0%	0	0%						
Director	Republic of China	APC Investment Corporation	–	2022.05.27	3 years	2022.05.27	1,714,180	0.29%	1,714,180	0.29%	–	–	0	0%	Fashion Institute of Design and Merchandising; FIDM-Merchandise Marketing; President: : Changju Food Co., Ltd., Jinyi Global Operations Co., Ltd., Liancai Co., Ltd., and Jo Wei Distribution and Trading Company Limited.	(Note 9)	None			
	Republic of China	Representative: Wu, Hung-Chu	Male 46-50 years old			2019.06.24	-	-	0	0%	0	0%	0	0%						

Title (Note 1)	Nationality/ Place of Registration	Name	Gender and Age (Note 2)	Date Elected (Appointed)	Term	Date First Elected (Note 3)	When the selected Shareholding		Now Shares Hold		Spouse & Minor Shareholding		Shares Held in the Name of Other Persons		Experience(Education) (Note 4)	Other Position Concurrently Held at the Company and Other Companies	Executive Officers, Directors or Supervisors Who Are Spouses or Relatives within the Second Degree of Kinship			Note(Note 5)
							Number of Shares	Percentage of Shares Held	Number of Shares	Percentage of Shares Held	Number of Shares	Percentage of Shares Held	Number of Shares	Percentage of Shares Held			Title	Name	Relationship	
Director	Republic of China	Taiwan Union International Investment Co.	—	2022.05.27	3 years	2010.06.15	11,811,014	1.99 %	11,811,014	2.41 %	-	-	0	0%	Master's Degree in Chemistry, National Tsing Hua University; Master of Business Administration in Management of National Sun Yat-sen University; Spokesperson and Vice President of CPC Corporation, Taiwan	(Note 10)	None			
	Republic of China	Representative: Pi, Shu-Chien (Note 6)	Female 61-65 years old	2024.03.01	1 year and 3 months	2024.03.01	-	-	0	0%	0	0%	0	0%						
	Republic of China	Representative: Ko, I-Shao (Note 6)	Male 71 ~ 75 years old	2022.05.27	1 year and 9 months	2018.03.13	-	-	-	-	-	-	-	-	Bachelor's Degree in Chemical Engineering, Chung Yuan Christian University; United Nylon Co., Ltd.; China Phosphate Co., Ltd.; and TSRC Corporation	)	None			
Independent Director	Republic of China	Chen, Ta- Hsiung	Male 76-80 years old	2022.05.27	3 years	2016.06.08	0	0%	0	0%	-	-	0	0%	Bachelor's Degree in Law, National Taiwan University; Trustee of Mitsubishi Corporation (Taiwan) Ltd.; Chairman, New Northern Knitting Co., Ltd.; Chairman, Shanghai Jianeng Textile Co., Ltd.; Chairman of the Board of Supervisors, National Association of Small & Medium Enterprises R.O.C.; Representative, Chinese Taipei in the APEC Business Advisory Council (ABAC); Executive Director, Importers and Exporters Association of Taipei; Director, Republic of China Trade Education Foundation	Honorary Chairman: Pershing Technology Services Corporation (PTSC) Chairman of the Board: Xiuzi International Co., Ltd. and Xiuzhi Co., Ltd. Director: Yang Tang-Hai Social Welfare and Charity Foundation	None			
Independent Director	Republic of China	Shen, Shang-Hung	Male 61-65 years old	2022.05.27	3 years	2016.06.08	0	0%	0	0%	0	0%	0	0%	MBA, Emory University; Bachelor's Degree in Electrical Engineering, National Taiwan University; AT&T Manager	(Note 12)	None			
Independent Director	Republic of China	Cheng, Tun-Chien	Male 61-65	2022.05.27	3 years	2016.06.08	0	0%	0	0%	0	0%	0	0%	MBA, Columbia University (U.S.A.);	(Note 13)	None			

Title (Note 1)	Nationality/ Place of Registration	Name	Gender and Age (Note 2)	Date Elected (Appointed)	Term	Date First Elected (Note 3)	When the selected Shareholding		Now Shares Hold		Spouse & Minor Shareholding		Shares Held in the Name of Other Persons		Experience(Education) (Note 4)	Other Position Concurrently Held at the Company and Other Companies	Executive Officers, Directors or Supervisors Who Are Spouses or Relatives within the Second Degree of Kinship			Note(Note 5)
							Number of Shares	Percentage of Shares Held	Number of Shares	Percentage of Shares Held	Number of Shares	Percentage of Shares Held	Number of Shares	Percentage of Shares Held			Title	Name	Relationship	
			years old												General Manager, UMC Capital; Director and General Manager, United Management Consultancy Investment Co., Ltd.; Executive Director and General Manager, Taiwan of Morgan Stanley Asia Limited; Executive Director, Goldman Sachs Asia L.L.C.					
Independent Director	Republic of China	Chen, Chien-Ping	Male 61-65 years old	2022.05.27	3 years	2022.05.27	0	0%	0	0%	0	0%	0	0%	Bachelor's Degree in Financial Management, University of South California; MBA, University of California; Chairman of Public Bank; Independent Director of the Nien Hsing Textile CO., Ltd; Vice President of Chinese Olympic Committee	Chairman: He Hsin Construction Directors: Fengbao Asset Management, Fengbao Development and Construction, Qingtian Investment, and Heliao Investment Independent Director: My Humble House Hospitality Management Consulting Co., Ltd	None			

Note1: For institutional shareholders, their names and representatives shall be stated (if acting as the representatives of institutional shareholders, the names of the institutional shareholders shall be indicated) and filled in Table 1.

Note2: Please list actual ages and express them in intersectional manner, e.g. 41-50 years or 51-60 years.

Note3: Any disruption of duty as a director or supervisor after the date he/she is elected shall be included in a separate note.

Note4: Work experiences of anyone in the table above that are related to their current roles, such as previous employment at CPA firms or employment in affiliated companies, shall be disclosed along with job titles and responsibilities.

Note5: Where the chairman, general manager, or individual with equivalent roles of the Company are the same individual, spouses, or relatives within the first degree of kinship, the Company shall specify related information regarding the reason, reasonableness, necessity, and response measures (e.g., appointment of additional Independent Directors and requiring the appointment of more than half of the Directors from individuals who are not employees or managers).

(1) The Chairman of the Company also serves as the CEO based on the consideration for the overall operation. With the Chairman's excellent business vision, he participates in the Company's operations in person to implement business decisions and improve the operating efficiency.

(2) More than half of the members of the Company's current Board of Directors do not serve concurrently as employees or managerial officers. The Company also appoints a major CPA firm to perform audits and established the Audit Committee, Remuneration Committee, Sustainable Development and Committee Corporate Governance Team to strengthen corporate governance and continues to implement rigorous internal control mechanisms to reduce operational risks.

Note6: On March 1, 2024, Taiwan Union International Investment Corporation, the institutional shareholder, appointed Bi Shu-Chien as its representative in replace of Ko, I-Shao in the position of director. The disclosure of Ko, I-Shao's information shall be made up to the date of the change in representation.

Note7: Chairman: : USI, CGPC, TTC, Acme Electronics Corporation, Union Polymer Int'l Investment Corp, USI Optronics Corporation, Swanson Plastics Corporation, Swanson Technologies Corporation, Chong Loong Trading Co., Ltd., USI Investment, CGPCPOL, APC Investment, Taiwan United Venture Capital Corporation, USI Management Consulting, Taiwan United Venture Management Corporation, Acme (Cayman), USI Education Foundation and Fujian Gulei Petrochemical

Director: Taiwan VCM Corporation, USI (Hong Kong), Swanlake, USI International, Acme Components (Malaysia), Forever Young, Curtana, Swanson (Singapore), Swanson (Malaysia), Swanson International, Swanson (India), Swanson Plastics Corporation (Kunshan), Golden Amber Enterprises, Acme Electronics Corporation (Kunshan), Acme Electronics Corporation (Guangzhou), Taita (BVI), APC (BVI), CGPC (BVI), CGPC America, and A.S. Holdings (UK), ASK-Swanson, Acme Ferrite, Swanson Plastics Corporation (Tianjin), Ever Conquest Global, Ever Victory Global, Dynamic Ever Investments, CIS (Shanghai) and PT. Swanson Plastics Indonesia, Xuanju, Zhangzhou Taiju, Yutao Investment, Dasheng Ventures, Dasheng Yiyi Ventures and CTCI Group

General Manager: Union Polymer International Investment Corporation, USI Management Consulting, Dynamic Ever Investments and Ever Victory Global

Chief Executive Officer: USI, APC, CGPC, TTC, Acme Electronics Corporation and USI Optronics Corporation

Executive Director: Chinese National Federation of Industries

Note8: Chairman: Xuanju, TTC(Zhongshan), TTC (Tianjin), USI Trading (Shanghai) Co., Ltd., Zhangzhou Taita Chemical Co., Ltd., Zhangzhou Taiju, Amoy Taiju and Zhangzhou Dynamic Ever Investments Limited

Director: Dynamic Ever Investments Ltd., Ever Victory Global Limited, Ever Conquest Global Limited, Taita (BVI) Holding Co., Ltd., APC (BVI) Holding Co., Ltd., USI International Corporation, Golden Amber Enterprises Ltd., Swanlake Traders Ltd., USI, TTC, CGPC, CGTD, APC Investment, Asia Polymer Investment Corporation, Chong Loong Trading Co. Ltd., Swanson Plastics Corporation, Swanson Technologies Corporation, INOMA Corporation, USI Education Foundation, Taiwan United Venture Capital Corporation, Union Polymer International Investment Corporation, USI Management Consulting, Acme Electronics Corporation (Kunshan), Fujian Gulei Petrochemical, USI Optronics Corporation and USI (Hong Kong)

General Manager: USI, TTC, Asia Polymer Corporation, Chong Loong Trading Co. Ltd. and USI Trading (Shanghai) Co., Ltd.

Note9: Director: Changhui Construction, Maoxi Construction, Jo Wei Distribution and Trading Company Limited

General Manager: Changju Food Co. Ltd. and Jo Wei Distribution and Trading Company Limited

Note10: Chairman: Taiwan Union International Investment Co. and Wei Cheng Investment

Executive Director: Zhenjiang Lianju

Directors: TTC, China General Terminal & Distribution Co., UPC Group, UPC Venture Capital, Harbinger VII Venture Capital Corp. and United Industrial Gases Co., Ltd.

General Manager: UPC Group

Note11: Chief Advisor: UPC Group

Chairman: Zhenjiang UPC Chemicals, Zhongshan UPC Chemicals, Zhuhai UPC Chemicals, Taizhou UPC Chemicals, Taizhou UPC Warehousing, Taizhou UPC Plastic, Jiangsu UPC Logistics, Guangdong UPC Logistics, Panjin UPC Chemicals, Panjin UPC Warehousing, Panjin UPC Materials and Nanchong UPC Chemicals

Note12: Chairman: Ta Ya Electric Wire & Cable, Cuprime Material Co.,Ltd., Jia Hsi Investment Holding Co. Ltd., Chia Shang Capital, Honeyed Investment Co., Ltd., Taya Innovation Investment Co., Ltd., Ta Ya Green Energy Technology Co.,Ltd., Touch Solar Power Co., Ltd., Bosi Solar Energy Co., Ltd., Cugreen Metal Tech Co., Ltd., United Electric Industry Co., Ltd., Po Shuo Power, Union Storage Energy System Ltd., Sin Jhong Solar Power Co., Ltd., Bo Telecom Power, Zhiguang Energy, Daya Venture Capital, Daya Energy Storage Technology, Bo Feng Energy Storage Co., Ltd., Bo Sheng Energy Storage Co., Ltd., Bo-Jin Energy Co., Ltd. and Infinity Energy Storage Technology Co., Ltd.

Director: Iridium Medical Technology Co., Ltd., Jung Shing Wire Co., Ltd., Bora Pharmaceutical Co., Ltd., Bigbest Solutions, Inc. and Fangyuan Cell Health Care and Ta Chun Venture Capital Co., Ltd.

Independent Director: Mercuries Data Systems Ltd. and Partner Tech Corporation

Supervisor: Ta Ho Engineering, Co., Ltd.

Note13: Chairman: Hongding Capital, TriKnight Capital Corporation,

Vice Chairman: Hua Xingguang Tong Technology

Director: FuSheng Precision Co., Ltd., Advanced Energy Solution Holding Co., Ltd., Minson Integration, Inc., Qundeng Technology and UPI

Independent Director: EDOM Technology, EMC, and SunWay Biotech Co. Ltd.

Table1: Major shareholders of juristic person shareholders

April 1, 2024

Name of corporate shareholder (Note 1)	Major shareholders of corporate shareholders (Note 2)	
Union Polymer International Investment Corporation	USI Corporation	100%
USIFE Investment Co., Ltd.	USI Corporation	100%
Tai Lien International Investment Co., Ltd.	UPC Technology Corporation	100%

Note1: For directors and supervisors who are the representatives of juristic person shareholders, the names of the juristic person shareholders shall be disclosed.

Note2: Fill in the name of the major shareholders of these institutional shareholders (include top 10 major shareholders by shareholding percentage) and their shareholding percentages. If the major shareholder is a juristic person, the shareholder's name shall be filled in Table 2 below.

Note3: Where an institutional shareholder is not organized as a company, the name of the shareholders and shareholding ratio that must be disclosed in accordance with the above shall be the name of the funder or donor (Please refer to the Judicial Yuan notice for inquiries) and the funding or donation ratio. Donor who has died and notes "death"

Table2: Main shareholders of institutional shareholders

April 1, 2024

Name of corporate shareholder (Note 1)	Major shareholders of corporate shareholders (shareholding ratio) (Note 2)	
USI Corporation	Shing Lee Enterprise (Hong Kong) Limited	14.62%
	Wholegainer Company Limited' investment account is under custody of Fubon Securities Co., Ltd.	9.25%
	Asia Polymer Corporation	8.53%
	Fubon Life Insurance Co., Ltd.	4.49%
	Total Success Investment Limited	2.04%
	Lin, Hua-Hsin	1.75%
	Yueh Hsing Hua Investment Co., Ltd.	1.73%
	Yu, Wen-Hsuan	1.41%
	Yu, Wen-Tsung	1.41%
	Yu, Wen-Yu	1.41%
UPC Technology Corporation	Lien Hwa Industrial Holdings Corp.	31.10%
	Synnex Technology International Corporation	5.05%
	Yi Yuan Investment Co., Ltd.	1.58%
	Liberty Stationery Corporation	1.51%
	Mei An Investment Co., Ltd.	1.45%
	Tsu Feng Investment Co., Ltd.	1.28%
	MiTac International Corp.	1.18%
	Pornchai Engineering & Trading Company Limited	1.10%
	Tung Ta Investment Co., Ltd.	1.06%
	Yifeng Investment Co., Ltd.	0.96%

Note1: If the major shareholder of juristic person shareholders as shown in Table 1 is a juristic person, the name of the juristic person shall be filled.

Note2: Fill in the name of the major shareholders of these institutions (include top 10 major shareholders by shareholding percentage) and their shareholding percentages.

Note3: Where an institutional shareholder is not organized as a company, the name of the shareholders and shareholding ratio that must be disclosed in accordance with the above shall be the name of the funder or donor (Please refer to the Judicial Yuan notice for inquiries) and the funding or donation ratio. Donor who has died and notes "death"

2. Disclosure of professional qualifications of directors and independent information of independent directors

March 31, 2024

Criteria / Name	Professional Qualification and Work Experience (Note 1)	Independence Criteria (Note 2)	Number of Companies in which the Director or Supervisor also serves concurrently as an Independent Director
Wu, Yi-Kuei	(1) Currently serves as the chairman and chief executive officer of USI and its affiliated companies, and has professional fields of company operation management and work experience in supervising financial manager, accounting manager and other positions. (2) Not under any of the categories stated in Article 30 of the Company Act.	N/A	N/A
Li, Kuo-Hung	(1) The former general manager of the company, with professional fields of chemical industry required by the company. (2) Not under any of the categories stated in Article 30 of the Company Act.		
Wu, Pei-Chi	(1) Currently serves as the general manager of the company, USI Corporation and TTC, with experience in direct supervision of financial supervisor and accounting supervisor. (2) Not under any of the categories stated in Article 30 of the Company Act.		
Wu, Hung-Chu	(1) Currently serves as the general manager of Changju Food Co., Ltd. and Jo Wei Distribution and Trading Company Limited, with experience in direct supervision of financial supervisor and accounting supervisor.		

Criteria / Name	Professional Qualification and Work Experience (Note 1)	Independence Criteria (Note 2)	Number of Companies in which the Director or Supervisor also serves concurrently as an Independent Director
	(2) Not under any of the categories stated in Article 30 of the Company Act.		
Pi, Shu-Chien	(1) Currently serves as the general manager of UPC Technology Corporation, previously served as the deputy manager of CPC Corporation, Taiwan, with professional fields of chemical industry. (2) Not under any of the categories stated in Article 30 of the Company Act.		
Chen, Ta-Hsiung	(1) The former chairman of several companies such as PTSC, and has profound business work experience. (2) Not under any of the categories stated in Article 30 of the Company Act.	Two years before the appointment and during the tenure, there is no matter described in Paragraph 1, Article 3 of “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”.	0
Shen, Shang-Hung	(1) Currently serves as the chairman of several companies such as Ta Ya Electric Wire & Cable Co., Ltd. and has professional fields of company operation management. (2) Not under any of the categories stated in Article 30 of the Company Act.		2
Cheng, Tun-Chien	(1) Currently serves as the chairman of TGVest Capital Inc., with professional fields of investment and accounting. (2) Not under any of the categories stated in Article 30 of the Company Act.		3
Chen, Chien-Ping	(1) The former chairman of Public Bank, with professional fields of corporate operation management and financial management. (2) Not under any of the categories stated in Article 30 of the Company Act.		1

Note1: Professional qualifications and experience: State the professional qualifications and experience of the individual directors and supervisors or, if they are members of the Audit Committee and have expertise in accounting or finance, their accounting or financial background and work experience, and whether or not they are not subject to Article

30 of the Company Act.

Note2: The independent director shall state the circumstances conforming to the independence, including but not limited to whether he/she, his/her spouse or his/her second degree of kinship are directors, supervisors or employees of the Company or its related enterprises; the number and proportion of shares held by himself/herself, his/her spouse or his/her second degree of kinship (or in the name of others); whether to serve as a director, supervisor or employee of a company that has a special relationship with the Company (refer to the Subparagraph 5~8, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); The amount of remuneration obtained in the last 2 years for providing business, legal, finance, accounting and other services to the Company or its affiliated enterprises.

Note3: For disclosure, please refer to the best practice examples on the Taiwan Securities Exchange.

3. The diversity and independence of board of directors:

(1) Diversity of the board meetings:

According to Article 20 of the Company's "Corporate Governance Principles", diversity shall be considered in the composition of the Company's Board of Directors, and members of the Board of Directors shall possess the knowledge, skills and qualities required to perform their duties. To achieve the ideal goal of corporate governance, the Board of Directors shall possess the following abilities:

1.1 Ability to make sound business judgment.

1.2 Ability to conduct accounting and financial analysis.

1.3 Business management ability.

1.4 Objection handling ability

1.5 Knowledge of the industry.

1.6 An understanding of international markets.

1.7 Leadership skills.

1.8 Decision-making ability.

In addition to the eight competencies above, the Company has added two professional abilities, namely "legal capability" and "environmental protection" for the diversification of the Board members by taking into consideration the growing importance of global issues concerning corporate governance and environmental protection at present. The existing members of the Board of Directors possess the knowledge, skills and qualities required to perform their duties, and specialize in professional areas including accounting and finance, international markets, law and environmental protection.

In the future, the Company's goal of diversified board members is to add a director with professional experience in sustainable development, who can assist the Company to fulfill the carbon reduction goals and implement policies of green electricity; and to add a director with expertise in operational risk control to enhance the Company's sustainable competitiveness and improve the functions of the Company's Board of Directors.

(2) Independence of board of directors

None of the independent directors has served more than three consecutive terms. The member of the board are all of their own nationality, and the composition of the board is 44% of 4 independent directors, and 22% of 2 directors with employee status. Three directors are among 71-80 years old, four directors are among 61-70 years old, one is among 51-60 years old, and the remaining one is among 41-50 years old. The directors of the Company are not related to each other by spousal relationship or second degree of kinship.

(II) Information Regarding General Manager, Deputy General Managers, Senior Managers, and Heads of Departments

April 1, 2024

Title (Note 1)	Nationality	Name	Gender	Date Elected (Appointed)	Number of shares held		Shares held by spouse and minor children		Shares Held in the Name of Other Persons		Major Work (Academic) Experience (Note 2)	Current positions held in other companies	Managerial officers who are spouses or relatives within the second degree of kinship			Notes
					Number of Shares	Percentage of Shares Held	Number of Shares	Percentage of Shares Held	Number of Shares	Percentage of Shares Held			Title	Name	Relationship	
Chief Executive Officer	Republic of China	Wu, Yi-Kuei	Male	2009/09/01	0	0%	-	-	0	0%	Chairman of USI	(Note 4)	None	None	None	(Note 3)
General Manager	Republic of China	Wu, Pei-Chi	Male	2019/03/26	0	0%	0	0%	0	0%	General Manager of Thermoset Materials Division in Asia Pacific, and Director of Basic Plastic Sales in Greater China, Dow Chemical; Sales Engineer, Taiwan Branch, ESSO	(Note 5)	None	None	None	
Deputy General Manager of Sales Department	Republic of China	Wu, Ming-Tsung	Male	2021/07/01	0	0%	0	0%	0	0%	Master's in chemical engineering, National Taiwan University	Directors: USI Trading (Shanghai) Co., Ltd., Chong Loong Trading Co. Ltd., Ever Victory Global, Dynamic Ever Investments, Zhangzhou Taiju and Xiamen Taiju General Manager: Zhangzhou Taiju, Xiamen Taiju Deputy General Manager: USI	None	None	None	
Director of Linyuan Plant	Republic of China	Chen, Chun-Hung (Note 7)	Male	2019/11/11	0	0%	0	0%	0	0%	Master's Degre, Chemical Engineering, National Cheng Kung University	None	None	None	None	
Director of Linyuan Plant	Republic of China	Hsieh, Wang-Chuan (Note 7)	Male	2023/03/01	0	0%	0	0%	0	0%	School of Mechanical Engineering, Sun Yat-sen University	None	Non	None	None	
Corporate Governance Officer	Republic of China	Chen, Yung-Chih	Male	2019/05/09	0	0%	0	0%	0	0%	PhD in Law, Ludwig Maximilian University of Munich, and attorney of WinklerPartners, an arbitrator	(Note 6)	None	None	None	

Title (Note 1)	Nationality	Name	Gender	Date Elected (Appointed)	Number of shares held		Shares held by spouse and minor children		Shares Held in the Name of Other Persons		Major Work (Academic) Experience (Note 2)	Current positions held in other companies	Managerial officers who are spouses or relatives within the second degree of kinship			Notes
					Number of Shares	Percentage of Shares Held	Number of Shares	Percentage of Shares Held	Number of Shares	Percentage of Shares Held			Title	Name	Relationship	
											of Chinese Arbitration Association, Taipei					
Accounting Manager	Republic of China	Chen, Cheng-Shun (Note 8)	Male	2015/09/01	0	0%	0	0%	0	0%	Graduated from Dept. of Accounting, Fu Jen Catholic University	None	None	None	None	
Accounting Manager	Republic of China	Chang, Sheng-Chuan (Note 8)	Male	2024/03/07	0	0%	0	0%	0	0%	Master of Accounting degree from National Taiwan University, Assistant Manager at Deloitte Taiwan, and Accounting Manager at ACME Electronics Corporation.	Accounting Manager: China General Terminal & Distribution Co.	None	None	None	
Finance Manager	Republic of China	Shih, Ju-Hsuan	Female	2014/09/01	0	0%	-	-	0	0%	Dept. of Accounting, Soochow University	None	None	None	None	
Sales Director	Republic of China	Tseng, Kuo-Lung	Male	2022/06/01	0	0%	0	0%	0	0%	Master's Degree, Chemical Engineering, National Ta Tung University	Sales Director: USI	None	None	None	

Note1: Information regarding general manager, deputy general manager, senior manager, managerial officers of departments and branches shall be included, whereas information regarding positions equivalent to general manager, deputy general manager or senior managers shall be disclosed regardless of job title.

Note2: Work experiences of anyone in the table above that are related to their current roles, such as previous employment at CPA firms or employment in affiliated companies, shall be disclosed along with job titles and responsibilities.

Note3: When the general manager or person holding the equivalent post (top manager) and the chairman of the board are the same person, spouse or one degree of kinship, the reasons, rationality, necessity and corresponding measures (such as increasing the number of independent directors, and the way that more than half of the directors are not serving concurrent employees or managers) shall be disclosed.

(1) The Chairman of the Company also serves as the CEO based on the consideration for the overall operation. With the Chairman's excellent business vision, he participates in the Company's operations in person to implement business decisions and improve the operating efficiency.

(2) More than half of the members of the Company's current Board of Directors do not serve concurrently as employees or managerial officers. The Company also appoints a major CPA firm to perform audits and established the Audit Committee, Remuneration Committee, Sustainable Development Committee and Corporate Governance Team to strengthen corporate governance and continues to implement stringent internal control mechanisms to reduce operational risks.

Note4: Chairman: USI Corporation, CGPC, TTC, Acme Electronics Corporation, United Polymers Corporation, USI Optronics Corporation, Swanson Plastics Corporation, Swanson Technologies Corporation, Chong Loong Trading Co., Ltd., USI Investment Co., Ltd., CGPC Polymer Corporation, Asia Polymer Investment Corporation, Taiwan United Venture Capital Corporation, USI Management Consulting Corporation, Taiwan United Venture Management Corporation, Acme Electronics (Cayman) Corporation, USI Education Foundation and Fujian Gulei Petrochemical.

Director: Taiwan VCM Corporation, USI (Hong Kong), Swanlake, USI International, Acme Components (Malaysia), Forever Young, Curtana, Swanson (Singapore), Swanson (Malaysia), Swanson International, Swanson (India), Swanson Plastics Corporation (Kunshan), Golden Amber Enterprises, Acme Electronics Corporation (Kunshan), Acme Electronics Corporation (Guangzhou), Taita (BVI), APC (BVI), CGPC (BVI), CGPC America and A.S. Holdings (UK), ASK-Swanson, Acme Ferrite, Swanson Plastics Corporation (Tianjin), Cypress Epoch, Ever Conquest Global, Ever Victory Global, Dynamic Ever Investments and PT. Swanson Plastics Indonesia, Xuanju, Zhangzhou Taiju, Yutao Investment, Dasheng Ventures, Dasheng Yiyi Ventures, CTCI Group, Acme

Advanced Materials and Amoy Taiju

General Manager: Union Polymer International Investment Corporation, USI Management Consulting, Dynamic Ever Investments and Ever Victory Global

Chief Executive Officer: USI, CGPC, TTC, ACME, and USIO

Executive Director: Chinese National Federation of Industries

Note5: Chairman: Xuanju, TTC(Zhongshan), TTC (Tianjin), USI Trading (Shanghai) Co., Ltd., Zhangzhou Taita Chemical Co., Ltd., Zhangzhou Taiju, Amoy Taiju and Zhangzhou Dynamic Ever Investments Limited.

Director: Dynamic Ever Investments Ltd., Ever Victory Global Limited, Ever Conquest Global Limited, Taita (BVI) Holding Co., Ltd., APC (BVI) Holding Co., Ltd., USI International Corporation, Golden Amber Enterprises Ltd., Swanlake Traders Ltd., APC, TTC, CGPC, CGTD, APC Investment, Asia Polymer Investment Corporation, Chong Loong Trading Co. Ltd., Swanson Plastics Corporation, Swanson Technologies Corporation, INOMA Corporation, USI Education Foundation, Taiwan United Venture Capital Corporation, Union Polymer International Investment Corporation, USI Management Consulting, Acme Electronics Corporation (Kunshan), Fujian Gulei Petrochemical, USI Optronics Corporation, and USI (Hong Kong)

General Manager: USI, TTC, Chong Loong Trading Co. Ltd. and USI Trading (Shanghai) Co., Ltd.

Note6: Independent Director: Man Zai Industrial Co., Ltd.

Directors: Continental General Plastics (ZhongShan) Co. Ltd., Acme Electronics (Kunshan) Co., Ltd., Acme Electronics Corpor ation (Guangzhou), Swanson Technologies Corporation, TTC (Zhongshan), TTC (Tianjin), Zhangzhou Taita Chemical Co., Ltd. and Zhangzhou Dynamic Ever Property Managment Co., Ltd.

Supervisor: Union Polymer Int'l Investment Corp., Zhangzhou Taiju Trading Co., Ltd., Chong Loong Trading Co., Ltd., INOMA Corporation, USI Green Energy Corporation, USI Optronics Corporation, Swanson Plastics Corp., Swanson Plastics (kunshan) Co., Ltd., Swanson Plastics (Tianjin) Co., Ltd., ASK-Swanson (kunshan) Co., Ltd., USIFE Investment Co., Ltd., APC Investment Corporation, Taiwan United Venture Capital Corp., Taiwan United Venture Management Corporation, Double Winner Co., Ltd., Global Green Technology Corporation, Cerebra Technologies Co., Ltd. and FiduciaEdge Technologies Co., Ltd.

Head of Corporate Governance: USI Corporation, CGPC Corporation, Taita Chemical Co., Ltd. and Acme Electronics Corporation

Note7: On March 1, 2023, Chen, Chun-Hung, the former Director of Linyuan Plant, was transferred from his position, and Hsieh, Wang-Chuan has assumed the role.

Note8: On March 7, 2024, Chen Cheng-Shun, the former Accounting Manager, resigned, and Chang Sheng-Chuan has assumed the role.

(III) Where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto.

The Chairman of the Company also serves as the CEO based on the consideration for the overall operation. With the Chairman's excellent business vision, he participates in the Company's operations in person to implement business decisions and improve the operating efficiency.

More than half of the current members of the Company's Board of Directors do not serve as employees or managerial officers concurrently, which is audited and certified by Deloitte & Touche. The Company has also established an Audit Committee, a Remuneration Committee, a Sustainable Development Committee, and a Corporate Governance Team to strengthen corporate governance, and to reduce operational risks continuously through a rigorous internal control mechanism.

III. Remuneration of Directors, Supervisors, General Manager, and Deputy General Managers

Remuneration paid to Directors, Independent Directors, Supervisors, General Manager, and Deputy General Managers

1. If the Company has any of the following circumstances, it shall disclose its individual Directors' or Supervisors' name and remuneration; it can choose to disclose a range table with name disclosed, or disclose the name and remuneration individually for the rest (where individual disclosure is adopted, please fill in the job title, name, and amount; there is no need to fill in the table of remuneration ranges): None.
   (1) Where it was a loss after tax in the parent company only or individual financial statements in the last three years, the name and remuneration of individual "Directors and Supervisors" shall be disclosed; provided that it is net income after tax in the parent company only or individual financial statements in the most recent year, and the said net income is sufficient to make up for the accumulated losses.
   (2) The Company with Directors whose shareholding percentages have been insufficient for three (3) or more consecutive months during the most recent fiscal year shall disclose the remuneration of individual Directors. A Company with Supervisors whose shareholding percentages have been insufficient for three (3) or more consecutive months during the most recent fiscal year shall disclose the remuneration of individual Supervisors.
   (3) The Company with an average ratio of shares pledged by Directors or Supervisors that exceeds 50 % in any three months during the most recent fiscal year shall disclose the remuneration paid to each individual Director or Supervisor who owns a ratio of shares pledged that exceeds 50% for each of these three months.
   (4) If the total amount of remuneration received by all the Directors and Supervisors of a company from all the companies listed in its financial statements exceeds two (2)percent of its net income after tax, and the amount of remuneration received by any individual Director or Supervisor exceeds NT$15 million, the Company shall disclose the amount of remuneration paid to individual Directors or Supervisors. (Description: The remuneration of Directors and Supervisors is calculated based on "Remuneration of Directors" plus "Remuneration of Supervisors" as in the Appendix without including the relevant remuneration received as concurrent employees.
   (5) Any result of evaluation made on corporate governance in the most recent year is in the last two level, or any trading method changes, any trading or marketing stops, or any evaluation is rejected by the Corporate Governance Evaluation Committee in the most recent year as of the publication date of this Annual Report as

a listed company.

(6) The average annual salary of a full-time employee of a listed company who does not hold a managerial position in the most recent year has not reached NT$500,000.

(7) A listed company's net income after tax for the most recent year has increased by 10% or more, but the average annual salary of full-time employees who are not in supervisory positions has not increased from the previous year.

(8) If a listed company that has experienced a decline of over ten percent in net income after tax and has exceeded NT$5 million in the most recent fiscal year, as well as an increase of over ten percent and exceeding NT$100,000 in average director remuneration (excluding remuneration for concurrent employees).

2. If any of the foregoing events (1) or (5) occurs to a listed company, the remuneration information of the five highest paid individuals (such as general manager, deputy general manager, chief executive officer, or financial manager) shall be disclosed separately.

(I) Remuneration of Directors, Supervisors, General Manager and Deputy General Manager

1. Remuneration paid to Directors and Independent Directors (a remuneration range table with name disclosed)

Unit: NT$ thousand

Title	Name (Note 1)	Directors' remuneration: Remuneration (A) (Note 2): The Company	Remuneration (A) (Note 2): All Companies in the Financial Report (Note 7)	Separation Pay and Pension (B): The Company	Separation Pay and Pension (B): All Companies in the Financial Report (Note 7)	Directors' Compensation (C) (Note 3): The Company	Directors' Compensation (C) (Note 3): All Companies in the Financial Report (Note 7)	Costs Incurred from Performance of Duty (D) (Note 4): The Company	Costs Incurred from Performance of Duty (D) (Note 4): All Companies in the Financial Report (Note 7)	Sum of items A, B, C and D to NIAT Ratio (Note 10): The Company	Sum of items A, B, C and D to NIAT Ratio (Note 10): All companies in the Financial Report	Relevant remuneration received by directors who also serve as employees: Salary, bonuses, and allowances (E) (Note 5): The Company	Salary, bonuses, and allowances (E) (Note 5): All Companies in the Financial Report (Note 7)	Separation Pay and Pension (F): The Company	Separation Pay and Pension (F): All Companies in the Financial Report (Note 7)	Employee Compensation (G) (Note 6): The Company: Cash Amount	Employee Compensation (G) (Note 6): The Company: Stock Amount	Employee Compensation (G) (Note 6): All Companies in the Financial Report (Note 7): Cash Amount	Employee Compensation (G) (Note 6): All Companies in the Financial Report (Note 7): Stock Amount	Percentage of the total of 7 items A, B, C, D, E, F and G to net income after taxes (Note 10): The Company	Percentage of the total of 7 items A, B, C, D, E, F and G to net income after taxes (Note 10): All companies in the Financial Report	Remuneration paid to Directors from investees other than the Company's subsidiaries or parent company (Note 11)
Chairman	Wu, Yi-Kuei	2,000	2,000	0	0	0	0	440	440	2,440 2.098%	2,440 2.098%	9,617	9,617	0	0	13	0	13	0	12,070 10.380%	12,070 10.380%	31,033
Director	Wu, Pei-Chi																					
Director	Li, Kuo-Hung																					
Director	Wu, Hung-Chu																					
Director	Ko, I-Shao																					
Independent Director	Shen, Shang-Hung	4,800	4,800	0	0	0	0	640	640	5,440 4.678%	5,440 4.678%	0	0	0	0	0	0	0	0	5,440 4.678%	5,440 4.678%	0
Independent Director	Chen, Ta-Hsiung																					
Independent Director	Cheng, Tun-Chien																					
Independent Director	Chen, Chine-Ping																					

1. Please state the policies, systems, standards, and structure of independent directors' remuneration payment, and describe the relevance to the amount of remuneration according to their responsibilities, risks, and time of investment:
   The remuneration of Independent Directors is paid based on the Company's Articles of Incorporation and the remuneration policies and measures and depends on the degree of participation and the value of their contribution to the Company's operations, with reference to the median level in the industry, and it shall be distributed after submitted to and approved by the Remuneration Committee and adopted by the Board of Directors. Except for the fixed remuneration, no other consideration is paid each year.
2. Unless disclosed above, the Directors of the current year received remuneration for providing services (such as serving as a non-employee consultant) to the companies listed in the consolidated financial statements: None.

*Please list the relevant information of the Directors (non-independent general directors) and Independent Directors, respectively.

Range of Remuneration

<table>
<tr><td rowspan="3">Range of Remuneration Paid to the Directors of the Company</td><td colspan="4">Names of Director</td></tr>
<tr><td colspan="2">Total of (A+B+C+D)</td><td colspan="2">Total of (A+B+C+D+E+F+G)</td></tr>
<tr><td>The Company (Note 8)</td><td>All companies in the Financial Report (Note 9) H</td><td>The Company (Note 8)</td><td>The parent company and all the investees (Note 9) I</td></tr>
<tr><td>Less than NT$1,000,000</td><td>Wu, Yi-Kuei, Wu, Pei-Chi, and Ko, I-Shao</td><td>Wu, Yi-Kuei, Wu, Pei-Chi, and Ko, I-Shao</td><td>Ko, I-Shao</td><td>Ko, I-Shao</td></tr>
<tr><td>NT$1,000,000 (inclusive) - NT$2,000,000 (exclusive)</td><td>Li, Kuo-Hung, Wu, Hung-Chu, Chen, Ta-Hsiung, Cheng, Tun-Chien, Shen, Shang-Hung, and Chen, Chine-Ping.</td><td>Li, Kuo-Hung, Wu, Hung-Chu, Chen, Ta-Hsiung, Cheng, Tun-Chien, Shen, Shang-Hung, and Chen, Chine-Ping.</td><td>Li, Kuo-Hung, Wu, Hung-Chu, Chen, Ta-Hsiung, Cheng, Tun-Chien, Shen, Shang-Hung, and Chen, Chine-Ping.</td><td>Li, Kuo-Hung, Wu, Hung-Chu, Chen, Ta-Hsiung, Cheng, Tun-Chien, Shen, Shang-Hung, and Chen, Chine-Ping.</td></tr>
<tr><td>NT$2,000,000 (inclusive) - NT$3,500,000 (exclusive)</td><td></td><td></td><td></td><td></td></tr>
<tr><td>NT$3,500,000 (inclusive) - NT$5,000,000 (exclusive)</td><td></td><td></td><td>Wu, Pei-Chi</td><td></td></tr>
<tr><td>NT$5,000,000 (inclusive) - NT$10,000,000 (exclusive)</td><td></td><td></td><td>Wu, Yi-Kuei</td><td></td></tr>
<tr><td>NT$10,000,000 (inclusive) - NT$15,000,000 (exclusive)</td><td></td><td></td><td></td><td>Wu, Pei-Chi</td></tr>
<tr><td>NT$15,000,000 (inclusive) - NT$30,000,000 (exclusive)</td><td></td><td></td><td></td><td>Wu, Yi-Kuei</td></tr>
<tr><td>NT$30,000,000 (inclusive) - NT$50,000,000 (exclusive)</td><td></td><td></td><td></td><td></td></tr>
<tr><td>NT$50,000,000 (inclusive) -NT$100,000,000 (exclusive)</td><td></td><td></td><td></td><td></td></tr>
<tr><td>More than NT$100,000,000</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Total</td><td>7,880 thousand</td><td>7,880 thousand</td><td>17,510 thousand</td><td>48,543 thousand</td></tr>
</table>

Note1: The name of Directors shall be listed, respectively (for institutional shareholders, the name of institutional shareholders and their representatives shall be listed, respectively), and the name of Directors and Independent Directors shall be listed respectively; the payment amount shall be disclosed in aggregation. This table and table (3-1), or tables (3-2-1) and (3-2-2) below shall be filled out if a Director concurrently serves as the General Manager or Deputy General Manager.

Note2: Remuneration received by Directors in the most recent year (including salaries, job-related allowances, severance, bonuses, and rewards).

Note3: Fill the amount of rewards approved by the Board of Directors and distributed to the directors in the most recent fiscal year.

Note4: Business expenses paid to the directors in the most recent fiscal year (including services and goods provided such as transportation allowances, special allowances, various allowances, accommodation and vehicle). If housing, vehicle and other modes of transportation or personal expenses are provided, the nature and cost of the assets provided, the rent fees and fuel costs calculated based on the actual amount or fair market value, and other payments shall be disclosed. If a driver is provided, please indicate the amount of compensation paid to the driver by the Company in a separate note (not included in the remuneration).

Note5: Salary, job-related allowances, severance pay, various bonuses, incentives, transportation allowance, special allowance, various allowances, accommodation allowance and driver allowance received by directors who concurrently serve as employees (including general manager, deputy general manager, other managerial officers and employees) in the most recent fiscal year. If housing, vehicle and other modes of transportation or personal expenses are provided, the nature and cost of the assets provided, the rent fees and fuel costs calculated based on the actual amount or fair market value, and other payments shall be disclosed. If a driver is provided, please indicate the amount of compensation paid to the driver by the Company in a separate note (not included in the remuneration). Any compensations listed under IFRS 2 Share-Based Payment, including issuance of employee stock options, new restricted employee shares and cash capital increase by stock subscription shall also be included. The Company provides vehicles for transportation, and the driver's remuneration is $764 thousand and the related fuel cost is $12 thousand.

Note6: For directors concurrently serving as employees (including general manager, deputy general manager, other managerial officers and employees) who receive employee rewards (including shares and cash), the amount of employee rewards that have been approved by the Board of Directors and are distributed to them in the most recent fiscal year shall be disclosed. If the amount of rewards cannot be estimated, the amount of rewards in the current fiscal year shall be calculated based on the ratio of the amount of rewards distributed in the previous fiscal year, and this amount shall also be filled in Table 1 - 3.

Note7: The total amount of all the remuneration paid to the Company's Directors by all the companies (including the Company) listed in its consolidated financial statements shall be disclosed.

Note8: The name of each Director shall be disclosed in the range of remuneration corresponding to the amount of all the remuneration paid to each Director by the Company.

Note9: The total amount of all the remuneration paid to each Director of the Company by all the companies (including the Company) listed in its consolidated financial statements shall be disclosed. The name of each Director shall be disclosed in the range of remuneration corresponding to the amount of all the remuneration paid to each Director by the Company.

Note10: Net income after tax refers to net income after tax listed in the parent company only or individual financial statements in the most recent year.

Note11:

a. This field shall clearly indicate the amount of remuneration received by the Company's Directors from investees other than a subsidiary or the parent company (if not, please fill in "none").
b. If a Director of the Company receives remuneration from investees other than subsidiaries or the parent company, the amount of remuneration received by the Director from investees other than subsidiaries shall be combined into Column I of the table for range of remuneration, and this column shall be renamed "Parent Company and All Investees."
c. Remuneration refers to the compensation, rewards (including rewards distributed to employees, Directors, and supervisors) and remuneration related to business expenses that are received by the Company's Directors who serve as Directors, supervisors or managerial officers at investees other than subsidiaries or the parent company.

* A different concept is used for the content of remuneration disclosed in this table compared to that in the Income Tax Act. This table is used for information disclosure, but not for taxation.

2. Remuneration paid to supervisors: Not applicable as the Company has an Audit Committee that replaces the functions of Supervisors.

3. Remuneration paid to General Manager and Deputy General Managers (range of remuneration with name disclosed)

Unit: NT$ thousand

<table>
<tr><th rowspan="3">Title</th><th rowspan="3">Name (Note 1)</th><th colspan="2">Salary (A) (Note 2)</th><th colspan="2">Separation Pay and Pension (B)</th><th colspan="2">Bonuses and special expenses (C) (Note 3)</th><th colspan="4">Employees' Remuneration (D) (Note 4)</th><th colspan="2">Proportion of the sum of A, B, C, and D (%) to NIAT (Note 8)</th><th rowspan="3">Remuneration paid to Directors from investees other than the Company's subsidiaries or parent company (Note 9)</th></tr>
<tr><th rowspan="2">The Company</th><th rowspan="2">All Companies in the Financial Report (Note 5)</th><th rowspan="2">The Company</th><th rowspan="2">All Companies in the Financial Report (Note 5)</th><th rowspan="2">The Company</th><th rowspan="2">All Companies in the Financial Report (Note 5)</th><th colspan="2">The Company</th><th colspan="2">All Companies in the Financial Report (Note 5)</th><th rowspan="2">The Company</th><th rowspan="2">All Companies in the Financial Report</th></tr>
<tr><th>Cash Amount</th><th>Stock Amount</th><th>Cash Amount</th><th>Stock Amount</th></tr>
<tr><td>Chief Executive Officer</td><td>Wu, Yi-Kuei</td><td rowspan="3">6,531</td><td rowspan="3">6,531</td><td rowspan="3">0</td><td rowspan="3">0</td><td rowspan="3">5,342</td><td rowspan="3">5,342</td><td rowspan="3">19</td><td rowspan="3">0</td><td rowspan="3">19</td><td rowspan="3">0</td><td rowspan="3">11,892
10.227%</td><td rowspan="3">11,892
10.227%</td><td rowspan="3">34,881</td></tr>
<tr><td>General Manager</td><td>Wu, Pei-Chi</td></tr>
<tr><td>Deputy General Manager</td><td>Wu, Ming-Tsung</td></tr>
</table>

* Regardless of job titles, positions that are equivalent to general manager, deputy general manager (such as president, chief executive director and director) shall be disclosed.

Range of Remuneration

Range of Remuneration Paid to the General Manager and Deputy General Manager	Name of General Manager and Deputy General Manager	
	The Company (Note 6)	The parent company and all investees (Note 7)
Less than NT$1,000,000		
NT$1,000,000 (inclusive) - NT$2,000,000 (exclusive)		
NT$2,000,000 (inclusive) - NT$3,500,000 (exclusive)	Wu, Ming-Tsung	
NT$3,500,000 (inclusive) - NT$5,000,000 (exclusive)	Wu, Pei-Chi	
NT$5,000,000 (inclusive) -NT$10,000,000 (exclusive)	Wu, Yi-Kuei	Wu, Ming-Tsung
NT$10,000,000 (inclusive) - NT$15,000,000 (exclusive)		Wu, Pei-Chi
NT$15,000,000 (inclusive) - NT$30,000,000 (exclusive)		Wu, Yi-Kuei
NT$30,000,000 (inclusive) - NT$50,000,000 (exclusive)		
NT$50,000,000 (inclusive) - NT$100,000,000 (exclusive)		
More than NT$100,000,000		
Total	11,892 thousand	46,773 thousand

Note1: The names of the General Manager and Deputy General Manager shall be listed separately, and the amount of remuneration paid to them shall be disclosed collectively. If a Director concurrently serves as a General Manager or Deputy General Manager, this table, Table (1-1) or (1-2-1) and (1-2-2) above shall be filled in.

Note2: Fill the salary, job-related allowances and severance pay received by the General Manager and Deputy General Managers in the most recent fiscal year.

Note3: Fill the amount of various bonuses, incentives, transportation allowances, special allowance, various allowances, accommodation, and vehicle received by the General Manager and Deputy General Managers in the most recent fiscal year. If housing, vehicle and other modes of transportation or personal expenses are provided, the nature and cost of the assets provided, the rent fees and fuel costs calculated based on the actual amount or fair market value, and other payments shall be disclosed. If a driver is provided, please indicate the amount of compensation paid to the driver by the Company in a separate note (not included in the remuneration). Any compensation listed under IFRS 2 Share-Based Payment, including issuance of employee stock options, new restricted employee shares and cash capital increase by stock subscription shall be included. The Company provides vehicles for transportation, with NT$12 for relevant fuel costs.

Note4: Fill the amount of employee rewards (including shares and cash) that have been approved by the Board of Directors and are distributed to the general manager and deputy general manager in the most recent fiscal year. If the amount of rewards cannot be estimated, the amount of rewards in the current fiscal year shall be calculated based on the ratio of the amount of rewards distributed in the previous fiscal year, and this amount shall also be filled in Table 1 - 3.

Note5: The total amount of the remuneration of all the companies (including the Company) in the consolidated report to the General Manager and Deputy General Manager and Deputy General Managers of the Company shall be disclosed.

Note6: The name of each general manager and deputy general manager should be disclosed in the range of remuneration corresponding to the amount of all the remuneration paid to the general manager and deputy general manager by the company.

Note7: The total amount of all the remuneration paid to each general manager and deputy general manager of the company by all the companies (including the company) listed in its consolidated financial statements shall be disclosed. The name of each general manager and deputy general manager shall be disclosed in the range of remuneration corresponding to the total amount mentioned in the preceding sentence.

Note8: Net income after tax refers to net income after tax listed in the parent company only or individual financial statements in the most recent year.

Note9:

a. This field shall clearly indicate the amount of remuneration received by the Company's General Manager or Deputy General Manager from investees other than subsidiaries or the parent company (if not, please fill in "none").
b. If the General Manager or Deputy General Managers of the Company receive remuneration from investees other than subsidiaries or the parent company, the remuneration received by the General Manager or Deputy General Managers of the Company from investees other than subsidiaries or the parent company shall be included in Column E in the Range of Remuneration Table, and the column shall be renamed "Parent Company and All Investees."
c. Remuneration in this case refers to remuneration, bonuses (including employee, Director, or supervisor compensation), and allowances received by the General Manager or Deputy General Managers of the Company as the Directors, supervisors, or managerial officers of investees other than subsidiaries or the parent company.

* A different concept is used for the content of remuneration disclosed in this table compared to that in the Income Tax Act. This table is used for information disclosure, but not for taxation.

4. The remuneration of the top five executives with the highest remuneration at a listed company (name and remuneration shall be disclosed individually): Not applicable.
5. Name of managerial officers to which employee rewards are distributed, and the status of distribution

December 31, 2023
Unit: NT$ thousand

<table>
<tr><th></th><th>Title (Note 1)</th><th>Name (Note 1)</th><th>Stock Amount</th><th>Cash Amount</th><th>Total</th><th>Percentage of total remuneration on NIAT (%)</th></tr>
<tr><td rowspan="10">Manager</td><td>Chief Executive Officer</td><td>Wu, Yi-Kuei</td><td rowspan="10">0</td><td rowspan="10">50</td><td rowspan="10">50</td><td rowspan="10">0.043%</td></tr>
<tr><td>General Manager</td><td>Wu, Pei-Chi</td></tr>
<tr><td>Deputy General Manager of Sales Department</td><td>Wu, Ming-Tsung</td></tr>
<tr><td>Director of Linyuan Plant</td><td>Chen, Chun-Hung (Note 5)</td></tr>
<tr><td>Director of Linyuan Plant</td><td>Hsieh, Wang-Chuan (Note 5)</td></tr>
<tr><td>Corporate Governance Officer</td><td>Chen, Yung-Chih</td></tr>
<tr><td>Accounting Manager</td><td>Chen, Cheng-Shun (Note 6)</td></tr>
<tr><td>Accounting Manager</td><td>Chang, Sheng-Chuan (Note 6)</td></tr>
<tr><td>Finance Manager</td><td>Shih, Ju-Hsuan</td></tr>
<tr><td>Sales Manager</td><td>Tseng, Kuo-Lung</td></tr>
</table>

Note1: Names and positions shall be listed individually, and the amount of profit distributed shall be disclosed collectively.

Note2: Refers to compensations paid to the Managers (including stock and cash) approved by the Board of Directors in the most recent year; If such compensations cannot be estimated, an estimation for this year shall be calculated in proportion of the compensations paid last year. Net income after tax (NIAT) refers to net income after taxes in the most recent fiscal year. Where IFRS is adopted, net income after tax refers to net income after tax recorded in the parent company only or standalone financial statements in the most recent fiscal year.

Note3: The scope of application for the term “managerial officer” shall follow the official document with reference number 0920001301 dated March 27, 2003. Its scope of application shall be as follows:
(1) General Manager and its equivalent
(2) Deputy General Manager and its equivalent
(3) Senior Manager and its equivalent
(4) Head of Finance Department
(5) Head of Accounting Department
(6) Other personnel authorized to manage company operations and sign for approval

Note4: Directors, General Manager and Deputy General Managers who receive employee compensation (including shares and cash) shall be listed not only in Table 1 -2, but also in this table.

Note5: On March 1, 2023, Mr. Chen, Chun-Hung, the former Director of Linyuan Plant, was transferred from his position, and Mr. Hsieh, Wang-Chuan has assumed the role.

Note6: Mr. Chen, Cheng-Shun, the former Accounting Manager, resigned on March 7, 2024. He was then succeeded by Mr. Chang, Sheng-Chuan.

(II) Separate comparison and description of total remuneration, as a percentage of net income stated in the parent company-only or individual financial statements, as paid by the Company and all other companies included in the consolidated financial statements during the past 2 fiscal years to Directors, supervisors, General Manager, and Deputy General Managers, with analysis and description of remuneration policies, standards, and packages, procedure for determining remuneration, and the correlation with business performance and future risks.

1. Analysis of total remuneration paid to general Directors, Independent Directors, General Manager, and Deputy General Managers as a percentage of NIAT:

Category \ Year	The Company				All companies in the Financial Report			
	2023		2022		2023		2022	
	Total amount	Percentage of the net profit after tax	Total amount	Percentage of the net profit after tax	Total amount	Percentage of the net profit after tax	Total amount	Percentage of the net profit after tax
General Directors' remuneration (excluding the remuneration to those who work as employees concurrently)	2,440	2.098%	2,880	0.199%	2,440	2.098%	2,880	0.199%
Independent Directors' remuneration (excluding the remuneration to those who work as employees concurrently)	5,440	4.678%	4,940	0.341%	5,440	4.678%	4,940	0.341%
General Directors' remuneration (including the remuneration to those who work as employees concurrently)	12,070	10.380%	14,785	1.022%	12,070	10.380%	14,785	1.022%
Independent Directors' remuneration (including the remuneration to those who work as employees concurrently)	5,440	4.678%	4,940	0.341%	5,440	4.678%	4,940	0.341%
General Manager and Deputy General Manager's remuneration	11,892	10.227%	14,244	0.984%	11,892	10.227%	14,244	0.984%
Net profit after taxes	116,284	-	1,447,396	-	116,284	-	1,447,396	-

2. Remuneration Policies, Standards and Packages, Procedures for Determining Remuneration and Correlation of Remuneration with Business Performance and Future Risks:

(1) Remuneration policies, standards and packages

(1.1) The remuneration of Directors shall be in accordance with Article 15-1 of the Articles of Incorporation, which states that "regardless of the Company's operating profit and loss, it shall be handled in accordance with the value of their participation in and contribution to the operation of the Company and taking into consideration the domestic industry level"; The remuneration shall not exceed 1% of the profit in the current year according to Article 18 of the Articles of Incorporation. The above remuneration is agreed upon by taking into consideration the Company's operating performance and the performance evaluation results of the Directors. In addition, the Company shall pay the traffic allowance in accordance with the resolution of the shareholders' meeting, but the manager of the Company who concurrently serves as the director shall not receive the traffic allowance. Among them, the aspects of directors' regular evaluation include the mastery of the Company's objectives and tasks, directors' cognition of their responsibilities, their participation in the Company's operation, internal relationship management and communication, directors' professionalism and continuous learning, and internal control.

(1.2) The manager's remuneration shall be handled in accordance with the relevant personnel regulations and Article 16 of the Articles of Incorporation. It shall be approved by the board of directors by considering the operating performance. Among them, business performance includes financial aspects (operating income, operating profits, and net profit before tax), customer aspects (customer satisfaction, service quality...), product aspects (brand management, quality innovation...), talent aspects (talent cultivation, potential development...); safety aspects (zero pollution, zero emissions, zero occupational accidents, zero incidents, zero failures...); project aspects (digital transformation, energy conservation, carbon reduction, circular economy, net zero emissions...); and other relevant aspects. The achievement rate is evaluated, with sustainability-related indicators carrying a minimum weight of 5%.

(1.3) The Company's remuneration packages are determined by the Remuneration Committee Charter. They include cash compensation, stock options, profit sharing and stock ownership, retirement benefits or severance pay, allowances or stipends of any kind, and other substantive incentive measures. The scope is consistent with the remuneration for Directors and managerial officers specified in the Regulations Governing Information to be Published in Annual Reports of Public Companies.

(2) Procedures for determining the remuneration

The results of the evaluations conducted in accordance with the Company's "Regulations for Evaluating the Performance of the Board of Directors" and the "Performance Management Regulations" for managerial officers and employees are used as the basis for regular evaluations of the salary and remuneration of Directors and managerial officers.

The performance evaluation and reasonableness of the remuneration of Directors and managerial officers are regularly assessed and reviewed by the Remuneration Committee and the Board of Directors every year. The Company reviews their performance achievement rate and contributions to the Company, considers the overall performance of the Company's operations, future risks, and development trends of the industry, and reviews the remuneration system whenever necessary based on actual operations and relevant laws and regulations to provide reasonable remuneration and attain a balance between the Company's sustainable operations and risk management.

(3) Correlations with the Company's business performance and future risk exposure

The Remuneration Committee reviews the Company's overall business performance, outlook of the industry, business risks, and development trends and evaluates the attainment of performance targets of the Company's Directors and managerial officers to set the content and amount of their individual remuneration packages. The Committee proposes recommendations and submits them to the Board of Directors for approval. We also review the remuneration system for Directors and managerial officers whenever necessary, and refrain from incentivizing Directors and managerial officers from pursuing remuneration by engaging in activities that exceed the risk appetite of the Company.

IV. Implementation of Corporate Governance

(I) Implementation by the Board of Directors

A total of four (4) meetings (A) were held by the Board of Directors in the most recent fiscal year (2023). The attendance of the members of the Board are as follows:

Title	Name (Note 1)	2023 1st 2023/3/3	2023 2nd 2023/5/3	2023 3rd 2023/8/2	2023 4th 2023/11/3	Actual attendance in Person (B)	Attendance by proxy	Actual attendance rate (%) 【B/A】 (Note 2)	Notes
Chairman	Wu, Yi-Kuei (Representative of Union Polymer International Investment Corporation)	◎	◎	◎	◎	4	0	100	
Director	Li, Kuo-Hung (representative of Union Polymer International Investment Corporation)	◎	◎	◎	◎	4	0	100	
Director and General Manager	Wu, Pei-Chi (Representative of USIFE Investment Co., Ltd.)	◎	◎	◎	◎	4	0	100	
Director	Wu, Hung-Chu (Representative of USIFE Investment Co., Ltd.)	☆	◎	◎	☆	2	2	50	
Director	Ko, I-Shao (representative of Tai Lien International Investment Co., Ltd.)	◎	◎	◎	◎	4	0	100	
Independent Director	Chen, Ta-Hsiung	◎	◎	◎	◎	4	0	100	
Independent Director	Shen, Shang-Hung	☆	◎	◎	◎	3	1	75	
Independent Director	Cheng, Tun-Chien	◎	◎	◎	◎	4	0	100	
Independent Director	Chen, Chine-Ping	◎	◎	◎	◎	4	0	100	

Note1: For directors and supervisors who are juristic persons, the name of juristic person shareholders and their representatives shall be disclosed.

Note2:

(1) Where a director or a supervisor resigns before the end of the fiscal year, the Remark column shall be filled with the director's or supervisor's resignation date, whereas his/her percentage of attendance in person (%) shall be calculated based on the number of Board of Directors' meetings held and the actual attendance in person during the period during his/her term of office.

(2) Where Directors and Supervisors were re-elected before the end of the year, both the incoming and outgoing Directors and Supervisors shall be listed accordingly. The "remark" column shall be annotated to indicate whether the Director or Supervisor was outgoing, incoming, or re-elected as well as the date of re-election.
Actual presence (attendance) rate (%) shall be calculated using the number of Directors' Meetings convened and actual presence (attendance) during the term of service.

Note3: Attendance in person: ◎; Attendance by proxy: ☆.

Other matters to be noted:

I. If any of the following applies to the operations of the Board of Directors, the date and session of the Board of Directors' Meeting, as well as the resolutions, opinions of independent directors and the company's actions in response to the opinions of independent directors shall be stated:

(I) Items listed in Article 14-3 of the Securities and Exchange Act.

<table>
<tr><th>Date of term of the Board meeting</th><th>Resolution and Follow-up Actions</th><th>Items specified in Article 14-3 of the Securities and Exchange Act</th><th>Dissenting Opinion or Qualified Opinion by Independent Directors</th></tr>
<tr><td rowspan="8">2023
1st
2023/3/3</td><td>1. Approved the recommendation to lift competition restrictions against Directors at the general shareholders' meeting</td><td>Yes</td><td>None</td></tr>
<tr><td colspan="3">Opinions of Independent Directors: None</td></tr>
<tr><td colspan="3">The Company's actions in response to the opinions of Independent Directors: None</td></tr>
<tr><td colspan="3">Voting results: Except for Directors Wu, Pei-Chi, Shen, Shang-Hung, and Cheng, Tun-Chien, who withdrew due to conflict of interests, all directors present agreed to pass the resolution after being consulted by the chairman.</td></tr>
<tr><td>2. Approved the appointment of CPAs for 2023.</td><td>Yes</td><td>None</td></tr>
<tr><td colspan="3">Opinions of Independent Directors: None</td></tr>
<tr><td colspan="3">The Company's actions in response to the opinions of Independent Directors: None</td></tr>
<tr><td colspan="3">Voting results: All Directors present voted in favor of the resolution without any dissenting opinion.</td></tr>
<tr><td rowspan="4">2023
2nd
2023/5/3</td><td>Passed the amendments to the Company's internal control system.</td><td>Yes</td><td>None</td></tr>
<tr><td colspan="3">Opinions of Independent Directors: None</td></tr>
<tr><td colspan="3">The Company's actions in response to the opinions of Independent Directors: None</td></tr>
<tr><td colspan="3">Voting results: All Directors present voted in favor of the resolution without any dissenting opinion.</td></tr>
<tr><td rowspan="4">2023
3rd
2023/8/2</td><td>Approved change of internal audit supervisor.</td><td>Yes</td><td>None</td></tr>
<tr><td colspan="3">Opinions of Independent Directors: None</td></tr>
<tr><td colspan="3">The Company's actions in response to the opinions of Independent Directors: None</td></tr>
<tr><td colspan="3">Voting results: All Directors present voted in favor of the resolution without any dissenting opinion.</td></tr>
<tr><td>2023</td><td>Approved CPAs' remuneration for 2023</td><td>Yes</td><td>None</td></tr>
</table>

Date of term of the Board meeting	Resolution and Follow-up Actions	Items specified in Article 14-3 of the Securities and Exchange Act	Dissenting Opinion or Qualified Opinion by Independent Directors
4th 2023/11/3	Opinions of Independent Directors: None		
	The Company's actions in response to the opinions of Independent Directors: None		
	Voting results: All Directors present voted in favor of the resolution without any dissenting opinion.		

(II) Other than the matters mentioned above, other resolutions with objections or reservations from the Independent Directors and are documented or stated: None.

II. In regards the recusal of independent directors from voting due to conflict of interests, the name of the independent directors, the agenda, reasons for recusal due to conflict of interests and voting outcomes shall be stated:

Names of Director	Agenda	Reason for Recusal	Participation in Voting	Notes
Wu, Yi-Kuei Wu, Pei-Chi	Donations to the USI Education Foundation.	They recused themselves due to conflict of interest as they serve as Directors of the foundation.	Did not participate in voting	2023 1st 2023/3/3
Wu, Pei-Chi Shen, Shang-Hung Cheng ,Tun-Chien	Removal of the non-compete clause for Directors	The recused Director is the subject in the removal of the non-compete clause.		
Wu, Pei-Chi	Managerial officers to engage in competitions.	They had a conflict of interest with this proposal as Directors.	Did not participate in voting	2023 4th 2023/11/3

III. Information regarding cycle, period, scope, and method of self- (or peer) evaluation of the Board of Directors of a listed company shall be disclosed. Evaluation of the Board of Directors' performance for 2023:

<table>
<tr><th>Evaluation cycle (Note 1)</th><th>Period of evaluation (Note 2)</th><th>Scope (Note 3)</th><th>Evaluation Method (Note 4)</th><th>Evaluation Content (Note 5)</th></tr>
<tr><td rowspan="4">Once every year</td><td rowspan="4">January 1, 2023 to December 31, 2023</td><td>Performance Evaluation of the Board of Directors</td><td>Self-Evaluation of the Board of Directors</td><td>I. Performance Evaluation of the Board of Directors
1. Degree of participation in the Company’s operations.
2. Improvement in the quality of decision-making of the Board of Directors.
3. Composition and structure of the Board of Directors.
4. Election and continuous education of directors.
5. Internal control.</td></tr>
<tr><td>Performance evaluation of individual directors</td><td>Self evaluation of board members</td><td>II. Self performance evaluation of board members
1. Mastery of company objectives and tasks.
2. Understanding of the director’s roles and responsibilities.
3. Degree of participation in the Company’s operations.
4. Internal relationship management and communication.
5. Expertise and continuing education of the directors.
6. Internal control.</td></tr>
<tr><td rowspan="2">Evaluation of functional committees’ performance</td><td rowspan="2">Self-evaluation of functional committees’ members</td><td>III. Evaluation of the Audit Committee’s Performance
1. Degree of Participation in the Company’s Operations.
2. Understanding of Duties of the Audit Committee.
3. Improvement of the decision-making quality of the Audit Committee.
4. Composition of the Audit Committee and selection of committee members.
5. Internal control.</td></tr>
<tr><td>IV. Evaluation of the Remuneration Committee’s performance
1. Degree of Participation in the Company’s Operations.
2. Understanding of the Remuneration Committee’s roles and responsibilities.</td></tr>
</table>

Evaluation cycle (Note 1)	Period of evaluation (Note 2)	Scope (Note 3)	Evaluation Method (Note 4)	Evaluation Content (Note 5)
				3. Improvement in the Remuneration Committee's decision-making quality. 4. Composition and member selection of the Remuneration Committee.
				V. Evaluation of the Sustainable Development Committee's performance 1. Degree of Participation in the Company's Operations. 2. Understanding of the Sustainable Development Committee's roles and responsibilities. 3. Improvement in the Sustainable Development Committee's decision-making quality. 4. Composition and member selection of the Sustainable Development Committee.

※ The results of performance evaluation for the Board of Directors and functional committees for 2023 have been reported to the 1st meeting of the Board of Directors in 2024 (March 7, 2024) and disclosed on the Company's website.

Note1: Fill in the cycle of the evaluation of Board of Directors; for example: once a year.

Note2: Fill in the period covered by the evaluation of the Board of Directors. For example, the performance evaluation of the Board of Directors from January 1, 2023 to December 31, 2023.

Note3: The scope of the evaluation includes the performance evaluation of the Board of Directors, individual Board members, and functional committees.

Note4: The evaluation methods include self-evaluation of the Board of Directors, self-evaluation of the Directors, peer evaluation, appointment of external professional institutions or experts, or other appropriate methods.

Note5: The evaluation content includes at least the following items according to the evaluation scope:

(1) Performance evaluation of the Board of Directors: It shall at least include the degree of participation in the Company's operations, the quality of decision-making of the Board of Directors, the composition and structure of the Board of Directors, the selection and continuous learning of directors, and internal control.

(2) Evaluation of individual Directors' performance: It shall at least include the knowledge about the Company's objectives and tasks, the understanding of Director duties, the participation in the Company's operations, the internal relationship management and communication, Directors' specialties and continuous learning, and internal control.

(3) Performance evaluation of functional committees: It shall include the degree of

participation in the Company's operations, the understanding of the functional committee's responsibilities, the quality of decision-making of the functional committee, the composition and selection of members of the functional committee, and internal control.

IV. Targets for strengthening the functions of the Board of Directors in the current fiscal year and the most recent fiscal year (e.g. establishing an audit committee and enhancing information transparency) and evaluation of implementation:

1. The Board of Directors operates in compliance with laws, regulations, the Articles of Incorporation, and the resolutions adopted by the shareholders' meeting. In addition to possess necessary professional knowledge to carry out their duties, all Directors shall act in accordance with the principles of honesty and good faith and their due obligations, to create the maximum interests for all shareholders.
2. The Company constantly pays attention to changes in laws and regulations of the competent authority, reviews its Rules of Procedure for Board of Directors' Meetings and the Rules Governing the Scope of Powers of Independent Directors, evaluates its Audit Committee Charter and Remuneration Committee Charter in due course. The Company seeks to improve information transparency in accordance with the amended laws, and the implementation of these regulations has been effective.
3. To have a corporate governance officer to safeguard shareholders' interests and to strengthen the functions of the Board of Directors, the Board of Directors engaged a corporate governance office to support operations of the Board on May 9, 2019.
4. The Company has formed functional committees, such as the Remuneration Committee and the Audit Committee in 2011 and 2016 and the Sustainable Development Committee in 2017, and it has continued to improve its performance.
5. The Company's website and MOPS have disclosed relevant information regarding the Company's internal rules and major resolutions adopted by the Board of Directors, so as to facilitate shareholders' understanding of the development and to improve its information transparency.
6. The Company organizes 6 hours training courses for Directors and encourages Directors to attend corporate governance-related courses organized by external institutions.

The status of continuing education among the Directors and some managerial officers of the Company for 2023 is as follows:

Title	Name	Course date	Organizer	Course Title	Course duration
Chairman	Wu, Yi-Kuei	2023/07/05	Securities & Futures Institute	Political Economy of the Chinese Communist Party, International Situation, and Cross-Strait Relations	3
		2023/10/13	Securities & Futures Institute	Supervision of Companies by Directors in the Implementation of Effective Enterprise Risk Management and Crisis Management	3
Director	Li, Kuo-Hung	2023/07/05	Securities & Futures Institute	Political Economy of the Chinese Communist Party, International Situation, and Cross-Strait Relations	3
		2023/10/13	Securities & Futures Institute	Supervision of Companies by Directors in the Implementation of Effective Enterprise Risk Management and Crisis Management	3
Director and General Manager	Wu, Pei-Chi	2023/07/05	Securities & Futures Institute	Political Economy of the Chinese Communist Party, International Situation, and Cross-Strait Relations	3
		2023/10/13	Securities & Futures Institute	Supervision of Companies by Directors in the Implementation of Effective Enterprise Risk Management and Crisis Management	3
Director	Wu, Hung-Chu	2023/07/05	Securities & Futures Institute	Political Economy of the Chinese Communist Party, International Situation, and Cross-Strait Relations	3
		2023/10/13	Securities & Futures Institute	Supervision of Companies by Directors in the Implementation of Effective Enterprise Risk Management and Crisis Management	3
Director	Ko, I-Shao	2023/06/02	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	2023 Taishin Net Zero Power Summit Forum	3
		2023/07/04	Taiwan Stock Exchange (TWSE)	2023 Cathay Sustainable Finance and Climate Change Summit Forum	6
Independent Director	Chen, Ta-Hsiung	2023/03/27	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	Resilience of Enterprises and Competitiveness in Taiwan	3
		2023/07/05	Securities & Futures Institute	Political Economy of the Chinese Communist Party, International Situation, and Cross-Strait Relations	3
		2023/10/13	Securities & Futures Institute	Supervision of Companies by Directors in the Implementation of Effective Enterprise Risk Management and Crisis Management	3

Title	Name	Course date	Organizer	Course Title	Course duration
Independent Director	Shen, Shang-Hung	2023/06/02	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	2023 Taishin Net Zero Power Summit Forum	3
		2023/07/11	Taiwan Corporate Governance Association	Enhancing Corporate Governance through Trade Secret Protection	3
		2023/09/22	Taiwan Corporate Governance Association	The Final Piece of Sustainable Business: Opportunities and Tools for Impact Investing	3
Independent Director	Cheng, Tun-Chien	2023/05/12	Taiwan Directors Association	A practitioner with a century-long history leading innovation through technology.	3
		2023/07/05	Securities & Futures Institute	Political Economy of the Chinese Communist Party, International Situation, and Cross-Strait Relations	3
		2023/07/26	Taiwan Corporate Governance Association	External Influences on Diversified Management: Creating Positive Value for the Company	3
Independent Director	Chen, Chine-Ping	2023/05/12	Taiwan Corporate Governance Association	New Perspectives on Integrated Strategy Development and Enterprise Risk Management with ESG	3
		2023/07/05	Securities & Futures Institute	Political Economy of the Chinese Communist Party, International Situation, and Cross-Strait Relations	3
		2023/08/24	Taiwan Corporate Governance Association	Sustainable and Digital Dual-axis Transformation	3
		2023/10/13	Securities & Futures Institute	Supervision of Companies by Directors in the Implementation of Effective Enterprise Risk Management and Crisis Management	3
Corporate Governance Officer	Chen, Yung-Chih	2023/02/09	Taiwan Institute for Sustainable Energy	31st TCCS Council Meeting and CEO Lecture	2
		2023/03/27	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	Resilience of Enterprises and Competitiveness in Taiwan	3
		2023/04/20	Taiwan Institute for Sustainable Energy	32nd TCCS Council Meeting and CEO Lecture	2
		2023/04/27	Taiwan Stock Exchange (TWSE)	Promotion of Action Plan for Sustainable Development in Listed Companies	3
		2023/06/02	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	2023 Taishin Net Zero Power Summit Forum	3

Title	Name	Course date	Organizer	Course Title	Course duration
		2023/07/04	Taiwan Stock Exchange (TWSE)	2023 Cathay Sustainable Finance and Climate Change Summit Forum	6
		2023/07/05	Securities & Futures Institute	Political Economy of the Chinese Communist Party, International Situation, and Cross-Strait Relations	3
		2023/07/13	Taiwan Institute for Sustainable Energy	33rd TCCS Council Meeting and CEO Lecture	2
		2023/09/04	Financial Supervisory Commission	The 14th Taipei Corporate Governance Forum	6
		2023/10/13	Securities & Futures Institute	Supervision of Companies by Directors in the Implementation of Effective Enterprise Risk Management and Crisis Management	3
		2023/10/20	Securities & Futures Institute	2023 Insider Trading Prevention Seminar	3
		2023/10/26	Taiwan Institute for Sustainable Energy	34th TCCS Council Meeting and CEO Lecture	2
		2023/11/13	Taiwan Institute for Sustainable Energy	Strategies, Leadership, and Sustainable Innovation of Exceptional CEOs	5
		2023/11/15	Securities & Futures Institute	The 2023 Legal Compliance Seminar for Insider Equity Transactions	3
		2023/11/29	Taiwan Stock Exchange (TWSE)	Carbon Markets: A New Chapter for a Sustainable Future Summit	3
Accounting Manager	Chen, Cheng-Shun	2023/03/07	Organized by the Company	ESG New Trends: Energy Efficiency and Green Energy	2
		2023/06/07	Organized by the Company	[Integrity Lecture] Stop, Look, and Listen: Avoiding Cybersecurity Traps	2
		June 15, 2023 to June 16, 2023	Accounting Research and Development Foundation	Continuing Training Class for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges	12
		2023/07/05	Securities & Futures Institute	Political Economy of the Chinese Communist Party, International Situation, and Cross-Strait Relations	3
		2023/10/13	Securities & Futures Institute	Supervision of Companies by Directors in the Implementation of Effective Enterprise Risk Management and Crisis Management	3
		2022/11/13	Organized by the Company	Innovative Students of the World	6
		2023/11/30	Organized by the Company	2023 Employee Code of Conduct Promotion Test	1
		2023/12/31	Organized by the Company	[Digital Podcast Q4] Can Generative AI Transform the World?	2
Finance Manager	Shih, Ju-Hsuan	2023/01/11	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	2023 Economic Situation and Future Prospects	3

Title	Name	Course date	Organizer	Course Title	Course duration
		2023/02/16	Chang Hwa Bank	2023 Financial Markets Conference	1.5
		2023/03/03	DBS Bank	Global and Taiwan Economic Outlook and Foreign Exchange Strategy	2.5
		2023/04/25	Economic Daily News	2023 Green Action Power Forum - Accelerating the Transformation of the Green Supply Chain	3
		2023/06/07	Organized by the Company	Stop, Look, and Listen: Avoiding Cybersecurity Traps	3
		2023/07/05	Securities & Futures Institute	Political Economy of the Chinese Communist Party, International Situation, and Cross-Strait Relations	3
		2023/10/13	Securities & Futures Institute	Supervision of Companies by Directors in the Implementation of Effective Enterprise Risk Management and Crisis Management	3
		2023/11/23	Deloitte, Taiwan	2023 Fintech Conference	3.5
Senior Auditor	Lin, Chia-Huei	2023/02/22	Organized by the Company	From Scratch: A Discussion on Group's B2C Product Development	2
		2023/03/07	Organized by the Company	ESG New Trends: Energy Efficiency and Green Energy	2
		2023/03/14	Organized by the Company	Effective Presentation Skills	3
		2023/04/13	Internal Audit Association of the Republic of China	Digital Transformation and Emerging Technology Applications in Internal Audit	6
		2023/04/14	Computer Audit Association	Practical Operations for Journal Analysis	6
		2023/06/07	Organized by the Company	[Integrity Lecture] Stop, Look, and Listen: Avoiding Cybersecurity Traps	2
Senior Auditor	Chuang, Chia-Fang	2023/02/22	Organized by the Company	From Scratch: A Discussion on Group's B2C Product Development	2
		2023/03/02	Organized by the Company	Training Learning Platform Challenge Event	0.5
		2023/03/14	Organized by the Company	Effective Presentation Skills	3
		2023/04/25	Organized by the Company	Hon Hai's Groundbreaking Solution for Achieving Net Zero Carbon Emissions	2
		2023/04/27	Organized by the Company	Smart Petrochemical Seminar	3
		2023/06/07	Organized by the Company	[Integrity Lecture] Stop, Look, and Listen: Avoiding Cybersecurity Traps	2
		2023/06/20	Internal Audit Association of the Republic of China	Enhancing Corporate Sustainable Value and Improving the Risk Management System	6
		2023/07/12	Organized by the Company	Achieving Net Zero Sustainability: Group Practices and Outlook	2.5
		2023/11/03	Organized by the Company	2023 Employee Code of Conduct Promotion Test	1

Title	Name	Course date	Organizer	Course Title	Course duration
		2023/11/13	Organized by the Company	Innovative Students of the World	6
		2023/12/08	Internal Audit Association of the Republic of China	Exploring and Improving Operational Processes and Fraud Detection through the Use of Digital Technology: A Study on Audit Practices	6

The number of learning hours, scope of learning, learning systems, arrangements and information on the above-mentioned training sessions which comply with the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies shall be disclosed.

Note1: For directors and supervisors who are juristic persons, the name of juristic person shareholders and their representatives shall be disclosed.

Note2:

(1) Where a director or a supervisor resigns before the end of the fiscal year, the Remark column shall be filled with the director's or supervisor's resignation date, whereas his/her percentage of attendance in person (%) shall be calculated based on the number of Board of Directors' meetings held and the actual attendance in person during the period during his/her term of office.

(2) Where Directors and Supervisors were re-elected before the end of the year, both the incoming and outgoing Directors and Supervisors shall be listed accordingly. The "remark" column shall be annotated to indicate whether the Director or Supervisor was outgoing, incoming, or re-elected as well as the date of re-election. The Director's rate of attendance in person (%) shall be calculated based on the number of Board of Directors' Meetings held and the actual attendance in person during his/her term of office.

(II) Information Regarding the Implementation of the Audit Committee or the Participation of Supervisors in the Operations of the Board of Directors

1. Operations of the Audit Committee:

   (1) The duties and responsibilities as set out in Article 6 of the Company's Audit Committee Charter are as follows:

      (1.1) Adoption or amendment of internal control systems in accordance with Article 14-1 of the Securities and Exchange Act.

      (1.2) Evaluation of the effectiveness of the internal control systems.

      (1.3) Adoption or amendment, pursuant to Article 36-1 of the Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.

      (1.4) Items involving the interests of directors.

      (1.5) Major assets or derivative trading.

      (1.6) Major loaning of funds, making of endorsements or provision of guarantees.

      (1.7) Offering, issuance, or private placement of any equity-type securities.

      (1.8) Appointment, dismissal and compensation of CPAs.

      (1.9) Appointments and dismissal of finance, accounting and internal audit managers.

      (1.10) Annual financial reports signed and sealed by the Chairman, a managerial officer, and the accounting manager.

      (1.11) Accept and deal with whistle-blowing cases in accordance with the functions listed in this article.

      (1.12) Other major items required by other companies or the competent authority.

   (2) The Audit Committee met five (4) times (A) in the most recent year (2023). The attendance of Independent Directors was as follows:

Title	Name	Attendance in Person (B)	Attendance by proxy	Percentage of attendance in person (%) (B/A) (Note 1, Note 2)	Notes
Independent Director	Shen, Shang-Hung	3	1	75	
Independent Director	Chen, Ta-Hsiung	4	0	100	
Independent Director	Cheng , Tun-Chien	4	0	100	
Independent Director	Chen, Chine-Ping	4	0	100	

(3) The key work items reviewed in the most recent year mainly included:

(3.1) Distribute the annual financial statements and earnings and issue audit reports.

(3.2) Amendment of the internal control system.

(3.3) CPA fees.

(3.4) Appointment of CPAs and evaluation of the independence of CPAs.

(3.5) Assess the effectiveness of the internal control system and issue the Internal Control System Statement.

(3.6) Audit plan.

(3.7) Review the annual financial statements, the accountant and audit supervisor present deliver reports to the Independent Directors separately.

(3.8) Internal auditors report and communicate with independent directors separately.

(3.9) Oversee the implementation of risk management policies.

※Review the financial statement

The Audit Committee hereby presents the Business Report, financial statements and proposal for earnings distribution, among which the financial statements have been audited by Deloitte, Taiwan, by whom an audit report has been issued accordingly. The said business report, financial statements, and the proposal for earnings distribution have been audited by the Audit Committee and no discrepancies have been found.

※Evaluate the effectiveness of the internal control system

The Audit Committee evaluates the effectiveness of the company's internal control systems policies and procedures (including financial, operational, risk management, compliance and other control measures) and reviews the company's audit department and certified accountants, as well as management reports, including risk management and compliance. The Audit Committee found that the Company's risk management and internal control systems were effective. The company has adopted the necessary control mechanisms to monitor and correct violations.

※Appointed the CPA

The independence evaluation form formulated by the audit committee is to ensure the independence of certified public accounting firms by referring to article 47 of the CPA Law and the contents of "Integrity, impartiality, objectivity and independence" in the Bulletin of the Code of Professional Ethics for Accountants No. 10. It evaluates the independence, professionalism and suitability of the accountant, and evaluates whether the accountant has a mutual relationship with the company, business or financial interest. On March 3, 2023, the 3rd audit committee of the third session and the first board of directors of 2023 on the same day reviewed and approved that reviewed and approved that Qiu, Zheng-Jun and Zhuang, Bi-Yu, accountants of Deloitte & Touche, meet the evaluation criteria of independence and are eligible to serve as financial and tax certified public accountants of the company.

Other matters to be noted:

I. The date of the Board meeting, the term, contents of the proposals, resolutions of the Audit Committee, and the Company’s handling of the resolutions of the Audit Committee shall be recorded under the following circumstances in the operations of the Audit Committee meeting.

(I) Items listed in Article 14-5 of the Securities and Exchange Act

<table>
<tr><th>Audit Committee</th><th>Resolution and Follow-up Actions</th><th>Items listed in Article 14-5 of the Securities and Exchange Act</th><th>Other resolutions passed by two thirds of all Directors but yet to be approved by the Audit Committee</th></tr>
<tr><td rowspan="9">The 3rd term
3rd
2023/03/03</td><td>1. For issuance of the internal control system statement in 2022</td><td>Yes</td><td>None</td></tr>
<tr><td>2. Prepare 2022 Account Book</td><td>Yes</td><td>None</td></tr>
<tr><td>3. 2022 earnings distribution proposal</td><td>Yes</td><td>None</td></tr>
<tr><td>4. Evaluation of the independence of appointed CPAs for 2023.</td><td>Yes</td><td>None</td></tr>
<tr><td>5. Appointment of CPAs for 2023</td><td>Yes</td><td>None</td></tr>
<tr><td>6. Removal of the non-compete clause for Director Shen, Shang-Hung</td><td>Yes</td><td>None</td></tr>
<tr><td>7. Removal of the non-compete clause for Director Cheng, Tun-Chien and Wu, Pei-Chi</td><td>Yes</td><td>None</td></tr>
<tr><td colspan="3">Audit Committee Resolution:
1. Except for cases 6 and 7, all members in attendance unanimously passed the proposal and submitted it to the Board of Directors for discussion.
2. Cases 6 and 7: The Chair consulted all the directors present except for the independent director, who had to recuse himself from voting due to a conflict of interest and submitted it to the Board of Directors for discussion.</td></tr>
<tr><td colspan="3">The Company’s response to the opinions of the Audit Committee:
1. Except for Cases 6 and 7: the Audit Committee unanimously passed the proposals.
2. Cases 6 and 7: Except for the recusals, all directors present voted in favor of the resolution.</td></tr>
<tr><td rowspan="4">The 3rd term
4th
2023/05/03</td><td>1. Amendment to the Company’s internal control system.</td><td>Yes</td><td>None</td></tr>
<tr><td>2. Preparation of the 2023 Q1 Consolidated Financial Report</td><td>Yes</td><td>None</td></tr>
<tr><td colspan="3">Audit Committee’s resolution: All members in attendance unanimously passed the proposals and submitted it to the Board of Directors for discussion.</td></tr>
<tr><td colspan="3">The Company’s actions in response to the opinions of the Audit Committee: All Directors present voted in favor of the resolution.</td></tr>
<tr><td>The 3rd</td><td>1. Cchange of internal audit supervisor</td><td>Yes</td><td>None</td></tr>
</table>

<table>
<tr><th>Audit Committee</th><th>Resolution and Follow-up Actions</th><th>Items listed in Article 14-5 of the Securities and Exchange Act</th><th>Other resolutions passed by two thirds of all Directors but yet to be approved by the Audit Committee</th></tr>
<tr><td rowspan="3">term
5th
2023/08/02</td><td>2. Preparation of the 2023 Q2 Consolidated Financial Report</td><td>Yes</td><td>None</td></tr>
<tr><td colspan="3">Audit Committee's resolution: All members in attendance unanimously passed the proposal and submitted it to the Board of Directors for discussion.</td></tr>
<tr><td colspan="3">The Company's actions in response to the opinions of the Audit Committee: All Directors present voted in favor of the resolution.</td></tr>
<tr><td rowspan="6">The 3rd
term
6th
2023/11/03</td><td>1. Reviewed the 2024 annual audit plan</td><td>Yes</td><td>None</td></tr>
<tr><td>2. Preparation of the 2023 Q3 Consolidated Financial Report</td><td>Yes</td><td>None</td></tr>
<tr><td>3. Proposal for compensation paid to the CPAs for 2023</td><td>Yes</td><td>None</td></tr>
<tr><td>4. Amendment to the Procedures for Transactions with Related Parties, Specific Companies, and Group Enterprises</td><td>Yes</td><td>None</td></tr>
<tr><td colspan="3">Audit Committee's resolution: All members in attendance unanimously passed the proposals and submitted it to the Board of Directors for discussion.</td></tr>
<tr><td colspan="3">The Company's actions in response to the opinions of the Audit Committee: All Directors present voted in favor of the resolution.</td></tr>
</table>

(II) In addition to the items in the preceding items, other resolutions passed by two-thirds of all the Directors but yet to be approved by the Audit Committee: None.

II. Any recusals of Independent Directors due to conflict of interests, the name of the independent directors, the resolutions, reasons for recusal due to conflict of interests, and voting outcomes shall be stated: Please refer to the above item.

III. Communications between independent directors and the head of internal audit and CPAs (material issues, methods and outcomes related to the Company's financial and business status should be included).

(I) Not only does the Internal Audit Department submit audit reports to each independent director for review every month, but also the Head of Internal Audit reports major audit findings to each independent director in the Audit Committee every quarter.

Both the Company's Audit Committee and the chief internal auditor have maintained good communication.

Summary of communication between Independent Directors and the Company's head of internal audit in 2023:

Audit Committee	Key Communication Points	Recommendations and Results
The 3rd term 3rd 2023/03/03	Reviewed 2022 Internal Control System Statement.	No dissenting opinions
The 3rd term 4th 2023/05/03	Reviewed the standard book for the management of shareholder services in the internal control system in accordance with the amended "Standards for the Internal Control Systems of Shareholder Service Units" promulgated by the Taiwan Depository & Clearing Corporation.	No dissenting opinions
The 3rd term 5th 2023/08/02	Reasons for the change in the internal audit supervisor and a brief description of the education and experience of the incoming personnel.	No dissenting opinions
The 3rd term 6th 2023/11/03	Review the annual internal audit plan for 2024.	No dissenting opinions

(II) CPAs compile information on the audit of the Company's consolidated financial statements (annual financial statements including parent company-only financial statements) and review of governance-related matters, and report them to the Audit Committee; In case of major anomalies, they may call a meeting at any time, in accordance with the Auditing Standards Bulletin No. 39 - Communication with Those Charged with Governance and the letter with the Ref No. Tai Tsai Cheng Liu Tzu 0930105373 issued by SFB on March 11, 2004.

Both the Company's Audit Committee and CPAs have maintained good communication.

Summary of communication between independent directors and CPAs in 2023:

Audit Committee	Key Communication Points	Recommendations and Results
The 3rd term 3rd 2023/03/03	1. The CPAs' audit status and report on the 2022 Consolidated and Parent Company Only Financial Statements reports (including key audit matters (KAM)). 2. Evaluate the independence and suitability of the CPAs. 3. Appointment of CPAs for 2023. 4. Implemented the "Non-Assurance Services Pre-Approval Policy by CPAs." 5. The CPA has discussed and communicated with attendees on the questions they raised with regard to major legal amendments and their impact.	No dissenting opinions
The 3rd term 5th 2023/08/02	1. CPAs' audit execution status and report for the consolidated financial statements for Q2, 2023. 2. CPAs discussed and communicated issues raised by the participants.	No dissenting opinions
The 3rd term 6th 2023/11/03	1. CPAs' audit execution status and report for the consolidated financial statements for Q3, 2023. 2. Report and communication of the 2023 audit plan report and key audit issues in the audit report. 3. The CPA has discussed and communicated with attendees on the questions they raised with regard to major legal amendments and their impact.	No dissenting opinions

(III) In order to fully exercise their powers and better understand the company's financial reports and financial and business conditions, independent directors shall communicate with accountants and internal audit directors at least once a year without the presence of general directors and management.

The communication situation of 2023 as follows:

Date	Attendee	Communication Item	Communication Results
2023/03/03 Separate Communication Meeting	Independent Director Shen, Shang-Hung (represented by Chen, Ta-Hsiung) Independent Directors Chen, Ta-Hsiung Independent Directors Cheng, Tun-Chien Independent Directors: Chen, Chine-Ping CPA Chuang, Pi-Yu Chief Auditor Lin,	CPA: 1. Deliver reports on the audit of annual financial report and key audit items and make communication. 2. Report and communicate on issues related to audit quality indicators. 3. Reporting and communication on issues such as pre-approval of non-audit services provided by CPAs. Internal Audit: 1. Internal audit business execution report and communication. 2. 2022 Report on Internal Control System Statement.	No dissenting opinions

Date	Attendee	Communication Item	Communication Results
	Chia-Huei		
2023/05/03 Separate Communication Meeting	Independent Directors Shen, Shang-Hung Independent Directors Chen, Ta-Hsiung Independent Directors Cheng, Tun-Chien Independent Directors: Chen, Chine-Ping Chief Auditor Lin, Chia-Huei	Internal Audit: 1. Internal audit business execution report and communication. 2. Summary of Amendments to the Company's Internal Control System: Standard Operating Procedures for Stock Operations	No dissenting opinions
2023/08/02 Separate Communication Meeting	Independent Directors Shen, Shang-Hung Independent Directors Chen, Ta-Hsiung Independent Directors Cheng, Tun-Chien Independent Directors: Chen, Chine-Ping CPA Chiu, Cheng-Chun Chief Auditor Lin, Chia-Huei Auditor Chuang, Chia-Fang	CPA: 1. CPAs' audit report for the consolidated financial statements for Q2 2023. Internal Audit: 1. Internal audit business execution report and communication. 2. Reasons for the change in the internal audit supervisor and a brief description of the education and experience of the incoming personnel.	No dissenting opinions
2023/11/03 Separate Communication Meeting	Independent Directors Shen, Shang-Hung Independent Directors Chen, Ta-Hsiung Independent Directors Cheng, Tun-Chien Independent Directors: Chen, Chine-Ping CPA Chiu, Cheng-Chun Chief Auditor Chuang, Chia-Fang	CPA: 1. CPAs' audit report for the consolidated financial statements for Q3 2023. 2. Report and communication of the 2023 audit plan report and key audit issues in the audit report. Chief Internal Auditor: 1. Internal audit business execution report and communication. 2. Report the annual internal audit plan for 2024.	No dissenting opinions

Note1: Where an independent director resigns before the end of the fiscal year, the Remark column shall be

filled with the independent director's resignation date, whereas his/her percentage of attendance in person (%) shall be calculated based on the number of meetings held by the Audit Committee and the actual number of meetings attended during his/her term of office.

Note2: If independent directors are re-elected before the end of the fiscal year, incoming and outgoing independent directors shall be listed accordingly, and the Remark column shall indicate whether the status of an independent director is "outgoing," "incoming" or "re-elected," and the date of re-election. Actual attendance percentage (%) is calculated based on the number of meetings held by the Audit Committee and the actual number of meetings attended during his/her term of office.

2. Participation of supervisors in the operations of the Board of Directors:

Not applicable as the Company has an Audit Committee that replaces the functions of supervisors.

(III) Implementation of corporate governance, discrepancies between its Implementation and the Corporate Governance Best Practice Principles for TWSE or TPEx Listed Companies, and reasons for such discrepancies

Assessed Item	Implementation Status (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Abstract Illustration	
I. Has the company formulated and disclosed its corporate governance best practice principles in accordance with the "Corporate Governance Best Practice Principles for TWSE or TPEx Listed Companies"?	V		The Company has established its "Corporate Governance Best Practice Principles" and complied with the "Corporate Governance Best Practice Principles for TWSE or TPEx Listed Companies" to promote the implementation of corporate governance and discloses such information on its own website.	No material discrepancy
II. Shareholding Structure and Shareholders' Rights				
(I) Has the company established internal operating procedures for handling matters related to shareholders' recommendations, doubts, disputes and lawsuits, and implemented them accordingly?	V		(I) The Company has appointed specific personnel to take change of such matters.	No material discrepancy
(II) Does the Company maintain a list of major shareholders who have actual control over the Company and persons who have ultimate control over the major shareholders?	V		(II) The Company has been maintaining contact with its major shareholders and persons who have ultimate control over the major shareholders.	No material discrepancy
(III) Has the Company established and implemented risk control and firewall mechanisms among its affiliated companies?	V		(III) The Company has established and implemented a system to monitor its subsidiaries.	No material discrepancy
(IV) Has the company formulated internal regulations that prohibit insiders of the company from trading securities using undisclosed information in the market?	V		(IV) Measures for Preventing Insider Trading The Company regularly conducts education and guidance on the "Procedures for Handling Material Inside Information" and relevant laws and regulations for current directors, managers, and employees every year, and provides education and guidance to new directors, managers, and employees upon their appointment/arrival.	No material discrepancy

Assessed Item	Implementation Status (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Abstract Illustration	
			In 2023, a total of 241 individuals, including current directors, managers, and employees, were involved in educational training through online courses and quizzes. Detailed course topics and timely numbers are as follows: [Video Promotion] Preventing Insider Trading Video - Duration: 0.5 Hours [Online Course] Insider Trading Practices and Related Legal Responsibilities - 3 Hours [Online Course] Code of Conduct Education - Chapter 2: Insider Trading - 1 hour [Online Course] Legal Compliance: Insider Trading and Gender Equality - 2 hours 【Test Education】Group Employee Code of Conduct Test (including Prevention of Insider Trading) - 1 hour The content includes regulations, definitions, and constitutive elements of insider trading, as well as an examination of insider trading from a corporate governance perspective. It also provides an introduction to Article 157-1 of the Securities and Exchange Act, along with practical case studies. Additionally, the document covers the scope and operational procedures for handling significant information dissemination. Furthermore, online course materials and presentations are frequently uploaded to the internal training and learning platform system, allowing all colleagues to access and view them at their convenience.	

<table>
<tr><th rowspan="2">Assessed Item</th><th colspan="3">Implementation Status (Note 1)</th><th rowspan="2">Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td></td><td></td><td></td><td>Directors of this Company are not allowed to trade the Company’s stocks during the closed periods of 30 days before the announcement of the annual financial report and 15 days before the announcement of the quarterly financial report.
Implementation Status
1. Articles of Incorporation
In August 2022, the Board of Directors approved the amendment to the company’s “Corporate Governance Guidelines.” In November 2022, the Board of Directors also approved the amendment to the company’s “Code of Conduct and Business Practices.” The amendment prohibits directors from engaging in insider trading and requires them to comply with the provisions of the Securities Exchange Act. Additionally, directors are prohibited from trading company stocks during the 30-day closed period before the annual financial report announcement and the 15-day closed period before each quarterly financial report announcement.
2. Implementation of Internal Regulations
• Education and training: tests on the training management platform,
Course name: [Promotion of Employee Code of Conduct in 2023] - That directors are not allowed to trade the Company’s stocks during the closed period</td><td></td></tr>
</table>

Assessed Item	Implementation Status (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Abstract Illustration	
			prior to the announcement of financial reports was included. In 2023, a total of 219 persons participated in the above-mentioned training, with a total of 219 hours of training. • Notification: Reminder letters should be sent before the closure periods - by the secretary of the Board of Directors. Emails are sent to remind directors 7 days before the start of each closed period, and inform personnel in the Stock Affairs Department. Second reminder mechanism was implemented by equity colleagues. Upon receipt of the above information until the "Financial Report Announcement Date (i.e. Board Meeting Date)", if directors of the Company still apply for the "prefiling", they will be reminded by email again of the regulations for the closure period (the past practices of independent directors will be conveyed by the secretary of the Board of Directors), and the secretary of the Board of Directors and the Company's governance supervisors will be informed. Asia Polymer Corporation has implemented the aforementioned regulations during the discussion of financial report proposals at board of directors' meetings. The regulations are listed below:	

Assessed Item	Implementation Status (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Abstract Illustration	
			(1) The Company held a Board Meeting on March 3, 2023 to discuss the financial report for 2022. Due to the release of significant information to announce key data of the financial report on the day after the board meeting, the financial report announcement date was set as the day of the board meeting (March 3), and the closed period for trading stocks lasted for 30 days from February 1, 2023 to March 3, 2023. The Secretary Office of the Board of Directors has sent emails to all directors on January 16, 2023, informing them that the Company's stocks cannot be traded during the closed period. (2) The Company held a Board Meeting on May 3, 2023 to discuss the Q1 financial report for 2023. Due to the release of significant information to announce key data of the financial report on the day after the board meeting, the financial report announcement date was set as the day of the board meeting (May 3), and the closed period for trading stocks lasted for 15 days from April 18, 2023 to May 3, 2023. The Secretary Office of the Board of Directors has sent emails to all directors on April 10, 2023, informing them that the Company's stocks cannot be traded during the closed period. (3) The Company held a Board Meeting on August 2, 2023 to discuss the Q2 financial report for 2023. Due to the release of significant information to announce key data of the financial report on the day after the board meeting, the financial report announcement date was set	

Assessed Item	Implementation Status (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Abstract Illustration	
			as the day of the board meeting (July 18), and the closed period for trading stocks lasted for 15 days from July 18, 2023 to August 2, 2023. The Secretary Office of the Board of Directors has sent emails to all directors on July 7, 2023, informing them that the Company's stocks cannot be traded during the closed period. (4) The Company held a Board Meeting on November 3, 2023 to discuss the Q3 financial report for 2023. Due to the release of significant information to announce key data of the financial report on the day after the board meeting, the financial report announcement date was set as the day of the board meeting (November 3), and the closed period for trading stocks lasted for 15 days from October 19, 2023 to November 3, 2023. The Secretary Office of the Board of Directors has sent emails to all directors on October 11, 2023, informing them that the Company's stocks cannot be traded during the closed period. With confirmation from personnel in the Stock Affairs Department, the directors of the Company did not apply any stock transfer during the closed period in 2023.	
III. Composition and responsibilities of the Board of Directors (I) Has the Board of Directors drawn up policies on diversity of its members and implemented them?	V		I. The diversity policy of board members According to Article 20 of the Company's "Corporate Governance Best Practice Principles", diversity shall be considered in the composition of the Company's Board of	No material discrepancy

Assessed Item	Implementation Status (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Abstract Illustration	
			Directors, and members of the Board of Directors shall possess the knowledge, skills and qualities required to perform their duties. To achieve the ideal goal of corporate governance, the Board of Directors shall possess the following abilities: 1. Ability to make sound business judgment. 2. Ability to conduct accounting and financial analysis. 3. Business management ability. 4. Crisis management ability. 5. Knowledge of the industry. 6. An understanding of international markets. 7. Leadership skills. 8. Decision-making ability. In addition to the eight competencies above, the Company has added two professional abilities, namely legal capability and environmental protection for the diversification of the Board members by taking into consideration the growing importance of global issues concerning corporate governance and environmental protection. At present, existing members of the Board of Directors possess the knowledge, skills and qualities required to perform their duties, and specialize in professional areas including accounting and finance, international markets, law and environmental protection. II. Specific management objectives for board diversity To introduce outstanding external talents into the Company's Board of Directors and achieve the goal of	

Assessed Item	Implementation Status (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Abstract Illustration	
			diversified board members, the number of independent directors in this Board of Directors has been increased from 3 to 4, and members were elected on May 27, 2022. Among them, Mr. Chen, Chine-Ping is a new independent director, a MBA from the University of California. He once served as the Chairman of Public Bank. He has rich experience in the financial industry and expertise in financial risk control, which helps improve the quality of the Board of Directors' review on financing proposals and achieve the policy goal of diversified board members. In the future, the Company's goal of diversified board members is to add a director with professional experience in sustainable development, who can assist the Company to fulfill the carbon reduction goals and implement policies of green electricity; and to add a director with expertise in operational risk control to enhance the Company's sustainable competitiveness and improve the functions of the Company's Board of Directors. III. Executive status of board member's diversity For details on the diversity of Board members, please refer to the table below:	

Names of Director	Gender	Core Competence									
		Business judgment	Accounting and finance	Business management	Crisis management	Knowledge of the industry	International markets	Leadership	Decision-making abilities	Law	Environmental protection
Wu, Yi-Kuei	Male	V	V	V	V	V	V	V	V		
Li, Kuo-Hung	Male	V	V	V	V	V	V	V	V		V
Wu, Pei-Chi	Male	V		V	V	V	V	V	V		

Assessed Item	Implementation Status (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Abstract Illustration	

Wu, Hung-Chu	Male	V		V	V			V	V		
Ko, I-Shao	Male	V		V	V	V	V	V	V		
Chen, Ta-Hsiung	Male	V	V	V	V		V	V	V	V	
Shen, Shang-Hung	Male	V	V	V	V		V	V	V		V
Cheng ,Tun-Chien	Male	V	V	V	V		V	V	V		
Chen, Chine-Ping	Male	V	V	V	V			V	V		

※ The Company's Directors with employee status accounted for 22% and Independent Directors with employee status 44%.

※ Four Directors are above 70 years old, three Directors are between 60-69 years old, one is among 50-59 years old, and the remaining one is under 50 years old.

※ None of the four independent directors has served more than three consecutive terms.

Assessed Item	Yes	No	Abstract Illustration	Deviations
(II) Has the Company voluntarily established functional committees other than the Remuneration Committee and Audit Committee that are established in accordance with the law?	V		(II) The Company has established a remuneration committee and an audit committee, which exercise their authority in accordance with the Remuneration Committee Charter and the Audit Committee Charter respectively with favorable performance. The Company has voluntarily established a Sustainable Development Committee which exercises its authority in accordance with the Sustainable Development Committee Charter with favorable performance.	No material discrepancy
(III) Does the company formulate the performance evaluation methods for the Board of Directors, conduct performance evaluations annually and regularly, and	V		(III) The Company has formulated rules and procedures for evaluating the performance of the Board of Directors and conducts it annually.	No material discrepancy

Assessed Item	Implementation Status (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Abstract Illustration	
report the results of the performance evaluations to the Board of Directors, and use them as a reference for individual Directors' remuneration and nomination and renewal?			I. Performance evaluation results of the board of directors and individual members 1. In accordance with the "Regulations Governing the Evaluation of the Performance of the Board of Directors" amended and approved by the Board of Directors in November 2019, the Company plans to conduct the performance evaluation of the Board of Directors as a whole and individual Directors at the end of each year. 2. The performance assessment of the Board of Directors as a whole and individual directors is performed by the Secretariat of the Board using internal self-assessment. The results of the performance evaluation will be used as a reference for the Company's review and improvement, as well as for the remuneration of individual directors and their nomination and renewal. 3. The Company completed the performance evaluation of the Board of Directors in January 2024 for the evaluation period from January 1 to December 31, 2023. The below is the evaluation result: (1) Overall performance of the Board of Directors	

Aspect	Score (Note)	Evaluation results and supplementary notes
Degree of participation in	4.67	1. According to the overall evaluation results of the board of directors, the average score of the

<table>
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<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><td>the Company’s operations</td><td></td><td rowspan="5">five aspects is above 4.6, and the evaluation results are good.
2. In the recent years, with the turbulent international landscape, the Russia-Ukraine war, the Israeli-Palestinian conflict, volatile energy prices, and rising global inflation rates have weakened consumer spending and impacted the global economy, which has had an impact on the Company’s operations. Moreover, in light of evolving energy and carbon emission policies and regulations, the Company will persist in pursuing carbon reduction targets and devising green energy initiatives to accomplish its sustainable development objectives. The Board of Directors and management should always attach attention to the challenges and risks faced by the Company and oversee its progress in the right direction of operation.</td></tr>
<tr><td>Improvement in the quality of decision-making of the Board of Directors</td><td>5</td></tr>
<tr><td>Composition and structure of the Board of Directors</td><td>5</td></tr>
<tr><td>Election and continuous education of directors</td><td>5</td></tr>
<tr><td>Internal control</td><td>5</td></tr>
</table>
Note: The evaluation score is expressed in the range of 0-5, and the full score is 5.
</td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Assessed Item</th><th colspan="3">Implementation Status (Note 1)</th><th rowspan="2">Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td></td><td></td><td></td><td>
(2) Performance of individual directors
<table>
<tr><th>Aspect</th><th>Score (Note)</th><th>Evaluation results</th></tr>
<tr><td>Mastery of company objectives and tasks.</td><td>4.88</td><td rowspan="6">The Director’s self-evaluation result shows that the average score of the six aspects is above 4.7, which is a good evaluation result</td></tr>
<tr><td>Understanding of the director’s roles and responsibilities</td><td>5</td></tr>
<tr><td>Degree of participation in the Company’s operations</td><td>4.84</td></tr>
<tr><td>Internal relationship management and communication</td><td>4.88</td></tr>
<tr><td>Expertise and continuing education of the directors</td><td>4.79</td></tr>
<tr><td>Internal control</td><td>4.83</td></tr>
</table>
Note: The evaluation score is expressed in the range of 0-5, and the full score is 5.
4. The results of performance evaluation for the Board of Directors as a whole and board members were reported to the Board of Directors meeting in the first quarter of 2024.
II. Performance Evaluation for the Audit Committee, Compensation Committee, and Sustainable Development Committee
The Company completed the performance evaluation of the Board of Directors in January 2024 for the evaluation
</td><td></td></tr>
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<table>
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<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td></td><td></td><td></td><td>period from January 1 to December 31, 2023. The below is the evaluation result:
1. Audit Committee’s performance
<table>
<tr><th>Aspect</th><th>Score (Note)</th><th>Evaluation results</th></tr>
<tr><td>Degree of participation in the Company’s operations</td><td>4.75</td><td rowspan="5">According to the self-evaluation results of the committee members, the average score of the five aspects is above 4.7, and the overall evaluation result is good.</td></tr>
<tr><td>Understanding of duties of the Audit Committee</td><td>4.75</td></tr>
<tr><td>Improvement of the decision-making quality of the Audit Committee</td><td>4.92</td></tr>
<tr><td>Composition of the Audit Committee and selection of committee members</td><td>5</td></tr>
<tr><td>Internal control</td><td>4.88</td></tr>
</table>
Note: The evaluation score is expressed in the range of 0-5, and the full score is 5.
2. Remuneration Committee’s performance
<table>
<tr><th>Aspect</th><th>Score (Note)</th><th>Evaluation results</th></tr>
<tr><td>Degree of participation in the Company’s operations</td><td>4.84</td><td rowspan="2">According to the self-evaluation results of the Remuneration Committee, the</td></tr>
<tr><td>Understanding of the Remuneration Committee’s roles and responsibilities</td><td>4.67</td></tr>
</table></td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Assessed Item</th><th colspan="3">Implementation Status (Note 1)</th><th rowspan="2">Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><td>Improvement in the Remuneration Committee’s decision-making quality</td><td>4.89</td><td rowspan="2">average score of the four major aspects is above 4.6, and the overall evaluation result is good.</td></tr>
<tr><td>Composition and member selection of the Remuneration Committee</td><td>5</td></tr>
</table>
Note: The evaluation score is expressed in the range of 0-5, and the full score is 5.
3. Sustainable Development Committee’s performance
<table>
<tr><th>Aspect</th><th>Score (Note)</th><th>Evaluation results</th></tr>
<tr><td>Degree of participation in the Company’s operations</td><td>5</td><td rowspan="4">According to the self-evaluation results of the Sustainable Development Committee, the average score of the four major aspects is above 4.9, and the overall evaluation result is good.</td></tr>
<tr><td>Understanding of the Sustainable Development Committee’s roles and responsibilities</td><td>4.92</td></tr>
<tr><td>Improvement in the Sustainable Development Committee’s decision-making quality</td><td>5</td></tr>
<tr><td>Composition and member selection of the Sustainable Development Committee</td><td>5</td></tr>
</table>
Note: The evaluation score is expressed in the range of 0-5, and the full score is 5.
</td><td></td></tr>
</table>

Assessed Item	Implementation Status (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Abstract Illustration	
			4. Results of the performance evaluation of functional committees in 2023, presented to the board of Directors in the first quarter of 2024.	
(IV) Does the company regularly evaluate the independence of CPAs?	V		(IV) In compliance with Article 30 of the Company's Corporate Governance Best Practice Principles and Article 29 of the Corporate Governance Best Practice Principles for TWSE or TPEx Listed Companies, the independence and eligibility of CPAs should be regularly (at least once a year) assessed. The Company's Audit Committee assesses the independence and eligibility of CPAs. In addition to requiring the CPA audit team to provide the Total Independence Statement (Note 3), and the audit quality indicators (AQIs), the Committee also assesses the five major dimensions of AQI indicators (including 13 indicators) according to the standards of (Note 2). It has been confirmed that the accountants have no financial interest or business relationship with the Company except for the expenses of the visa cases, and that their family members do not violate requirements for independence. With reference to AQI information, it has been confirmed that the accountants and the accounting firm have qualified audit experience and training hours better than the average level among peers. Moreover, they will apply digital technology, expand audit support centers, introduce cloud audit platforms, tools and project managements to raise audit	No material discrepancy

Assessed Item	Implementation Status (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Abstract Illustration	
			quality. In the meantime, the CPAs shall undergo a prior audit by the Audit Committee before providing non-assurance services, to ensure that the non-assurance services will not affect the results of the financial certification. The latest annual appraisal result was discussed and approved by the audit committee on March 7, 2024, and reported to the board of directors on the same day to approve the appraisal of independence and eligibility of the accountant.	
IV. Has the TWSE/TPEx listed company designated an appropriate number of qualified corporate governance personnel and appointed a corporate governance officer responsible for matters related to corporate governance(including but not limited to providing directors and supervisors with the necessary information for operation,assisting directors and supervisors in following regulations, handling matters related to Board meetings and the shareholders' meetings in accordance with the regulations, preparing minutes for Board meetings and the shareholders' meetings, etc.)?	V		In order to safeguard the interests of the shareholders and strengthen the functions of the Board of Directors, the Company has appointed Chen, Yung-Chih, Head of Legal Division, as the Corporate Governance Officer, the top-level manager in charge of corporate governance, as approved by the Board of Directors on May 9, 2019. Corporate Governance Officer Chen, Yung-Chih has over 20 years of experience as a practicing lawyer and has held the position of head of a legal unit in a listed company for nearly ten years. His main duties are to handle matters related to Board of Directors meetings and the shareholders' meetings in accordance with the laws, prepare minutes of the said meetings, assist Directors with their appointment and continuing education, provide information required by the Directors to perform their duties, assist them with compliance, report the examination results of independent directors' qualifications to the Board of Directors during nomination, appointment, and tenure, and managing matters related to changes in the board of directors. Key points for business execution in 2023:	No material discrepancy

			I. Assist Directors in performing their duties and provide them with necessary information, as well as arrange continuing education and purchase liability insurance for Directors: 1. Compile the latest laws and regulations related to the business areas and corporate governance of the Company, put them forward at the Board of Directors meeting for discussion, and keep members of the Board informed accordingly from time to time. 2. Assist Directors, upon request, in understanding the regulations to be complied with in the execution of their business. 3. Provide corporate information required by the Directors and assist them with communication and interaction with supervisors in various business categories. 4. Assist Independent Directors in arranging meetings with the chief internal auditor or CPAs to understand the financial and business needs of the Company. 5. Assisted the Company in arranging at least 6 hours of continuing education courses for members of the Board of Directors. 6. Confirm that the Company has purchased the "Directors and Supervisors and Important Staff Liability Insurance" for the members of the Board and reported to the Board of Directors. II. Procedures for Board of Directors meetings and the shareholders' meetings and compliance regarding confirmation of resolutions: 1. Prepare notice and agenda of Board of Directors meetings in accordance with laws; where Directors have to recuse themselves from the agenda items, they shall be reminded beforehand; the minutes shall be prepared within the statutory period. 2. Registered the date of the shareholders' meeting in advance according to the law and prepared the meeting	

Assessed Item	Implementation Status (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Abstract Illustration	
			notice, handbook, and meeting minutes within the statutory time limit. 3. Confirm that the convening of the Board of Directors' meetings and shareholders' meetings, procedures for resolutions, and minutes of the said meetings are in compliance with relevant laws and regulations and the Corporate Governance Best Practice Principles. 4. Change registration III. Confirmation of Independent Director Qualifications and Handling of Director Changes: 1. Ensure that the qualifications of independent directors align with applicable laws and regulations throughout the nomination, appointment, and tenure processes, and provide the Board of Directors with a report on the review outcomes. 2. In relation to any changes in the Board of Directors, all relevant matters will be managed in accordance with the law. IV. Maintain investor relations: The Company's website is updated from time to time to keep investors abreast of the Company's financial, business, and corporate governance information in order to protect shareholders' rights and interests. Directors' continuing education in 2023 is as follows: Pursuant to Article 24 of the "Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed	

Assessed Item	Implementation Status (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Abstract Illustration	
			Companies and the Board's Exercise of Powers," a listed company shall arrange continuing professional education for its corporate governance officer. The Corporate Governance Officer shall receive at least 12 hours of continuing education each year, except for at least 18 hours within one year for the first term commencing from the date of his/her appointment. In 2023, Mr. Chen, Yung-Chih, the corporate governance officer of the company, has completed 49 hours of further study after taking office. The details are as follows:	

Course date	Organizer	Course Title	Course duration	Total training hours during the year
2023/2/9	Taiwan Institute for Sustainable Energy	31st TCCS Council Meeting and CEO Lecture	2	49
2023/3/27	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	Resilience of Enterprises and Competitiveness in Taiwan	3	
2023/4/20	Taiwan Institute for Sustainable Energy	32nd TCCS Council Meeting and CEO Lecture	2	

Assessed Item	Implementation Status (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Abstract Illustration	

2023/4/27	Taiwan Stock Exchange (TWSE)	Promotion of Action Plan for Sustainable Development in Listed Companies	3	
2023/6/2	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	2023 Taishin Net Zero Power Summit Forum	3	
2023/7/4	Taiwan Stock Exchange (TWSE)	2023 Cathay Sustainable Finance and Climate Change Summit Forum	6	
2023/7/5	Securities & Futures Institute	Political Economy of the Chinese Communist Party, International Situation, and Cross-Strait Relations	3	
2023/7/13	Taiwan Institute for Sustainable Energy	33rd TCCS Council Meeting and CEO Lecture	2	
2023/9/4	Financial Supervisory Commission	The 14th Taipei Corporate Governance Forum	6	
2023/10/13	Securities & Futures Institute	Supervision of Companies by	3	

<table>
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<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td></td><td></td><td></td><td><table>
<tr><td></td><td></td><td>Directors in the Implementation of Effective Enterprise Risk Management and Crisis Management</td><td></td><td rowspan="6"></td></tr>
<tr><td>2023/10/20</td><td>Securities & Futures Institute</td><td>2023 Insider Trading Prevention Seminar</td><td>3</td></tr>
<tr><td>2023/10/26</td><td>Taiwan Institute for Sustainable Energy</td><td>34th TCCS Council Meeting and CEO Lecture</td><td>2</td></tr>
<tr><td>2023/11/13</td><td>Taiwan Institute for Sustainable Energy</td><td>Strategies, Leadership, and Sustainable Innovation of Exceptional CEOs</td><td>5</td></tr>
<tr><td>2023/11/15</td><td>Securities & Futures Institute</td><td>Workshop on Equity Trading Compliance for Insiders in 2023</td><td>3</td></tr>
<tr><td>2023/11/29</td><td>Taiwan Stock Exchange (TWSE)</td><td>Carbon Markets: A New Chapter for a Sustainable Future Summit</td><td>3</td></tr>
</table></td><td></td></tr>
<tr><td>V. Has the Company established channels of communication with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), dedicated a section of the Company’s website for stakeholder affairs, and adequately responded to stakeholders’ inquiries on significant corporate social</td><td>V</td><td></td><td>The Company has set up a stakeholder negotiation under Sustainable Operation in the Sustainable Development Report Zone on its website, which includes communication channels of shareholders, issues of concern, communication channels and response methods. We have also assigned dedicated personnel to take charge of the collection and disclosure of Company</td><td>No material discrepancy</td></tr>
</table>

Assessed Item	Implementation Status (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Abstract Illustration	
responsibility issues?			information and implemented a spokesperson system. If necessary, communication can be performed through interviews, telephone calls, or dedicated mailboxes. The communication with all stakeholders have been reported to the Board of Directors every year, and the communication channels, concerns and responses with stakeholders in 2023 have been reported to the Board of Directors on March 7, 2024. URL for Stakeholder Engagement Zone: https://www.apc.com.tw/ESG/zh-tw/ESG13.aspx	
VI. Has the company commissioned a professional shareholder services agency to handle Shareholders' Meetings and other relevant affairs?		V	The Company takes charge of its own shareholder services and handles matters related to shareholders' meetings in accordance with the law.	The Company handles its own shareholder services to ensure quality and efficiency
VII. Information Disclosure (I) Has the company established a website to disclose information on financial operations and corporate governance?	V		(I) The Company has set up a website and regularly discloses company information.	No material discrepancy
(II) Has the Company adopted other means of information disclosure (such as establishing a website in English, appointing specific personnel to collect and disclose Company information, implementing a spokesperson system, and disclosing the process of investor conferences on the Company's website)?	V		(II) The Company has appointed specific personnel in charge of the collection and disclosure of company information and has implemented a spokesperson system.	No material discrepancy
(III) Does the Company publish and report its annual financial report within two months after the end of a		V	(III) The Company has not announced and declared its annual financial report within two months after the end of the fiscal	No material discrepancy

Assessed Item	Implementation Status (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Abstract Illustration	
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?			year but has announced and declared its quarterly financial reports, monthly revenue, and endorsement and guarantee information in advance of the specified period.	
VIII. Has the company provided important information to better understand the state of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholders' rights, progress of training of Directors and Supervisors, risk management policy and implementation of risk impact standards, implementation of customer policies and the Company's purchase of liability insurance for its Directors and Supervisors)?	V		(1) The Company provides its employees with comprehensive health care. In addition to the formulation of guidelines related to employee assistance services and gender equality in the workplace, the Company provides annual health checkups, sports and fitness equipment, organizes various outdoor recreational activities and talks on mental, emotional and spiritual health, purchases group insurance and issues LOHAS e-newsletters. Furthermore, the Company's employees have voluntarily set up the Employee Assistance Program Center (EAPC) to help their colleagues solve work, life and psychological problems. (2) The Company has always been committed to the principle of equal opportunities, and recognizes the contribution of employees from different backgrounds. The Company adopts an open selection process and hires the right talent for the right position, instead of restricting employees' career development based on their race, gender, age, religion, nationality or political affiliation. (3) The Company has appointed a spokesperson to answer various types of questions raised by shareholders and serves as the bridge to connect the Company with its shareholders. Additionally, the Company maintains contact with its major shareholders.	No material discrepancy

Assessed Item	Implementation Status (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Abstract Illustration	
			(4) The Company maintains a good relationship with major suppliers, and the supply status is normal. (5) The Company maintains a good and stable relationship with its customers in order to generate profits. (6) The Company encourages its directors to participate in continuing education. In addition to providing its directors with various information on continuing education, the Company organizes such courses from time to time and invites its directors to attend courses related to corporate governance. (7) Purchase of liability insurance for the Company's Directors and Supervisors: The Group has purchased liability insurance for its Directors, Supervisors, and key employees. In 2023, the total amount of coinsurance was US$35 million and the insurance policy was for the period from May 1, 2023 to May 1, 2024. Relevant information can be obtained from MOPS. Matters related to liability insurance have been included in the Board of Directors' report on May 3, 2023. (8) Implementation of risk management policies and risk measurement standards: The Company has established operating procedures and internal control systems and possesses clear rules and regulations on authorized limits. The Company also implements internal audit for risk control. The audit supervisor shall report the implementation to the board of directors at least quarterly. However, the general manager or his designated person shall report the implementation status to the board of directors at least once a	

Assessed Item	Implementation Status (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Abstract Illustration	
			year, and relevant matters have been included in the report of the Board of Directors on November 3, 2023.	

IX. Improvements made in the most recent fiscal year in response to the results of corporate governance evaluation conducted by the Corporate Governance Center of the Taiwan Stock Exchange Corporation, and improvement measures and plans for items yet to be improved. (Leave this section blank if the company is not included in the evaluation process)

Parts that have been improved are as follows:

(Number 1.18) The minutes of the shareholders' general meeting document the significant questions raised by shareholders and the Company's corresponding responses.

(Number 1.19) Please upload the full and uninterrupted audio and video recording following the conclusion of the shareholders' meeting.

Note：Regardless of whether "Yes" or "No" is selected, provide a brief description in the Summary column.

Note2: CPA independence evaluation criteria

Item	Evaluation results	Meet independence criteria
1. As of the most recent assurance operation, no CPA has yet to be replaced for seven (7) years.	Yes	Yes
2. The CPA does not have significant financial interest in his/her trustor.	Yes	Yes
3. The CPA avoids any inappropriate relationship with his/her trustor.	Yes	Yes
4. The CPA shall ensure that his/her assistants are honest, fair and independent.	Yes	Yes
5. The CPA may not perform audit and assurance services on the financial statements of companies he/she has served within two (2) years before practicing.	Yes	Yes
6. The CPA may not permit others to practice under his/her name.	Yes	Yes
7. The CPA does not own any shares of the Company and its affiliated companies.	Yes	Yes
8. The CPA has not engaged in lending and borrowing of money with the Company and its affiliated companies.	Yes	Yes
9. The CPA has not engaged in joint investments or benefit sharing with the Company or its affiliated companies.	Yes	Yes
10. The CPA does not concurrently serve as a regular employee of the Company or its affiliated companies and does not receive a fixed salary from them.	Yes	Yes
11. The CPA is not involved in the decision-making process of the Company and its affiliated companies.	Yes	Yes
12. The CPA does not concurrently engage in other businesses that may lead to loss of independence.	Yes	Yes
13. The CPA does not have a spouse, immediate family members or relatives within the second degree of kinship who serve in the senior management of the Company.	Yes	Yes
14. The CPA has not collected any commission related to his/her service.	Yes	Yes
15. As of now, the CPA has not engaged in any matter that may result in disciplinary actions taken against him/her or damage to the principle of independence.	Yes	Yes

Note3: Letter of Declaration issued by CPA

2024.2.15 Chin Shen No. 11301253

Attn: Asia Polymer Corporation

Subject: The firm intends to accept the offer to audit your company's financial statements for 2023. In accordance with the No. 10 Bulletin in the Norm of Professional Ethics for Certified Public Accountant of the Republic of China set forth by the National Federation of Certified Public Accountant Associations of the Republic of China, the members of the audit team declare that they have complied with the following regulations without committing violations of independence.

Explanation:

I. Members of the audit team and their spouses and dependents are not involved in the following:

1. Directly or indirectly hold significant financial interests in your company.
2. Have business relations with your company or directors, supervisors and managerial officers at your company, where such relations may affect our independence.

II. During the audit, members of the audit team, their spouses and dependents do not serve as directors, supervisors or managerial officers at your company or do not assume positions that may directly and significantly affect the auditing process.

III. Members of the audit team do not have spouses, immediate family members or relatives within the second degree of kinship who serve as directors, supervisors or managerial officers at your company.

IV. Members of the audit team have not received gifts or presents of significant value (where their values have not exceeded the general etiquette standards) from your company or directors, supervisors, managerial officers or major shareholders at your company.

V. Members of the audit team have performed the necessary procedures for evaluating independence or conflict of interests and have not been found to commit independence violations or be involved in unresolved conflicts of interest.

Deloitte & Touche

CPA Chiu, Cheng-Chun

2024.2.15 Chin Shen No. 11301254

Attn: Asia Polymer Corporation

Subject: The firm intends to accept the offer to audit your company's financial statements for 2023. In accordance with the No. 10 Bulletin in the Norm of Professional Ethics for Certified Public Accountant of the Republic of China set forth by the National Federation of Certified Public Accountant Associations of the Republic of China, the members of the audit team declare that they have complied with the following regulations without committing violations of independence.

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I. Members of the audit team and their spouses and dependents are not involved in the following:

   1. Directly or indirectly hold significant financial interests in your company.

   2. Have business relations with your company or directors, supervisors and managerial officers at your company, where such relations may affect our independence.

II. During the audit, members of the audit team, their spouses and dependents do not serve as directors, supervisors or managerial officers at your company or do not assume positions that may directly and significantly affect the auditing process.

III. Members of the audit team do not have spouses, immediate family members or relatives within the second degree of kinship who serve as directors, supervisors or managerial officers at your company.

IV. Members of the audit team have not received gifts or presents of significant value (where their values have not exceeded the general etiquette standards) from your company or directors, supervisors, managerial officers or major shareholders at your company.

V. Members of the audit team have performed the necessary procedures for evaluating independence or conflict of interests and have not been found to commit independence violations or be involved in unresolved conflicts of interest.

Deloitte & Touche

CPA Chuang, Pi-Yu

(IV) If the company has established a remuneration committee, the composition and operations of the committee shall be disclosed:

1. Information regarding the members of the Remuneration Committee:

March 31, 2024

Title (Note 1) \ Name \ Criteria		Professional Qualification and Work Experience (Note 2)	Status of Independence (Note 3)	Number of Other Public Companies in Which the Individual is Concurrently Serving as a Remuneration Committee Member
Independent Director (Convener)	Chen, Ta-Hsiung	Has served as the Chairman of several companies such as PTSC, and has profound business work experience.	Two years before the appointment and during the term of office, there is no matter described in Item 1, Article 3 of "Measures for setting up and Matters to be Followed by Independent Directors of public offering Companies".	0
Independent Director	Shen, Shang-Hung	At present, he serves as the chairman of many companies such as Ta Ya Electric Wire & Cable (Stock) Company, and has professional fields of company operation management.	Two years before the appointment and during the term of office, there is no matter described in Item 1, Article 3 of "Measures for setting up and Matters to be Followed by Independent Directors of public offering Companies".	2
Independent Director	Cheng, Tun-Chien	Currently serves as the chairman and chief executive officer of Hongding Capital, with professional fields of investment and accounting.	Two years before the appointment and during the term of office, there is no matter described in Item 1, Article 3 of "Measures for setting up and Matters to be Followed by Independent Directors of public offering Companies".	3

Note1: Please specify in the form the relevant working years, professional qualifications and experience and independence of each member of the Compensation Committee. If he/she is an independent director, please refer to Appendix 1 Directors and Supervisors

(1) for related information Fill “Independent Director” or “Others” in the Title column (if it is the convener, please add a note). lease fill in the series as independent directors or others respectively (if it is the convener, please add a note).

Note2: Professional qualifications and experience: Specify the professional qualifications and experience of individual Compensation Committee members.

Note3: Circumstances conforming to the independence: The independent director shall state the circumstances conforming to the independence, including but not limited to whether he/she, his/her spouse or his/her second relative are directors, supervisors or employees of the company or its related enterprises; the number and proportion of shares held by himself, his spouse or his second-degree relatives (or in the name of others); whether he/she serves as a director, supervisor or employee of a company that has a specific relationship with the Company (refer to Sub-paragraphs 5 to 8, Paragraph 1, Article 6 of the Regulations on the Establishment and Exercise of Powers of the Compensation and Remuneration Committee of Companies Listed in Stocks or Trading at the Business Office of Securities Firms); the amount of remuneration obtained by providing the Company or its affiliates with business, legal, financial, accounting and other services in the last two years.

Note4: For disclosure, please refer to the best practice examples on the Taiwan Securities Exchange.

2. Responsibilities of the Remuneration Committee:

The Remuneration Committee shall exercise the care of a good administrator to faithfully fulfill the following functions and powers, and submit the recommendations to the Board of Directors for deliberation:

(1) Regularly review the Committee's charter and propose recommendations to amend it when necessary.

(2) Establishing and regularly reviewing the BOD and upper management's performance evaluation in conjunction with the remuneration policies, systems, standards, and structure.

(3) Regular evaluation and stipulation on the remuneration of directors and managers.

3. Operations of the Remuneration Committee:

(1) The Company's Remuneration Committee consists of three (3) members.

(2) The term of office of the current members of the Remuneration Committee June 2, 2022 to May 26, 2025. A total of three (3) meetings (A) were conducted by the Remuneration Committee in the most recent fiscal year (2023), where the attendance of the members are as follows:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Percentage of attendance in person (%) (B/A) (Note)	Notes
Convener	Chen, Ta-Hsiung	3	0	100%	
Committee Member	Shen, Shang-Hung	3	0	100%	
Committee Member	Cheng, Tun-Chien	3	0	100%	

Other matters to be noted:

I. If the Board of Directors refuses to adopt or amends a recommendation of the Remuneration Committee, the date of the meeting, session, content of the motion, resolution by the Board of Directors, and the company's response to the Remuneration Committee's opinion (e.g., if the remuneration passed by the Board of Directors exceeds the recommendation of the Remuneration Committee, the circumstances and cause for the difference shall be specified) shall be specified: None.

II. If there are resolutions of the Remuneration Committee to which members object or express reservations, and for which there is a record or declaration in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion shall be specified:

<table>
<tr><th>Remuneration Committee</th><th>Resolution and Follow-up Actions</th><th>Dissenting opinions or qualified opinions of members of the Remuneration Committee</th></tr>
<tr><td rowspan="6">3rd meeting of the 5th Audit Committee 2023.3.3</td><td>1. The Company's 2022 remuneration distribution proposal for Directors and employees.</td><td>None</td></tr>
<tr><td>2. Proposal for the 2022 special bonus for managerial officers.</td><td>None</td></tr>
<tr><td>3. Reviewed the remuneration of the Directors and managers and the performance appraisal system.</td><td>None</td></tr>
<tr><td colspan="2">Opinion of the Remuneration Committee: none</td></tr>
<tr><td colspan="2">Resolution of the Remuneration Committee: All members in attendance unanimously passed the proposals and filed for discussion in the board meeting.</td></tr>
<tr><td colspan="2">The Company's actions in response to the opinions of the Remuneration Committee: All the Directors in attendance voted in favor of the resolution.</td></tr>
<tr><td rowspan="4">4th meeting of the 5th Audit Committee 2023.8.2</td><td>The Company's annual salary adjustment.</td><td>None</td></tr>
<tr><td colspan="2">Opinion of the Remuneration Committee: none</td></tr>
<tr><td colspan="2">Remuneration Committee resolution: The proposal was passed unanimously by the Committee Members in attendance.</td></tr>
<tr><td colspan="2">The Company's handling of the resolution results of the Remuneration Committee: carry out relevant operations according to the results of the resolution.</td></tr>
<tr><td rowspan="6">5th meeting of the 5th Audit Committee 2023.11.3</td><td>1. Amended certain articles of the "Remuneration Committee Charter".</td><td>None</td></tr>
<tr><td>2. Review of the Company's "Articles of Incorporation of the Remuneration Committee".</td><td>None</td></tr>
<tr><td>3. Establishment of the work plan of the Committee for 2024.</td><td>None</td></tr>
<tr><td colspan="2">Opinion of the Remuneration Committee: none</td></tr>
<tr><td colspan="2">Remuneration Committee resolution: The proposal was passed unanimously by the Committee Members in attendance.</td></tr>
<tr><td colspan="2">The Company's handling of the resolution results of the Remuneration Committee: carry out relevant operations according to the results of the resolution.</td></tr>
</table>

Note1: Where a member of the Remuneration Committee resigns before the end of the fiscal year, the Remark column shall be filled with the member's

resignation date, whereas his/her percentage of attendance in person (%) shall be calculated based on the number of meetings held by the Remuneration Committee and the actual number of meetings attended during his/her term of office.

Note2: If members of the Remuneration Committee are re-elected before the end of the fiscal year, incoming and outgoing members shall be listed accordingly, and the Remark column shall indicate whether the status of a member is "outgoing", "incoming" or "re-elected", and the date of re-election. Actual attendance percentage (%) is calculated based on the number of meetings held by the Remuneration Committee and the actual number of meetings attended during his/her term of office.

4. Information on members of the Nomination Committee and information on their operation: Not applicable

(V) Implementation Status of Promoting Sustainability and Deviations from the Sustainability Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof：

Promotion items	Implementation Status (Note 1)			Discrepancies between its implementation and the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies," and reasons for such discrepancies
	Yes	No	Abstract Illustration	
I. Does the company establish a governance structure to sustainability, and establish an exclusively (or concurrently) dedicated unit to implement sustainability and have the management appointed by the Board of Directors to be in charge of corporate social responsibility and to be supervised the implementation by the Board of Directors? (TWSE/TPEx Listed companies should fill in the implementation status, which is not incorporated into the principle of compliance or explanation.)	V		(I) The Company established the "Sustainable Development Committee" in 2015, which is one of the functional committees organized by the Board of Directors. In 2022, in accordance with the announcement of the Stock Exchange, the "Code of Practice for Sustainability of Listed Companies" was amended and renamed as "Sustainability Committee" to assist the Board of Directors in continuously promoting the implementation of sustainability and sustainable management. (II) The members of the Sustainable Development Committee are composed of Chairman, General Manager and two independent directors decided by the Board of Directors. One of the independent directors serves as the chairman and the general manager serves as the deputy chairman. The responsibilities of the Committee include: (1) Determining the sustainable development policy. (2) Negotiation of sustainable development strategic plan, annual plan and project plans. (3) Supervising the implementation of sustainability plans, annual plans and project plans, and evaluate the implementation. (4) Reviewing and approving the sustainable report. (5) Reporting the implementation results of sustainability to the Board of Directors every year. (6) Other matters to be conducted by the committees based on resolutions of the Board of Directors.	Compliant with the requirements of the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies" and reasons for such discrepancies.

Promotion items	Implementation Status (Note 1)			Discrepancies between its implementation and the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies," and reasons for such discrepancies
	Yes	No	Abstract Illustration	
			The Sustainable Development Committee has three task groups, including "corporate governance", "environmental protection" and "social relations", and has a project secretary. Assist the Committee to promote the sustainability work, such as collecting sustainability topics, formulating countermeasures and working policies, editing sustainability reports, communicating and responding to stakeholders, and implementing sustainability policies into the daily management of the Company's operations. (III) The Committee meets at least twice a year to report the implementation results of sustainability and future work plans to the Board of Directors. In 2023, two Committee Meetings were held respectively on March 3 and August 2, 2023. The contents of the report include: (1) The results of the discussion among the main stakeholders, including the identification of the main stakeholders, issues of concern, communication channels and response methods. (2) 2022 Sustainable Development Execution Results and Future Goals, including achievements in governance, environment, and social aspects, the carbon reduction path of the Company, the implementation results of energy-saving and carbon reduction programs, the implementation of water-saving measures, TCFD risks and opportunities, financial impacts, and response measures. (3) Progress and planning are underway for editing the 2022 Sustainability Report. This includes identifying significant issues and preparing the English version of the report. (4) Greenhouse Gas Inventory and Compliance Execution Status of Our Company	

Promotion items	Yes	No	Abstract Illustration	Discrepancies between its implementation and the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies," and reasons for such discrepancies
			(5) Revise specific provisions of our company's "Guidelines for Sustainable Development Practices." The execution results have been reported to the Board of Directors and it has been handled based on the resolutions and instructions of the Board of Directors. (IV) Supervision of the Board of Directors The Board of Directors of the Company listens to the ESG report of the management team every six months. The management team must propose corporate strategies to the Board of Directors, such as important regulatory compliance, carbon reduction target setting, greenhouse gas inventory and verification, etc. The Board of Directors must evaluate the possibility of success of these strategies. The progress of the strategy must be regularly reviewed and the management team must be urged to make adjustments when needed.	
II. Does the company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies? (Note 2) (TWSE/TPEx Listed companies should fill in the implementation status, which is not incorporated into the principle of compliance or explanation.)	V		(I) The disclosure period of this information is from January 1 to December 31, 2023, covering all operating entities in the consolidated financial statements of the Company, and the risk assessment boundary is mainly based on the company's Taiwan operating sites, including Taipei contact Division and Kaohsiung Garden Plant, which is the scope of risk assessment. (II) The members of the implementation working group of the Sustainable Development Committee collect the concerns of major stakeholders in their daily operations, and consider the Company's business objectives, as well as international standards and norms, and compile them into the Company's sustainability issues. Through the online questionnaire, we conducted a survey on the positive/negative and real potential impacts of issues and the department head evaluated possibilities of their impact,	Compliant with the requirements of the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies."

<table>
<tr><th rowspan="2">Promotion items</th><th colspan="3">Implementation Status (Note 1)</th><th rowspan="2">Discrepancies between its implementation and the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies," and reasons for such discrepancies</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td></td><td></td><td></td><td>determined the material issues of environment, society and corporate governance, and disclosed the management policy and implementation performance to the stakeholders in the sustainable development report.
(III) According to the above-mentioned materiality assessment principles, the Company has formulated relevant risk management policies or strategies for identifying the materiality issues from the results as follows:
<table>
<tr><th>Aspect</th><th>Significant Issues</th><th>Relevant management policies or strategies</th></tr>
<tr><td rowspan="4">Environmental</td><td>Raw material management</td><td>1. Improvement of raw material utilization efficiency
2. Material recovery and recycling
3. Equipment operation rate increased</td></tr>
<tr><td>Climate Change and Energy Management</td><td>1. Improvement of energy usage monitoring and efficiency
2. Tracking Carbon Reduction Goals in 2030
3. Energy-related regulatory compliance
4. Climate change risk response</td></tr>
<tr><td>Air pollution control</td><td>1. Inspection for leakage of equipment components
2. Air pollution emission improvement
3. Regulatory compliance</td></tr>
<tr><td>Management of water resource</td><td>1. Water Recovery Rate (R1) >95%
2. Control over Water Consumption Per Unit Product
3. Improvement Plan, Management and Tracking of Water Saving</td></tr>
</table></td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Promotion items</th><th colspan="3">Implementation Status (Note 1)</th><th rowspan="2">Discrepancies between its implementation and the “Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies,” and reasons for such discrepancies</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><td rowspan="3">Social Aspect</td><td>Talent recruitment and retention</td><td>1. Establish multiple talent recruitment channels to find talents with the same idea
2. Provide high quality salary and comprehensive welfare system</td></tr>
<tr><td>Occupational Safety and Health</td><td>Zero disaster policy for industrial safety:
1. Implementation of ISO 45001 occupational safety and health management system
2. Implementation of Process Safety Management (PSM)
3. Zero accident of underground pipeline safety
4. Occupational safety education and training
5. Emergency Response Drill</td></tr>
<tr><td>Process safety management</td><td>1. Developing a process safety management policy
2. Regulatory compliance
3. Promotion of Process Safety Management (PSM) System
4. Stipulation of Process Safety Performance Management</td></tr>
<tr><td rowspan="3">Governance</td><td>Economic Performance</td><td>1. Stable supply of raw materials
2. Product development and innovation
3. Strengthening market expansion</td></tr>
<tr><td>Technology research and development</td><td>1. Niche product development
2. High-value product development</td></tr>
<tr><td>Supply Chain Management</td><td>1. We conduct regular evaluation of suppliers and aim to increase the number of evaluators each year.</td></tr>
</table>
</td><td></td></tr>
</table>

Promotion items	Implementation Status (Note 1)			Discrepancies between its implementation and the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies," and reasons for such discrepancies
	Yes	No	Abstract Illustration	
			2. Qualified Quality Rate of Raw Materials 3. Qualified Delivery Rate of Raw Materials For the execution performance related to major issues, please refer to the "2022 ESG Report" issued by the Company in June 2023, which can be downloaded from the Company's website - ESG. (Website: https://www.apc.com.tw/ESG/zhtw/ ESG82.aspx).	
III. Environmental issues (I) Has the company established a suitable environmental management system based on its industrial characteristics?	V		(I) The Company established the ISO 14001 environmental management system in 1998 and obtained the latest version of the 2015 certificate on April 26, 2018 while establishing a good environmental protection framework for the Company and formulating environmental policies with energy conservation, carbon reduction, and air pollution improvement management plans. The occupational safety and health department conducts regular inspections and follow-ups to implement disaster prevention and air pollution prevention, while complying with the EU Restriction of Hazardous Substances (RoHS) regulations and strengthening environmental protection education and training to control and reduce impact on environment. In addition, on October 21, 2019, the Company passed the ISO 50001 energy management system verification and obtained the certificate, formally established the energy management system, controlled the major energy use equipment in the plant and monitored the energy use efficiency. Relevant energy usage management, greenhouse gas emission inventory, water resources management, energy conservation and carbon reduction program and other implementation performance are disclosed on the Company's website: https://www.apc.com.tw/ESG/	Compliant with the requirements of the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies."

Promotion items	Implementation Status (Note 1)			Discrepancies between its implementation and the “Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies,” and reasons for such discrepancies
	Yes	No	Abstract Illustration	
(II) Does the company endeavor to improve energy efficiency and use renewable materials that have low impact on the environment?	V		(II) In 2019, the Company established the ISO 50001 Energy Management System to improve energy efficiency through identifying major energy-using equipment, monitoring energy use, setting energy-saving goals and implementing energy-saving reduction measures. And it has specified to purchase and utilize green electricity such as solar power to reduce greenhouse gas emissions and reduce the impact on the environment. In 2023, 4 energy-saving management plans was implemented, saving a total of 516,614 kWh of electricity, 2,736 metric tons of steam and 840 metric tons of CO_2e. The average annual electricity saving from 2015 to 2023 is 1.57%, which meets the requirements of the “Energy Administration’s 1% Annual Average Electricity Saving Regulations”. Taiju Group holds the “Group Plant Technical Exchange Meeting” and several “Northern/Kaohsiung Plant Resource Integration Meetings” every year. By means of technology sharing among factories and problem discussions to achieve resource sharing and improve the achievements of energy saving and carbon reduction. The raw materials are all in line with the Restriction of Hazardous Substances (RoHS), REACH, and halogen-free specifications. Promote clean production and green process, improve the efficiency of energy resource use, respond to circular economy activities, and reduce environmental impact, including recycling of materials and packaging materials, recycling and reuse of waste reduction, etc. The recycling rate of space bags in 2023 was 78.3% , the scrap metal/plastic recycling volume was 108.2 metric tons.	
(III) Has the company assessed the present and future potential risks and opportunities of climate	V		(III) Potential Financial Impacts and Mitigation Measures for Risk and Opportunity Projects:	

Promotion items	Implementation Status (Note 1) Yes	No	Abstract Illustration	Discrepancies between its implementation and the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies," and reasons for such discrepancies
change for the entity, and taken measures to respond to climate-related issues?			(see table below)	

Issues	**Category**	**Project Description: Risk and Opportunity**	**Potential financial impact**	**Response measures:**
Flood disasters and waterlogging	Physical Risk/ Chronic	Based on data from the Water Resources Agency, if there is a rainfall of 500mm within a 24-hour period, it is estimated that the factory area may experience flooding ranging from 0 to 0.5 meters for a duration of 1 day. As a result of the heavy rainfall and flooding mentioned earlier, the factory had to suspend its operations, leading to a decline in revenue.	There has been an increase in capital expenditure and a decrease in revenue.	1. Enhancement of Key Equipment Foundation 2. Improving flood control and drainage measures 3. Regularly check if the internal drains are clear of any obstructions.
Drought	Physical Risk/ Chronic	1. Based on the climate conditions at the Taiju Kaohsiung Plant from 1986 to 2005, projections have been made for the near future	Increase in operational costs 1. The water conservation period is in effect from March 31, 2023 to June 14, 2023, in	The government has implemented a phased water restriction policy, and the Asia Polymer Linyuan Plant has implemented three stages of measures in response. Phase One

Promotion items	Implementation Status (Note 1) Yes	No	Abstract Illustration					Discrepancies between its implementation and the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies," and reasons for such discrepancies
					(2016-2035). It is estimated that there will be a maximum of 58 consecutive rainless days each year, which could result in water shortage or drought. 2. The factory may face water restrictions or shortages due to abnormal weather conditions, potentially leading to decreased production on the assembly line or a complete shutdown.	compliance with the government's water restriction measures. The water conservation rate is 10%, with water volume controlled at 1,239 tons per day. Additionally, there is a water conservation rate of 5%, with water volume controlled at 1,308 tons per day. During the water conservation period, the average daily water consumption was 1,230 tons,	(1) Encourage water conservation among employees (2) and reuse office washing water for watering plants (3). Utilize the runoff from cutting water and cooling water as low-grade water. Phase Two (1) Increase the concentration ratio of the cooling tower from 5.5 to 7.5. (2) Decreasing the amount of water used to replenish the cutting water in the production line (3) Please refrain from performing unnecessary cleaning of product tanks and floors. Phase Three (1) Reduced the duration of regular fire drill water	

Promotion items	Implementation Status (Note 1)			Discrepancies between its implementation and the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies," and reasons for such discrepancies
	Yes	No	Abstract Illustration	
			(nested table below)	

			representing a decrease of approximately 9.3% compared to the normal water usage period in August, which averaged 1,356 tons per day. Costs of Water Conservation. 2. If there is severe drought, it is necessary to purchase water from other areas using water trucks, and the cost of purchasing water increases by more than NT$40,000 per day.	tests and temporarily halted fire drills. (2) The distillation tower can only be started once the recycling tank has reached a high liquid level. (3) Temporary suspension of employee restroom facilities for personal hygiene
carbon fee	Transformation Risks, Policy,	In December 2023, the Ministry of	High investment cost in the early	1. Asia Polymer is assessing the use

Promotion items	Implementation Status (Note 1) Yes	No	Abstract Illustration	Discrepancies between its implementation and the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies," and reasons for such discrepancies
			(continued below)	

	and Law	Environment released the draft of the Carbon Fee Charging Measures, which includes plans to impose carbon fees on carbon emitters with annual emissions exceeding 25,000 metric tons starting in 2025. (Note: When calculating carbon fees, a deduction of 25,000 metric tons of free quota can be applied)	stage, low carbon emission in the later stage and low operating cost Based on the estimated carbon emissions of Asia Polymer over a period of 2023, with a carbon fee of 300 New Taiwan Dollars per ton, the projected carbon fee is estimated to be 25.12 million New Taiwan Dollars, which accounts for approximately 0.38% of individual revenue.	of internal carbon pricing as a shadow price, which involves incorporating carbon costs into investment assessments. This approach aims to improve the opportunities for implementing carbon reduction projects. 2. Implementation of an Energy Management System
Risk of Regulations on Renewable Energy - Clause for Large Electricity Consumers	Transformation Risks, Policy, and Law	According to the "Regulations for the Management of Renewable Energy Generation Equipment for Electricity Users with a Contract Capacity Above a Certain Threshold,"	Rise in capital expenditure and operating costs Asia Polymer is planning to install solar energy equipment on the roof and intends to source green electricity from its	1. USI Green Energy Corporation, a subsidiary of USI Group, is actively searching for suitable locations to invest in green energy development projects. By 2023,

Promotion items	Implementation Status (Note 1) Yes	No	Abstract Illustration					Discrepancies between its implementation and the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies," and reasons for such discrepancies
					the Ministry of Economic Affairs mandates that electricity users with a contract capacity exceeding 5,000 kW must install renewable energy generation equipment. By 2025, these large electricity users are required to have renewable energy equipment with a contract capacity of at least 10%.	subsidiary, USI Green Energy Corporation, in order to meet regulatory requirements.	the total installed capacity of solar photovoltaic systems will reach 7.2 MW, generating an annual electricity output of 9.15 million kilowatt-hours. Asia Polymer estimates that it will purchase 1.89 million kilowatt-hours of green electricity from USI Green Energy Corporation. 2. The Asia Polymer Linyuan Plant has recently installed a 496-kW solar photovoltaic system.	
			Low Carbon Technology Transformation	Transformation Risk, Energy, and Technology	In order to decrease carbon emissions, companies have made investments in the advancement of low-carbon technologies, including energy transformation,	Rise in capital expenditure and operating costs 1. The waste heat recovery improvement project saves 2,656 tons of steam	1. We implemented a project to improve the waste heat recovery system in order to address the problem of unstable steam production and conserve steam	

<table>
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<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td></td><td></td><td></td><td>

		efficiency improvement, and fuel substitution. This has resulted in an escalation of technology costs.	annually, leading to an annual cost savings of approximately NT$4 million. 2. Costs and Benefits of Additional Equipment Investments 3. Electricity prices have increased, leading to higher costs.	while producing different products (LDPE/EVA) on the same production line. 2. The performance of investments in other energy-saving equipment, such as motors, or fuel substitution. 3. In response to the electricity price increase in April 2024, there will be an additional expenditure of NT$41.89 million per year for electricity. Asia Polymer will actively invest in low-carbon technology transformation.
Rise in the cost of raw materials	Transformation Risk/Market	1. With the future implementation of carbon taxation in mind, the cost of raw materials will incorporate carbon	Rise in capital expenditure and operating costs Ethylene serves as the primary raw material for polymeric products. To	Supplier of Diversified Raw Materials

</td><td></td></tr>
</table>

Promotion items	Implementation Status (Note 1) Yes	No	Abstract Illustration					Discrepancies between its implementation and the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies," and reasons for such discrepancies
					emissions, leading to an increase in prices. 2. Extreme weather conditions lead to uncertainty in the cost and delivery time of transporting raw materials.	diversify the import sources of ethylene, Asia Polymer has invested 906 million Yuan in the Ethylene Storage Tank Project of Kaohsiung Intercontinental Container Terminal.		
			Efficient Production	Opportunity and Resource Efficiency	By leveraging AI smart manufacturing, industrial motors, and automated packaging tools, we can improve overall production efficiency and decrease energy consumption.	Rise in capital expenditure and operating costs A total investment of NT$10 million is planned for online data analysis and monitoring.	As part of the AI project, we have established a data platform called DCS+, to collect The data from the reactor and cooling water tower serve as the foundation for further online analysis, enhancing analytical efficiency.	
			Minimize water usage and consumption	Opportunity and Resource Efficiency	Water resources are essential in the manufacturing process. By reducing water leaks in factories and increasing the use of water recycling and	The initial cost of investing in water-saving technology is significant. Project equipment input costs, benefits	1. Reducing Steam Consumption through Process Equipment and Operational Improvements 2. Continuously evaluate the plan	

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		reuse, operational costs can be reduced, and factory resilience can be improved.		to reduce water consumption 3. The unit product water consumption in 2023 decreased by 2.6% compared to 2022.
Use of low-carbon energy	Opportunity and Resilience: Energy Source	Our objective is to encourage the shift from coal to gas, enhance the utilization of renewable energy, minimize carbon expenses, and reduce the carbon footprint of our products.	Higher Operating Costs, Lower Carbon Fees Project Inputs Carbon Reduction, Costs, Benefits	1. We specialize in the development of self-built solar power plants and actively participate in the renewable energy market. 2. Natural gas is given priority as the preferred source for external steam supply. 3. The 2023 Energy Conservation and Carbon Reduction Plan aims to save 516,000 kilowatt-hours of electricity, 2,736 metric tons of steam, and reduce carbon emissions by 840 metric tons.

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			(see nested table and text below)	

Research and Innovation in the Development of New Products and Services: Low Carbon Energy-saving Product Development	Opportunities, Products, and Services	Our research and development efforts are dedicated to creating products that adhere to the principles of the circular economy, low carbon emissions, and energy efficiency. We strategically invest in technology throughout the entire product and service life cycle, with a specific emphasis on developing low carbon products.	Increase in revenue Between 2017 and 2023, a total of 180,000 metric tons of EVA raw materials for photovoltaic modules were sold, which can be used to package 40 GW of solar energy modules. This is equivalent to the annual carbon reduction of 64,000 Da'an Forest Parks.	Asia Polymer is actively developing application products for the photovoltaic industry in response to the trends of climate change and the transition to low-carbon energy. The company aims to introduce low-carbon green energy and high-efficiency EVA film.

The implementation results of relevant countermeasures in 2023 are as follows:

※ Asia Polymer achieved a 7.2% reduction in carbon emissions in 2023 compared to the baseline year (2017).

※ The electricity saving rate of Asia Polymer 2023 is 1.13%, and the statistical average electricity saving rate from 2015 to 2023 is 1.57%, which is in line with the requirement of "Energy Administration's annual average electricity saving 1% regulation".

※ During 2023, Asia Polymer successfully implemented an energy-saving management program, leading to a significant reduction in electricity consumption by 516,614 kilowatt-hours, 2,736 tons of steam and a

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<tr><td></td><td></td><td></td><td>decrease in CO_2e emissions by 840 metric tons.
※ Asia Polymer’s water consumption per unit of product in 2023: 3.70 M^3/tons, a decrease of 2.6% from 2022.
※ USI Green Energy Corporation, a subsidiary of USI Group, intends to enter into a Green Power Purchase Agreement (CPPA) with multiple factories within the group in 2024. Additionally, in the 2025, it will supply green power to the Asia Polymer Linyuan Plant.</td><td></td></tr>
<tr><td>(IV) Has the company calculated its GHG emissions, water consumption, and total waste weight in the past two years, and formulated policies for energy conservation, reductions of carbon, GHG, and water consumption, or other waste management?</td><td>V</td><td></td><td>(IV)
1. Greenhouse gas emissions in recent two years
It is planned to introduce ISO 14064-1 greenhouse gas emission inventory certification in 2022 to make the greenhouse gas emission inventory data more reliable and credible.
Statistics of greenhouse gas emissions in recent two years are as follows:
<table>
<tr><th>Year</th><th>2022</th><th>2023</th></tr>
<tr><td>Category 1 (Tonnes of CO_2e)</td><td>10,444</td><td>9,920</td></tr>
<tr><td>Category 2 (Tonnes of CO_2e)</td><td>98,839</td><td>98,816</td></tr>
<tr><td>Total greenhouse gas emissions (Tonnes of CO_2e)</td><td>109,283</td><td>108,736</td></tr>
<tr><td>Unit Product Emission Intensity (Metric Ton CO_2e/Metric Ton)</td><td>0.840</td><td>0.822</td></tr>
<tr><td colspan="3">Notes:
1. In 2022, the data was verified by a third party; in 2023, the data was self-reported.
2. The emissions factors for electricity (0.495 kg CO_2e /kWh) and purchased steam (0.2136 kg CO_2e /kg) from 2022 were used for</td></tr>
</table></td><td></td></tr>
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			calculations in both 2022 and 2023. In 2023, the Linyuan Plant emitted a total of 108,736 metric tons of CO_2e, which is a 0.5% decrease compared to the previous year. This reduction can be mainly attributed to voltage adjustments that did not compromise product quality conditions. Additionally, there was a decrease in equipment failure incidents, resulting in lower energy consumption per unit product and a reduction in greenhouse gas emissions. Hence, the intensity of greenhouse gas emissions per unit of product is 0.822 metric tons of CO_2e per metric ton, representing a decrease of around 2.14% compared to the 0.840 recorded in 2022. USI Group independently set goals for energy management in 2016. Complying with China's policies for energy development, continuously following international trends and conducting dynamic reviews of national regulations, and weighing internal and external factors, at the beginning of 2022, USI Group set a target that by 2030, 27% of carbon emissions will be reduced from 2017. Since 2018, the 9 domestic core production plants of USI Group have successively introduced the ISO 50001 energy management system and obtained certificates, effectively managed energy performance, and constantly practiced improvement moves in energy saving and carbon reduction, expecting to exert influence and reduce environmental impact. In 2023, four energy-saving and carbon reduction schemes have been implemented, including improvement of process methods and equipment, saving 516,614 kWh of electricity, 2,736 tons of steam and reducing 840 metric tons of CO_2e.	

<table>
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<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td></td><td></td><td></td><td>In 2023, the self-reported greenhouse gas emissions amounted to 108,736 metric tons of CO_2e, which indicates a 7.2% decrease compared to the baseline year of 2017.
2. Water Consumption in Recent Two Years
<table><tr><th>Year</th><th>2022</th><th>2023</th></tr><tr><td>Water Consumption (M^3)</td><td>494,813</td><td>489,730</td></tr><tr><td>Water Consumption Per Unit Product (M^3/Metric Ton)</td><td>3.80</td><td>3.70</td></tr><tr><td>Water Recovery Rate (%)</td><td>99.2</td><td>99.2</td></tr></table>Water consumption per unit of product of Linyuan Plant in 2023 was 3.70 M^3/ton, a decrease of 2.6% from 2022 and below the target of 4.0 M^3/tons. The primary reason is the effective control of water quality in the factory’s cooling water tower, which has led to a reduction in the required water replacement and a decrease in the discharge volume of unit products compared to 2022. In addition, the recovered and reused water includes condensed water recovery and circulating reuse of cooling water in cooling tower. According to the water consumption index specified in the “Key Points of Water Consumption Plan Review” published by the Ministry of Economic Affairs, the water consumption recovery rate (R1) in 2023 was 99.2%..
Due to the climatic changes, the water shortage in China has become increasingly serious. In addition to responding to the water shortage situation in collaboration with the government, the Company not only gradually implemented the phased water restriction measures,</td><td></td></tr>
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<tr><td></td><td></td><td></td><td>but also actively integrated the wastewater volume in various processing zones and industrial zones, and further planned and built wastewater recycling plants. The subsequent reclaimed water treatment became the key factor. After evaluating the construction and operation cost of the wastewater recovery system in our factory, the construction of a small wastewater recovery system is postponed, and a plan is worked out to cooperate with the government's wastewater recovery policy. Some reclaimed water from the wastewater recovery plant planned and built by the government is used in the factory, so as to achieve a win-win advantage for the government and enterprises.
3. Waste Management in Recent Two Years
<table>
<tr><th>Year</th><th>2022</th><th>2023</th></tr>
<tr><td>Non-hazardous Waste (Metric Tons)</td><td>274.44</td><td>575.04</td></tr>
<tr><td>Hazardous Waste (Metric Tons)</td><td>0</td><td>0</td></tr>
<tr><td>Unit Product Waste Output (kg/mt)</td><td>2.11</td><td>4.35</td></tr>
</table>
The industrial wastes generated by Linyuan Plant, including general industrial wastes and harmful industrial wastes, are cleaned and treated by entrusting a domestic qualified cleaning company approved by the Environmental Protection Agency to sign a cleaning contract, and they are handled in accordance with the provisions of the Waste Cleaning Law.
According to the types, intermediate treatment methods such as incineration, thermal cracking, physical treatment, etc. are adopted for the treatment of general industrial wastes, and they are processed into recycled oil products or fuel oil, while the final treatment method was</td><td></td></tr>
</table>

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			carried out by burying according to the approved method of its approved license. There was no production of hazardous industrial waste at the Asia Polymer Linyuan Plant in 2023. However, due to the cooperation with Taiwan Power Company's power outage and parking, the number of factory parking instances increased by one compared to the 2022, resulting in an increase in the amount of waste disposal. As a result, there was an increase in the quantity of waste per unit product.	
IV. Social Issues (I) Has the company formulated the relevant management policies and procedures in accordance with relevant laws and regulations and the International Bill of Human Rights?	V		(I) Human Rights policy The Company has formulated a policy for human rights on March 22, 2018. The Company has made reference to internationally recognized human rights standards, including the International Bill of Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work to fully exercise CSR and implement human rights protection. Besides, the Company has established human rights policy applicable to the Company and all affiliates of the USI Group, to eliminate human rights violations; as such, the Company's current employees, in addition to enjoying a reasonable and safe workplace, can be treated in a reasonable and dignified manner. 1. Measures to mitigate human rights risks We conduct an annual identification of human rights risks, followed by compliance inspections and third-party evaluations of the identified concerns. Based on the results of risk assessment and findings from internal and external reviews, we implement mitigation	Compliant with the requirements of the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies."

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and corrective measures. Our aim is to achieve risk management objectives through continuous improvement.
The company has implemented a comprehensive framework for managing human rights at every stage, which serves as the cornerstone for safeguarding and upholding human rights. The steps and processes involved are outlined below:


Human rights issues encompass various business departments and units. The Human Resources Department carries out due diligence investigations and risk management operations related to specific impact targets and human rights concerns.
2. Process for Conducting Human Rights Due Diligence Investigations
<table>
<tr><th>Phase</th><th>Steps</th><th>Method</th></tr>
<tr><td>Phase One: Commitment</td><td>Statement</td><td>We are dedicated to upholding and complying with both international standards and local laws, while also developing a comprehensive human rights policy.</td></tr>
<tr><td>Phase Two: Management</td><td>Identification</td><td>Identify the significant human rights issues and the parties affected by them that are related to the organizational attributes and operational modes.</td></tr>
</table>
</td><td></td></tr>
</table>

<table>
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<tr><td></td><td></td><td></td><td>
<table>
<tr><td></td><td>Evaluation and Analysis</td><td>We regularly conduct assessments to evaluate the impact of human rights on our employees and service processes, with the aim of understanding the level of risk exposure.</td></tr>
<tr><td rowspan="2">Phase Three: Response Measures</td><td>Actions and Behaviors</td><td>• Different action plans are formulated based on regular assessments of human rights risks.
• Monitor the implementation and performance of action plans, while also engaging in effective communication to ensure the successful management of human rights.
• In case of human rights violations, compensation measures will be provided through institutional improvement, material support, and psychological counseling.</td></tr>
<tr><td>Report</td><td>Participate in internal discussions and reporting on human rights management within the company, and publicly disclose the practices and effectiveness of human rights management on the company’s website.</td></tr>
</table>
Human Rights Management Results for 2023
Based on our company’s human rights policy and execution guidelines, we have identified a total of 14 human rights issues in this
</td><td></td></tr>
</table>

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<tr><td></td><td></td><td></td><td>fiscal year. Among them, 8 human rights management items have received significant attention. The identified risk item is “excessive working hours.” For detailed information, please refer to the 2023 Human Rights Risk Assessment Management Form (Website: https://www.apc.com.tw/ESG/ESGFiles/Docs/HumanRightsRiskForm_2023.pdf). The implemented mitigation measures and impact compensation measures are as follows:
3. Mitigation and Compensation Measures for the Human Rights Management Project
<table>
<tr><th>Issues</th><th>Mitigation measures</th><th>Compensation measures</th></tr>
<tr><td>Long working hours</td><td>1. Overtime is granted with the employees’ consent, and colleagues have the option to either receive overtime pay or take compensatory time off for working overtime.
2. The system asks employees to check whether the reason for delayed departure from the workplace is for personal or business reasons.
3. The Human Resources Department conducts regular reviews of the</td><td>1. Employees who work overtime will receive overtime wages in accordance with the law.
2. To gain insight into the workload and reasons for overtime among colleagues, and proactively implement process improvement and optimization measures to enhance work efficiency.
3. Employees who work long hours are included in the list for identifying abnormal workloads and investigating risks. Regular health checks are conducted for</td></tr>
</table></td><td></td></tr>
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<tr><td></td><td></td><td></td><td>
<table>
<tr><td></td><td>overtime situation in each company and strives to gain a comprehensive understanding of the underlying reasons.</td><td>employees, and relevant operations and manpower conditions are adjusted as necessary.</td></tr>
</table>
4. Measures to mitigate human rights risks
The Company is committed to reasonably ensuring the safety of its employees and working environment, that people are treated with respect and dignity, that operations are environmentally friendly and that compliance with regulations and ethics is followed. To reflect this commitment, the Company adheres to the business philosophy of integrity, respects its employees on a legal basis, assigns dedicated personnel to implement employee occupational safety and health operations in accordance with the law, and establishes reasonable channels for appeals in addition to continuous publicity and education to implement human rights policies in daily life.
The company has implemented a comprehensive framework for managing human rights at every stage, which serves as the cornerstone for safeguarding and upholding human rights. The steps and processes involved are outlined below:
The Company is committed to reasonably ensuring the safety of its employees and working environment, that people are treated with respect and dignity, that operations are environmentally friendly and that compliance with regulations and ethics is followed. To reflect this commitment, the Company adheres to the business philosophy of integrity, respects its employees on a legal basis, assigns dedicated personnel to implement employee occupational safety and health
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			operations in accordance with the law, and establishes reasonable channels for appeals in addition to continuous publicity and education to implement human rights policies in daily life. 5. Human Rights Concerns and Practices 5.1 Providing a safe and healthy working environment The company has passed the examination and verification of ISO 14001 (Environmental Management System) and ISO-45001 (Occupational Safety and Health Management System), and actively promoted improvement activities such as energy saving and carbon reduction, disaster and pollution prevention, so as to reasonably ensure a safe working environment. In addition to providing a safe and healthy working environment in accordance with laws and regulations, the Company has established a dedicated unit and committee organization for occupational safety and health, employed professional doctors and nursing staff, and regularly conducted education and training on safety and health, fire protection, etc., and taken necessary precautions to prevent occupational disasters, thereby reducing the risk factors of the working environment. 5.2 Friendly **Workplace** Diversity, Equity, and Inclusion (DEI) Our company is committed to creating a welcoming work environment that values and leverages the strengths of all individuals, regardless of gender, age, or cultural background.	

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			In the workplace, it is crucial to embrace individuals from diverse backgrounds, races, genders, sexual orientations, abilities, and perspectives in order to foster a diverse environment. Providing equal opportunities and fair treatment to all employees is essential for bridging the gap between different groups and ensuring that every employee is respected, accepted, and able to actively participate and contribute. We are dedicated to promoting gender equality policies and preventing workplace misconduct through advocacy and educational training. Our objective is to create a dignified and welcoming work environment for our employees. 5.3 Putting an end to unlawful discrimination to reasonably ensure equal job opportunities The Company implements its human rights policies in the internal control procedures, applies them to employment, remuneration and benefits, training opportunities, promotion, dismissal or retirement and other matters related to labor rights and interests, and does not treat employees and job-seekers unfairly based on their race, class, language, thought, religion, party affiliation, native place, place of birth, gender, sexual orientation, age, marriage, pregnancy, appearance, facial features, physical and mental disabilities, constellation, blood type and other factors. 5.4 Prohibition of Child Labor To ensure compliance with corporate social responsibility and ethics, the Company has explicitly prohibited child labor since the beginning of recruitment. As of the end of December	

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			2023, the total number of employees was 233, and the number of child labor was 0. 5.5 Prohibition of Forced Labor The Company does not force or coerce any unwilling personnel to perform labor services. The provisions on daily and weekly normal working hours, extended working hours, vacations, special vacations and other kinds of vacations for employees are in compliance with the laws and regulations. A reminder function is set up in the attendance system for employees applying for overtime, overtime pay or compensatory leave is provided after overtime, and a dedicated person is assigned to inspect and control the working hours of the factory on a monthly basis. 5.6 Assisting employees to maintain physical and mental health and work-life balance The Company provides venues or sponsorship funds to encourage employees to participate in healthy activities, and employees can form their own clubs to unite colleagues by emotion through club activities. Besides holding activities such as beano, Mid-Autumn Festival party, guess lantern riddles, etc. to adjust employees' body and mind and cohesion, the company also sets up sports and fitness equipment for employees to use after work. In order to promote employees' autonomy in exercise and health management, we organize sporadic sports competitions. In April of 2023, the Taipei region sponsored and encouraged employees to participate in the "2023 Taipei Technology Cup	

Promotion items	Implementation Status (Note 1)			Discrepancies between its implementation and the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies," and reasons for such discrepancies
	Yes	No	Abstract Illustration	
			Love Earth Charity Road Run." Additionally, from October to December of 2023, we held the 'Get Together and Walk' event to promote physical and mental well-being. 6. Training Practices on Human Rights Protection 6.1 Newcomers Training The Company requires employees to take education and training for newcomers on compliance promotion upon onboarding, including: sexual harassment prevention, anti-discrimination, anti-harassment, implementation of working hours management, and protection of humane treatment. 6.2 Prevention of Workplace Violence The Company makes its employees aware of their responsibility to assist in ensuring that there is no illegal infringement in the workplace through publicity and announcements, and discloses the complaint hotline to jointly create a friendly working environment. 6.3 Series Training on Occupational Safety The content includes: safety and health education and training, fire safety training, emergency response, first aid training, etc. 6.4 Good Faith Moral Propaganda Educate and promote from daily behavior and ethical standards, to provide a healthy and positive workplace culture. The company continues to pay attention to human rights protection and carries out relevant training, so as to raise awareness of human rights protection and reduce the possibility of related risks. We organized training related to the promotion of human rights protection in 2023, with a total of	

<table>
<tr><th rowspan="2">Promotion items</th><th colspan="3">Implementation Status (Note 1)</th><th rowspan="2">Discrepancies between its implementation and the “Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies,” and reasons for such discrepancies</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td></td><td></td><td></td><td>1,728 hours and a total of 668 persons. The details of the number of persons participating and training are as follows:</td><td></td></tr>
</table>

Course Title	Total Participants	Total hours
[Integrity Lecture] Stop, Look, and Listen: Avoiding Cybersecurity Traps	64	128
[Integrity Lecture] Enhancing Legal Awareness and Response in the Era of Artificial Intelligence	42	84
[Integrity Seminar] Legal Advocacy - Insider Trading and Gender Equality	18	36
[Integrity Lecture] Preventing Unlawful Violations in the Workplace	6	12
[Integrity Lecture] Legal Responsibility and Analysis of Breach of Trust Cases	1	3
Process Safety Training	16	276
Work Safety Training/Propaganda	2	36
Environmental Protection Training	1	24
On-the-job Health Education and Training (Including On-the-job Training and Retraining of Operation Supervisors)	131	393
Emergency Response Drill	35	70
Self-defense and Fire Marshalling Training	8	48
Fire Fighting Training/Propaganda	55	275
Special Operations and Cancer Screening Seminar	7	21
Workplace Health Promotion Lecture	46	61

Promotion items	Implementation Status (Note 1)			Discrepancies between its implementation and the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies," and reasons for such discrepancies
	Yes	No	Abstract Illustration	
			(continued table) Emergency Medical Personnel and Education and Training in Healthcare: 6, 31; Promoting a Friendly Workplace: Maintaining a Workplace Free from Violence, Harassment, and Intimidation: 230, 230; Total: 668, 1,728 7. Complaint System The Company has a smooth complaint channel, through which colleagues can file a complaint with supervisors at all levels or the Human Resources Department when they encounter various problems within the Company. In addition, the Company has a dedicated complaint mailbox and e-mail for sexual harassment prevention, in order to maintain gender equality in work and provide employees and job seekers with a work and service environment free from sexual harassment. During the period of complaint investigation, it will be handled in a confidential manner, and the name of the complainant or other relevant information sufficient to identify the complainant will not be disclosed to protect the complainant. In terms of policies for human rights and practices concerned, please refer to the Company's website:https://www.apc.com.tw/ESG/zh-tw/ESG51.aspx	
(II) Does the company establish and deliver reasonable employee welfare programs (including salary, compensated absences, and other benefits) and adjust	V		(II) 1. Employee Compensation The Company has a Salary Compensation Committee, which regularly reviews the salary compensation policy; Reward and punishment is linked to the year-end bonus, so that the reward and punishment system is clear and effective. Year-end bonus will be	

Nested table within Abstract Illustration (continued):

Emergency Medical Personnel and Education and Training in Healthcare	6	31
Promoting a Friendly Workplace: Maintaining a Workplace Free from Violence, Harassment, and Intimidation	230	230
Total	668	1,728

Promotion items	Implementation Status (Note 1)			Discrepancies between its implementation and the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies," and reasons for such discrepancies
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employee compensation in relation to business performance?			given according to the company's profitability, individual performance of employees and achievement rate of organizational goals. In 2023, the ratio of male salary to female salary for middle-level supervisors was 1.02:1, and that ratio for general employees was 0.93:1. Due to the high proportion of new male employees in recent years, the salary of general male employees was diluted, and general female employees had higher seniority. Therefore, female employees' average salary was higher than male employees'. 2. Employee welfare measures The Company has diversified welfare measures:	

Welfare Items	Content
Bonus welfare	Year-end bonus and performance bonus
Vacation welfare	Parenting leave, physiological leave, family care leave and paternity leave
Insurance welfare	Accident insurance, life insurance, employee/dependents group insurance, employee pension, business travel group injury insurance for employees
Catering welfare	Employee canteen and food allowance
Traffic welfare	Employee parking space, transportation allowance
Entertainment welfare	Staff gym, staff travel, staff regular dinner
Subsidy welfare	Subsidy for on-the-job education and training, and domestic/overseas study subsidy

<table>
<tr><th rowspan="2">Promotion items</th><th colspan="3">Implementation Status (Note 1)</th><th rowspan="2">Discrepancies between its implementation and the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies," and reasons for such discrepancies</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td></td><td></td><td></td><td><table><tr><td>Other welfare</td><td>Staff maternity subsidy, wedding and funeral celebration subsidy, staff travel subsidy, senior staff praise, cash gifts for three festivals and the birthday, and regular health check-ups</td></tr></table></td><td></td></tr>
<tr><td>(III) Does the company provide a safe and healthy work environment to its employees, and regularly offer safety and health education to its employees?</td><td>V</td><td></td><td>(III) 1. Management of Occupational Safety and Health
The company carried out education and training, internal audit and management review related to ISO 45001 Occupational Safety and Health Management System, and passed SGS verification in April 2019, obtained ISO 45001 Occupational Safety and Health Management System Certificate on April 26, 2019, which is valid from May 13, 2022 to April 23, 2025. The Occupational Safety and Health Management System verification encompasses the Asia Polymer Linyuan Plant, including both employees and non-employee workers at the Linyuan Plant.

Occupational Safety and Health Policy
Constantly strengthening safety and health management (SM)
Regularly evaluating safety and health performance (SP)
Providing workers with a safe and healthy working environment (SE)
SM+SP=SE

The Company's occupational safety and health management goal is "zero-accident occupational safety". Low occupational injury and low absentee rates are key indicators for evaluating employees' health and safety.
2. Employee Safety Check
The Employee Safety Department and the construction unit in charge of the safety and health in the Linyuan Plant has carried out the</td><td></td></tr>
</table>

Promotion items	Implementation Status (Note 1)			Discrepancies between its implementation and the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies," and reasons for such discrepancies
	Yes	No	Abstract Illustration	
			relevant inspection work, conducted all kinds of employee safety inspection work regularly every day, and participated in the Taipei Responsible Care Association (TRCA), Linyuan Industrial Park Safety and Health Promotion Association and the regional defense organization. Fire drills and employee safety education and training are held regularly every year to cultivate employees' ability of emergency response and self-safety management. 3. Safety and Health Education and Training In 2023, there were 705 times of on-the-job safety and health education and training for employees of the Linyuan Plant, and the total number of training hours for occupational safety and health was 4,779, including 3,952 hours of occupational safety and health education and 827 hours of training for process safety management, which accounted for 84% of the total number of hours of education and training for Asia Polymer in 2023, which was 5,711 hours. Number of person-time and hours of safety and health education training in recent two years: <table><tr><th>Year</th><th>Education Training Person-time</th><th>Education Training Hours</th></tr><tr><td>2022</td><td>725</td><td>4,078</td></tr><tr><td>2023</td><td>705</td><td>4,779</td></tr></table>4. Occupational Health Management In order to know the physical health of employees, the Occupational Safety and Health Department is entrusted to announce qualified hospitals to conduct employee health check-ups every year, so as to ensure the health of employees, and the expenses are all borne	

<table>
<tr><th rowspan="2">Promotion items</th><th colspan="3">Implementation Status (Note 1)</th><th rowspan="2">Discrepancies between its implementation and the “Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies,” and reasons for such discrepancies</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td></td><td></td><td></td><td>by the company. In July, 2023, the health check-up of employees in Linyuan Factory was carried out four times, and the total number of people examined in Linyuan Factory was 210. The graded management system of special operation health check-up was implemented, and the results of the graded management of special operation health check-up were reported to the competent authority for reference.
Regular appointment of doctors for in-factory health services, holding health talks, monthly in-factory health services in nurse practitioner, 6 appointments of doctors for in-factory health services in the year of 2023, with a total of 40 employees and non-employee workers; 2 health talks and health consultations, with a total of 49 employees and non-employee workers, 7 times per month, and health services for 84 in-factory nurse practitioners.
5. Occupational Injury Statistics
<table><tr><th>Year</th><th>Total Work Hours</th><th>Number of workplace accidents</th><th>Number of occupational injuries</th><th>Number of fatalities</th><th>percent age</th></tr><tr><td>2022</td><td>458,184</td><td>0</td><td>0</td><td>0</td><td>0 %</td></tr><tr><td>2023</td><td>495,756</td><td>0</td><td>0</td><td>0</td><td>0 %</td></tr></table>Please note that the Employee Injury Rate (IR) for the year 2023 is 0, and the Lost Workday Rate is also 0.
The Linyuan Plant has achieved a remarkable milestone of 5,816,908 hours without any incidents resulting in lost time.
The record has been consistently maintained (recorded from 2010.10.14 to 2023.12.31).
Improvement Measures: We will consistently carry out</td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Promotion items</th><th colspan="3">Implementation Status (Note 1)</th><th rowspan="2">Discrepancies between its implementation and the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies," and reasons for such discrepancies</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td></td><td></td><td></td><td>occupational safety inspections, enhance the duration of safety training, and develop employees' skills in emergency response and self-safety management.
6. Fire Injury Statistics:
<table><tr><th>Year</th><th>Total Work Hours</th><th>Number of fires</th><th>Number of Fire Injuries</th><th>Number of fatalities</th><th>percent age</th></tr><tr><td>2022</td><td>458,184</td><td>0</td><td>0</td><td>0</td><td>0 %</td></tr><tr><td>2023</td><td>495,756</td><td>0</td><td>0</td><td>0</td><td>0 %</td></tr></table>Improvement Measures: We will continuously strengthen fire management by implementing fire drills, conducting fire equipment inspections, and managing flammable materials within the factory. Additionally, we will enhance education and training programs to improve employees' knowledge of fire safety.</td><td></td></tr>
<tr><td>(IV) Has the company established an effective training plan for employees' career development?</td><td>V</td><td></td><td>(IV) The Company's education and training is coordinated with the external environment, business policy, departmental performance objectives and the needs of employees' career development, and an all-round education and training system is constructed to provide training courses for all-round talents. In regard to the employees' continuing education and learning, the Company conducts the employee training needs survey in the fourth quarter of every year to formulate education and training implementation plans and budgets. At the same time, the Company has also set up a digital learning platform as a means for self-learning, and regularly holds employee functional training, management training, seminars, health talks and various conferences to enhance employees' professional and management skills, thereby balancing employees' physical and mental development. In order to improve the quality and overall competitiveness</td><td></td></tr>
</table>

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			of our colleagues, we have implemented a diverse approach to course delivery. Alongside traditional lectures, we incorporate activities, case studies, and group discussions tailored to each course. This approach not only enhances the effectiveness of learning, but also promotes the simultaneous development of our colleagues' careers and overall job performance. Additionally, our online e-Learning courses allow colleagues to participate in learning activities at any time and from anywhere, ensuring their continuous professional growth and alignment with organizational goals.	
(V) Does the company comply with relevant regulations and international standards regarding customer health and safety, right to privacy, marketing and labeling of its products and services and set up relevant consumer protection policies and complaint procedures?	V		(V) The Company focuses on quality, capability, and environmental protection policies, cooperates with high-quality suppliers on a long-term basis to fulfill its corporate social responsibility, conveys environmental policies to contractors and carriers, complies with the EU's RoHS regulations, strengthens education and training on environmental protection, pays attention to suppliers' safety in the plant area, and ensures the safety of various operations, so as to ensure life safety and health of personnel and to conduct risk management collectively.	
(VI) Does the company formulate and implement supplier management policies that require suppliers to follow relevant regulations on environmental protection, occupational safety and health or labor human rights?	V		(VI) The Company has established long-term strategic partnerships with major raw material suppliers and set up safety stock according to the preparation schedule, to ensure a smooth supply chain. To encourage continuous supplier optimization so that the Company can obtain raw materials and services at the right time, in the right quantity and at the right price, the Company regularly performs annual evaluation of suppliers according to aspects including quality, delivery dates, environmental protection and occupational safety and health, packaging, quality certification and services in coordination with production operations and environmental protection	

Promotion items	Implementation Status (Note 1)			Discrepancies between its implementation and the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies," and reasons for such discrepancies
	Yes	No	Abstract Illustration	
			policies, operations and environmental protection policies. The Company will continuously strengthen self-evaluation of supply chain sustainability, and gradually incorporate ESG performance into the process of selection, evaluation, and audit. The Company jointly fulfills corporate social responsibilities with its suppliers using its influence. Excellent ESG experience sharing and collaboration with suppliers serve as a vital foundation for the Company to establish sustainable businesses.	
V. Does the company refer to internationally-used standards or guidelines for the preparation of reports such as sustainability reports to disclose non-financial information? Are the reports certified or assured by a third-party accreditation body?	V		The Company prepares a CSR report based on the core options of the GRI Standard (GRI Standard: Version 2021) and publishes it every June (starting from 2024, it will be issued after the Board of Directors' meeting, and will be adjusted to August) to disclose non-financial information as a communication bridge with all stakeholders who care about the Company, and to shed light on its philosophy of sustainable business and social responsibility and relevant information, as well as efforts at various relevant issues. The 2022 Sustainability Report is in compliance with the GRI Standard: 2021 and has undergone external assurance at a moderate level of assurance, Type 1, in accordance with the AA1000 V3 Assurance Standard. The assurance was conducted by AFNOR Asia Ltd., an independent third-party verification organization.	Compliant with the requirements of the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies."
VI. If the company has established sustainable development best-practice principles based on the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies," describe the implementation and any deviations from such principles: On March 11, 2015, the Board of Directors approved the establishment of the Company's "Corporate Social Responsibility Code of Practice", which was amended in accordance with the SEC's Tai Chen Chi Li letter No. 11000241731 published on December 7, 2021, later on March 9, 2022, the Board of Directors approved the amendment of the title to the "Sustainable Development Best Practice Principles". On December 23, 2022, the Board of Directors added Article 27-1 in accordance with the Tai Chen Chi Li No. 11100243661, which was approved by the Sustainable Development Committee on March 3, 2023. The company aligns with international development trends and the goal of sustainable development. We regularly review our implementation in				

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accordance with the 'Guidelines for Sustainable Development Practices' and use it as a basis for improvement. Our operations are consistent and free from discrepancies.				

VII. Additional crucial information for comprehending the execution of sustainable development:

(I) Composition, duties, and operation of the Sustainable Development Committee:

Members, responsibilities and operation of the Sustainable Development Committee of the Company:

1. Member and responsibility data:

Title	**Name**	**Sustainable Development Committee**
Chairman	Wu, Yi-Kuei	Committee Member
General Manager	Wu, Pei-Chi	Deputy Committee Chairman
Independent Director	Cheng , Tun-Chien	Committee Chairman
Independent Director	Chen, Chine-Ping	Committee Member

(1) The current term spans from June 2, 2022 to May 26, 2025.
(2) The Sustainable Development Committee shall meet at least twice a year.

2. Responsibilities:

(1) Determining the sustainable development policy.
(2) Negotiation of sustainable development strategic plan, annual plan and project plans.
(3) Supervising the implementation of sustainable development strategic plan, annual plan and project plan, and evaluate the implementation.
(4) Reviewing and approving the sustainable report.
(5) Report the implementation of sustainable development activities to the Board of Directors each year.
(6) Other matters to be conducted by the committees based on resolutions of the Board of Directors.

3. Operation Status:

First meeting in 2023

(1) Meeting Date: March 3, 2023
(2) Members in attendance: Cheng, Tun-Chien, Wu, Pei-Chi, Wu, Yi-Gui, Chen, Chine-Ping
(3) Announcements:

The report on the results of stakeholder negotiation in 2022 includes stakeholder identification, issues concerned, communication

Promotion items	Implementation Status (Note 1)			Discrepancies between its implementation and the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies," and reasons for such discrepancies
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channels and response methods.

Issue 2: Achievements in Sustainable Development and Future Promotion Goals for Our Company in 2022

Issue 3: Execution Progress and Planning of the Company's 2022 Sustainability Report.

1. Our company's 2022 Sustainability Report adheres to the GRI Sustainability Reporting Standards (GRI Standards) and addresses ESG-related issues by referencing global concerns and the United Nations Sustainable Development Goals. A questionnaire survey was conducted among internal and external stakeholders to identify ten major issues. These issues include nine significant issues that were identified based on their impact and likelihood, as well as one issue related to ongoing management from the previous year.
2. The 2022 Sustainability Report will be verified by AFNOR International Limited as a third-party verification agency. The verification will be conducted in accordance with the GRI guidelines and the AA1000 Type 1 moderate assurance verification level to ensure the accuracy and reliability of the report's content.
3. The compilation of the report content has been completed. The subsequent progress will be planned as follows:
   External verification will be completed by the end of April.
   May draft report submitted for review by the Sustainable Development Committee
   The report's Chinese version will be released by the end of June.

Second meeting in 2023

(1) Meeting Date: August 2, 2023

(2) Members in attendance: Cheng, Tun-Chien, Wu, Pei-Chi, Wu, Yi-Gui, Chen, Chine-Ping

(3) Announcements:

Issue 1: Implementation of the company's sustainable development projects in the first half of 2023.

Issue 2: The results of the implementation of the Company's 2022 Sustainability Report.

1. The Company's 2022 Sustainability Report was submitted to the Internet Information Reporting System designated by the Taiwan Stock Exchange Corporation on June 30, 2023, in accordance with Article 5 of the Regulations Governing the Preparation and Reporting of Sustainability Reports by Listed Companies, by placing a link to the Company's 2022 Sustainability Report and the file of the Report on the Company's website, and submitting the report to the Board of Directors' Meeting of the third meeting of 2023, as specified in the Regulations Governing the Preparation and Reporting of Sustainability Reports by Listed Companies.

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2. The translation and editing of the English version of the report are scheduled to be completed by the end of October this year. Subsequently, it will be uploaded to the company's official website.
3. The case will be presented to the board of directors upon inclusion in the committee's report.

Issue 3: Greenhouse Gas Inventory and Compliance Execution Status of Our Company

The greenhouse gas inventory and verification execution of our company's individual companies and consolidated financial statement subsidiaries are as follows.

Work Items	Estimated Completion Time
Determining the number of full-time and part-time positions, the total number of personnel, and outlining their respective job responsibilities.	The project was completed in May of 2022.
The greenhouse gas inventory at the Linyuan Plant has been completed.	The project was completed in May of 2022.
The greenhouse gas inventory at the Linyuan Plant has been completed.	The project was completed in June of 2022.
The greenhouse gas inventory for the Company has been completed.	The project was completed in April of 2023.
The greenhouse gas inventory for the Company has been completed.	The project was completed in May of 2023.
The greenhouse gas inventory for the Consolidated Subsidiary Company has been completed.	Anticipated completion date: December 2025.
The greenhouse gas inventory for the Consolidated Subsidiary Company has been completed.	Anticipated completion date: December 2027.

The case will be presented to the board of directors upon inclusion in the committee's report.

Issue 4: Revise specific provisions of our company's "Guidelines for Sustainable Development Practices."

(II) Implementation of environmental protection, energy conservation and carbon reduction:

1. Environmental Policy

Continuous improvement environmental quality (EQ)
Regular assessment of environmental performance (EP)
Provision of a healthy environmental life (EL)

Promotion items	Implementation Status (Note 1)			Discrepancies between its implementation and the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies," and reasons for such discrepancies
	Yes	No	Abstract Illustration	

EQ + EP = EL

In light of our dedication to environmental protection and compliance obligations, all employees at Asia Polymer Corporation acknowledge the crucial mission of promoting sustainable development and effective environmental conservation. As a responsible organization, we are committed to implementing the following strategies to realize our vision:

(1) Abide by the government's environmental protection and safety and health regulations.
(2) Pay attention to international treaties and environmental protection requirements of customers and stakeholders.
(3) Comply with SONY GP and RoHS product environmental protection assurance requirements.
(4) Implement continuous improvements to pollution prevention tasks and energy and resource management.
(5) Reduce potential environmental risks in operations.
(6) Set environmental goals and continue to improve the environmental management system through education and training and environmental audits to improve environmental performance and ensure the effective implementation of the environmental management system.

2. Outcomes of energy conservation and carbon reduction

The Company implemented four energy saving and carbon reduction programs in 2023, saving a total of 516,614 kWh of electricity, 2,736 tons of steam and reducing greenhouse gas emissions by 840 metric tons of CO_2e.

The table below shows the total energy consumption, total greenhouse gas emissions, energy savings, carbon reduction, and carbon reduction compared to the baseline year for the past two years.

Category	Total energy consumption (GJ)	Total greenhouse gas emissions (metric tons CO_2e)	Energy saved (GJ)	Carbon Reduction (in metric tons of CO_2e)	Percentage reduction in carbon emissions compared to the baseline year
2022	810,100	111,975	977	138	4.5
2023	805,494	108,736 (Note 3)	9,645	840	7.2 (Note 3)

Note1: Note: 2017 is the base year for energy use and greenhouse gas emissions.

Note2: As a result of the official implementation of ISO14064-1 Greenhouse Gas Inventory Third-Party Verification in 2022, the total greenhouse gas emissions for the baseline 2017 have been revised to 117,228 metric tons of CO_2e.

Note3: The greenhouse gas emissions for 2023 were calculated using internal data and are anticipated to be validated by external sources in

Promotion items	Implementation Status (Note 1)			Discrepancies between its implementation and the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies," and reasons for such discrepancies
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July of 2024.

3. Eenergy conservation and carbon reduction Proposal

In 2024, five energy-saving and carbon-reducing measures are planned to be implemented. These measures include improving condensate water recycling and energy-saving for Line3, enhancing energy-saving in the Line3 VA transportation system, reducing temperature and energy consumption in the Line2 Recycle line, improving energy efficiency in the Line3 catalytic pump, and enhancing energy-saving in the power system. It is estimated that these measures will save a total of 2,237,004 kilowatt-hours of electricity, 552 metric tons of steam, and 1,220 metric tons of CO_2e emissions.

(III) Implementation of Social Services and Public Welfare:

1. **Donation to the USI Education Foundation**

The USI Education Foundation, a non-profit organization, was jointly established by USI Group and Asia Polymer on December 30, 2011. It officially began operations in 2012 with the goal of engaging in educational public welfare activities. Its primary focus is on supporting underprivileged rural areas and environmental conservation. The foundation strengthens its service capacity and enhances service efficiency through the provision of scholarships, donations to charitable organizations, and sponsorship of educational public welfare events.

USI Group adheres to the principles of stability, professional management, excellence, and serving society. We are committed to educational public welfare initiatives, with a particular focus on vulnerable groups, rural areas, and environmental ecology. We conduct the following businesses in compliance with applicable laws and regulations:

(1) Sponsor education in rural areas.
(2) Set up scholarships.
(3) Hold talks, seminars or other education-related charitable activities.
(4) Sponsor schools at various levels or educational groups to engage in activities such as literature, sports, music, dance, arts and drama.
(5) Industry-academia collaboration.
(6) Other educational activities of public interest in line with the objectives of the Foundation.

In 2023, our company donated NT$5 million to the Taiwan Gathering Education Foundation. With the foundation's support, our aim is to promote cultural development in Taiwan and sponsor education in disadvantaged rural areas. By implementing educational reforms in these areas, we provide underprivileged students with opportunities for transformation and strive to address educational inequality. Furthermore, we have established long-term partnerships with local communities, emphasizing their development and providing assistance. This includes supporting the sale of local agricultural products and sponsoring community environmental activities, all with the goal of

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promoting local development and achieving mutual prosperity with the community.

Scholarships and Grants

The foundation has offered scholarships to outstanding students from underprivileged backgrounds, who pursue studies in areas, including chemical engineering, materials engineering, and applied chemistry at 15 public and private universities to promote education related to the aforementioned areas and talent cultivation, as well as motivate students at university and graduate school to work hard, thereby cultivating outstanding talents for the society. In 2023, a total of NT$3.3 million in grants were awarded to 30 students from 17 departments of 11 public and private universities, including 9 doctoral students, 10 master's students and 11 university students, among whom 23 are from poor families. In addition, a scholarship award ceremony and a praise lunch were held on December 8, 2023 at the Taipei Marriott Hotel, to encourage and cultivate more outstanding students from the poor families, hoping to exert positive influence on the society in the future. Finally, Stanley Yen, Chairman of The Alliance Cultural Foundation shared his life experiences and wisdom, inspiring the award-winning students to strive for personal growth, lead fulfilling lives, excel in their work, and empower themselves to go beyond mediocrity.

Scholarship in the field of Artificial Intelligence

In order to promote the involvement of exceptional domestic graduate students in research and development applications in the field of artificial intelligence (AI), and bridge the gap between academia and industry, the Foundation has established this program. Its aim is to recognize and support master's and doctoral students who are conducting research on topics related to intelligent production systems, process control, and AI applications that contribute to energy and cost savings. Additionally, the program seeks to cultivate professionals in the chemical industry who possess expertise in the field of AI. The project has been implemented as a trial for five years since 2022. Students who are awarded receive a scholarship of NT$50,000 per semester and are eligible for continuous funding for up to four semesters, subject to regular review. To date, a total of four students have received awards.

The Alliance Cultural Foundation

The Alliance Cultural Foundation has long been a significant sponsor and supporter of the Taitung Junyi School of Innovation, aiming to allocate more resources to rural education and sustainable development in the Hualien and Taitung regions. Despite the challenges posed by the pandemic, 2023 The Alliance Cultural Foundation has not only resumed various projects in succession but has also made significant progress in the development of the "Hualien-Taitung Sustainable Blueprint" by leveraging past achievements. The Hualien-Taitung Sustainable Blueprint is closely connected between the The Alliance Cultural Foundation, the Junyi School of Innovation, and the Paul Chiang Art Center, and it fully integrates talent and resources to maximize efficiency. The Alliance Cultural Foundation has always

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	Yes	No	Abstract Illustration	

supported the preservation of indigenous culture, encouraged young people to return to their hometowns, and nurtured local talent by providing resources for developing specialized skills. Its mission is to establish a "Mountain and Sea Slow Living Co-prosperity Ecological Circle". On the other hand, Junyi School aims to enhance the professionalism of teachers and educate students to become global talents. It leverages local advantages and shares the concepts and practices of Junyi Experimental Education to establish an "Innovative Teaching Ecological Circle". It strives to establish innovative models for rural education in a structured manner. The "Paul Jiang Art Center", actively supported by the public welfare platform, is expected to open in the autumn of next year. It aspires to become an art landmark that connects the local and international communities, attracting art and nature enthusiasts from around the world to come and experience the uniqueness and diversity of Taitung.

Junyi School of Innovation - Rural Education

Junyi School aims to serve as a hub for rural experimental education. The curriculum for experimental education is thoughtfully designed, taking into account global educational trends and the distinctive features of the Hualien-Taitung region. The Elementary Department is grounded in the Waldorf education philosophy, which enables children to develop an appreciation for art and aesthetics, as well as the ability to engage harmoniously with nature, through a wide range of hands-on activities. The secondary division places emphasis on interdisciplinary courses, aiming to foster students' innovative thinking and problem-solving abilities. This is achieved through a range of experimental courses, including "Life Exploration", "Arts and Humanities", and the integration of "Creative Clusters" such as International Hospitality, Contemporary Art, and Green Energy Architecture.

Toufen Junior High School Music Program

The foundation established its first music education project in September 2021, in cooperation with The Head Of Miaoli County High School, in combination with the music education project of the private Shangrong 365 Social welfare charity Foundation of Jiayi city (hereinafter referred to as Shangrong). Our goal is to support students in their personal development through the art of singing. By participating in the annual Shangrong 365 Music Festival, we strive to inspire their motivation to learn and enhance their self-confidence.

Support other charitable activities through sponsorship

(1) **The Boyo Social Welfare Foundation offers free remedial tutoring and caring guidance to** junior high and elementary school students from economically disadvantaged families. The foundation's goal is to ensure that every underprivileged child has access to an appropriate educational environment, develops essential skills, improves social competitiveness, and has the opportunity to become self-reliant and break free from poverty in the future.

(2) **The Foundation for Teaching and Education for Taiwan is a non-profit organization that is** committed to addressing educational

Promotion items	Implementation Status (Note 1)			Discrepancies between its implementation and the “Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies,” and reasons for such discrepancies
	Yes	No	Abstract Illustration	

inequality and striving to create equal educational opportunities for every child.

(3) **Public Welfare Activities for Medical Health Education**
We encourage medical universities to organize camps and reach medically underserved rural areas. Our goal is to promote medical care and health education in these areas. Additionally, we provide partial funding for medical charity clinics and health education services in six camps sponsored by the foundation. These camps are specifically targeted towards rural areas.

(4) **The Foundation** for Medical Teaching and Epidemic Prevention Equipment has donated a UVC Deep Ultraviolet Central Air Conditioning Sterilizer to Taipei Medical University. This sterilizer effectively controls the airborne bacterial load and has been installed in the outpatient department of the Orthopedics Department on the 1st floor of the First Medical Building at Taipei Medical University Hospital.

(5) **In 2023**, the USI Group invested resources to support domestic cultural development by donating a total of 10 million New Taiwan Dollars (5 million each from USI Group and Asia Polymer) to the USI Education Foundation. As a result of this sponsorship, approximately 5.7 million New Taiwan Dollars were allocated to cultural development projects.

2. **Community public welfare activities**

The Asia Polymer Linyuan Plant actively pays attention to and participates in community-related public welfare activities. These activities include community environmental protection, assisting in the sale of local agricultural products, neighborhood gatherings, community charity events, and community competitions. By fostering emotional connections with community residents and promoting community harmony, the factory fulfills its corporate social responsibility. Additionally, the company employs local manpower in the area where it operates to enhance community identification. In 2023, a total of 73 local personnel from the Linyuan Plant were employed. As the epidemic subsided in the 2023, the government lifted the epidemic prevention measures, and Asia Polymer gradually resumed community activities, community sports events, community public services, and assistance in neighborhood development, with the aim of fostering prosperity within the community.

The community participated in the following public welfare activities in 2023:

(1) **Linyuan Plant is hosting the Passionate Blood Donation Event.**
With the stabilization of the epidemic, many postponed surgeries have gradually resumed, resulting in a significant increase in the demand for blood. To ensure an adequate supply of medical blood, the Linyuan Plant Service Center of the Ministry of Economic Affairs, in collaboration with the Kaohsiung Blood Center, organized the inaugural Passion for Love blood donation event in front of the service center on November 27, 2023. The objective of this event is to encourage companies and employees in the Linyuan Plant to

Promotion items	Implementation Status (Note 1)			Discrepancies between its implementation and the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies," and reasons for such discrepancies
	Yes	No	Abstract Illustration	

actively engage in blood donation. The Asia Polymer Linyuan Plant, under the leadership of Director Hsieh, along with its supervisors and employees, actively participated in a blood donation event. The organizers prepared generous and exquisite gifts, and some businesses even incentivized blood donation by offering limited gifts like roasted chicken and chicken essence. The atmosphere at the event was vibrant and welcoming. In total, approximately 70 people donated blood, amounting to around 25,000 c.c. The event concluded successfully.

(2) **Collaboration for Greenhouse Gas Reduction between Departments at Wang Gung Elementary School, Kaohsiung.**

Asia Polymer Linyuan Plant is collaborating with the Kaohsiung City Environmental Protection Bureau to promote the 'Interdepartmental Greenhouse Gas Reduction Matching Program'. They have partnered with Wang Gung Elementary School in the Linyuan Plant for a greenhouse gas reduction project. The objective is to help the school upgrade energy-saving equipment, thereby reducing energy consumption and minimizing greenhouse gas emissions. This collaboration will be ongoing until November 30, 2023.

(3) **Management Plan for the Air Purification Zone of the Kaohsiung Environmental Protection Bureau in 2023.**

Asia Polymer Linyuan Plant aims to improve the city's overall air quality and environmental preservation in line with the 2023 Annual Kaohsiung Air Purification Zone Management Plan by the Kaohsiung Environmental Protection Bureau. The factory is committed to sustainable development and acts as a responsible corporate citizen. As part of its efforts, Asia Polymer Linyuan Plant has chosen the Lin Yuan Wang Gung Elementary School Air Purification Zone as its base and will provide one year of assistance to the management unit for environmental and plant maintenance.

(4) **We invite you to sponsor the Children Are Us Foundation Charity Softball Tournament.**

To demonstrate its commitment to the social aspects of sustainable development, USI Group organized the "USI Group Charity Softball Tournament". The event included participation from USI Group's South District 5 plants, namely USI, APC, TTC, TVCM, CGPCP, as well as other companies. The meals for the event were provided in the Children Are Us' bento boxes, which were donated jointly by the factories and the USI Group Education Foundation to support the "Children Are Us Foundation". The aim of this sports event was to foster camaraderie among colleagues and encourage active participation in social welfare activities, providing vulnerable groups with a sense of warmth and care from society.

(5) **Support the development of the Ren-Wu High School basketball team and organize charity basketball games for disadvantaged individuals.**

The USI Charity Basketball Tournament was organized in line with the USI Employee Sports Exchange Program. Its purpose was to support charitable activities and promote camaraderie among employees from various companies. The event was organized by USI,

Promotion items	Implementation Status (Note 1)			Discrepancies between its implementation and the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies," and reasons for such discrepancies
	Yes	No	Abstract Illustration	
			with funding provided by USI Corporation. A team of employees from the USI Group's South District Plant 5 attended the event and made a joint donation to support the development of Ren-Wu High School's baseball team and care for disadvantaged players. This initiative aims to encourage employees to actively participate in charitable activities and promote social engagement. (6) **The 21st USI Cup Community Friendship Tennis Tournament.** Asia Polymer Corporation and USI Group's subsidiaries Taita Chemical Company and Taiwan VCM Corporation have engaged the Linyuan Tennis Association to host the "21st USI Cup Tennis Tournament." The primary objective of this event is to cultivate camaraderie and foster positive and neighborly relationships among employees of the Group, industrial zones, and community teams through competitive tennis matches. Additionally, it aims to improve comprehension of stakeholders' needs and expectations and encourage active employee participation in community social activities.	

Note1: If you select the option "Yes," please provide specific details on the important policies, strategies, measures, and implementation status that have been adopted. If you select the option "No," please explain the differences and reasons in the "Differences and Reasons Compared to Sustainable Development Practices Guidelines for Listed and OTC Companies" field and outline your plans for future adoption of relevant policies, strategies, and measures.

Note2: The principle of materiality refers to environmental, social, and corporate governance issues that have significant impacts on the Company's investors and other stakeholders.

Note3: For disclosure, please refer to the best practice examples on the Taiwan Securities Exchange.

(VI) Climate-related Information for Listed Companies

1 Risks and Opportunities of Climate Change for the Company and the Company's Response Measures

<table>
<tr><th>ITEM</th><th>Implementation Status</th></tr>
<tr><td>
1. This report provides an overview of how the Board of Directors and management supervise and manage climate-related risks and opportunities.
2. Describe how the identified climate risks and opportunities affect the business, strategy and finances of the Company (short, medium and long term).
3. This report aims to elucidate the effects of extreme weather events and transition actions on the financial sector.
4. This report outlines the integration of the process of identifying, assessing, and managing climate risks into the overall risk management system.
5. When utilizing scenario analysis to evaluate resilience to climate change risks, it is crucial to provide a clear explanation of the scenario, parameters, assumptions, analysis factors, and significant financial impacts employed.
6. If you have a transition plan in place to mitigate climate-related risks, please provide a detailed description of the plan's content. Additionally, include the indicators and objectives that are utilized to identify and manage both physical and transitional
</td><td>
Climate change poses a global challenge that affects us all. To align with international standards and fulfill the requirements of sustainable development, our nation announced on February 15, 2023 the amendment of the Greenhouse Gas Reduction and Management Act to the Climate Change Response Act. In light of the impact of climate change, carbon reduction has become a global collaborative endeavor. At the start of 2022, USI Group established a carbon reduction target for 2030, aiming to decrease carbon emissions by 27% compared to the 106th year. Additionally, in 2023, the Company set a long-term objective of attaining carbon neutrality by the 2050.
In order to achieve the company's sustainable vision, USI Group is actively implementing response strategies and management mechanisms through practical actions. The domestic production plants are continuing to implement ISO 14064-1 Greenhouse Gas Inventory and Verification and have plans to execute carbon reduction plans. The group is also actively developing external renewable energy sites, with a cumulative grid-connected capacity of 7.2MW as of 2023 of the solar energy site.
Asia Polymer Corporation is aligning with the group's 2030 carbon reduction target to chart its own path towards carbon reduction. As of 2023, greenhouse gas emissions have already decreased by 7.2% compared to the baseline year (2017). Moving forward, the Company will proactively implement energy-saving and carbon reduction measures. The midterm decarbonization strategy will prioritize the transition to low-carbon energy, enhancing energy efficiency, implementing intelligent monitoring, and promoting the installation and utilization of renewable energy. The long-term decarbonization strategy will further prioritize low-carbon fuels, carbon capture and utilization technologies, and negative carbon emission technologies to attain carbon neutrality and foster sustainable development.
Asia Polymer's Carbon Reduction Achievements in 2023:
Measurement Unit: 10,000 metric tons of CO_2e
<table>
<tr><th colspan="3">2023</th><th>2024</th></tr>
<tr><td>Target Emissions</td><td>Actual Emissions</td><td>achievement rate</td><td>Target Emissions</td></tr>
<tr><td>11.11</td><td>10.87</td><td>102%</td><td>10.84</td></tr>
</table>
Asia Polymer has established the Sustainable Development Committee under the Board of Directors as the highest authority for climate management. The committee is led by an independent director and conducts annual reviews of the company's climate change strategies and goals. It also manages climate change risks and opportunities, and evaluates the progress of implementation, reporting directly to the Board of Directors. Asia Polymer utilizes the framework provided by the Task Force on Climate-related Financial Disclosures (TCFD) to identify climate-related risks and opportunities. It assesses risks and opportunities across various departments, evaluates their financial impacts, and establishes response plans. The Company plans to conduct a comprehensive
</td></tr>
</table>

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<tr>
<td>
risks.
7. If internal carbon pricing is used as a planning tool, it is important to provide an explanation for the basis of price determination.
8. If climate-related goals are established, it is important to provide an explanation of the activities covered, the scope of greenhouse gas emissions, the planning schedule, and the annual progress. If carbon offsetting or renewable energy certificates (RECs) are utilized to meet these goals, it is necessary to specify the source and quantity of carbon offset or the quantity of RECs.
9. Greenhouse Gas Inventory and Verification Status and Target, Strategy and Tangible Action Plan of Carbon Reduction (also completed in sections 1-1 and 1-2).
</td>
<td>
assessment every three years and review and update it annually.
Task Force on Climate-related Financial Disclosures (TCFD)
<table>
<tr><th>Category</th><th>Management Strategies and Actions</th></tr>
<tr><td>governance</td><td>1. The Sustainable Development Committee: the highest-level organization responsible for climate change management. It is chaired by independent directors and is responsible for annually planning and reporting on climate change initiatives and achievements. The committee reports to the Board of Directors.
2. The Management and Administration Meeting: chaired by the Chairman, periodically promotes planning and provides updates on the progress of major energy-saving and carbon reduction policies.
3. The Group Environmental Department Quarterly Report Meeting: is held every quarter to report progress and plans to the Chairman and make decisions. As the highest authority for energy management in USI Group, this meeting serves as an opportunity to update the Chairman and seek approval for future actions.
4. The Green Energy Team: the responsible unit within USI Group for promoting green energy. They report monthly to the Chairman on the progress of green energy development and future plans.</td></tr>
<tr><td>Strategy</td><td>1. Situation Analysis: Evaluating the physical risks encountered in various climate scenarios
2. Risk and Opportunity Identification: Evaluate the importance of risks and opportunities by considering the level of correlation and likelihood for risk items, as well as the operational feasibility and growth potential for opportunity items.
3. Assessment of Potential Financial Impacts: Conducting an assessment of the potential financial impacts associated with identified significant risks and opportunities.</td></tr>
<tr><td>Risk Management</td><td>1. Adoption of the TCFD: The adoption of the TCFD framework enables the identification of risks and opportunities, facilitates communication with relevant departments, and requires confirmation from senior executives.
2. Identification Results Report: As part of the annual company risk management assessment, the General Manager or a designated person reports the control measures and management operations to the Audit Committee and the Board of Directors each year.</td></tr>
<tr><td>Indicators and Goals</td><td>1. Group Energy Management Goals: In line with the group’s carbon reduction target, establish energy management goals starting from the baseline year of 2017. The objective is to achieve a 27% reduction in carbon emissions by 2030 and attain carbon neutrality by 2050.
2. The midterm decarbonization strategy: prioritize the transition to low-carbon energy,</td></tr>
</table>
</td>
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	enhancing energy efficiency, implementing intelligent monitoring, and promoting the installation and utilization of renewable energy. The long-term decarbonization strategy will further prioritize low-carbon fuels, carbon capture and utilization technologies, and negative carbon emission technologies to attain carbon neutrality and foster sustainable development. **3. Disclosure of Greenhouse Gas Emissions:** The Sustainability Report includes an annual disclosure of data on Scope 1 and Scope 2 emissions, along with regular reviews to analyze the reasons behind any increases or decreases.

Identification of Climate Risks and Opportunities

In light of the escalating global climate change, Asia Polymer remains committed to implementing the TCFD framework. This strategic approach allows the company to enhance its comprehension of potential risk factors associated with extreme weather conditions while also capitalizing on emerging business prospects. An assessment was conducted using the Taiwan Climate Change Projection and Adaptation Information Platform (TCCIP) and the National Science and Technology Center for Disaster Reduction to estimate the temperature rise, rainfall, flooding, and drought conditions from 2016 to 2035, based on the scenario of RCP 8.5. Three physical risk issues were identified. In addition, considering the group’s strategy, industry characteristics, national intended contributions (INDC), and TCFD indicators, nine transformation risk issues and twelve opportunity issues were listed, resulting in a total of twenty-four potential risk and opportunity issues.

In 2023, a questionnaire survey was conducted for the ESG Committee and senior executives to assess the correlation and potential impact of various risks on the company’s operations, as well as the development and feasibility of various opportunities. A total of 9 questionnaires were collected, and after statistical analysis by the team, 10 significant climate issues were identified, including 2 physical risk items, 4 transformation risk items, and 4 opportunity items.

Asia Polymer has assessed the potential financial impacts and developed response strategies and management mechanisms for 10 major risk and opportunity items. Our goal is to comprehend the potential effects of climate change on various aspects, mitigate operational disruptions caused by extreme weather conditions, and foster a resilient climate change culture.

Potential Financial Impacts and Mitigation Measures for Risk and Opportunity Projects

Issues	Category	Project Description: Risk and Opportunity	Potential financial impact	Response measures:
Flood disasters and waterlogging	Physical Risk/Chronic	Based on data from the Water Resources Agency, if there is a rainfall of 500mm within a 24-hour period, it is estimated that the factory area may experience flooding ranging	There has been an increase in capital expenditure and a decrease in revenue.	1. Enhancement of critical equipment infrastructure 2. Improving flood control and drainage measures

			from 0 to 0.5 meters for a duration of 1 day. As a result of the heavy rainfall and flooding mentioned earlier, the factory had to suspend its operations, leading to a decline in revenue.		3. Regularly check if the internal drains are clear of any obstructions.
	Drought	Physical Risk/Chronic	1. Based on the climate conditions at the USI Kaohsiung Plant from 1986 to 2005, projections have been made for the near future (2016-2035). It is estimated that there will be a maximum of 58 consecutive rainless days each year, which could result in water shortage or drought. 2. The factory may face water restrictions or shortages due to abnormal weather conditions, potentially leading to decreased production on the assembly line or a complete shutdown.	Increase in operational costs 1. The water conservation period is in effect from March 31, 2023 to June 14, 2023, in compliance with the government's water restriction measures. The water conservation rate is 10%, with water volume controlled at 1,239 tons per day. Additionally, there is a water conservation rate of 5%, with water volume controlled at 1,308 tons per day. During the water conservation period, the average daily water consumption was 1,230 tons, representing a decrease of approximately 9.3% compared to the normal water usage period in August, which averaged 1,356 tons per day. Costs of Water Conservation.	The government has implemented a phased water restriction policy, and the Asia Polymer Linyuan Plant has implemented three stages of measures in response. Phase One (1) Encourage water conservation among employees (2) and reuse office washing water for watering plants (3). Utilize the runoff from cutting water and cooling water as low-grade water. Phase Two (1) Increase the concentration ratio of the cooling tower from 5.5 to 7.5. (2) Decreasing the amount of water used to replenish the cutting water in the production line (3) Please refrain from performing unnecessary cleaning of product tanks and floors. Phase Three (1) Reduced the duration of regular fire drill water tests and temporarily halted fire drills.

				2. If there is severe drought, it is necessary to purchase water from other areas using water trucks, and the cost of purchasing water increases by more than NT$40,000 per day.	(2) The distillation tower can only be started once the recycling tank has reached a high liquid level. (3) Temporary suspension of employee restroom facilities for personal use
	Carbon fee	Transformation Risks, Policy, and Law	In December 2023, the Ministry of Environment released the draft of the Carbon Fee Charging Measures, which includes plans to impose carbon fees on carbon emitters with annual emissions exceeding 25,000 metric tons starting in 2025. (Note: When calculating carbon fees, a deduction of 25,000 metric tons of free quota can be applied)	High investment cost in the early stage, low carbon emission in the later stage and low operating cost Based on the estimated carbon emissions of Asia Polymer over a period of 2023, with a carbon fee of 300 New Taiwan Dollars per ton, the projected carbon fee is estimated to be 25.12 million New Taiwan Dollars, which accounts for approximately 0.38% of individual revenue.	1. Asia Polymer is assessing the use of internal carbon pricing as a shadow price, which involves incorporating carbon costs into investment assessments. This approach aims to improve the opportunities for implementing carbon reduction projects. 2. Implementation of an Energy Management System
	Risk of Regulations on Renewable Energy - Clause for Large Electricity Consumers	Transformation Risks, Policy, and Law	According to the “Regulations for the Management of Renewable Energy Generation Equipment for Electricity Users with a Contract Capacity Above a Certain Threshold,” the Ministry of Economic Affairs mandates that electricity users with a contract capacity exceeding 5,000 kW must install renewable energy generation equipment. By 2025, these large electricity users are required to have renewable	Rise in capital expenditure and operating costs Asia Polymer is planning to install solar energy equipment on the roof and intends to source green electricity from its subsidiary, USI Green Energy Corporation, in order to meet regulatory requirements.	1. USI Green Energy Corporation, a subsidiary of USI Group, is actively searching for suitable locations to invest in green energy development projects. By 2023, the total installed capacity of solar photovoltaic systems will reach 7.2 MW, generating an annual electricity output of 9.15 million kilowatt-hours. Asia Polymer estimates that it will purchase 1.89

			energy equipment with a contract capacity of at least 10%.		million kilowatt-hours of green electricity from USI Green Energy Corporation. 2. The Asia Polymer Linyuan Plant has recently installed a 496 kW solar photovoltaic system.
	Low Carbon Technology Transformation	Transformation Risk, Energy, and Technology	In order to decrease carbon emissions, companies have made investments in the advancement of low-carbon technologies, including energy transformation, efficiency improvement, and fuel substitution. This has resulted in an escalation of technology costs.	Rise in capital expenditure and operating costs 1. The waste heat recovery improvement project saves 2,656 tons of steam annually, leading to an annual cost savings of approximately NT$4 million. 2. Costs and Benefits of Additional Equipment Investments 3. Electricity prices have increased, leading to higher costs.	1. We implemented a project to improve the waste heat recovery system in order to address the problem of unstable steam production and conserve steam while producing different products (LDPE/EVA) on the same production line. 2. The performance of investments in other energy-saving equipment, such as motors, or fuel substitution. 3. In response to the electricity price increase in April 2024, there will be an additional expenditure of NT$41.89 million per year for electricity. Asia Polymer will actively invest in low-carbon technology transformation.
	Rise in the cost of raw materials	Transformation Risk/Market	1. With the future implementation of carbon taxation in mind, the cost of raw materials will incorporate carbon emissions, leading to an increase in prices.	Rise in capital expenditure and operating costs Ethylene serves as the primary raw material for polymeric products. To diversify the import sources of ethylene, Asia	Supplier of Diversified Raw Materials

			2. Extreme weather conditions lead to uncertainty in the cost and delivery time of transporting raw materials.	Polymer has invested 906 million yuan in the Ethylene Storage Tank Project of Kaohsiung Intercontinental Container Terminal.	
	Efficient Production	Opportunity and Resource Efficiency	By leveraging AI smart manufacturing, industrial motors, and automated packaging tools, we can improve overall production efficiency and decrease energy consumption.	Rise in capital expenditure and operating costs A total investment of NT$10 million is planned for online data analysis and monitoring.	As part of the AI project, we have established a data platform called DCS+, to collect The data from the reactor and cooling water tower serve as the foundation for further online analysis, enhancing analytical efficiency.
	Minimize water usage and consumption	Opportunity and Resource Efficiency	Water resources are essential in the manufacturing process. By reducing water leaks in factories and increasing the use of water recycling and reuse, operational costs can be reduced, and factory resilience can be improved.	The initial cost of investing in water-saving technology is significant. Project equipment input costs, benefits	1. Reducing Steam Consumption through Process Equipment and Operational Improvements 2. Continuously evaluate the plan to reduce water consumption 3. The unit product water consumption in 2023 decreased by 2.6% compared to 2022.
	Use of low-carbon energies	Opportunity and Resilience: Energy Source	Our objective is to encourage the shift from coal to gas, enhance the utilization of renewable energy, minimize carbon expenses, and reduce the carbon footprint of our products.	Higher Operating Costs, Lower Carbon Fees Project Inputs Carbon Reduction, Costs, Benefits	1. We specialize in the development of self-built solar power plants and actively participate in the renewable energy market. 2. Natural gas is given priority as the preferred source for external steam supply. 3. The 2023 Energy Savings and Carbon Reduction Program saves a total of 516,000 kWh of electricity,

					Achieved a savings of 2,736 tons of steam and a reduction of 840 tons in carbon emissions.
	Research and Innovation in the Development of New Products and Services: Low Carbon Energy-saving Product Development	Opportunities, Products, and Services	Our research and development efforts are dedicated to creating products that adhere to the principles of the circular economy, low carbon emissions, and energy efficiency. We strategically invest in technology throughout the entire product and service life cycle, with a specific emphasis on developing low carbon products.	Increase in revenue Between 2017 and 2023, a total of 180,000 metric tons of EVA raw materials for photovoltaic modules were sold, which can be used to package 40 GW of solar energy modules. This is equivalent to the annual carbon reduction of 53,000 Da'an Forest Park.	Asia Polymer is actively developing application products for the photovoltaic industry in response to the trends of climate change and the transition to low-carbon energy. The company aims to introduce low-carbon green energy and high-efficiency EVA film.

1-1 Greenhouse Gas Inventory and Confirmation of the Company in the Last Two Years

1-1-1 Greenhouse Gas Inventory Information

Asia Polymer GHG emission data for the past two years:

Year		2022	2023
other indirect (Scope 1) GHG emissions	tons CO_2e	10,444	9,920
other indirect (Scope 2) GHG emissions	tons CO_2e	98,839	98,816
other indirect (Scope 3) GHG emissions	tons CO_2e	220,421	223,065
Total GHG emissions (Scope 1 + Scope 2)	tons CO_2e	109,283	108,736
Operating Revenue	One million dollars	9,815	6,717
density	Metric Tons of CO_2e per Million Dollars	11.1	16.2

Notes:

1. Data Coverage: Individual Companies (Linyuan Plant, Taipei Headquarters)
2. The emissions factors for electricity (0.495 kgCO_2e/kWh) and purchased steam (0.213 kg CO_2e/kg) from 2022 were used for calculations in both 2022 and 2023.
3. The greenhouse gas emissions data for the year 2022 has been verified by a third-party verification agency (SGS). The data for the year 2023 is currently self-reported, with external verification data expected to be obtained in July 2023.
4. Scope 3 identifies five major indirect emission sources for disclosure (one in category three is emissions generated from upstream

transportation and distribution of the goods, and four in category four are emissions from purchased goods).

Note1: The company is responsible for three types of emissions: direct emissions (Scope 1, which come directly from sources owned or controlled by the company); energy indirect emissions (Scope 2, which are greenhouse gas emissions indirectly caused by the input of electricity, heat, or steam); and other indirect emissions (Scope 3, which are emissions generated by company activities that are not energy indirect emissions but come from sources owned or controlled by other companies).

Note2: The management of direct emissions and indirect emissions from energy should follow the timeline outlined in Article 10, Section 2 of these guidelines. Additional details regarding indirect emissions may be disclosed on a voluntary basis.

Note3: The Greenhouse Gas Inventory Standard: defined by either the Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1, which is issued by the International Organization for Standardization (ISO).

Note4: The intensity of greenhouse gas emissions can be calculated per unit of product/service or revenue, but at least the data in terms of revenue (NT$ million) should be stated.

1-1-2 Greenhouse Gas Information Assurance

Description of Asia Polymer's greenhouse gas assurance situation in the past two years:

Year	Scope of Assurance	Assurance Institution	Principle of Assurance	Final Opinions/Conclusions
2022	Sole Proprietorship (Linyuan Plant, Taipei Headquarters)	SGS	The verification of direct and indirect greenhouse gas emissions is conducted in accordance with the requirements of ISO 14064-3:2006.	1. Coverage Period for Greenhouse Gas Emissions Information: January 1, 2021 to December 31, 2021 2. SGS conducted inspection procedures in accordance with the inspection criteria and bilateral agreements. The inspection evidence provided by Asia Polymer for Category 1 and Category 2 greenhouse gas claims does not exceed the substantial difference threshold and meets the acceptable level of evidence recognized by the regulatory authority. Categories three to six represent different levels of limited warranty.
2023	Sole Proprietorship (Linyuan Plant, Taipei Headquarters)	SGS		1. Coverage Period for Greenhouse Gas Emissions Information: January 1, 2022 to December 31, 2022 2. The 2023 data were currently calculated using internal data (SGS external verification data was expected to be available in July 2023).

Note1: According to Article 10, Section 2 of these regulations, the prescribed schedule must be adhered to. If the Company fails to obtain a complete greenhouse gas assurance opinion by the publication date of the Annual Report, it should be stated that "complete assurance information will be disclosed in the sustainability report". If the Company has not prepared a sustainability report, it should be stated that 'complete assurance information will be "disclosed on the Public Information Observation Station", and the complete assurance information should be disclosed in the Annual Report of the following year.

Note2: Institutions are expected to adhere to the applicable regulations outlined in the Sustainable Reporting Guidelines for Institutions, as established by the Taiwan Stock Exchange Corporation and the Securities and Futures Institute of Taiwan.

Note3: For disclosure content, please refer to the best practice examples on the Taiwan Securities Exchange.

1-2 Greenhouse Gas Reduction Targets, Strategies, and Action Plan

At the start of 2022, USI Group established a carbon reduction target for 2030, aiming to decrease carbon emissions by 27% compared to the 106th year. Additionally, in 2023, the Company set a long-term objective of attaining carbon neutrality by the 2050. Asia Polymer has followed the Group's 2030 carbon reduction target in planning its carbon reduction path, and its GHG emissions in 2023 have decreased by 7.2% compared to the base year (2017). In the future, Asia Polymer will more actively implement energy-saving and carbon reduction programs, and will continue to move towards the target with the use of green power in 2025 and the construction of self-generated and self-consumed solar energy farms (499kW).

The midterm decarbonization strategy will prioritize the transition to low-carbon energy, enhancing energy efficiency, implementing intelligent monitoring, and promoting the installation and utilization of renewable energy. The long-term decarbonization strategy will further prioritize low-carbon fuels, carbon capture and utilization technologies, and negative carbon emission technologies to attain carbon neutrality and foster sustainable development.

Description of Asia Polymer carbon reduction target pathway table:

Year	Base Year (2017)	2022		2023		Objectives (2030)		Achieving Carbon Neutrality (2050)	
Total greenhouse gas emissions (tons CO_2e)	11.72	Target Value	Actual Value	Target Value	Actual Value	8.56		0	
		11.28	11.19	11.11	10.87				
Actual Carbon Reduction Rate (%)	0	Target Value	Actual Value	Target Value	Actual Value	Target Value	Actual Value	Target Value	Actual Value
		3.8	4.5	5.2	7.2	27	-	100	-
Target Achievement Rate (%)	0	101		102		-		-	

Note1: The processing should be conducted in accordance with the schedule specified in the order outlined in Article 10, Section 2 of these guidelines.

Note2: The reference year should be the year in which the consolidation financial report boundary is completed. For example, according to Article 10, Section 2 of this standard, companies with a capital of over 10 billion NT dollars should complete the review of the consolidation financial report for 2024 in 2025. Therefore, the base year is 2024. If the company has completed the review of the consolidation financial report in advance, the earlier fiscal year can be used as the base year. The data for the base year can be calculated as a single fiscal year or an average of multiple fiscal years.

Note3: For disclosure content, please refer to the best practice examples on the Taiwan Securities Exchange.

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

Evaluation Item	Operation Situation (Note 1)			Discrepancies between its implementation and the "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies" and reasons for such discrepancies
	Yes	No	Abstract Illustration	
I. Establishment of ethical corporate management policies and programs (I) Does the company establish the ethical corporate management policies approved by the Board of Directors and declare its ethical corporate management policies and procedures in its guidelines and external documents, as well as the commitment from its Board to implement the policies?	V		(I) In line with the Group's business philosophy of "robust operation, professional management, pursuit of excellence, and service to the society" and the corporate culture of "seeking truth from facts as well as integrity and discreetness," the Company has established the "Ethical Corporate Management Principles," the "Procedures for Ethical Management and Guidelines for Conduct," and the "Codes of Ethical Conduct for Directors and Managerial Officers" to stipulate its the ethical corporate management policy explicitly. Both the Directors and the General Manager of the Company have signed a statement on compliance with the ethical corporate management policy to implement the commitments of the management policy.	Consistent with the "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies".
(II) Does the company establish an assessment mechanism for unethical risks, according to which it analyzes and assesses operating activities with high potential unethical risks? Does the mechanism include any precautionary measures against all the conducts as stated in Article 7, Paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies?	V		(II) The Company's Board of Directors has established the "Ethical Corporate Management Best Practice Principles" and evaluation mechanisms for the risks of unethical conduct and regularly analyze and evaluate business activities within their business scope that are possibly at a higher risk of being involved in an unethical conduct. The Company shall use the evaluation to establish prevention programs, regularly review the appropriateness and effectiveness of prevention programs, and strengthen related preventive measures. The prevention programs adopted by the Company shall include preventive measures against the following actions:	

Evaluation Item	Operation Situation (Note 1)			Discrepancies between its implementation and the "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies" and reasons for such discrepancies
	Yes	No	Abstract Illustration	
			1. Offering and acceptance of bribes. 2. Illegal political donations. 3. Improper charitable donations or sponsorship. 4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits. 5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights. 6. Engaging in unfair competitive practices. 7. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.	
(III) Has the company established policies to prevent unethical conduct, with clear statements regarding relevant procedures, conduct guidelines, punishments for violation, and rules for appeal, and does the company implement them accordingly, and regularly review and correct such measures?	V		(III) 1. The Company has established the "Ethical Corporate Management Best Practice Principles" and the Procedures for Ethical Management and Guidelines for Conduct, which have been approved by the Board of Directors, to specifically regulate matters to be noted for the Directors, managerial officers, employees, and substantive controllers when performing their duties, as well as the disciplinary and grievance systems for non-compliance. 2. The Company has also established the "Rules for Handling Cases of Illegal and Unethical or Dishonest Conduct" to encourage the reporting of any illegal or unethical conduct or violations of the Code of Ethical Conduct or the Code of Business Integrity. Any employee or external party can	

Evaluation Item	Operation Situation (Note 1) Yes	No	Abstract Illustration	Discrepancies between its implementation and the "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies" and reasons for such discrepancies
			freely choose to access the Company's website or a dedicated hot-line set up at the Auditing Division to report cases of illegal, unethical, or dishonest conduct. • Audit Committee: Accept reports from shareholders, investors, and other stakeholders. • Auditing Division: Accept reports from clients, suppliers, and contractors. • Human Resources Division: Accept reports from internal employees. In 2023, no unit received any illegal reports. 3. Related regulations have been fully implemented and we continue to organize training courses to promote the ideals.	
II. Implementing Ethical Corporate Management (I) Does the company evaluate business partners' ethical records and include ethics-related clauses in the business contracts signed with the counterparties?	V		(I) The Company has requested for terms of ethical conduct to be clearly defined in commercial contracts in accordance with its Ethical Corporate Management Best Practice Principles and the Procedures for Ethical Management and Guidelines for Conduct.	Consistent with the "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies.
(II) Has the company established an exclusively (or concurrently) dedicated unit under the Board to implement ethical corporate management, and report to the Board on a regular basis (at least annually) about the ethical corporate management policies, precautionary measures against unethical	V		(II) To strengthen ethical corporate management, the corporate governance team is responsible for establishing the ethical corporate management policy and prevention programs while supervising such implementation; the Corporate Governance Officer reports to the Board of Directors regularly at least once a year. The Director of Corporate Governance shall report to the Board	

Evaluation Item	Operation Situation (Note 1)			Discrepancies between its implementation and the "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies" and reasons for such discrepancies
	Yes	No	Abstract Illustration	
conducts, as well as the implementation and supervision thereof?			of Directors on November 3, 2023 on the implementation of ethical business for the year, including the following: 1. Cooperate with laws and regulations to formulate and implement relevant regulations for the implementation of honest business policy 2. Regularly analyze and assess the risk of dishonest conduct in the business area. Assess the risk of dishonest conduct within the business scope according to the checklist for assessing the risk of dishonest conduct. No significant risk was assessed for the current year. 3. The Company has planned its internal organizational structure and placed a control mechanism on business activities with higher risk of dishonest conduct in the business scope. 4. It promoted and coordinated of honesty policy advocacy training. 5. Developing a whistle-blowing system and ensuring its operating effectiveness. No illegal incidents were reported this year. 6. Assist the Board of Directors and the General Manager in reviewing and assessing whether the prevention measures taken for the purpose of implementing ethical corporate management are carried out effectively, and prepare reports on the regular assessment of compliance with operating procedures.	
(III) Has the Company established policies to prevent conflicts of interest, provided an	V		(III) The Company has formulated the "Guidelines for the Adoption of Codes of Ethical Conduct for Directors and Managerial	

Evaluation Item	Operation Situation (Note 1)			Discrepancies between its implementation and the "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies" and reasons for such discrepancies
	Yes	No	Abstract Illustration	
appropriate channel for reporting such conflicts and implemented them?			Officers" to prevent conflict of interest and provide suitable channels for Directors, managers, and employees to explain any potential conflict of interest with the Company.	
(IV) Has the company established effective accounting systems and internal control systems to implement ethical corporate management and had its internal audit unit, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans and audit the compliance with the prevention programs accordingly or entrusted a CPA to conduct the audit?	V		(IV) The Company's accounting systems and internal control systems can run independently and objectively. Internal control personnel regularly report their findings to the Audit Committee and the Board of Directors. CPAs appointed by the Company regularly perform internal audits and hold discussions with the management. The internal audit unit has drafted the audit plan for next year after risk assessment and included the item of "management of reporting illegal and unethical or dishonest behavior" in the audit, which is used to check compliance with the dishonesty prevention program.	
(V) Does the company regularly hold internal and external training on ethical corporate management?	V		(V) In order to keep our employees informed of the code of ethics, the Company, in addition to publishing the relevant regulations on its official website, continuously invites well-known scholars, experts, or attorneys to offer education and training to increase Directors', managerial officers', employees', and substantive controllers' awareness, so as to allow them to fully understand the Company's determination, policies, prevention programs, and consequences of violation of the code of ethics. In 2023, the Company's Taipei / Linyuan Plant held training lectures on ethical issues, with 135 employees participating in the training, and the total training time were 265 hours. Details of courses are as follows:	

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Operation Situation (Note 1)</th><th rowspan="2">Discrepancies between its implementation and the “Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies” and reasons for such discrepancies</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><th>Course Title</th><th>Hours</th><th>Person-time</th><th>Total hours</th></tr>
<tr><td>[Integrity Lecture] Stop, Look, and Listen: Avoiding Cybersecurity Traps</td><td>2</td><td>64</td><td>128</td></tr>
<tr><td>[Integrity Lecture] Video Promotion - Prevention of Insider Trading Video</td><td>0.5</td><td>4</td><td>2</td></tr>
<tr><td>[Integrity Lecture] Enhancing Legal Awareness and Response in the Era of Artificial Intelligence</td><td>2</td><td>42</td><td>84</td></tr>
<tr><td>[Integrity Seminar] Legal Advocacy - Insider Trading and Gender Equality</td><td>2</td><td>18</td><td>36</td></tr>
<tr><td>[Integrity Lecture] Preventing Unlawful Violations in the Workplace</td><td>2</td><td>6</td><td>12</td></tr>
<tr><td>[Integrity Lecture] Legal Responsibility and Analysis of Breach of Trust Cases</td><td>3</td><td>1</td><td>3</td></tr>
<tr><td colspan="2">Total</td><td>135</td><td>265</td></tr>
</table>
</td><td></td></tr>
<tr><td>III. Implementation of the Company’s whistleblowing system
(I) Has the Company established a specific whistleblowing and reward system, set up convenient whistleblowing channels and designated appropriate personnel to handle investigations against wrongdoers?</td><td>V</td><td></td><td>(I) The Company’s Board of Directors passed the amendments to the “Procedures for Handling Cases of Illegal and Unethical or Dishonest Conduct” on November 12, 2019 (Website:https://www.apc.com.tw/OthersPDF/APC_HandlingForIllegalImmoral.pdf)
The specific whistleblowing channels, incentive system, dedicated personnel, and whistle-blower protection are as follows:
1. Whistle-blowing channels:
(1) Personal report: Face-to-face explanation.</td><td>Consistent with the “Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies.</td></tr>
</table>

Evaluation Item	Operation Situation (Note 1)			Discrepancies between its implementation and the “Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies” and reasons for such discrepancies
	Yes	No	Abstract Illustration	
			(2) Report via telephone: 02-26503783 (3) Written report: Auditing Division, 7F., No. 37, Jihu Rd., Neihu Dist., Taipei City. 2. Incentive system: Where a report is verified as true and its contribution generates significant economic benefits, the incident may be submitted to the General Manager to provide the reporter with appropriate rewards. 3. Dedicated personnel: (1) Audit Committee: Accept reports from shareholders, investors, and other stakeholders. (2) Auditing Division: Accept reports from clients, suppliers, and contractors. (3) Human Resources Division: Accept reports from employees. 4. Whistle-blower protection: Whistleblowers or persons involved in investigations shall be fully protected and the confidentiality of their identities and information provided shall be fully maintained, so that they will not be subjected to unfair treatment or retaliation. Where the whistleblower is an employee, the Company shall guarantee that the employee shall not sustain inappropriate treatment that may arise from the report.	
(II) Has the company established standard operating procedures for the investigation of reports, follow-up measures to be taken	V		(II) The measures mentioned in the preceding paragraph specify the standard operating procedures for investigating the case being exposed by the whistle-blower and the relevant confidentiality	

Evaluation Item	Operation Situation (Note 1) Yes	No	Abstract Illustration	Discrepancies between its implementation and the "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies" and reasons for such discrepancies
after the investigation is completed, and the relevant confidentiality mechanism?			mechanism; where whistleblower is anonymous or did not use his/her true name, or the content stated or the proof of origin provided is deemed necessary for investigation, the case may still be reported to the Chairman/General Manager before the case is handled and recorded as a reference for internal review. After a report is accepted, an investigation will be conducted for internal evidence. If it is proved to be true, the Company will handle it based on its illegal violation or the severity of violation in accordance with the disciplinary regulations and relevant laws.	
(III) Has the Company set up protection for whistleblowers to prevent them from being subjected to inappropriate measures as a result of reporting such incidents?	V		(III) The procedures above also specify that whistleblowers or persons involved in investigations shall be fully protected and the confidentiality of their identities fully maintained, so that they will not be subjected to unfair treatment or retaliation.	
IV. Strengthening Information Disclosure Does the company disclose its ethical corporate management policies and the results of its implementation on the Company's website and MOPS?	V		The Company's website (https://www.apc.com.tw/zhtw/dirServices/frmServices2.aspx) The Company has disclosed relevant regulations and information on ethical corporate management on the Company's website, which is available for employees at any time. The information related to ethical corporate management and the effectiveness of implementation is disclosed on the website and in the annual report (and MOPS simultaneously).	Consistent with the "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies.
V. If the company has established its own Ethical Corporate Management Best Practice Principles in accordance with the Corporate Social Responsibility Best Practice Principles for TWSE or TPEx Listed Companies, state the discrepancies between these principles and its implementation:				

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Operation Situation (Note 1)</th><th rowspan="2">Discrepancies between its implementation and the “Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies” and reasons for such discrepancies</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td colspan="5">The Company has established its Code of Ethical Conduct for Directors and Managerial Officers, the Ethical Corporate Management Best Practice Principles, the Procedures for Ethical Management and Guidelines for Conduct, the Code of Conduct for Employees Regarding Concurrent and Part-time Work, and theProcedures for Handling Cases of Illegal and Unethical or Dishonest Conduct. There is no material discrepancy duringthe implementation of these rules and regulations.</td></tr>
<tr><td colspan="5">VI. Other important information that facilitate the understanding of the implementation of ethical corporate management (such as review and amendment of the Company’s Ethical Corporate Management Best Practice Principles):
The Company has established relevant internal standards in accordance with the Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies amended according to the competent authority’s announcement and the Corporate Governance Best Practice Principles amended on August 4, 2022. The amendments of the Procedures for Ethical Management and Guidelines for Conduct were approved by the Board of Directors on November 2, 2022. The head of corporate governance shall regularly report to the Board of Directors at least once a year. The latest report was delivered to the Board of Directors on matters related to ethical corporate operation on November 3, 2023.</td></tr>
</table>

Note: Regardless of whether “Yes” or “No” is selected, provide a brief description in the Summary column.

(VIII) Methods of inquiry on the Corporate Governance Best Practice Principles and related regulations established by the Company:

1. The Company has established the following operating procedures:
   (1) Articles of Incorporation
   (2) Regulations Governing the Acquisition and Disposal of Assets
   (3) Regulations Governing the Making of Endorsements/ Guarantees
   (4) Regulations Governing the Loaning of Funds to Others
   (5) Rules of Procedure for Board of Directors' Meetings
   (6) Regulations Governing the Evaluation of the Performance of the Board of Directors
   (7) Codes of Ethical Conduct for Directors and Managerial Officers
   (8) Regulations Governing the Election of Directors
   (9) Employee Work Rules
   (10) Procedures for Handling Material Inside Information
   (11) Procedures for Ethical Management and Guidelines for Conduct
   (12) Ethical Corporate Management Best Practice Principles
   (13) Rules of Procedure for Shareholders' Meetings
   (14) Rules Governing the Scope of Powers of Independent Directors
   (15) Remuneration Committee Charter
   (16) Audit Committee Charter
   (17) Sustainable Development Best Practice Principles
   (18) Sustainable Development Committee Charter
   (19) Corporate Governance Best Practice Principles
   (20) Procedures for Handling Cases of Illegal and Unethical or Dishonest Conduct
   (21) Management Guidelines for Employee Complaint and Feedback Mailboxes

(22) Standard Operating Procedures for Handling Requests by Directors

(23) Human Rights Policy and Management Plan

(24) Corporate Governance Self-Evaluation Report

(25) Risk management policies and procedures

(26) Intellectual property Management plan

(27) Procedures for Transactions with Related Parties, Specific Companies, and Group Enterprises

2. As of the publication date of this annual report, refer to the following for the Company's Corporate Governance Best Practice Principles and other relevant regulations:

(1) Corporate Governance section of the Market Observation Post System (http://mops.twse.com.tw/mops/web/index).

(2) Corporate Governance section under Investor Relations on the Company's official website (https://www.apc.com.tw)

(IX) Other important information that can promote understanding of the Company's corporate governance operations:

The Company regularly performs audit of its subsidiaries, and regularly analyzes and reviews the financial and business information of its subsidiaries in accordance with the requirements for supervision and monitoring of subsidiaries stipulated in the "Regulations Governing Establishment of Internal Control Systems by Public Companies".

(X) Implementation of Internal Control System

1. Internal Control System Statement

Asia Polymer Corporation
Statement on Internal Control System

Date: March 7, 2024

The Company makes the following statement according to the self-evaluation conducted of the internal control system in 2023:

I. The Company acknowledges that it is the responsibility of the Board of Directors and managerial officers to establish, implement, and maintain the established internal control system. Its purpose is to reasonably ensure that operational effectiveness and efficiency (including income, performance, and asset safety) and reporting are reliable, timely, and transparent, as well as to ensure compliance with relevant regulations and laws.

II. An internal control system has inherent constraints. No matter how comprehensive its design may be, an effective internal control system is only capable of providing adequate assurance for achieving the above-mentioned objectives. In addition, the effectiveness of the internal control system may change with the environment and under different situations. Nevertheless, the internal control system contains self-monitoring mechanisms, and the Company takes immediate remedial actions in response to any identified deficiencies.

III. The Company evaluates the design and operating effectiveness of the internal control system based on the criteria provided in the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (herein below, the "Regulations"). The items for the determination of internal control systems adopted in the Regulations has identified five key components based on management control processes: (1) control environment, (2) risk assessment, (3) control operations, (4) information and communication, and (5) monitoring operations. Each component includes a number of items. For more information on the above-mentioned items, please refer to the Regulations.

IV. The Company has evaluated the design and operating effectiveness of the internal control system according to the Regulations.

V. In accordance with the aforementioned evaluation, the Company has found that the design and implementation of the internal control system (including the assessment and management of subsidiaries), as of December 31, 2023, including the efficacy of understanding operations, the efficiency of achievement of objectives, reliability in reporting, timeliness, and compliance with the relevant guidelines and laws, are effective and can reasonably provide assurance of the aforesaid goals.

VI. This statement is an integral part of the Company's annual report and prospectus and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

VII. The Statement has been approved by the Board of Directors on March 7, 2024. All nine attending directors have agreed to its content and hereby declared.

Asia Polymer Corporation

Chairman: Wu ,Yi-Kuei

General Manager: Wu, Pei-Chi

2. If a CPA has been hired to carry out a special audit of the internal control system, the CPA audit report shall be disclosed: N/A.

(XI) Any penalties imposed upon the Company or internal personnel by laws, or punishment imposed by the Company on internal personnel for violation of the Company's internal control system regulations, details on the punishment if it might have significant impact on the shareholders' equity or securities prices, major defects and corrective action thereof in the most recent fiscal year and as of the date of this annual report: None.

(XII) Major Resolutions of Shareholders' Meeting and Board Meetings during the Most Recent Fiscal Year and during the Current Fiscal Year Up to the Date of Publication of the Annual Report

1. Shareholders' Meeting

Year of Meeting	Date of Meeting	Key Resolutions and their implementation:
2023	2023/5/30	The minutes of the Shareholders' Meeting were posted onto MOPS on June 16, 2023. The resolutions and their status of implementation are as follows: 1. Approved the 2022 Account Book. Implementation status: Resolution passed 2. Recognition of the 2022 Distribution of the Annual Surplus. Implementation status: Resolution passed. The distribution of cash dividends of NT$712,492,702 to the shareholders, with August 4, 2023 as the base date, was completed on August 25, 2023. 3. Deliberate on the amendment of the Regulations Governing the Acquisition and Disposal of Assets Implementation status: The resolution was passed and has been implemented according to the resolution passed by the Shareholders' Meeting. 4. Discussed amendments to Rules of Procedure for Shareholders' Meetings Implementation status: The resolution was passed and has been implemented according to the resolution passed by the Shareholders' Meeting. 5. Re-election of nine Directors: Implementation status: The resolution was passed and has been implemented according to the resolution passed by the Shareholders' Meeting. 6. Discussed the removal of the non-compete clause for newly appointed Directors Implementation status: Resolution passed

2. Board of Directors

Year of Meeting	Date of Meeting	Key Resolutions
2023 1st Meeting	2023/3/3	1. Ratify the renewal of the three-year medium-term loan limit signed with Taishin International Bank 2. Ratify the renewal of the three-year medium-term loan limit signed with First Commercial Bank 3. Approved the 2022 Account Book. 4. Approved the 2022 compensation distribution plan for directors and employees 5. Approved the 2022 profit distribution plan 6. Approved the amendment of certain articles in the Regulations Governing the Acquisition and Disposal of Assets. 7. Approved the amendment of certain articles in the Rules of Procedure for Shareholders' Meetings. 8. Approved the election of Directors in the shareholders' meeting this year. 9. Approved the recommendation to lift competition restrictions against newly-appointed Directors at the general shareholders' meeting. 10. Approved matters related to the convening of the 2023 Annual General Meeting. 11. By setting a specific timeframe and designated location for accepting shareholder proposals. 12. Approved the 2023 evaluation of the independence and qualification of appointed CPAs 13. Approved the appointment of CPAs for 2023. 14. Approved specific provisions of our company's "Guidelines for Sustainable Development Practices." 15. Approved the issuance of the internal control system statement in 2022. 16. Authorize the Chairman to sign and deliver shot-term credit loan contracts and related documents to financial institutions. 17. Approve donations to the USI Education Foundation.
2023 2nd Meeting	2023/5/3	1. Approved the 2023 Quarter 1 Consolidated Financial Statements. 2. Passed the amendments to the Company's internal control system.
2023 3rd Meeting	2023/8/2	1. Ratify the three-year medium-term loan limit signed with Entie Commercial Bank 2. Approved the 2023 Quarter 2 Consolidated Financial Statements. 3. Approve the amendment to certain articles of the Sustainable Development Committee Best Practice Principles. 4. Permitted managerial officers to engage in competitions. 5. Approved change of internal audit supervisor.
2023 4th Meeting	2023/11/3	1. Ratify the three-year medium-term loan limit signed with the Japanese company Mizuho Bank 2. Ratify the renewal of the three-year medium-term loan limit signed with Chang Hwa Bank

Year of Meeting	Date of Meeting	Key Resolutions
		3. Ratify the three-year medium-term comprehensive credit line signed with Yuanta Commercial Bank 4. Approved the 2023 Quarter 3 Consolidated Financial Statements. 5. Approved the annual audit budget in 2024. 6. Approved CPAs' remuneration for 2023 7. Approved the annual audit plan in 2024. 8. Amendment to the Procedures for Handling Material Inside Information. 9. Approved the amendment of certain articles in the Remuneration Committee Charter. 10. Permitted managerial officers to engage in competitions.
2024 1st Meeting	2024/3/7	1. Ratify the renewal of the three-year medium-term loan limit signed with Bank of China, Taipei Branch 2. Approved the 2023 Account Book. 3. Approved the 2023 reward distribution plan for directors and employees. 4. Approved the 2023 profit distribution plan 5. Reviewed the proposal to lift the restriction of non-competition for directors. 6. Approved matters related to the convening of the 2024 general shareholders' meeting. 7. By setting a specific timeframe and designated location for accepting shareholder proposals. 8. Approved the 2024 evaluation of the independence and qualification of appointed CPAs 9. Approved the appointment of the accountant of 2024. 10. Approve the amendment of certain articles in the Rules of Procedure for Directots' Meetings. 11. Approve the amendment to certain articles of the Corporate Governance Best Practice Principles. 12. Approved the issuance of the internal control system statement in 2023. 13. Permitted managerial officers to engage in competitions. 14. By replacing the accounting manager of the company. 15. Permitted audit supervisors to engage in competitions. 16. Authorize the Chairman to sign and deliver shot-term credit loan contracts and related documents to financial institutions. 17. Approve donations to the USI Education Foundation.

(XIII) Dissenting opinions or qualified opinions on resolutions passed by the Board of Directors that are made by directors or supervisors, and are documented or issued through written statements, in the most recent fiscal year up to the publication date of this annual report:

No such situation at the Company in the most recent fiscal year up to the publication date of the Annual Report.

(XIV) Summary of the resignation and dismissal of the Company's Chairman, General Manager, Accounting Manager, Finance Manager, Head of Internal Audit, Head of Corporate Governance, and Head of Research and Development in the most recent fiscal year up to the publication date of this annual report:

April 1, 2024

TITLE	NAME	DATE OF APPOINTMENT	DATE OF DISMISSAL	REASONS FOR RESIGNATION OR DISMISSAL
Internal Audit	Lin, Chia-Huei	2019/11/12	2023/8/2	Job Adjustment
Accounting Manager	Chen, Cheng-Shun	2015/9/1	2024/3/7	Resignation by own request

V. Information on CPA Professional Fees

(I) If the non-audit fees paid to the CPAs, accounting firm and its affiliated companies exceeds one-fourth of the audit fees, the amount of audit and non-audit fees and the content of non-audit services shall be disclosed:

Unit: NT$ 1,000

Name of CPA Firm	Name of CPAs	Audit Period	Audit Fees	Non-Audit Fees	Total	Notes
Deloitte & Touche	CPA Chiu, Cheng-Chun	2023	2,450	638 (Note 3)	3,088	
	CPA Chuang, Pi-Yu	2023				

Note1: Please state the non-audit services: (e.g., tax compliance, assurance or other financial consulting services)

Note2: Where this Company replaces the CPA or accounting firm, the auditing periods of the former and successor CPA or firm shall be annotated separately. The reason for the replacement shall be provided in the Notes section accordingly. And disclose the audit and non-audit fees paid in order. Non-audit fees shall be accompanied by a note stating the content of their services..

Note3: (1) Tax assurance, etc.: NT$320 thousand.

(2) We have applied for preferential withholding tax rate and consultation services, with a total amount of NT$318 thousand.

(II) Where the CPA firm was replaced, and the audit fees in the fiscal year, when the replacement was made, were less than that in the previous fiscal year before replacement, the amount of audit fees paid before/after replacement and reasons for paying this amount shall be disclosed:

The Company did not replace the CPA firm in 2023. Therefore, this section is not applicable.

(III) Where accounting fee paid for the year was 10% (or more) less than that of the previous year, the sum, proportion, and cause of the reduction shall be disclosed:

The audit fees for 2023 of our company did not decrease by ten percent compared to 2022. Therefore, the decrease is not applicable.

VI. Information on Replacement of CPA

(I) Regarding the former CPA: Not applicable

(II) Information on the succeeding CPA: Not applicable

(III) Former CPAs' reply to Item 1 and 2-3, Subparagraph 6, Article 10 of the Annual Accounting Standards: Not applicable

VII. Where the Company's directors, general manager, managerial officer in charge of finance or accounting who has served in a CPA's accounting firm or its affiliated companies in the most recent fiscal year, the name, job title, and the accounting firm, or the affiliated company shall be disclosed: Not applicable.

VIII. Equity transfer or changes in equity pledged by the Company's directors, supervisors, managerial officers or shareholders with shareholding percentage exceeding ten percent in the most recent fiscal year up to the publication date of this Annual Report:

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

Title	Name	2023		For the year ended March 31, 2024	
		Increase (decrease) in number of shares held	Increase (decrease) in number of shares pledged	Increase (decrease) in number of shares held	Increase (decrease) in number of shares pledged
Major Shareholder	Union Polymer Int'l Investment Corp.	0	0	0	0
Director	Wu, Yi-Kuei (representative of Union Polymer Int'l Investment Corp.)	0	0	0	0
	Li, Kuo-Hung (representative of Union Polymer Int'l Investment Corp.)	0	0	0	0
Shareholder	USIFE Investment Co., Ltd.	0	0	0	0
Director	Wu, Pei-Chi (Representative of USIFE Investment Co., Ltd.)	0	0	0	0
	Wu, Hung-Chu (Representative of USIFE Investment Co., Ltd.)	0	0	0	0
Shareholder	Tai Lien International Investment Co., Ltd.	2,500,000	0	0	0
Director	Ko, I-Shao (representative of Tai Lien International Investment Co., Ltd.) (2024/3/1 Date of dismissal)	0	0	0	0
	Bi, Shu-Chien (representative of Tai Lien International Investment Co., Ltd.) (2024/3/1 Date of appointment)	N/A		0	0
Independent Director	Shen Shang-Hung	0	0	0	0
	Chen, Ta-Hsiung	0	0	0	0
	Cheng ,Tun-Chien	0	0	0	0
	Chen, Chine-Ping	0	0	0	0
Chief Executive Officer	Wu, Yi-Kuei	0	0	0	0

Title	Name	2023		For the year ended March 31, 2024	
		Increase (decrease) in number of shares held	Increase (decrease) in number of shares pledged	Increase (decrease) in number of shares held	Increase (decrease) in number of shares pledged
General Manager	Wu, Pei-Chi	0	0	0	0
Deputy General Manager of Sales Department	Wu Ming-Tsung	0	0	0	0
Director of Corporate Governance	Chen Yung-Chih	0	0	0	0
Director of Linyuan Plant	Chen, Chun-Hung (2024/3/1 Date of dismissal)	0	0	N/A	
	Hsieh, Wang-Chuan (2024/3/1 Date of appointment)	0	0	0	0
Accounting Manager	Chen, Cheng-Shun (2024/3/7 Date of dismissal)	0	0	0	0
	Chang Sheng-Chuan (2024/3/7 Date of appointment)	N/A		0	0
Finance Manager	Shih, Ju-Hsuan	0	0	0	0
Sales Manager	Tseng, Kuo-Lung	0	0	0	0

Note1: Shareholders who hold more than ten (10) percent of the Company's shares should be noted as substantial shareholders, and listed separately.

Note2: Counter parties involved in equity transfer or pledging of shares to related parties should be shown in the following table.

(II) Transfer of equity: Not applicable.

(III) Equity pledge information: Not applicable.

IX. Information Regarding the Top 10 Shareholders in Terms of Number of Shares Held, Who Are Related Parties or Each Other's Spouses and Relatives within the Second Degree of Kinship:

April 1, 2024

Name (Note 1)	Current Shareholding		Shares Held by Spouse and Minors		Shareholding by Nominee Arrangement		Title or name and relationship of top 10 shareholders who are related parties or each other's spouses and relatives within the second degree of kinship (Note 3)		Notes
	Number of Shares	Percentage of Shares Held	Number of Shares	Percentage of Shares Held	Number of Shares	Percentage of Shares Held	Title (or Name)	Relationship	
Union Polymer International Investment Corporation	214,245,822	36.08%	—	—	0	0%	China General Terminal & Distribution	Have the same ultimate parent company	
Representative: Wu, Yi-Kuei	0	0%	—	—	0	0%	None	None	
Tai Lien International Investment Co., Ltd.	14,311,014	2.41%	—	—	0	0%	None	None	
Representative: Pi, Shu-Chien	0	0%	0	0%	0	0%	China General Terminal & Distribution	Director	
Chunghwa Post Co., Ltd.	13,064,820	2.20%	—	—	0	0%	None	None	
Representative: Hong-Mo Wu	0	0%	0	0%	0	0%	None	None	
TransGlobe Life Insurance Inc.	12,901,000	2.17%	—	—	0	0%	None	None	
Representative: Lin, Wen-Hui	0	0%	0	0%	0	0%	None	None	
The First Insurance Co., Ltd.	6,403,000	1.08%	—	—	0	0%	None	None	
Representative: Li, Zheng-Han	Shareholders did not provide information.								
JPMorgan Chase Bank N.A., Taipei Branch as custodian of Vanguard Emerging Markets Stock Index Fund, a series of Vanguard	5,519,340	0.93%	—	—	0	0%	None	None	

<table>
<tr><th rowspan="2">Name (Note 1)</th><th colspan="2">Current Shareholding</th><th colspan="2">Shares Held by Spouse and Minors</th><th colspan="2">Shareholding by Nominee Arrangement</th><th colspan="2">Title or name and relationship of top 10 shareholders who are related parties or each other’s spouses and relatives within the second degree of kinship (Note 3)</th><th rowspan="2">Notes</th></tr>
<tr><th>Number of Shares</th><th>Percentage of Shares Held</th><th>Number of Shares</th><th>Percentage of Shares Held</th><th>Number of Shares</th><th>Percentage of Shares Held</th><th>Title (or Name)</th><th>Relationship</th></tr>
<tr><td>International Equity Index Funds</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>JP Morgan Chase Bank Taipei Branch as custodian of Vanguard Total International Stock Index Fund Investment Account, a series of Vanguard Star Funds</td><td>5,358,624</td><td>0.90%</td><td>—</td><td>—</td><td>0</td><td>0%</td><td>None</td><td>None</td><td></td></tr>
<tr><td rowspan="3">China General Terminal & Distribution Corporation
Representative: Chang, Hung-Chiang</td><td rowspan="2">5,290,482</td><td rowspan="2">0.89%</td><td rowspan="2">—</td><td rowspan="2">—</td><td rowspan="2">0</td><td rowspan="2">0%</td><td>Union Polymer International</td><td>Have the same ultimate parent company</td><td></td></tr>
<tr><td>PI, Shu-Chien</td><td>Director of China General Terminal & Distribution Co.</td><td></td></tr>
<tr><td>0</td><td>0%</td><td>0</td><td>0%</td><td>0</td><td>0%</td><td>None</td><td>None</td><td></td></tr>
<tr><td rowspan="2">Wei Heng Assets Management Co., Ltd.
Representative: Huang, Qing-Yuan</td><td>2,500,000</td><td>0.42%</td><td>—</td><td>—</td><td>0</td><td>0%</td><td>None</td><td>None</td><td></td></tr>
<tr><td>0</td><td>0%</td><td>0</td><td>0%</td><td>0</td><td>0%</td><td>None</td><td>None</td><td></td></tr>
<tr><td>Citibank (Taiwan) as custodian of Dimensional Fund Advisors’ Emerging Markets Core Portfolio Investment</td><td>2,477,858</td><td>0.42%</td><td>—</td><td>—</td><td>0</td><td>0%</td><td>None</td><td>None</td><td></td></tr>
</table>

Note1: All the top 10 shareholders should be listed. For institutional shareholders, their names and the name of their representatives should be listed separately.

Note2: Shareholding percentage is calculated separately based on the number of shares held in the name of the person, his/her spouse and minors, and others.

Note3: Relationships between the aforementioned shareholders, including juristic person shareholders and natural person shareholders shall be disclosed based on the financial reporting standards used by the issuer.

X. Total Number of Shares and Total Equity Stake Held in any Single Enterprise by the Company, Its Directors and Supervisors, Managerial Officers, and Any Companies Controlled Either Directly or Indirectly by the Company

Unit: shares; %; as of December 31, 2023

Investee (Note)	Ownership by the Company		Investments by Directors Supervisors, manageria officers and directly or indirectly controlled enterprises		Combined Investment	
	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio
APC (BVI) Holding Co., Ltd.	11,342,594	100.00%	0	0.00%	11,342,594	100.00%
USI International Corp.	2,100,000	70.00%	900,000	30.00%	3,000,000	100.00%
APC Investment Co., Ltd.	20,000,000	100.00%	0	0.00%	20,000,000	100.00%
China General Plastics Corporation	46,886,185	8.07%	140,609,929	24.20%	187,496,114	32.27%
China General Terminal & Distribution Corporation	25,053,469	33.33%	0	0.00%	25,053,469	33.33%
Acme Electronics Corporation	6,801,315	3.19%	24,414,902	11.46%	31,216,217	14.65%
Taiwan United Venture Capital Corp.	1,665,333	8.33%	0	0.00%	1,665,333	8.33%
Swanson Plastics Corporation	12,266,779	7.95%	146,884	0.10%	12,413,663	8.05%
USI Optronics Corporation	5,972,464	9.20%	61,745	0.10%	6,034,209	9.30%
Ever Conquest Global Ltd.	170,475,000	40.87%	0	0.00%	170,475,000	40.87%

Note: Invested by the Company using the equity method

Chapter 4. Funding Status

I. Capital and Shares

(I) Source of share capital

Year and month	Par Value	Authorized Capital		Paid-in Stock Capital		Notes		
		Number of Shares	Amount	Number of Shares	Amount	Source of share capital	Capital Increase by Assets Other than Cash	Others
2021.10	10	620,000,000 shares	NT$ 6,200,000,000	593,743,919 shares	The amount is NT$5,937,439,190.	_	_	_

Approved by Letter Jing-Shou-Shang-Zi No. 11001176720 dated October 13, 2021

Note1: The annual data shall be updated as of the publication date of this annual report.

Note2: The effective (approval) date together with the doc. No. should be added for any capital increase.

Note3: Shares traded below par value shall be indicated in a clear manner.

Note4: Capital increase by currency debts or technology should be stated, and the type and amount of assets involved in such capital increase should be noted.

Note5: Shares traded via private placement shall be indicated in a clear manner.

Share type	Authorized Capital			Notes
	Issued Shares	Unissued Shares	Total	
REGISTERED COMMON STOCK	593,743,919 shares	26,256,081 shares	620,000,000 shares	Listed

Please indicate whether the shares are issued by a company listed on the Taiwan Stock Exchange (TWSE) or the Taipei Exchange (TPEx) (Shares of which trading is restricted on the TWSE or those which are traded on the TPEx should be noted).

Information on the shelf registration system: N/A

(II) Shareholder Structure

April 1, 2024

Shareholder Structure / Quantity	Government Agency	Financial Institutions	Other Juristic Persons	Individual	Foreign Institutions and Natural Persons	Total
Number	1	4	275	75,337	145	75,762
Shares Held	25,932	21,604,872	261,640,665	272,560,513	37,911,937	593,743,919
Shareholding Ratio	0%	3.64%	44.07%	45.90%	6.39%	100%

Note: The first listed (OTC) companies and emerging OTC companies are required to disclose the proportion of their capital holdings from Mainland China. Investors from Mainland China refers to natural persons, legal persons, organizations, institutions or companies in areas other than Taiwan and Mainland China invested by persons of such identity as defined in Article 3 of the Regulations Governing Investment of Mainland Chinese in Taiwan.

(III) Shareholding Distribution Status

Common stock:

April 1, 2024

Range of Shares	Number of Shareholders	Shares Held	Shareholding Ratio
1-999	39,234	5,242,445	0.88%
1,000-5,000	25,810	56,675,754	9.55%
5,001-10,000	5,359	39,704,197	6.69%
10,001-15,000	1,862	22,986,667	3.87%
15,001-20,000	1,090	19,604,158	3.30%
20,001-30,000	1,013	25,305,537	4.26%
30,001-40,000	412	14,487,303	2.44%
40.001-50.000	229	10,428,141	1.76%
50,001-100,000	444	30,854,678	5.20%
100,001 - 200,000	193	26,065,235	4.39%
200,001- 400,000	62	17,155,403	2.89%
400,001- 600,000	16	7,796,878	1.31%
600,001- 800,000	7	4,942,733	0.83%
800,001-1,000,000	3	2,938,629	0.49%
1,000,001 and above (This range can be further classified where necessary)	28	309,556,161	52.14%
Total	75,762	593,743,919	100%

Preferred stock: None

(IV) List of Major Shareholders

April 1, 2024

Stocks / Names of Substantial Shareholders	Shares Held	Shareholding Ratio
Union Polymer International Investment Corporation	214,245,822	36.08%
Tai Lien International Investment Co., Ltd.	14,311,014	2.41%
Chunghwa Post Co., Ltd.	13,064,820	2.20%
TransGlobe Life Insurance Inc.	12,901,000	2.17%
The First Insurance Co., Ltd.	6,403,000	1.08%
JPMorgan Chase Bank N.A., Taipei Branch as custodian of Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds	5,519,340	0.93%
JP Morgan Chase Bank Taipei Branch as custodian of Vanguard Total International Stock Index Fund Investment Account, a series of Vanguard Star Funds	5,358,624	0.90%
China General Terminal & Distribution Corporation	5,290,482	0.89%
Wei Heng Assets Management Co., Ltd.	2,500,000	0.42%
Citibank (Taiwan) as custodian of Dimensional Fund Advisors' Emerging Markets Core Portfolio Investment	2,477,858	0.42%

(V) Market price, net value, earnings, and dividends per share in the Most Recent two years

<table>
<tr><th colspan="3">Item / Year</th><th>2023</th><th>2022</th><th>For the year ended March 31, 2024 (Note 8)</th></tr>
<tr><td rowspan="3">Market Price per Share (Note 1)</td><td colspan="2">Highest</td><td>30.40</td><td>40.45</td><td>23.90</td></tr>
<tr><td colspan="2">Lowest</td><td>23.00</td><td>23.35</td><td>19.05</td></tr>
<tr><td colspan="2">Average</td><td>26.98</td><td>33.47</td><td>21.42</td></tr>
<tr><td rowspan="2">Net Asset Value per Share (Note 2)</td><td colspan="2">Before Distribution</td><td>22.47</td><td>23.94</td><td>21.80</td></tr>
<tr><td colspan="2">After distribution</td><td>22.02※</td><td>22.74</td><td>-※</td></tr>
<tr><td rowspan="3">Earnings per Share (Note 3)</td><td colspan="2">Weighted Average Shares</td><td>593,743,919</td><td>593,743,919</td><td>593,743,919</td></tr>
<tr><td colspan="2">Earnings per share before retrospective adjustment</td><td>0.20</td><td>2.44</td><td>(0.32)</td></tr>
<tr><td colspan="2">Earnings per share after retrospective adjustment</td><td>0.20</td><td>2.44</td><td>-</td></tr>
<tr><td rowspan="4">Earnings per share</td><td colspan="2">Cash dividends</td><td>0.45※</td><td>1.2</td><td>-</td></tr>
<tr><td rowspan="2">Stock dividends</td><td>Dividends from surplus earnings</td><td>-※</td><td>-</td><td>-</td></tr>
<tr><td>Stock dividends appropriated from capital surplus</td><td>-※</td><td>-</td><td>-</td></tr>
<tr><td colspan="2">Accumulated unpaid dividends (Note 4)</td><td>0</td><td>0</td><td>-</td></tr>
<tr><td rowspan="3">Return on Investment</td><td colspan="2">Price-to-earnings ratio (Note 5)</td><td>133.88</td><td>12.51</td><td>-</td></tr>
<tr><td colspan="2">Price-to-dividend ratio (Note 6)</td><td>58.27</td><td>25.43</td><td>-</td></tr>
<tr><td colspan="2">Cash dividend yield (Note 7)</td><td>1.72%</td><td>3.93%</td><td>-</td></tr>
</table>

※ Based on the profit distribution plan which has been approved by the Board of Directors but is et to be acknowledged by the Shareholders' Meeting.

※ If retained earnings or capital reserves were used for capital increase, market prices and cash dividends that were retroactively adjusted based on the number of shares after distribution shall e disclosed.

Note1: List the highest and lowest market price of the common shares for each year and refer to the transaction value and transaction volume to calculate the average market price for each year.

Note2: Please fill in data based on the shares issued by year-end and share allocation resolution of the Board of directors or next annual shareholders' meeting for the subsequent year.

Note3: If there is any retrospective adjustment required due to stock dividends, earnings per share before and after such adjustment shall be listed.

Note4: If there is any condition in issuing equity securities that allows for an undistributed dividend for the year to be accumulated to subsequent years in which there is a profit, the Company shall separately disclose accumulated undistributed dividends up to that year.

Note5: Price/earnings ratio = Average closing price per share for the current fiscal year/Earnings Per Share.

Note6: Price/dividend ratio = Average closing price per share for the current fiscal year/cash dividend per share.

Note7: Cash dividend yield = Cash dividend per share/average closing price per share for the current fiscal year

Note8: The net asset value per share and earnings per share should be populated with the data audited (or reviewed) by the accountant for the most recent quarter up until the date of printing the annual report. The remaining fields should be filled with the data for the current year up until the date of printing the annual report.

(VI) Dividend policy of the company and its implementation

1. Dividend policy stipulated in the Company's Articles of Incorporation

If the Company records a net income after taxes (NIAT) as indicated in its final annual accounts for the current fiscal year, the Company shall use its NIAT to cover cumulative loss in the previous fiscal year. If there is remaining balance, ten (10) percent of this balance has to be set aside as statutory reserves, while the rest shall be regarded as distributable profit. This distributable profit shall then be combined with undistributed earnings that has been accumulated in previous fiscal years. Part of this combined amount shall be recognized as or transferred to special reserves as required by the law or the competent authority, while the remaining balance shall be regarded as cumulative distributable profit. The Board of Directors shall propose a profit distribution plan which is then submitted to the Shareholders' Meetings for approval. The Shareholders' Meeting shall retain all or part of the Company's profit based on its business performance.

In regard to the resolution on profit distribution, it has been decided that, due to the fact that the industry to which the Company belongs is in the maturity stage, and taking in account

R&D needs and business diversification, dividends paid to shareholders shall not be less that ten (10) percent of distributable profit in the current fiscal year, where cash dividends shall not be less than ten (10) percent of the total dividends. However, no dividend shall be distributed if the distributable profit per share in the current fiscal year is less than NT$0.1.

2. Dividend distribution to be proposed to the shareholders' meeting:

   Cash dividends: The allocation of NT$267,184,763 from retained earnings in 2023 for the distribution of cash dividends, where a dividend of NT$0.45 will be paid for every share, has been proposed. The proposal is still pending approval at the Annual General Meeting before the Chairman of the Board is given the authority to set the date for the distribution of cash dividends.

3. Any expected material changes to the dividend policy shall be further explained: Not applicable.

(VII) Effect on the Operating Performance and Earnings per Share of Distribution of Stock Dividends Proposed or Adopted in the Most Recent Shareholders' Meeting:

No financial forecast was prepared for 2024. Therefore, there is no need to disclose forecast information.

<table>
<tr><td colspan="3">Year
ITEM</td><td>2024 (estimate)</td></tr>
<tr><td colspan="3">Beginning paid-in capital</td><td>NT$ 5,937,439,190</td></tr>
<tr><td rowspan="3">Distribution of stock and cash dividends in the current fiscal year</td><td colspan="2">Cash dividends per share</td><td>NT$ 0.45</td></tr>
<tr><td colspan="2">Number of shares distributed per share held due to capital increase from surplus earnings</td><td>-</td></tr>
<tr><td colspan="2">Number of shares distributed per share held due to capital increase by capital reserves</td><td>-</td></tr>
<tr><td rowspan="7">Changes in Business Performance</td><td colspan="2">Operating Income</td><td rowspan="13">N/A</td></tr>
<tr><td colspan="2">Percentage of increase (decrease) in operating profit over the same period in the previous fiscal year</td></tr>
<tr><td colspan="2">Net income after taxes (NIAT)</td></tr>
<tr><td colspan="2">Percentage of increase (decrease) in NIAT over the same period in the previous fiscal year</td></tr>
<tr><td colspan="2">Earnings per share:</td></tr>
<tr><td colspan="2">Percentage of increase (decrease) in EPS over the same period in the previous fiscal year</td></tr>
<tr><td colspan="2">Annual average return on investment (reciprocal of average annual price/earnings ratio)</td></tr>
<tr><td rowspan="6">Pro forma earnings per share and price/earnings ratio</td><td rowspan="2">If capital increase from surplus earnings is entirely replaced by distribution of cash dividends</td><td>Pro forma earnings per share</td></tr>
<tr><td>Pro forma average annual return on investment</td></tr>
<tr><td rowspan="2">If capital reserves are not used for capital increase</td><td>Pro forma earnings per share</td></tr>
<tr><td>Pro forma average annual return on investment</td></tr>
<tr><td rowspan="2">If capital reserves are not used for capital increase and capital increase by retained earnings is replaced by cash dividend distribution</td><td>Pro forma earnings per share</td></tr>
<tr><td>Pro forma average annual return on investment</td></tr>
</table>

Note: Distributions of dividends in 2023 is based on the earnings distribution plan approved by the Board of Directors on March 7, 2024.

1. The Company shall explain the basic assumptions for estimates and planned information.
2. Proforma earnings per share if capital increase by retained earnings is entirely replaced by cash dividend distribution

   = [Net income after tax - interest expense on imputed cash dividends* x (1 - tax rate)]

/ [Total number of shares outstanding at the end of the year - number of shares allotted from surplus**].

Interest expense arising from cash dividends* = Amount of capital increase from surplus earnings × one-year general loan interest rate

Number of shares in earnings appropriation**: The number of increased shares from the earnings appropriation in the previous year

3. Annual average price-to-earnings ratio = Annual average market price per share/Earnings Per Share reported in the annual financial statements

(VIII) Remuneration of employees,Directors and Supervisors:

1. Percentage or range of the remuneration of employees and directors as set forth in the Articles of Incorporation:
   (1) Employee rewards: Employee rewards shall not be less than one (1) percent of the Company's profit in the current fiscal year. The above mentioned employee compensation can be distributed in the form of shares or cash. Compensation could be distributed to employees of the Company's subordinate companies when they meet certain conditions. Such conditions shall be set by the Board of Directors.
   (2) Director rewards: Director rewards shall not exceed one (1) percent of the Company's profit in the current fiscal year.
2. The basis for estimating the amount of employee and director remunerations, for calculating the number of shares to be distributed as employee remuneration, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:
   (1) Basis for estimating employee rewards: To be calculated based on the condition that employee rewards shall not be less than one (1) percent of the Company's profit in the current fiscal year.
   (2) Basis for calculating the number of shares to be distributed as employee rewards: N/A
   (3) Accounting treatment for discrepancies between the actual and estimated distribution amount: Handled according to changes in accounting estimates.
3. Distribution of rewards approved by the Board of Directors:
   (1) Rewards for employees and directors shall be distributed in

the form of cash or shares. If there is any discrepancy between the above mentioned amount and estimated amount of recognized expenses for the current fiscal year, the amount, causes and treatment of such discrepancy shall be disclosed:

Employee rewards: A total of NT$ 1,467,450 was distributed in the form of cash.

Directors' remuneration: None.

There was no discrepancy between the amount of rewards to be distributed as approved by the Board of Directors and the recognized amount of rewards for employees and directors.

(2) The amount of any employee remuneration distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial statements or individual financial statements for the current period and the total employee remuneration:

Not applicable as employee rewards were not distributed in the form of shares.

4. If there is any discrepancy between the actual amount of rewards distributed to employees and directors (including number and dollar amount of shares distributed, as well as share price) and the recognized amount of rewards for employees and directors in the previous fiscal year, the amount, causes and treatment of such discrepancies shall be stated:

(1) Employee rewards: The shareholders' meeting resolved to distribute a total of NT$ 18,309,474 in employee rewards in cash.

(2) Directors' remuneration: None.

(3) If there is any discrepancy between the actual amount and the recognized amount of rewards for employees and directors in the previous fiscal year, the amount, causes and treatment of such discrepancy shall be noted:

There was no discrepancy between the actual amount and recognized amount of rewards distributed to employees and directors.

(IX) Repurchase of the Company's Own Shares: None

II. Issuance of Corporate Bonds: None

III. Preferred Shares: None.

IV. Overseas Depository Receipt: None

V. Issuance of Employee Stock Options: None

VI. New Restricted Employee Shares: None

VII. Status of New Share Issuance in Connection with Mergers and Acquisitions: None

VIII. Capital Utilization Plan and Its Implementation: None

Chapter 5. Operations Overview

I. Business Activities

(I) Scope of Business

1. Main content and proportion of businesses

(1) Manufacture, processing and sale of low-density polyethylene (LDPE).

(2) Manufacture, processing and sale of medium-density polyethylene (MDPE).

(3) Sale of high-density polyethylene (HDPE).

(4) Sale of linear low-density polyethylene (LLDPE).

(5) Manufacture, processing and sale of ethylene vinyl acetate (EVA) copolymer resins. Ethylene vinyl acetate copolymer.

(6) Manufacture and sale of degradable plastic materials.

(7) Machinery wholesaling.

(8) Investment industry.

(9) Trading of plastic raw materials.

In 2023, the Company’s sales of low-density polyethylene resins accounted for 24% of its overall turnover while its sales of ethylene vinyl acetate resins accounted for approximately 76%.

The main business of its subsidiary, USI Trading (Shanghai) Co., Ltd is plastic raw material trading, and the revenue of this subsidiary is included in the operating income reported in the consolidated financial statements. On the other hand, its other subsidiaries including APC (BVI) Holding Co., APC Investment Corporation and USI International Corp. engage mainly in investments, and their revenues are included in the non-operating income reported in the consolidated financial statements.

2. Current products:

・Low-density polyethylene resins: film-grade, injection molding-grade and laminating film-grade products, as well as products for other uses (low crystallization point, microfiber or foaming).

・Ethylene vinyl acetate resins: film-grade, foaming-grade, laminating film-grade, electric cable-grade and photovoltaic-grade products.

3. Plans for new product development:

High-speed laminating film-grade, high-viscosity pre-coating film-grade, and other special-grade ethylene vinyl acetate resins products.

(II) Industry Overview

1. Current state and development of the industry:

APC's LDPE/EVA production volume in 2023 was 132,241MT which was an increase of 2,121MT from the 130,120MT in 2022. The total sales volume was 130,963MT which was a decrease of 1,390MT from the 132,353MT in 2022.

Based on the overall operating conditions in 2023, the average selling price has dropped by approximately 30.8% compared with last year. The cost of ethylene raw materials has decreased by approximately 11% compared to last year, leading to a reduction in the price difference. The EVA market reached its peak in March 2023, but later declined due to the off-season demand in the foam, cable, and coating industries. Prices in the photovoltaic industry chain segment dropped, resulting in a decrease in purchasing enthusiasm for photovoltaic film manufacturers and a subsequent price decline. Furthermore, the market downturn was worsened by the introduction of new production capacity by Gulei's EVA plant in the middle of the year. There was a temporary increase in the price of EVA in the second half of the year, driven by the increased demand for photovoltaics and cables. However, due to increased inventory in photovoltaic plants and weak demand for modules, along with no improvement in demand from other applications, prices softened until the end of the year. In 2023, LDPE sales reached 32,587 metric tons, an increase of 352 metric tons compared to the previous year. This was mainly due to efforts to regain orders from domestic customers. As for EVA, sales amounted to 97,829 metric tons, a slight decrease of 1,829 metric tons from the previous year. However, sales of coating materials saw a significant increase compared to the previous year in response to market demand.

2. Relationship between upstream, mid-stream and downstream companies:

   At present, the Company mainly sources its ethylene and vinyl acetate from CPC Corporation and Dairen Chemical Corp. Hence, the Company not only continues to maintain good relationships with these companies but also continuously develops overseas supply channels in order to ensure stable supply of ethylene and reasonable cost control for the Company. In terms of sales, besides maintaining market balance with two domestic competitors, efforts were made to enhance the marketing of niche products to meet the demands of domestic and international customers. This involved expanding niche and high-value products to continue expanding operational scope and increasing company profitability.

3. Product development trends and competition:

   The competition for general purpose LDPE raw materials remains fierce, as the Company is moving toward product differentiation to widen the profit margin and to stabilize LDPE sales, which are mainly for domestic sales. Due to the strong demand for solar panel encapsulation films, our company has benefited greatly. Our high-quality solar-grade EVA products have gained wide recognition among customers. With the efforts of the business and development teams, the market expansion has achieved remarkable results. Additionally, we actively engage in the research and development as well as sales of EVA for wire and cable grades, and high-end foam grades to meet production and sales scale requirements.

   In the past two years, new EVA production capacity will be put into production in Mainland China. In addition to closely observing the impact of this pandemic on the EVA market, the Company will actively expand the non-China market to diversify risks, and continue to attach importance to the development of high-value differentiated products while actively seeking low-cost raw material sources, to maintain the competitiveness in cost. Thus, the Company can adjust its production and sales arrangement flexibly in response to changes in market supply and demand, to give full play to the advantages of small but strong production lines, to reduce the impact of low-price competition in the industry, and strive to break through the status quo and open up new opportunities.

(III) Overview of Technologies and R&D Work

1. Research and development (R&D) expenses in the most recent year up to the date of publication of the Annual Report

   ・2023: NT$6,353,000.

   ・As of March 2024: NT$1,465,000.

2. Successfully developed technologies or products in the most recent fiscal year up to the publication date of this annual report

   ・Development of batch production technologies for low crystallization point coating-grade EVA product V18161

   ・Development of batch production technologies for low crystallization point coating-grade high-speed laminating film-grade EVA product V18251

   ・Development of production technology for hot melt adhesive grade EVA and its corresponding products, V080850 and V191501

3. R&D projects in the most recent fiscal year

   (1) Project: Develop hot melt adhesive-grade EVA for EVA production.

   (2) Current progress of uncompleted R&D projects: 60%

      - Development of hot-melt adhesive grade EVA production technology EVA MI: 400; VA: 19%.

   (3) The estimated additional expenses for research and development are approximately NT$420,000.

   (4) Estimated time for the completion of mass production: fourth quarter of 2024.

   (5) Main factors affecting the success of R&D in the future:

      * Cultivation of R&D talents and technological inheritance.

      * Ample market intelligence (such as quality requirements,

product usage and price acceptance).

* Additional necessary equipment.

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

Short-term plans:

1. As for LDPE, because USI Corporation and Formosa Plastics have not produced LDPE for a long time, the Company is the only domestic supplier of LDPE and it is mainly sold domestically. Due to the low ratio of supply to total domestic demand and the reputable domestic market for various products, we are able to satisfy our customers' demand for materials with reasonable profit margin. In addition, we will continue to develop various value-added industrial markets for domestic and overseas sales.
2. In terms of EVA, the company will continue to expand the sales volume of differentiated high-end foaming EVA products in the future, and will actively expand the market in other regions outside mainland China to diversify risks. In addition, developing high unit price hot melt EVA material to improve the technical level of products, while the existing production capacity to the best.

Long-term plans:

1. The Company will stabilize and continuously enhance the quality and specificity of its LDPE/EVA products so as to solidify and expand the market for such products, as well as increase its sales and profitability.
2. The Company will continue to seek opportunities for integration with upstream and downstream sectors and establish a strategic alliance with USI to gain more control over upstream materials and costs and expand the integrated upstream and downstream sales strategy.

II. Analysis of Market and Production and Marketing Situation

(I) Market Analysis

1. Sales regions for major products:

   Our company, USI Corporation, and Formosa Plastics Corporation are the main producers of low-density polyethylene (LDPE) and ethylene vinyl acetate resin (EVA) among the domestic manufacturers of polyethylene (PE) plastic raw materials. Additionally, USI Corporation and Formosa Plastics Corporation also produce high-density polyethylene (HDPE) and linear low-density polyethylene (LLDPE) raw materials.

   At present, domestic sales still dominate the sales of LDPE raw materials manufactured by the Company (accounting for approximately 86% of the overall LDPE sales this year), whereas the Company's EVA raw materials are mainly exported (accounting for approximately 96% of the overall EVA sales this year).

   In 2023 the proportion of domestic sales to export sales was 24% to 76%, and the product were exported across China/Hong Kong, Vietnam, India, Indonesia, Bangladesh, Europe and the United States.

   LDPE represents around 5% of the total export quantity, while EVA accounts for approximately 95%. In terms of domestic sales, LDPE comprises 89% of the sales, with EVA making up the remaining 11%.

2. Market share:

   Formosa Plastics Corporation and USI do not produce LDPE, and domestic LDPE demand depends on the Company and supply from sources of imports. LDPE domestic market of the company accounted for 18%, USI Corporation accounted for 2.4%, and by the company's OEM, Formosa Plastics Corporation accounted for 1.6%, other import materials accounted for 78%; The domestic market of EVA is 12% for our company, 43% for USI, 23% for Formosa Plastics, and 22% for imported materials. Since the total production volume of EVA and EVA among three domestic manufacturers have exceeded domestic demand, the Company not only continues its efforts to enhance its domestic market share, but also needs to enhance its expansion into the export market to achieve a balance between production and sales.

3. Supply and Demand in the Market and Possible Future Growth:

   In recent years, the domestic demand for LDPE and EVA has been close to saturation. The overall domestic demand for LDPE and EVA has not changed much except for short-term factors such as the epidemic situation. In foreign markets, LDPE is still mainly used for general products such as packaging and daily necessities, and the demand growth mainly changes with the global GDP growth rate. In contrast, due to the increase in the demand for solar energy in recent years, the global average annual compound growth rate of EVA has reached 6-8%, and it is estimated that the global demand in 2023 should reach 5 to 6 million tons. In terms of EVA capacity, during 2023 the only increase in the Asia Region was 300,000 tons via Gulei Petrochemical. It is expected that by the end of this year, there will still be more than 450,000 tons of new capacity to be put into production. Fortunately, in terms of demand, the solar energy market outlook is optimistic in the next few years, and demand is expected to increase significantly. The company will pay close attention to future supply and demand changes and adjust the product mix accordingly.

4. Competitive Niches:

   As the Company's business philosophy is "Solid Operation, Professional Management, Seeking Excellence and Serving the Society," our quality management focuses on non-stop improvement of product quality and continuous enhancement of service quality in order to provide customers with satisfactory operational quality. At present, the Company's specific strategies are to not only obtain stable supply of ethylene from the Middle East, China, and even the United States over the long term in order to compensate for inadequate supply of ethylene from CPC Corporation, but also continuously maintain the strategic alliance with USI Corporation in order to provide product support to each other, as well as actively develop high-value LDPE/EVA products in order to achieve the goal of sustainable development.

5. Favorable and unfavorable factors affecting the Company's development prospects and corresponding countermeasures:

Favorable Factors:

(1) The Company has been deeply cultivating the domestic market as well as the markets in Mainland China and Southeast Asia for the long term. Our relationships with customers are excellent, leading to high customer loyalty and brand recognition.

(2) The Company's production lines involve autoclave-type processes, and are able to produce high-end LDPE/EVA products to meet customized requirements for a small quantity of diverse products in the market.

(3) The Company has accumulated excellent experience in new product development.

(4) The Company has formed a strategic alliance with USI to provide mutual support for insufficient products so as to maximize the benefits of its production capacity.

(5) The Company's EVA production equipment upgrade is almost complete.

(6) The Company focuses on its own main business and R&D of new products to expand the market.

Unfavorable Factors:

(1) Some of the raw material ethylene is insufficient and must be purchased externally. The price of ethylene is fluctuated in line with the international market, thus are difficult to manage.

(2) The low production capacity of the production line increases unit production costs.

(3) Low import tariffs for LDPE/EVA products in Taiwan have resulted in competition from low-priced imported materials from new production capacities in foreign countries. Not only has the market been divided, the sales price of LDPE/EVA products will also be indirectly affected and cannot be increased.

(4) For LDPE/EVA, Taiwan has not joined the ASEAN free trade zone, and countries have signed the RCEP agreement with each other. The resulting trade barriers and unfair competition in the export market will severely affect sales volume and prices.

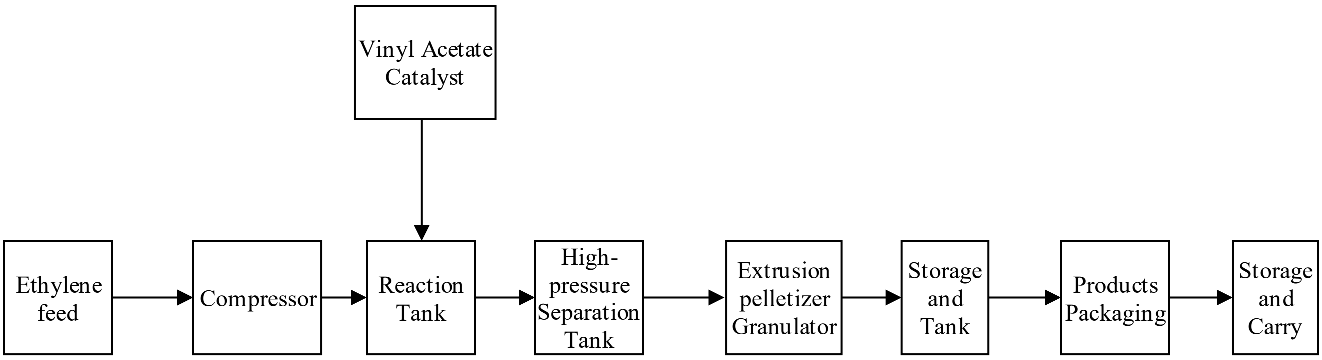
Response strategy: In order to keep abreast of the stable and low-cost sources of ethylene and he ethylene transportation and inventory turnover, the Company will invest in Gulei Petrochemical's project and the supporting facilities for ethylene storage tanks and underground pipelines of the Port of Kaohsiung Intercontinental Container Terminal Phase II Petrochemical Oil Center. In addition, the Company will continue to improve the stability and operation rate of the existing production equipment to improve product production and quality to reduce production costs, to win over the market. Furthermore, it is committed to the reasonableness of product prices and customer services, while developing high value-added products in line with market trends and expanding the export markets of new developing countries, with a view to gaining a stable long-term client base, thereby increasing operating benefits.

(II) Usage and Manufacturing Processes for Main Products

1. Important uses of major products

The Company's low-density polyethylene (LDPE) plastic pellets can be divided into the following categories according to their applications - film-grade, injection molding-grade and laminating film-grade. Film-grade LDPE plastic pellets are mainly used for processing various packaging films, whereas injection molding-grade LDPE plastic pellets are mainly used for processing and manufacturing artificial flowers, various types of household plastic products and electronic components and parts. On the other hand, laminating film-grade LDPE plastic pellets are mainly used as a laminating film for various types of packaging films, as well as various types of protective films. Another product, ethylene vinyl acetate (EVA) copolymer resin, is mainly used in the production of foam shoes, sports equipment, various types of films, solar cell packaging films, hot-melt adhesives, protective films, as well as wire and cable insulation shield due to its high toughness and flexibility.

2. Production processes for major products LDPE and EVA



(III) Supply Situation for Major Raw Materials

1. Ethylene

The Company has signed an ethylene purchase contract with CPC Corporation. However, CPC Corporation's supply of ethylene is inadequate as the contract is not able to meet the Company's demand for ethylene. USI Corporation has been commissioned to import ethylene in order to compensate for the shortfall in the ethylene supply.

2. Vinyl Acetate Monomer (VAM)

As the Company produces ethylene vinyl acetate copolymer resins, the Company purchases vinyl acetate monomers (VAM)from Dairen Chemical Corp. on a regular basis while importing some from abroad

(IV) Name of customers who account for more than ten percent of the total purchases (or sales) of goods and their amount and proportion of purchases (or sales) of goods in any one of the most recent two fiscal years, and reasons for the increase or decrease in purchases or sales of goods

1. List of suppliers with purchase amount exceeding 10% of total purchase, the purchase amount and proportion, and reasons for increase or decrease:

List of Major Suppliers in the Most Recent 2 Years

Unit: NT$1,000

	2023				2022				2024 up to the end of the first quarter (Note 2)			
Item	Name	Amount	Proportion to Net Purchase for the Year (%)	With the Issuer Relationship	Name	Amount	Proportion to Net Purchase for the Year (%)	With the Issuer Relationship	Name	Amount	Percentage to net purchase in the year up to the first quarter (%)	Relationship with the Issuer
1	CPC Corporation	1,542,956	38.76	None	CPC Corporation	2,182,895	44.05	None	CPC Corporation	384,080	37.84	None
2	Fujian Gulei Petrochemical Co., Ltd.	662,247	16.64	Recognition of Joint Venture under the Equity Method	Dairen Chemical Corporation	1,057,100	21.33	None	Mitsubishi	176,518	17.39	None
3	Dairen Chemical Corporation	526,471	13.23	None	Fujian Gulei Petrochemical Co., Ltd.	698,591	14.10	Recognition of Joint Venture under the Equity Method	Dairen Chemical Corporation	114,881	11.32	None
4	Others	1,248,633	31.37	-	Others	1,016,694	20.52	-	Fujian Gulei Petrochemical Co., Ltd.	112,121	11.04	Recognition of Joint Venture under the Equity Method
5	-	-	-	-	-	-	-	-	Others	227,530	22.41	-
	Net purchase	3,980,307	100	-	Net purchase	4,955,280	100	-	Net purchase	1,015,130	100	-

Note 1: List the name of suppliers who account for more than ten (10) percent of the total purchases of goods and their amount and proportion of purchase of goods in the most recent two fiscal years. However, if the name of suppliers or counter parties who are individuals or non-related persons cannot be revealed due to contractual agreements, their codes shall

be indicated.

Note 2: Before the date of publication of the annual report, if there are any financial data for the most recent period of a company whose shares are listed on a stock exchange ("listed company") or whose shares have been approved for trading on an over-the-counter market and attested or reviewed by a CPA, the financial data shall also be disclosed therewith.

Reasons for Increase or Decrease: In 2023, the company's purchase amount from CPC Corporation decreased, which was due to the decrease in purchase volume.
In 2023, the company's purchase amount from Dalian Chemical Industry (Co., Ltd.) decreased, mainly due to the decrease in purchase price.

2. List of customers with sales amount exceeding 10% of total sales, the sales amount and proportion, and reasons for increase or decrease:

List of Sales Customers in the Most Recent 2 Years

Unit: NT$1,000

	2023				2022				2024 up to the end of the first quarter (Note 2)			
Item	Name	Amount	Proportion to Net Sale for the Year (%)	Relationship with the Issuer	Name	Amount	Proportion to Net Sale for the Year (%)	Relationship with the Issuer	Name	Amount	Percentage to net Sale in the year up to the first quarter (%)	Relationship with the Issuer
1	Customer A	813,645	12.11	Note 3	Customer A	1,436,744	14.64	Note 3	Customer A	111,623	7.15	Note 3
	Others	5,903,483	87.89	-	Others	8,378,588	85.36	-	Others	1,449,730	92.85	-
	Net sales	6,717,128	100	-	Net sales	9,815,332	100	-	Net sales	1,561,353	100	-

Note 1: Listed the name of the customers and the gross sales amount and ratio for those that take up more than 10% of the total sales amount in the most recent two years. However, for customers whose name are not permitted to be disclosed due to contract or the counterparts is an individual who is not an interested party, a code may be used.

Note 2: Before the date of publication of the annual report, if there is any financial data for the most recent period of a company whose shares are listed on a stock exchange ("listed company") or whose shares have been approved for trading on an over-the-counter market and attested or reviewed by a CPA, the financial data shall also be disclosed therewith.

Note 3: Client A is the parent company of a main shareholder and an affiliate with the same chairman. The sales amount to Client A decreased in 2023 because of the reduction of the sales prices..

(V) Table of Production Volume and Value for the Recent 2 Years

Unit: mt/ NT$1,000

Annual / Production Volume and Value	Fiscal Year 2023			Fiscal Year 2022		
Main Products	Production Capacity	Production Volume	Production Value	Production Capacity	Production Volume	Production Value
Low-density polyethylene plastic pellets	150,000	31,929	1,261,048	150,000	33,651	1,422,735
Ethylene-vinyl acetate resin		100,312	4,260,694		96,469	4,930,002
Total	150,000	132,241	5,521,742	150,000	130,120	6,352,737

Note: Part of the Company's production lines can alternately produce low-density polyethylene plastic pellets and ethylene vinyl acetate resins.

(VI) Sales Volume and Value for the Recent 2 Years

Unit: mt/ NT$1,000

Fiscal year / Sales volume and value	Fiscal Year 2023				Fiscal Year 2022			
	Domestic Sales		Exports		Domestic Sales		Exports	
Main Products	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Low-density polyethylene plastic pellets	27,928	1,360,550	4,659	236,712	25,188	1,486,785	7,047	404,766
Ethylene-vinyl acetate resin	3,503	206,868	94,326	4,885,934	4,959	412,135	94,698	7,487,536
Others	0	0	547	27,064	0	0	461	24,110
Total	31,431	1,567,418	99,532	5,149,710	30,147	1,898,920	102,206	7,916,412

III. The employee data for the last two fiscal years and up to the publication date of the annual report

March 31, 2024

Fiscal year		2023 Fiscal year	2022 Fiscal year	For the year ended March 31, 2024
Number of Employees	Staff	93	84	92
	Direct Labor	150	154	150
	Total	243	238	242
Average Age		44.21	44.49	44.22
Average Service Year		13.29	13.86	13.30
Educational Qualification Distribution Ratio	Doctor/ Master	17.28%	16.81%	16.94%
	University	53.50%	51.02%	54.13%
	Junior College	14.82%	14.10%	14.88%
	Senior high school/higher vocational school	13.99%	16.39%	13.64%
	Below high school	0.41%	1.68%	0.41%

IV. Disbursements for Environmental Protection

(I) Total amount of losses (including compensation and violations of environmental protection regulations in the results of environmental protection audits, the date of the penalty, penalty document number, articles in regulations violated, contents of violation, and contents of penalties) in the most recent fiscal year and up to the publication date of the annual report, and the estimated amount arising both at present and in the future and the corresponding countermeasures:

Date of Disposal	Unit of Disposal	No. of Disposals	Date of Violation	Laws violated	Disposals Amount	Facts of Violation
2023.12.01	Kaohsiung City EPA	Kaohsiung City Environmental Protection Bureau Official Letter No. 20-112-120003	2023.8.31	Paragraph 1, Article 20 of the Air Pollution Control Act	150,000	On August 31, 2023, the Kaohsiung City Government Environmental Protection Bureau dispatched personnel to your plant to detect the volatile organic compound leakage concentration in the low-density polyethylene chemical manufacturing process (M03) equipment components. As a result, a total of four equipment components exceeded the “Kaohsiung City Equipment Component Volatile Organic Compounds Control and Emission Standards” of 2,000 ppm, thereby violating Article 20, Paragraph 1 of the Air Pollution Control Act.

(II) Corresponding countermeasures (including improvement measures) and possible expenditures:

1. Enhanced Equipment Component Inspection:

(1) Sampling will be conducted weekly by on-site personnel according to the division of responsibility areas within the jurisdiction.

(2) Irregular infrared scanning inspections.

(3) Monthly equipment component supervision sampling will be conducted by the Environmental Protection Division.

(4) Every quarter, the company engages an approved testing company from the Ministry of Environment to perform a thorough inspection of the entire factory.

2. Major environmental expenditure in the most recent year and as of the publication of the annual report:

Unit: NT$ thousand

Pollution Prevention Equipment Installed or Expenditure Content	Fiscal Year 2023
2023 CUI inspections and insulation project	12,091
Purchasing spare motors for Reactors 1 and 2	10,480
Total	22,571

3. The Company's expected environmental protection expenditures in 2024 are as follows:

Unit: NT$ thousand

Proposed Pollution Prevention Equipment or Expenditure	2024 Fiscal year
Replace old Pump D/E at L1 startup with new ones	38,000
Energy-saving Project for the Addition of Conveyor Compressor C-3504 (L4)	5,300
Expanded Temporary Storage Area for Waste	2,800
2024 CUI inspections and insulation project	10,000
Total	56,100

(III) The Company's response to the implementation of Restriction of Hazardous Substances Directive (RoHS) in European Union:

The Company's products are tested according to the FDA inspection standards in the U.S., and the Company performs other food safety inspections according to customer requirements. In other words, the Company applies stricter requirements to its products than RoHS. However, in order to comply with European Union's requirements, the Company sent its products to undergo such testing, and has successfully obtained RoHS compliance and certification.

V. Labor Relations

(I) Employee Benefit Plans, Continuing Education, Training, and Retirement Systems and the Status of Their Implementation, and the Status of Labor-management Agreements and Measures for Preserving Employees' Rights and Interests:

1. Employee benefits

(1) In addition to labor insurance and health insurance, the Company also purchases group insurance for employees including their families, as well as travel insurance for employees who often engage in business travels, so as to adequately meet employees' needs for various types of insurance.

(2) The Company organizes regular health checkups for its employees and pays close attention to their health.

(3) An employee welfare committee has also been established to set up and promote various welfare measures including annual staff trips, marriage and funeral allowances, lunar new year benefits, birthday gifts, club activities, and other welfare measures. The Employee Welfare Committee is responsible for the custody and use of the employee welfare fund.

(4) According to the Company's Articles of Incorporation, if the Company posts a net profit in the current year, employee

rewards shall not be less than one percent of the Company's net profit for the current year, while performance bonus and year-end bonus shall also be distributed based on the Company's operating performance and individual performance.

2. Employee education and training

(1) The Company has always paid serious attention to employee education and training. Thus, the Company has formulated a set of standards for employee training procedures, as well as implemented various learning methods, including pre-employment training, on the-job training, work instructions, or online learning based on the training needs of individual employees and departments in order to enhance employees' qualities and skills.

(2) In order to combine both employee training and promotion, the Company has specifically established general education courses for promotion in order to motivate employees to learn and study actively. Employees must complete the prescribed courses before they can be officially promoted.

(3) For employees who demonstrate a strong willingness to learn and develop their potential, the Company provides grants for further education in domestic universities, which are supplemented with career adjustments in their respective positions in order to cultivate leaders required by enterprises.

(4) Employee training is well documented, and each employee shall attend at least eight hours of training a year, which is taken into account in the performance appraisal.

(5) Employee feedback surveys and review reports are conducted at the end of each course. Additionally, a satisfaction survey is conducted at the end of the fiscal year to gather opinions and suggestions on employee training. This survey serves as a reference for improving training operations.

(6) The Company's employee training expenditure in the most recent fiscal year:

The training programs for the year 2023 are listed in the attached table, with a total expenditure of NT$1,601,000.

Training Name	Training Participant	Training Name	Training Participant
Training in the Python programming language	He, Yung-Ling/Hu, Chen-Ti	Safety Valve Testing and Inspection Training Course	Zhang Jian, Yong-Chang
Aerial Work Vehicle Operator	Qiu, Jin-Hui	Dust Operation Supervisor Refresher Training	Synthesis Section
Forklift Operation Training	Relevant Colleagues	In-Service Education and Training for Occupational Safety and Health Management Personnel	Liao, Wen-Shih
Training for operators of fixed cranes	Relevant Colleagues	Security Supervision	Xue, Sheng-Ren
High-pressure gas specific equipment operation refresher training	Synthesis Section	Association for the Promotion of Safety in High Voltage Equipment Operation	Yen, Sheng-Chung
External Training for PSM Auditors - PSM Audit	Relevant Colleagues	Achieving Net Zero Sustainability: Group Practices and Outlook	Relevant Colleagues
Type 1 Pressure Vessel Operation Training	Relevant Colleagues	Training for Personnel Responsible for Wastewater Treatment	Hsu, Pang-Yu
Process Safety Assessment Personnel Training	Pan, Hsin-Hung/Liu, Yu-An	Acetylene operator training	Machine Repair Course
Safety and Health Education and Training	Employees at the Linyuan Plant	Training for Personnel Responsible for Wastewater Treatment	Hsu, Chun-Wei
Training for High-pressure Gas-specific Equipment Operation	Relevant Colleagues	Level I of Non-Destructive Testing - Visual Inspection (VT)	Guo, Hao-sheng
Organic Solvent Operations Supervisors	Relevant Colleagues	Safe City - 6th International Forum on Industrial Pipeline Management	Wu, Meng-Yan / Guo, Hao-Sheng
Dust Operation Supervisor Refresher Training	Relevant Colleagues	2023 Seminar on Chemical Corrosion, Energy Consumption, and Major Maintenance Management	Lin, Cheng-Hsiung
Radiation Protection Refresher Training	Relevant Colleagues	Training for personnel responsible for air pollution prevention and control	Kuo, Tien-Chieh
Implementation of Process Safety Management (PSM)	Guo, Hao-Sheng	Energy Management Personnel Advancement Course for the 2023 Year	Hu, Chen-Ti
Boiler Operation Training	Relevant Colleagues	Labor Education for 2023	Employees at the Linyuan Plant
High-pressure gas-specific equipment operation	Relevant Colleagues	Operators of cranes with a lifting capacity of three metric tons or more	Machine Repair Course
Specific Chemical Operation Supervisor Refresher Training	Relevant Colleagues	Training for Internal Auditors of ISO 50001 Energy Management System	Relevant Colleagues
Conference on the Prevention and Promotion of Safe Operations in Limited Oxygen Spaces	Machine Repair Course	Training for Internal Auditors of ISO 14001 Energy Management System	Relevant Colleagues
Industrial Control and Joint Defense Emergency Response - Unit Practical Simulation Education	Relevant Colleagues	Training for Internal Auditors of ISO 45001 Energy Management System	Relevant Colleagues
A Solution for Achieving Net Zero Carbon Emissions	Employees at the Linyuan Plant	Health Lecture	Employees at the Linyuan Plant
Security Supervision	Lin Cheng-Hsiung	Expert Level Training for Hazardous Substance Emergency Response Personnel	Lin, Cheng-Xing / Chen, Shun-He

Training Name	Training Participant	Training Name	Training Participant
Training of emergency personnel for underground pipelines	Relevant Colleagues	Training for Internal Auditors of ISO 9001 Energy Management System	Relevant Colleagues
Intelligent Petrochemical Seminar	Employees at the Linyuan Plant	Notes on the Standardization of Plumbing Engineering Specifications and Common Measurement Issues	Relevant Colleagues
Workshop on Occupational Chemical Hazard Exposure Assessment Practices in the Workplace	Yen, Sheng-Chung	Certification for Personnel in the Management of Pipeline Excavation Projects in Kaohsiung City	Li, Meng-Tse
Fire Management	Xue, Sheng-Ren / Lin, Zheng-Xiong	2023 International Climate Seminar	Pan Hsin-Hung,
Workshop on Practices for Assessing Occupational Chemical Hazard Exposure	Yen, Sheng-Chung	Training on High Voltage 69kV Lightning Arresters (LA)	Relevant Colleagues
Training for Supervisor of Oxygen-Deficient Operations	Lin, Zheng-Xing	Digital Transformation and Emerging Technology Applications in Internal Audit	Lin, Chia-Huei
ISO14001 Internal Auditor	Hsu, Pang-Yu	Practical Operations for Journal Analysis	Lin, Chia-Huei
Seminar on Steam Technology and Zero Emissions Production Management	Machine Repair Course	Enhancing Corporate Sustainable Value and Improving the Risk Management System	Chuang, Chia-Fang
Training for Pipeline Excavation Project Management Personnel in Kaohsiung City in the 2023 Year	Relevant Colleagues	Exploring and Improving Operational Processes and Fraud Detection through the Use of Digital Technology: A Study on Audit Practices	Chuang, Chia-Fang
Training for the Position of High-Pressure Gas Manufacturing Safety Director	Xue, Sheng-Ren	Discussion on Group's B2C Product Development: Starting from Scratch	All employees
Refresher Training for Emergency Medical Personnel Safety and Health Education	Qiu, Yong-Yi/Ye, Xue-Mei	ESG New Trends: Energy Saving and Green Energy	All employees
2023 Year Kaohsiung City Existing Industrial Pipeline Operation and Maintenance Training Program	Inspection Department	Successful presentation skills	All employees
Dow Chemical's LOPA Technology Practical Seminar	Relevant Colleagues	[Integrity Lecture] Stop, Look, and Listen: Avoiding Cybersecurity Traps	All employees
API-510 Pressure Vessel Inspector Course	Zhang, Hong-Ze	Hon Hai Big Reveal Big Reveal - The Solution to Net Zero Carbon Emissions	All employees
Aerial Work Vehicle Operator	Electrical Section	Intelligent Petrochemical Seminar	All employees
Certification for Personnel in the Management of Pipeline Excavation Projects in Kaohsiung City (Initial Training)	Li, Wei-De	Achieving Net Zero Sustainability-Group Practices and Outlook	All employees

3. Pension system and its implementation

The retirement of employees of the company shall be handled in accordance with regulations of labor standards Law. The retirement reserve shall be deposited into a special account of the Bank of Taiwan at a monthly rate of 10% of the total payroll expense, and a labor retirement reserve supervision committee shall be set up to manage and supervise. In addition, according to the Provisions of the Workers' Pensions Ordinance, the company will contribute 6% of the total salary of employees under the new system to individual pension accounts every month.

4. Labor-management agreements and measures for preserving employees' rights and interests.

   In order to maintain good labor relations, the company is ready to communicate with industrial union cadres, and set a suggestion box, so that employees can fully reflect their opinions.

5. Financial information transparency related personnel, who have obtained relevant licenses specified by the authority:

<table>
<tr><th>Department</th><th>Name</th><th>Related Certification</th></tr>
<tr><td rowspan="2">Accounting Division</td><td rowspan="2">Chen, Cheng-Shun</td><td>Passed the Accountant Examination in the 2008 Advanced Examination for Professional and Technical Personnel held by the Ministry of Examination
Certificate number: (97) Chuan Kao Hui Tzu No. 000012</td></tr>
<tr><td>Continuous Studies registration seal for Accounting Supervisor of Securities Issuers, Accounting Research and Development Foundation registration seal (June 15, 2023 - June 16, 2023)</td></tr>
<tr><td rowspan="2">Accounting Division</td><td rowspan="2">Zhang, Sheng-Chuan</td><td>Passed the Accountant Examination in the 2007 Advanced Examination for Professional and Technical Personnel held by the Ministry of Examination
Certificate number: (96) Chuan Kao Hui Tzu No. 000147</td></tr>
<tr><td>Continuous Studies registration seal for Accounting Supervisor of Securities Issuers, Accounting Research and Development Foundation registration seal (September 21, 2023 - September 22, 2023)</td></tr>
<tr><td rowspan="3">Auditing Division</td><td rowspan="3">Lin, Chia-Huei</td><td>Certified Internal Auditor (CIA)
Certificate number: Chi Hsieh Cheng Tzu No. 1060022</td></tr>
<tr><td>Internal Audit Association of the Republic of China
Certificate number: Chi Hsieh Bei Cheng Fa Tzu No. 1120931</td></tr>
<tr><td>Computer Audit Association
Certificate number: Tien Hsieh Cheng Tzu No. 1120174</td></tr>
<tr><td rowspan="2">Auditing Division</td><td rowspan="2">Chuang, Chia-Fang</td><td>Internal Audit Association of the Republic of China
Certificate number: Chi Hsieh Bei Cheng Fa Tzu No. 1122259</td></tr>
<tr><td>Internal Audit Association of the Republic of China
Certificate number: Chi Hsieh Bei Cheng Fa Tzu No. 1128202</td></tr>
</table>

6. Employees' code of conduct or ethics

In accordance with the Labor Standards Act and relevant laws, employees' work rules and various management systems (described below) have been established in order to maintain workplace discipline and order among employees.

(1) Every employee is given an Employee Work Rules Handbook which specifies the behavior or work ethic of employees, including employment, dismissal, working hours, vacation, leave, rewards and punishments, performance appraisal, retirement and welfare.

(2) Pre-employment training for new employees covers basic education on ethics, environmental protection, occupational safety and health management.

(3) Signing of Letter of Undertaking by employees: This document establishes employees' commitment towards maintaining the confidentiality of information regarding the Company's tangible and intangible operating assets, and prevents employees from infringing on the interests of the Company.

(4) The Codes of Ethical Conduct for Directors and Managerial Officers are disclosed on the Company's website.

(5) For the employee work rules, please consult our company website at http://www.apc.com.tw in the Investor Relations section of the Corporate Governance unit.

7. Protective measures for the work environment and the personal safety of employees

(1) The Company upholds the spirit of continuous improvement and the pursuit of perfection. Apart from continuously investing in hardware facilities to enhance pollution prevention and fire safety equipment so as to directly reduce pollutant emissions and increase production safety, the Company has also incorporated an environmental management system (ISO 14001) and an occupational

health and safety management system (ISO 45001) to set up an excellent management system through Plan, Do, Check and Act (PDCA), thereby providing employees with a safe and healthy work environment. With regard to the legal environment, the Company has actively initiated the certification procedures for the new Occupational Safety and Health Management System to strengthen occupational safety and health management, enhance corporate image, pay attention to and comply with international development trends, and respond to increasingly rigorous legal requirements. We have implemented actions for improving occupational safety and health management performance and reducing risks.

(2) With regard to employees' personal safety protection, the Company not only provides employees with personal protective equipment such as goggles, earplugs and earmuffs, as well as vertical fall arresters, but also continuously offers training related to employee safety, with hopes that manufacturing equipment can run safely in plants, thereby achieving production goals in a smooth manner.

(II) List the losses suffered due to labor disputes in the most recent fiscal year up to the publication date of this annual report, and disclose the estimated amount for current and possible future occurrences, and response measures. If the amount cannot be reasonably estimated, clarify the reason:

Labor relations in the Company are harmonious. As of the publication date of this annual report, there has been no labor disputes and losses arising. Such incidents are not expected to happen in the future as well.

VI. Information security management:

(I) Information security management strategy and structure

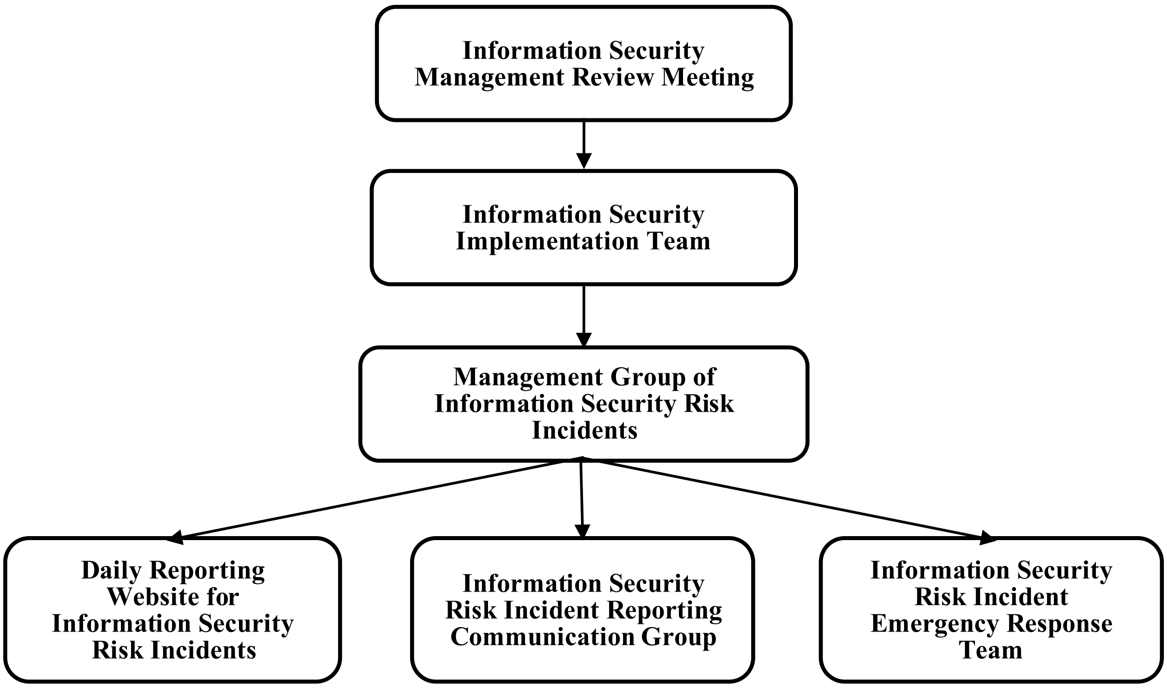
Please provide an overview of the framework for managing information and communication security risks, including the policies, management plans, and allocated resources for information and communication security management.

1. Information security risk management structure:

   (1) Enterprise Information Security Governance Organization:

   The "Information Security Management Review Committee" is convened annually to adjudicate the six major input items of the security management system: the status of past management review proceedings, changes related to internal and external issues concerning the information security management system, feedback on information security performance, feedback from stakeholders, the status of risk assessment results and risk treatment plans, and opportunities for continuous improvement. It also determines the two major output items of the security management system: decisions related to continuous improvement opportunities and any needs for changes to the information security management system, in order to achieve the objectives of the information security management system.

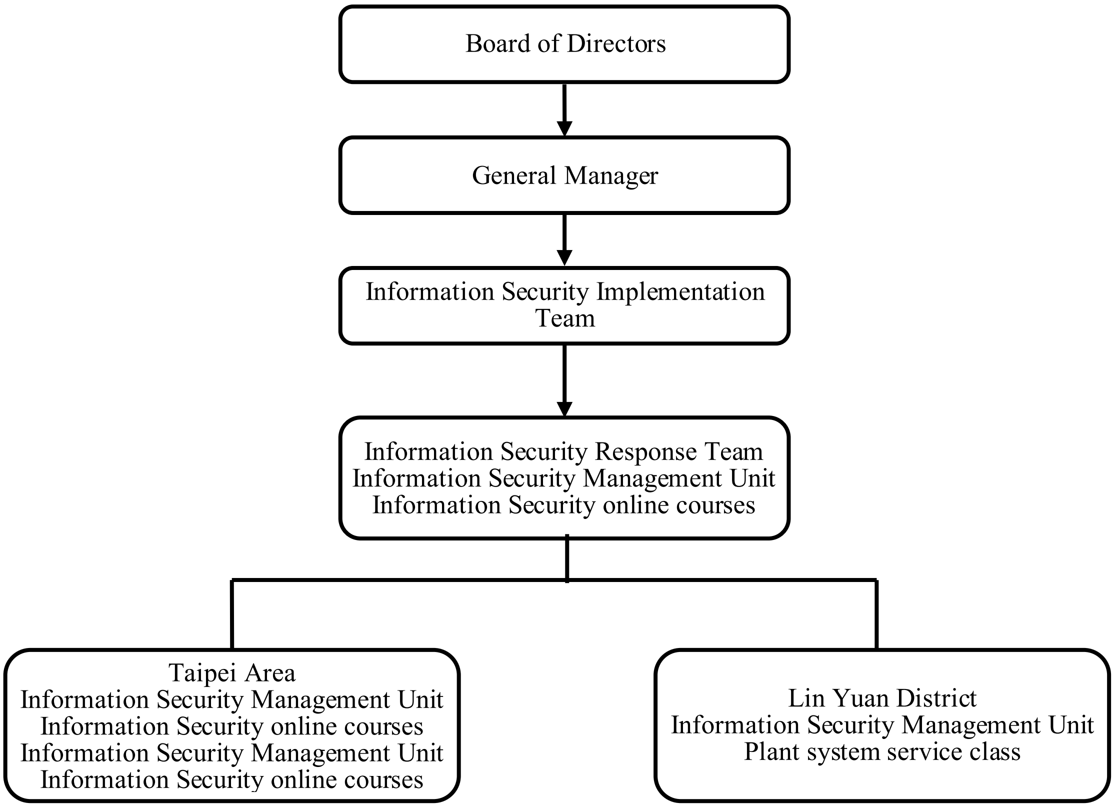
Organizational Chart of the Information Security Management Review Committee



(2) Information Security Management Structure:

According to the provisions in the standard operating procedure (SOP) of the Company "Setting Standards of Information Security Promotion Organization", an "Information Security promotion team" has been set up to supervise the operation of Information Security management within the group and define the roles and responsibilities of each promotion organization. The meeting is held once a year. If there is a major Information Security incident, it can be held immediately. The Director of the Information Department serves as the convener of the team, responsible for organizing and facilitating the meetings of the Information Security Promotion Team. They also make decisions and mediate discussions during the meetings. The department heads of the Information Department are members of this team. In the event of a material Information Security incident, the Director of the Information Technology Department shall report to the General Manager or heads of related departments.

Organization chart of the Information Security Initiative Group



Responsibilities of Information Security Promotion Team:

- Develop Information Security management strategy and framework
- Information Security Risk Assessment and Measures to Be Taken in Response
- Information Security maintenance and implementation
- Confirm the validity of safe operation execution

2. Information Security policy

(1) Information Security management strategy and framework

- ISO 27001 Information Security system:

  Since 2014, we have established and continuously operated the ISO/IEC 27001: 2013 Information Security Management System. Each year, we engage external professional cybersecurity audit and certification companies to conduct reviews. We have successfully passed the certification audits for 9 consecutive years. The current certificate is valid from July 4, 2023, to October 31, 2025.

- NIST CSF Information Security Management Framework:

  Incorporated into the Information Security Framework (CSF) developed by the National Institute of Standards and Technology (NIST).

(2) Information Security and risk management framework

Based on the ISO 27001 Information Security management system, supplemented by the NIST CSF Information Security management framework, it strengthens risk management and control, improves Information Security resilience, and has the ability to withstand, contain and quickly recover from Information Security incidents, so as to continue to provide key operational services.

3. Specific Management Plan:

- Vulnerability scan detection: Perform server operating system vulnerability scan detection regularly to identify potential risks for system correction or propose compensatory measures to improve information security. It has been carried out for 8 consecutive years.

- Information asset management and control: Establish an information asset management platform, log in information assets, note asset items, usage status and maintenance records, and regularly inspect and maintain them.

- Firewall and Industrial Control Equipment (OT): Adopt Palo Alto Networks 3220, with the new 7-layer firewall system, improve the efficiency of filtering incoming and outgoing packets, effectively reduce the risk of system vulnerability exposure.

- Critical Server (SEVER): deploy Crowd Strike, use artificial intelligence (AI) and machine learning (ML) modes of non-feature comparison, to analyze attack behaviors in real time, and block known and unknown potential threats.

- Email: Implement the Microsoft Office 365 solution and enhance it with advanced threat protection (ATP) service mechanism to strengthen the ability to defend against unknown malicious program links and phishing emails. By migrating the mail server to the cloud and gradually reducing the number of AD and DC (Domain Controller) hosts, we can minimize the potential attack surface.
- Office Equipment (IT): We utilize Trend Micro antivirus software to detect abnormal network usage behavior. For instance, by monitoring user computer logins to the Active Directory (AD) host and internet activities, attacks can be instantly blocked.
- Personnel Information Security management: Prevent hacking or data leakage; information personnel receive at least four hours of Information Security education and training every year.
- Social engineering exercises: at least twice a year, we will entrust external professional information security consultants to conduct social engineering exercises to enhance staff's awareness of information security and protect data security from external intrusion and tampering.

4. Input the resources of information security management：

Ensuring information security has become a crucial concern for the company's operations. The following outlines the corresponding plans for managing information security and allocating resources:

- Responsible Personnel: The company has established a dedicated corporate organization, known as the Information Security Network Department, which includes a dedicated Information Security Supervisor and Information Security

Officers. This department is responsible for the planning, implementation of technology, and auditing related to information security. Its main objective is to ensure the continuous improvement and maintenance of information security.

- Certification: We have successfully passed the ISO27001 information security certification for 9 consecutive years without any significant security audit deficiencies.
- Customer Satisfaction: There have been no major cybersecurity incidents and no complaints regarding customer data loss.
- Education and Training: All IT personnel have successfully completed two annual sessions of information security education and training, including assessments. A total of 206 employees took part in two annual drills to test their susceptibility to social engineering phishing emails.
- Investment in information security funds: Approximately $993,000.
- Information Security notices: 9 notices were issued.

(II) Information Security Risks and Response Measures:

1. Risks of information technology security:

The maintenance and operation management of factories is crucial to the manufacturing industry. The production processes and procedures are primarily controlled and managed by operational technology (OT) systems, including distributed control systems (DCS) and supervisory control and data acquisition (SCADA) systems. Legacy systems, also known as systems that are not upgraded or updated after installation due to requirements like production stability, often lack sufficient cybersecurity protection compared to general information technology systems such as ERP, CRM, and OA software and hardware.

2. Information technology security management measures:

- Internal audit shall be conducted regularly by the company's audit department and external professional information and security consultants. For external audit, British Standards Institution Taiwan branch (BSI), an internationally renowned certification company, is invited to conduct ISO 27001 certification audit every year. In addition to the audit of Information Security risk management framework, the Company also carries out the prevention coaching and Information Security risk assessment analysis for the internal and external issues.

- The group's email system has implemented a Multi-Factor Authentication (MFA) mechanism to enhance security. This mechanism includes a password verification as the first step and an additional identity verification through other tools as the second step.

- Firewall and Industrial Control Equipment (OT) : Adopt Fortinet Firewall, with the new 7-layer firewall system, improve the efficiency of filtering incoming and outgoing packets, effectively reduce the risk of system vulnerability exposure.

- Enhance control over external devices connected to industrial control equipment by limiting USB access to prevent data leakage and external cybersecurity threats, while ensuring no disruption to the production line.

- External Storage Media Health Check: Perform a thorough examination of external storage media to minimize the risk of data loss and concealed cybersecurity threats. This entails regular virus scanning, inspection, and inventory management of external devices.

- For the operating system of server host and other equipment, an external professional information security consultant shall be commissioned to scan the weaknesses every year to find out the potential risks and make system corrections or propose compensatory measures.

- Strengthen personnel Information Security management, prevent hacking or data leakage; information personnel receive at least four hours of Information Security education and training every year.

(III) Significant Information and Communication Security Incident:

Specify in the most recent fiscal year and up to the publication date of the annual report, the losses incurred, potential impacts, and response measures due to significant information security incidents. If unable to reasonably estimate, explain the fact of inability to reasonably estimate:

Loss resulting from labor-management relations in the most recent fiscal year and in the current fiscal year up to the date of publication of the annual report: None.

VII. Important Contracts

Type of Contract	Contracting Party	Contract Start and End Date	Contract Content	Restrictive Provisions
Material Purchase Contract	CPC Corporation	2024.01.01-2024.12.31	Annual contract volume and pricing for ethylene and propylene supply.	None
Material Purchase Contract	Dairen Chemical Corporation	2024.01.01-2024.12.31	Annual contract volume and pricing for nikasol supply.	None
Joint Venture Contract	Companies such as Ho Tung Chemical Corp., LCY Group, USI, Sheng Tai Petroleum, Chenergy Global Co., Ltd, Lien Hwa Industrial Holdings Corp., Zhongding Engineering, Fubon Financial Holdings Venture Capital, and Hong Fu Investment.	2019.12.18	Our company has collaborated with nine other businesses to invest in the production of petrochemical products at the Gulei Industrial Park in Zhangzhou, Fujian Province, China.	Restrictions on share transfer and pledge.
Medium-Term Loan Limit	Hua Nan Commercial Bank	2021/05/28 - 2024/05/28	APC and Hua Nan Bank signed a three-year medium-term lending limit contract	None

Type of Contract	Contracting Party	Contract Start and End Date	Contract Content	Restrictive Provisions
Agreement			worth NT$500 million, which is a revolving loan facility.	
Medium-Term Loan Limit Agreement	DBS Bank (Taiwan)	2022/07/25 - 2025/07/25	APC and DBS Bank (Taiwan) Ltd. signed a three-year medium-term lending limit contract worth NT$150 million, which is a revolving loan facility.	None
Medium-Term Loan Limit Agreement	Taipei Fubon Bank Co., Ltd.	2022/10/06 - 2025/09/12	APC and Taipei Fubon Bank signed a three-year medium-term lending limit contract worth NT$500 million, which is a revolving loan facility	Based on the consolidated semi-annual/annual financial statements of APC, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-Term Loan Limit Agreement	Bank of Tokyo-Mitsubishi UFJ	2022/10/03 - 2025/10/03	APC and Mitsubishi UFJ Financial Group, Inc. signed a three-year medium-term lending limit contract worth NT$ 500 million, which is a revolving loan facility.	Based on the consolidated semi-annual/annual financial statements of APC, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-Term Loan Limit Agreement	First Bank	2022/11/15 - 2025/11/15	APC and First Bank signed a three-year medium-term lending limit contract worth NT$300 million, which is a revolving loan facility.	None
Medium-Term Loan Limit Agreement	Taishin International Bank	2022/12/26 - 2026/05/15	APC and Taishin International Bank signed a three-year medium-term lending limit contract worth NT$500 million, which is a revolving loan facility.	Based on the consolidated semi-annual/annual financial statements of APC, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-Term Loan Limit Agreement	Chang Hwa Bank	2023/08/16 - 2026/08/16	APC and Chang Hwa Bank signed a three-year medium-term lending limit contract worth NT$500 million, which is a revolving loan facility.	None

Type of Contract	Contracting Party	Contract Start and End Date	Contract Content	Restrictive Provisions
Medium-Term Loan Limit Agreement	Mizuho Bank	2023/08/30 - 2026/08/30	APC and Mizuho Bank signed a three-year medium-term lending limit contract worth NT$ 300 million, which is a revolving loan facility.	None
Medium-Term Loan Limit Agreement	Yuanta Bank	2023/10/13 - 2026/10/13	APC and Yuanta Bank signed a three-year medium-term lending limit contract worth NT$300 million, which is a revolving loan facility.	Based on the consolidated annual financial statements of APC, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-Term Loan Limit Agreement	Cathay United Bank	2021/10/15 - 2026/10/15	APC and Cathay United Bank signed a five-year medium-term lending limit contract worth NT$1.419 billion.	None
Medium-Term Loan Limit Agreement	Bank of China, Taipei Branch	2023/10/28 - 2026/10/27	APC and Bank of China, Taipei Branch, signed a three-year medium-term lending limit contract worth NT$300 million, which is a revolving loan facility.	Based on the consolidated semi-annual/annual financial statements of APC, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.

Chapter 6. Financial Summary

I. Condensed financial report for the last five years

(I) Condensed balance sheet and statement of comprehensive income

1. Condensed Consolidated Balance Sheets - International Financial Reporting Standards (IFRS)

Unit: NT$ thousand

Item \ Year		Financial Information in the Most Recent Five Years					Financial Information as of March 31, 2024 (Reviewed)
		2023	2022	2021	2020	2019	
Current Assets		3,335,197	3,793,083	4,098,928	2,964,269	4,940,438	3,110,153
Property, Plant, and Equipment		3,456,731	3,363,478	3,376,590	3,257,676	3,277,233	3,495,036
Intangible Assets		0	0	0	18	53	0
Other Assets		8,219,761	9,233,508	11,503,028	10,661,540	8,705,367	7,868,124
Total Assets		15,011,689	16,390,069	18,978,546	16,883,503	16,923,091	14,473,313
Current Liabilities	Before Distribution	1,028,661	1,550,109	1,942,077	1,479,196	2,469,828	951,008
	After Distribution (Note 4)	1,295,846	2,262,602	3,723,309	2,177,718	2,802,458	--(Note 6)
Non-current Liabilities		643,944	623,002	1,574,420	3,294,762	4,223,443	576,790
Total Liabilities	Before Distribution	1,672,605	2,173,111	3,516,497	4,773,958	6,693,271	1,527,798
	After Distribution (Note 4)	1,939,790	2,885,604	5,297,729	5,472,480	7,025,901	--(Note 6)
Equity Attributable to Owners of the Parent		13,339,084	14,216,958	15,462,049	12,109,545	10,229,820	12,945,515
Share Capital		5,937,438	5,937,438	5,937,438	5,821,018	5,543,827	5,937,438
Capital Surplus		37,559	37,142	35,319	33,272	24,400	37,558
Retained Earnings	Before Distribution	6,695,769	7,299,597	7,610,746	5,253,769	4,785,613	6,508,061
	After Distribution (Note 4)	6,428,584	6,587,104	5,829,514	4,438,826	4,175,792	--(Note 6)
Other Equity		668,318	942,781	1,878,546	1,001,486	(124,020)	462,458
Treasury Stock		-	-	-	-	-	-
Non-controlling Interests		-	-	-	-	-	-
Total Equity	Before Distribution	13,339,084	14,216,958	15,462,049	12,109,545	10,229,820	12,945,515
	After Distribution (Note 4)	13,071,899	13,504,465	13,680,817	11,411,023	9,897,190	--(Note 6)

* If the Company has prepared a parent company only financial report, the Company shall prepare parent company only condensed balance sheet and statement of comprehensive income for the last five years.

* Where financial information is prepared for less than five years using IFRS, financial information in Table 2 below shall also be prepared using the Financial Accounting Standards of the Republic of China.

Note 1: Financial statements not audited by CPAs should be noted.

Note 2: When the asset revaluation was conducted in the year, the date and revaluation increment should be listed.

Note 3: As of the publication date of the annual report, companies that have been listed or have been traded at TPEx should disclose the financial information of the most recent period audited or reviewed by CPAs.

Note 4: The numbers after distribution are determined based on the resolutions of the Board of Directors for the fiscal year 2023, and for subsequent years, they are determined based on the resolutions of the annual shareholders' meetings. According to the company's bylaws, cash dividends still need to be approved by the shareholders' meeting.

Note 5: If the financial information is notified by the competent authority that it should be corrected or restated, it should be presented with the corrected or restated figures, and indicates the circumstances and reasons.

Note 6: The distribution of surplus has not been approved by the shareholders' general meeting and, as a result, it is not listed.

2. Condensed Consolidated Statement of Comprehensive Income - IFRS

Unit: NT$ thousand

Item \ Year	Financial Information in the Most Recent Five Years					Financial Information as of March 31, 2024 (Reviewed)
	2023	2022	2021	2020	2019	
Operating Revenue	6,717,128	9,815,332	9,565,813	5,703,546	6,791,157	1,561,353
Gross Profit	1,145,997	3,232,872	3,597,668	1,129,152	1,035,448	7,632
Operating Income and Loss	923,836	2,946,908	3,319,255	922,303	798,407	(53,812)
Total Non-operating Revenue and Expenses	(772,704)	(1,129,137)	418,951	363,108	186,434	(178,209)
Net Income (Loss) before Tax	151,132	1,817,771	3,738,206	1,285,411	984,841	(232,021)
Continuing Business Unit Net Income (Loss)	116,284	1,447,369	3,101,127	1,103,587	821,021	(187,708)
Loss from Discontinued Operations	0	0	0	0	0	0
Net Income (Loss)	116,284	1,447,369	3,101,127	1,103,587	821,021	(187,708)
Current Other Comprehensive Income (Net of Tax)	(275,732)	(913,051)	947,852	1,099,896	(30,290)	(205,860)
Total Comprehensive Income	(159,448)	534,318	4,048,979	2,203,483	790,731	(393,568)
Net income attributable to parent entity	116,284	1,447,369	3,101,127	1,103,587	821,021	(187,708)
Net income attributable to non-controlling interest	0	0	0	0	0	0
Comprehensive Income Attributable to Owners of the Parent	(159,448)	534,318	4,048,979	2,203,483	790,731	(393,568)
Total comprehensive income attributable to non-controlling interest	0	0	0	0	0	0
Earnings per share	0.20	2.44	5.22	1.86	1.38	(0.32)

* If the Company has prepared a parent company only financial report, the Company shall prepare parent company only condensed balance sheet and statement of comprehensive income for the last five years.

* Where financial information is prepared for less than five years using IFRS, financial information in Table 2 below shall also be prepared using the Financial Accounting Standards of the Republic of China.

Note 1: Financial statements not audited by CPAs should be noted.

Note 2: As of the publication date of the annual report, companies that have been listed or have been traded at TPEx should disclose the financial information of the most recent period audited or reviewed by CPAs.

Note 3: The loss of discontinued business unit should be presented as the net amount after the deduction of income tax.

Note 4: If the financial information is notified by the competent authority that it should be corrected or restated, it should be presented with the corrected or restated figures, and indicates the circumstances and reasons.

3. Condensed parent company only balance sheets - IFRS

Unit: NT$ thousand

Item \ Year		Financial Information in the Most Recent Five Years				
		2023	2022	2021	2020	2019
Current Assets		2,895,529	3,333,788	3,636,493	2,546,721	4,513,983
Property, Plant, and Equipment		3,456,535	3,363,200	3,376,208	3,257,029	3,276,337
Intangible Assets		0	0	0	18	53
Other Assets		8,610,646	9,641,478	11,901,454	11,013,329	9,065,795
Total Assets		14,962,710	16,338,466	18,914,155	16,817,097	16,856,168
Current Liabilities	Before Distribution	987,135	1,500,638	1,878,779	1,430,238	2,419,838
	After Distribution (Note 1)	1,254,320	2,213,131	3,660,011	2,128,760	2,752,468
Non-current Liabilities		636,491	620,870	1,573,327	3,277,314	4,206,510
Total Liabilities	Before Distribution	1,623,626	2,121,508	3,452,106	4,707,552	6,626,348
	After Distribution (Note 1)	1,890,811	2,834,001	5,233,338	5,406,074	6,958,978
Equity Attributable to Owners of the Parent						
Share Capital		5,937,438	5,937,438	5,937,438	5,821,018	5,543,827
Capital Surplus		37,559	37,142	35,319	33,272	24,400
Retained Earnings	Before Distribution	6,695,769	7,299,597	7,610,746	5,253,769	4,785,613
	After Distribution (Note 1)	6,428,584	6,587,104	5,829,514	4,438,826	4,175,792
Other Equity		668,318	942,781	1,878,546	1,001,486	(124,020)
Treasury Stock		-	-	-	-	-
Non-controlling Interests		-	-	-	-	-
Total Equity	Before Distribution	13,339,084	14,216,958	15,462,049	12,109,545	10,229,820
	After distribution (Note 1)	13,071,899	13,504,465	13,680,817	11,411,023	9,897,190

* If the Company has prepared a parent company only financial report, the Company shall prepare parent company only condensed balance sheet and statement of comprehensive income for the last five years.

* Where financial information is prepared for less than five years using IFRS, financial information in Table 2 below shall also be prepared using the Financial Accounting Standards of the Republic of China.

Note 1: The numbers after distribution are determined based on the resolutions of the Board of Directors for the fiscal year 2023, and for subsequent years, they are determined based on the resolutions of the annual shareholders' meetings. According to the company's bylaws, cash dividends still need to be approved by the shareholders' meeting.

Note 2: If the financial information is notified by the competent authority that it should be corrected or restated, it should be presented with the corrected or restated figures, and indicates the circumstances and reasons.

4. Condensed parent company only Statement of Comprehensive Income - IFRS

Unit: NT$ thousand

Item \ Year	Financial Information in the Most Recent Five Years				
	2023	2022	2021	2020	2019
Operating Revenue	6,541,670	9,614,583	9,291,720	5,514,958	6,578,064
Gross Profit	1,123,705	3,213,618	3,571,359	1,109,078	1,017,768
Operating Income and Loss	908,161	2,935,824	3,300,219	909,643	788,914
Total Non-operating Revenue and Expenses	(762,884)	(1,123,186)	431,954	371,112	194,025
Net Income before Tax	145,277	1,812,638	3,732,173	1,280,755	982,939
Continuing Business Unit Net Income	116,284	1,447,369	3,101,127	1,103,587	821,021
Loss from Discontinued Operations	0	0	0	0	0
Net Income (Loss)	116,284	1,447,369	3,101,127	1,103,587	821,021
Other Comprehensive Income (after Tax)	(275,732)	(913,051)	947,852	1,099,896	(30,290)
Total Comprehensive Income	(159,448)	534,318	4,048,979	2,203,483	790,731
Earnings per share	0.20	2.44	5.22	1.86	1.38

* If the Company has prepared a parent company only financial report, the Company shall prepare parent company only condensed balance sheet and statement of comprehensive income for the last five years.

* Where financial information is prepared for less than five years using IFRS, financial information in Table 2 below shall also be prepared using the Financial Accounting Standards of the Republic of China.

Note: If the financial information is notified by the competent authority that it should be corrected or restated, it should be presented with the corrected or restated figures, and indicates the circumstances and reasons.

(II) Names of auditing CPAs of the last five years and their audit opinions

Year	Name of CPAs	Auditor Opinion
2019	Chiu, Cheng-Chun and Huang, Hsiu-Chun	Unmodified opinion
2020	Chiu, Cheng-Chun and Huang, Hsiu-Chun	Unmodified opinion
2021	Chiu, Cheng-Chun and Chuang Pi-Yu	Unmodified opinion
2022	Chiu, Cheng-Chun and Chuang Pi-Yu	Unmodified opinion
2023	Chiu, Cheng-Chun and Chuang Pi-Yu	Unmodified opinion

II. Financial Analyses of the Most Five Fiscal Years

(I) Financial Analysis - IFRS

APC and Subsidiaries

Item	Year	Financial Information in the Most Recent Five Years					Financial Information as of March 31, 2024 (Reviewed)
		2023	2022	2021	2020	2019	
Financial Structure (%)	Debt ratio	11.14	13.26	18.53	28.28	39.55	10.56
	Ratio of long-term capital to property, plant, and equipment	404.52	441.21	504.55	472.86	441.02	386.90
Solvency Ability (%)	Current ratio	324.23	244.70	211.06	200.40	200.03	327.04
	Quick ratio	242.50	199.13	173.33	170.86	178.63	254.17
	Interest coverage ratio (times)	17.59	177.29	165.37	31.22	18.54	(103.51)
Business Capacity	Accounts receivable turnover rate (times)	9.10	7.88	8.84	7.65	8.34	15.88
	Average days for cash receipts	40	46	41	48	44	23
	Inventory turnover rate (times)	9.48	11.70	13.32	13.09	9.87	10.92
	Accounts payable turnover rate (times)	21.08	21.60	20.37	19.28	21.79	29.02
	Average days for sale of goods	39	31	27	28	37	33
	Property, plant, and equipment turnover rate (times)	1.97	2.91	2.88	1.75	2.00	1.80
	Total assets turnover rate (times)	0.43	0.56	0.53	0.34	0.42	0.42
Profitability	Return on total assets (%)	0.79	8.23	17.40	6.73	5.33	(5.04)
	Return on equity (%)	0.84	9.75	22.50	9.88	8.28	(5.71)
	Ratio of net profit before tax to paid-in capital (%) (Note 7)	2.55	30.62	62.96	22.08	17.76	(15.63)
	Net profit margin (%)	1.73	14.75	32.42	19.35	12.09	(12.02)
	Basic earnings (loss) per share (NT$) (Note 4)	0.20	2.44	5.22	1.90	1.48	(0.32)
	Retrospective adjusted earnings per share (loss) (NT$) (Note 4)	0.20	2.44	5.22	1.86	1.38	(0.32)
Cash flows	Cash flow ratio (%)	79.96	233.86	141.42	194.59	20.19	58.08
	Cash flow adequacy ratio (%)	193.31	211.64	230.79	155.17	40.30	-
	Cash reinvestment ratio (%)	0.57	9.28	9.39	12.78	1.78	2.93
Leverage ratio	Operating leverage	1.95	1.47	1.24	2.15	2.71	(8.36)
	Financial leverage	1.01	1.00	1.01	1.05	1.08	0.96

Reasons for changes in various financial ratios over the past two fiscal years:

1. Current and quick ratios have decreased: Due to a decrease in current liabilities in the current year.
2. The turnover ratios for real estate, plant and equipment, as well as total assets, have decreased this year: Due to a decline in net sales.
3. Interest coverage ratio, return on assets, return on equity, ratio of net profit before tax to paid-in capital, net profit margin and basic earnings per share:
   This is because the before -tax (after-tax) net income for the current fiscal year has decreased.
4. The cash flow ratio and cash reinvestment ratio have decreased: Due to a decline in net cash flow from operating activities.
5. Operating leverage has decreased due to a decline in operating profit for the current fiscal year.

* If the Company has prepared a parent company only financial report, it shall prepare a parent company only financial analysis.

* Where financial information is prepared for less than five years using IFRS, financial information in Table 2 below shall also be prepared using the Financial Accounting Standards of the Republic of China.

Note 1: Financial statements not audited by CPAs should be noted.

Note 2: As of the publication date of the annual report, companies that have been listed or have been traded at TPEx should analyze the financial information of the most recent period audited or reviewed by CPAs.

(II) Financial Analysis - IFRS

APC

Item		Financial Information in the Most Recent Five Years				
	Year	2023	2022	2021	2020	2019
Financial Structure (%)	Debt Ratio	10.85	12.98	18.25	27.99	39.31
	Ratio of long-term capital to property, plant, and equipment	404.32	441.18	504.57	472.42	440.62
Solvency Ability (%)	Current Ratio	293.33	222.16	193.56	178.06	186.54
	Quick Ratio	212.59	176.71	155.53	148.76	166.41
	Interest coverage ratio (times)	16.94	176.79	165.10	31.11	18.50
Business Capacity	Accounts receivable turnover rate (times)	8.12	7.58	8.49	7.20	7.91
	Average days for cash receipts	45	48	43	51	46
	Inventory turnover rate (times)	9.76	11.78	13.24	13.68	10.10
	Accounts payable turnover rate (times)	23.39	24.12	22.66	21.81	25.81
	Average days for sale of goods	37	31	28	27	36
	Property, plant, and equipment turnover rate (times)	1.92	2.85	2.80	1.69	1.94
	Total assets turnover rate (times)	0.42	0.55	0.52	0.33	0.41
Profitability	Return on total assets (%)	0.79	8.26	17.46	6.76	5.35
	Return on equity (%)	0.84	9.75	22.50	9.88	8.28
	Ratio of net profit before tax to paid-in capital (%) (Note 7)	2.45	30.53	62.86	22.00	17.73
	Net profit margin (%)	1.78	15.05	33.38	20.01	12.48
	Basic earnings (loss) per share (NT$) (Note 4)	0.20	2.44	5.22	1.90	1.48
	Retrospective adjusted earnings per share (loss) (NT$) (Note 4)	0.20	2.44	5.22	1.86	1.38
Cash flows	Cash flow ratio (%)	80.47	238.43	142.87	198.29	19.85
	Cash flow adequacy ratio (%)	190.30	208.46	226.73	150.84	32.23
	Cash reinvestment ratio (%)	0.43	9.04	9.1	12.58	1.68
Leverage ratio	Operating leverage	1.79	1.40	1.16	1.97	2.47
	Financial leverage	1.01	1.00	1.01	1.05	1.08

Reasons for changes in various financial ratios over the past two fiscal years:

1. Current and quick ratios have decreased: Due to a decrease in current liabilities in the current year.
2. The turnover ratios for real estate, plant and equipment, as well as total assets, have decreased this year: Due to a decline in net sales.
3. Interest coverage ratio, return on assets, return on equity, ratio of net profit before tax to paid-in capital, net profit margin and basic earnings per share:
   This is because the before-tax (after-tax) net income for the current fiscal year has decreased.
4. The cash flow ratio and cash reinvestment ratio have decreased: Due to a decline in net cash flow from operating activities.
5. Leverage: Due to the increase in operating income.

* If the Company has prepared a parent company only financial report, it shall prepare a parent company only financial analysis.

* If the financial information under international financial reporting standards is less than 5 years, the financial information under ROC GAAP shall be prepared in table (2) below.

Note 1: Financial statements not audited by CPAs should be noted.

Note 2: As of the publication date of the annual report, companies that have been listed or have been traded at TPEx should analyze the financial information of the most recent period audited or reviewed by CPAs.

Note 3: At the end of the annual report, the following formula should be presented:

1. Financial structure
    (1) Liabilities-to-asset ratio = Total liabilities/Total assets.
    (2) Ratio of long-term capital to property, plant, and equipment = (Total equity + Non-current liabilities) /Net value of property, plant, and equipment.
2. Solvency
    (1) Current ratio = Current assets/Current liabilities.
    (2) Quick ratio = (Current assets - inventory - prepaid expenses) /Current liabilities.
    (3) Interest coverage ratio = the pre-tax net income/the interest expense for the period.
3. Business Capacity
    (1) Receivable (including accounts receivable and business-related notes receivable) turnover ratio = net sale/average balance of receivable of the period (including accounts receivable and business-related notes receivable).
    (2) Average collection days = 365/Receivables turnover
    (3) Inventory turnover = cost of sales/average inventories.
    (4) Payable (including accounts payable and business-related notes payable) turnover ratio = net sales revenue/average balance of payable of the period (including accounts payable and business-related notes payable).
    (5) Average days for sale of goods = 365/Inventory turnover rate.
    (6) Property, plant, and equipment turnover rate = Net sales/Average net property, plant, and equipment.
    (7) Total assets turnover rate = Net sales/Average total assets.
4. Profitability
    (1) Return on assets = [Income after tax + Interest expenses x (1 - Tax rate)] /Average total assets.
    (2) Return on equity = Income after tax/Average total equity.
    (3) Net profit margin = Income after tax/Net sales.
    (4) Earnings per share = (Income attributable to owners of the parent - Preferred stock dividends) /Weighted average number of shares issued. (Note 4)
5. Cash flows
    (1) Cash flow ratio = Net cash flows generated from operating activities/Current liabilities.
    (2) Cash flow adequacy ratio = Five-year sum of net cash flows generated from operating activities/Five-year sum of (capital expenditure, inventory additions and cash dividends).
    (3) Cash reinvestment ratio = (Net cash flows from operating - cash dividends) / (Gross amount of property, plant, and equipment + Long term investment + Other non-current assets + Working capital). (Note 5)
6. Leverage ratio:
    (1) Degree of operating leverage (DOL) = (net operating revenue - variable operating cost and expenses) / operating income (Note 6)
    (2) Financial leverage = Operating income / (Operating income - Interest expenses).

Note 4: The following items should be noted for the calculation of earnings per share using the above mentioned formula:

1. Use the weighted average number of common shares, not the number of shares outstanding at the end of year.
2. Capital increase for cash or treasury stock transactions shall be considered when the weighted average number of shares is calculated.

3. Capital increase from surplus earnings or capital reserve shall be retrospectively adjusted by the proportion of capital increase when earnings per share for previous annual and semi-annual periods are calculated. The issue period for capital increase does not have to be considered.
4. For preferred shares that are non-convertible accumulated preferred shares, dividends (regardless of whether they are distributed) shall be deducted from net income after tax or included as net loss after tax. If the preferred shares are non-cumulative in nature, where net income after taxes is available, preferred share dividends should be deducted from it.

Note 5: The following items should be noted for the analysis of cash flow:

1. Net cash flow from operating activities refers to net cash flow generated from operating activities in the statement of cash flows.
2. Capital expenditures refer to the annual cash flow used in capital investment.
3. The increase in inventory is included only if the balance at the end of the year
4. Cash dividends include the cash dividends of common stocks and preferred stocks.
5. Gross property, plant and equipment refers to the property, plant and equipment before depreciation.

Note 6: The issuer should classify the operating costs and operating expenses as fixed or variable depending on their nature. If the process involves estimates or subjective judgments, reasonableness and consistency should be maintained.

Note 7: If the company’s shares do not have a face value or the face value is not NT$10, the above-mentioned calculation involving as a percentage to paid-in capital should be replaced by as a percentage to equity attributable to the owners of the parent company on the balance sheet.

III. Supervisor’s or Audit Committee’s Review Report for the Most Recent Financial Statements

(I) Supervisors’ review report: Not applicable

(II) Audit Committee’s Review Report:

Asia Polymer Corporation

Audit Report

The Board of Directors has prepared the Company’s 2023 Business Report, financial statements (including parent company only and consolidated financial statements), which were audited by CPAs Chiu Cheng-Chun and Chuang Pi-Yu of Deloitte, Taiwan, as well as an earnings distribution proposal. The above mentioned reports and financial statements have been reviewed and determined to be accurate by the Audit Committee. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report. Please proceed to review it.

To:

The Company 2024 Annual Shareholders’ Meeting

Audit Committee of Asia Polymer Corporation

Independent Director: Shen, Shang-Hung 沈尚弘

Independent Director: Chen, Ta-Hsiung 陳達雄

Independent Director: Cheng, Duen-Chian 鄭敦謙

Independent Director: Chen, Chien-Ping 陳建平

March 7, 2024

IV. Financial Statements for the Most Recent Fiscal Year (Please refer to pages 243)

V. Parent Company Only Financial Statements Audited and Attested by CPAs for the Most Recent Fiscal Years: (Please refer to pages 324)

VI. The Company and its related enterprises should specify in the most recent fiscal year and up to the date of publication of the annual report if there are any instances of financial difficulties, the impact thereof on the financial condition of the Company: None

Chapter 7. Review and Analysis of Financial Position and Financial Performance and Risk Items

I. Financial Position

Comparative Analysis of Financial Position

Unit: NT$ thousand

Item \ Year	End of 2023	End of 2022	Difference	
			Amount	%
Current Assets	$3,335,197	$3,793,083	(457,886)	(12.07)
Long-term investment	7,148,658	8,348,353	(1,199,695)	(14.37)
Property (with the investment), Plant, and Equipment	3,966,897	3,884,884	82,013	2.11
Other Assets	560,937	363,749	197,188	54.21
Total Assets	15,011,689	16,390,069	(1,378,380)	(8.41)
Current Liabilities	1,028,661	1,550,109	(521,448)	(33.64)
Other Liabilities	643,944	623,002	20,942	3.36
Total Liabilities	1,672,605	2,173,111	(500,506)	(23.03)
Share Capital	5,937,438	5,937,438	0	0.00
Capital Surplus	37,559	37,142	417	1.12
Retained Earnings	6,695,769	7,299,597	(603,828)	(8.27)
Other Equity	668,318	942,781	(274,463)	(29.11)
Total Equity	13,339,084	14,216,958	(877,874)	(6.17)

1. The main reasons for major changes in assets, liabilities and equity in the most recent two years (variance of 20% and exceeding NT$ 10 million between periods):
   (1) Other Assets: Mainly due to the recognition of deferred income tax assets.
   (2) Current liabilities and total liabilities: mainly due to repayment of short-term loans and the decrease in current tax liabilities.
   (3) Other equities: mainly due to the decrease in market prices of financial assets measured at fair value through other comprehensive income.
2. Impact:
   No major impact
3. Future response plan
   N/A

II. Financial Performance

(I) Comparative Analysis of Financial Performance

Unit: NT$ thousand

Item \ Year	2023	2022	Change, by Amount	Percentage of change (%)
Net Revenue	6,717,128	9,815,332	(3,098,204)	(31.56)
Operating Costs	5,571,131	6,582,460	(1,011,329)	(15.36)
Gross Profit	1,145,997	3,232,872	(2,086,875)	(64.55)
Operating Expenses	222,161	285,964	(63,803)	(22.31)
Operating Margin	923,836	2,946,908	(2,023,072)	(68.65)
Total Non-operating Revenue and Expenses	(772,704)	(1,129,137)	356,433	(31.57)
Income before Tax	151,132	1,817,771	(1,666,639)	(91.69)
Taxation	34,848	370,402	(335,554)	(90.59)
Net Income	116,284	1,447,369	(1,331,085)	(91.97)
Other Comprehensive Income (Loss) for the Year	(275,732)	(913,051)	637,319	69.80
Total Comprehensive Income (Loss) for the Year	(159,448)	534,318	(693,766)	(129.84)

1. The main reasons for significant percentage of changes in the most recent two years:
   (1) Net operating revenue: mainly due to the decrease in average selling prices.
   (2) Gross profit: mainly due to the average selling price decreasing more than the cost of raw materials, resulting in a narrowing of the price difference.
   (3) Operating expenses: Mainly due to the decrease in transportation costs.
   (4) Operating margin: mainly due to the decrease in gross profit.
   (5) Non-operating revenue: mainly due to the decrease in recognition of investment losses under the equity method.
   (6) Profit before tax and net profit for the year: mainly due to the decrease in non-operating revenue and gross profit.
   (7) Income tax: mainly due to the decrease in profit before tax.
   (8) Other Comprehensive Income for the Year: Mainly due to the recognition of unrealized fair value losses on financial assets measured at fair value through other comprehensive income, resulting from a decline in market prices.
   (9) Total comprehensive income for the year: mainly caused by the decrease in net profit and other comprehensive income for the year.
2. Projected sales volume in the following year and its basis:
   The sales target for 2024 is approximately 135,700 tons and sales of niche products shall be prioritized.
3. Impact on the Company’s future financial business: No significant impact.
4. Future response plan: Not applicable.

(II) Analysis of changes in gross profit:

Unit: NT$ thousand

	Changes in Numbers between the Previous and Current Periods	Reason for the difference		
		Difference in selling price	Difference in cost	Difference in quantity
Gross Profit on Sales	(2,086,875)	(2,898,076)	827,369	(16,168)
Reason for Discrepancy	The average selling price has decreased by approximately 30.8% compared to last year, while the cost of raw material for ethylene has decreased by approximately 11% compared to last year.			

III. Cash flows

Unit: NT$ thousand

Year	Initial Cash Balance	Net cash flow from operating activities for the year	Net cash flow from investment activities for the year	Net cash flow from financial activities for the year	Effect of Exchange Rate	Cash Surplus (Deficiency) Amount	Remediation for Insufficient Cash
2023	1,490,320	822,566	(422,371)	(735,070)	(2,454)	1,152,991	N/A

1. Analysis of changes in cash flow during the year
   (1) Operating Activities: The net cash inflow from operating activities is NT$ 822,566 mainly consisting of annual profit plus depreciation expense and other adjustments.
   (2) Investment Activities: The net cash outflow from investment activities was NT$ 422,371 thousand, primarily due to equipment purchases and dividend receipts.
   (3) Financing Activities: The net cash outflow to financing activities was NT$ 735,070 thousand, mainly due to the repayment of bank loans. And dividend payment.
2. Remediation for Insufficient Cash and Liquidity Analysis: Not applicable

3. Liquidity Analysis for the Following Year

Unit: NT$ thousand

Initial Cash Balance	Projected annual net cash flow from operating activities	Estimated other cash inflows (outflows) during the year	Estimated balance of cash surplus (shortage)	Remediation for Insufficient Cash
1,152,991	270,433	(478,132)	945,292	N/A

IV. Impact of major capital expenditures on financial operations in the most recent year:

To ensure adequate supply of ethylene raw material, an estimated NT$ 1.02 billion will be spent on the construction of ethylene storage tanks and underground pipelines.

Capital expenditure shall be paid in advance with its own funds, and at the same time, capital market financing costs shall be assessed at any time for timely adjustment.

V. Investment policy in the most recent year, main reasons for its profit or loss, improvement plans and investment plan for the coming year:

(I) Investments whose amounts exceed five (5) percent of paid-in capital at the end of 2023:

Reason for Discrepancy / ITEM	Amount (NT$ thousands)	Policy	Major Reasons for Profit or Loss	Improvement plan	Other investment plans in the future
USI Corporation	2,001,775	Stable Cash Dividends	Stable performance	None	—
CTCI Corporation	608,903	Investment diversification	Overall performance steady	None	—
Ever Conqueat Global Ltd	2,541,084	Petrochemical Investments	Early stages of business transformation	None	—
China General Plastics Corporation	773,150	Investment diversification	Steady Average Performance Over the Years	None	—
China General Terminal & Distribution Co.	329,972	Investment diversification	Overall performance steady	None	—

(II) Investment plans for the following year: None

VI. Risk Analysis and Evaluation

Organizational Structure of Risk Management and Assessment Matters of Important Risk		Implementation and responsible units	Supervision unit
(I)	Effects of interest rates, exchange rate fluctuation and inflation on the Company's profit and loss, as well as future response measures	Finance Division	Auditing Division
(II)	Impact of interest rates and exchange rate fluctuations, as well as inflation on the Company's profit and loss, as well as future response measures	Finance Division	
(III)	Future R&D projects and estimated R&D expenditure	Technology Department of Linyuan Plant	
(IV)	Impacts of changes in local and overseas policies and laws on the Company's financial operations, and related response measures	Finance Division/Legal Division/Business Department	
(V)	Impacts of changes in technology and industry on the Company's financial operations, and related response measures	Sales and Marketing Division	
(VI)	Impact of changes in corporate image on the Company's risk management, and response measures	Human Resource Division	
(VII)	Expected benefits and possible risks of mergers and response measures	Finance Division	
(VIII)	Expected benefits and possible risks to expand the plants and the countermeasures	Linyuan Plant	
(IX)	Risks resulting from consolidation of purchasing or sales operations and response measures	Procurement and Logistics Division/Business Department	
(X)	Impact and risks resulted from major equity transfer or replacement of Directors, Supervisors, or shareholders holding more than 10% of the Company's shares, and related response measures	Finance Division	
(XI)	Impact, risk, and response measures related to any change in governance rights in the Company	Board of Directors	
(XII)	Litigious and non-litigious matters. List major litigious, non-litigious or administrative disputes that: involve the Company and/or any company director, any company supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the Company; and have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the Company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report.	Legal Division	
(XIII)	Other significant risks and response measures	General Manager Office	

Risk management policy

(I) Effects of interest rates, exchange rate fluctuation and inflation on the Company's profit and loss, as well as future response measures:

1. Interest Rate:

   The idle funds will be placed in bank deposit, money market fund beneficiary certificate, bond (bills) with repurchase transaction and REITs (domestic real estate investment trust fund) to reduce the risk of interest rate fluctuations.

   Reserve Sufficient short-term funds for operational needs; For medium and long-term capital demand, when the interest rate keeps steady, choose the appropriate time to issue ordinary corporate bonds, or obtain medium and long-term credit from financial institutions, lock in the capital cost with fixed interest rate, and cope with the long-term capital stability.

2. Exchange Rate:

   Hedging is carried out according to the net foreign currency position generated by the Company's business. In addition to closely observing the trend of the international foreign exchange market, we also timely hedge the risks through spot selling and undertaking forward foreign exchange contracts.

3. Inflation:

   The main cost of the Company is the cost of raw materials. Product price move in the same direction as the raw material cost. Continuously assess the impact of interest rate fluctuations on the assets and liabilities of the Company.

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

1. Engaging in high-risk, highly-leveraged investment and lending funds to other parties:

   The Company's "Procedures for Acquisition and Disposition of Assets" stipulates that it does not engage in high-risk, highly-leveraged investments. There is also the "Procedures for Lending Funds to Others." However, this operation has not yet been carried out.

2. Endorsements/guarantees:

   In accordance with the Company's "Endorsement and Guarantee Procedures." However, this operation has not yet been carried out.

3. Derivatives transactions:

   The purpose of the Company's derivatives trading is to hedge the risks arising from the Company's business operation. The trading products are mainly forward exchange, and no engagement is made in speculative operations. The counter parties for hedging transactions are reputable financial institutions to avoid credit risks. In addition, the trading object needs to choose the financial institution with better conditions to deal in order to avoid credit risk.

(III) Future R&D projects and estimated R&D expenditure:

1. Future R&D Plan:

   - Development of hot-melt adhesive grade EVA production technology EVA MI: 400; VA: 19%.

2. Estimated R&D expenses: A total of approximately NT$ 420 thousand.

(IV) Impacts of changes in local and overseas policies and laws on the Company's financial operations, and related response measures:

1. Impacts of changes in major domestic and overseas policies and regulations on Company's finance and business within the most recent year up to the publication date of this report are not significant.

2. Response measures:

   The Company has established the Legal Division to assess legal risks and formulate countermeasures, review important contracts in advance and provide legal advance to handle legal affairs where necessary. In addition, the accounting department evaluates the impacts of changes in accounting and tax-related laws and regulations on the financial operations of the Company at all times and come up with action plans. It would discuss with CPAs to make prior planning for the relevant changes.

(V) Impacts of changes in technology and industry on the Company's financial operations, and related response measures:

Please refer to Chapter 5 (Operational Overview), subsection I (Business Content), point 2 (Industry Overview), for information on the impact of technological changes and industry trends on the company's financial operations and the corresponding measures. Please refer to Chapter 5 (Operational Overview), subsection VI (Information Security Management), for information on the impact of information security risk on the company's financial operation.

(VI) Impact of Changes in Corporate Image on the Company's Risk Management, and Response Measures:

The Company has always upheld the professional and integrity of the operating principles, paid attention to corporate governance, corporate social responsibility, therefore, there is no foreseeable risk associated with changes in corporate image.

(VII) Expected benefits and possible risks of mergers and response measures:

The Company does not carry out mergers and acquisitions.

(VIII) Expected benefits and possible risks to expand the plants and the countermeasures:

Construction of ethylene storage tanks and underground pipelines

Expected benefits: Ensuring sufficient ethylene raw material supply to maintain stable production and to enhance the connection with existing customers.

Possible risks: Increase in supply, thereby leading to the product's price to drop.

Response measures: Develop products of high quality and niche products to avoid price competition.

(IX) Risks resulting from consolidation of purchasing or sales operations and response measures:

Purchases: The Company purchases more than40% of the Company’s overall material from CPC Corporation, Taiwan. However, we signed a contract with CPC to ensure the supply of ethylene. Shortages may be supplemented by imports of CPC or the Company.

Sales: Most of our customers are SMEs, so there is no concentration risk.

(X) Impact and risks resulted from major equity transfer or replacement of Directors, Supervisors, or shareholders holding more than 10% of the Company’s shares, and related response measures:

There was no major exchange or transfer of shares by directors, supervisors or shareholders with over 10% of shares in the Company as at the date of publication of the report. Thus, there was no impact on the Company’s operation.

(XI) Impact, risk, and response measures related to any change in governance rights in the Company:

There has been no changes in management control at the Company in the most recent fiscal year up to the publication date of this annual report.

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

Concluded or pending major litigious, non-litigious or administrative disputes in the most recent year and as of the date of report:

1. The Company: None.
2. Directors, Supervisors, General Managers, persons with actual responsibility in the Company, and major shareholders holding more than 10% of the Company’s shares: None.
3. Investee companies using equity method:

   With regard to the gas explosions in the evening on July 31, 2014, where the Company’s investee company accounted for using the equity method China General Terminal & Distribution Corporation (CGTD) was contracted by LCY Chemical Corp. (LCY) to operate the propene pipelines, the criminal part of the gas explosion case was also dismissed on appeal by the Supreme Court on September15,2021, and all three of CGTD’s employees were acquitted.

   CGTD arrived at an agreement with the Kaohsiung City Government on February 12, 2015, pledging certificates of bank deposits of NT$ 231,585 thousand, interests included, to the Kaohsiung City Government as collateral for the loss caused by the gas explosion. The Kaohsiung City Government also filed civil procedure requests in succession against LCY Chemical Corp., CGTD and CPC Corporation, Taiwan

("CPC"). In addition, Taiwan Power Company Limited separately applied to the court on August 27, 2015 and November 26, to execute a provisional attachment on the assets of CGTD. CGTD has deposited a cash amount of NT$ 99,207 thousand with the court, thereby avoiding the provisional attachment. Similarly, Taiwan Water Corporation also separately applied to the court on February 3, 2017 and March 2, to execute a provisional attachment on the assets of CGTD. At the end of March 31, 2023, the provisionally attached property of CGTD was worth NT$ 9,362 thousand.

As for the victims, CGTD, LCY Chemical Corp. and the Kaohsiung City Government signed a tripartite agreement for the compensation of the 32 victims' families on July 17, 2015. Each victim's family received NT$ 12,000 thousand, and the compensation was NT$ 384,000 thousand in total, which was paid in four annual payments by LCY Chemical Corp. LCY paid the compensation first and also represented the three parties in the settlement negotiation and the signing of settlement agreements with the family of the deceased. CGTD, according to the trilateral agreement, shall pay NT$157,347 thousand to the LCY Chemical Corp. on August 10, 2022, based on the first-instance judgment of this case, attributing 30% of the negligence liability. Subsequent adjustments will be made in accordance with the determined liability ratio after the civil litigation is finalized.

As for the seriously injured, CGTD, LCY Chemical Corp. and the Kaohsiung City Government signed a tripartite agreement for the compensation of the 65 seriously injured victims' families on October 25, 2017. Compensation was paid by CGTD and the Kaohsiung City Government, and CGTD was in charge of negotiating the compensation with the seriously injured victims' families and signing the settlement agreement on behalf of the three parties with the 64 seriously injured victims' families.

As of March 31, 2023, victims, injured parties, or their relatives affected by the Kaohsiung gas explosion incident have filed civil (including criminal- related civil) lawsuits claiming compensation from LCY Chemical Corp., CGTD and CPC, among others. In order to reduce litigation costs, CGTD has reached a settlement regarding a claim amounting to NT$ 46,677 thousand, settling for a compensation amount of NT$ 4,519 thousand. The total amount of compensation sought in the ongoing litigation and the settlement amount agreed upon for the deceased and severely injured individuals, as mentioned earlier, is approximately NT$ 3,831,319 thousand. The first-instance judgments of some of the above mentioned civil cases (with a total amount of compensation of approximately NT$ 1,467,861 thousand) have been gradually announced, starting from June 22, 2018. The proportion of fault liability of the Kaohsiung City Government, LCY Chemical Corp. and CGTD is 4:3:3 in most judgments. The total amount of compensation that CGTD, LCY Chemical Corp. and the other defendants should pay is about NT$ 401,979 thousand, of which CGTD was exempted for NT$ 6,194 thousand. Currently, there are civil cases that have been adjudicated but not settled. CGTD has filed an appeal and is proceeding with the second trial process. The remaining cases are still being heard in the first-instance court (with a requested compensation amount of approximately NT$ 1,860,633 thousand). CGTD has signed a claim settlement agreement with the insurance company in accordance with the proportion of fault liability determined in the first-instance judgment to estimate the amount of settlement for victims and seriously injured and the civil litigation compensation amount (including settled cases). The maximum amount of the insurance compensation was deducted to calculate the amount payable by CGTD and the NT$ 136,375 thousand has been included in the estimate on the account. However, the actual settlement and compensation amount described above can only be verified after the proportion of fault liability is determined in the civil judgments.

(XIII) Other significant risks and response measures:

Risk management policy:

The Audit Committee and the Board of Directors adopted risk management policies and procedures in December 2020 in order to strengthen corporate governance, reduce risks that may be faced by operations and ensure sound operation and sustainable development of the Company. The measures mainly include risk management policy, risk management organization, risk management process, risk management categories and mechanisms, etc. Effectively control risks arising from business activities according to this method, and report to the Audit Committee and the Board of Directors at least once a year on the current year’s risk management operation. The most recent report was submitted to the Audit Committee and the Board of Directors in November 2023.

VII. Other Important Matters: the company’s key performance indicators

(I) Disaster-free working hours: The Company’s Linyuan factory is in high temperature and high pressure production environment, and pays special attention to work safety and environmental protection. As of December 31, 2023, the total number of disaster-free hours is 495,756.

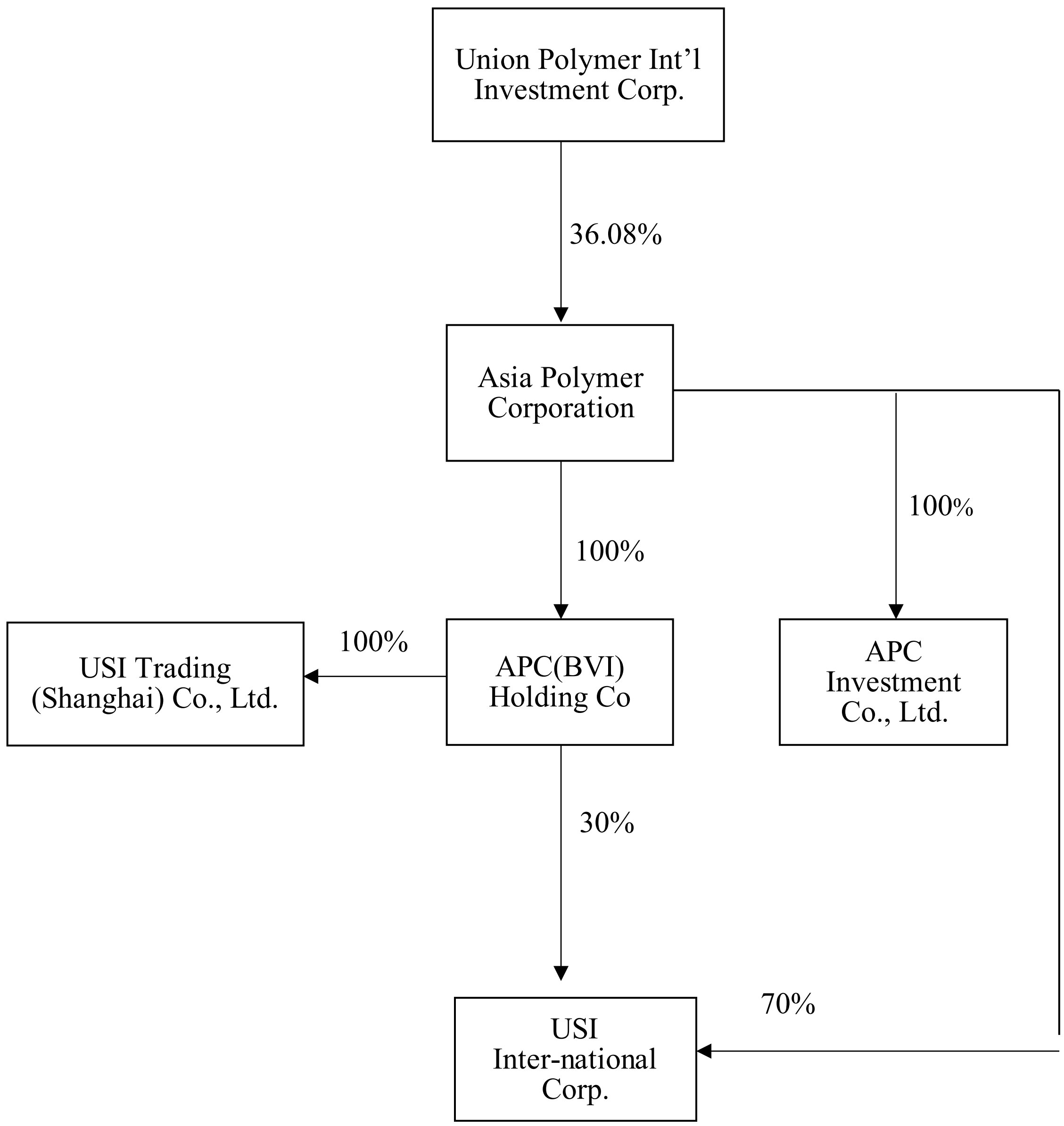
(II) Equipment operation rate: The equipment operation rate of the company in 2023 reaches 98.45%.

Chapter 8. Special Notes

I. Information on Affiliates

(I) Consolidated Business Report of Affiliated Enterprises

1. Organizational Structure of Affiliated Companies



2. Basic information of affiliates

Unit: NT$ thousand

Name of Affiliate	Date of Founding	Address	Paid-in Capital	Main Business or Production Items
APC (BVI) Holding Co., Ltd.	1997.04.10	Citco Building, Wickham Cay, P. O. Box 662 Road Town, Tortola, British Virgin Islands	348,274	Reinvestment
USI International Corporation	2002.09.20	TrustNet Chambers, P. O. Box 3444, Road Town, Tortola, British Virgin Islands	92,115	Investment
APC Investment Co., Ltd.	2007.12.20	10F, No. 39, Jihu Road, Neihu District, Taipei City	200,000	Investment
USI Trading (Shanghai) Co., Ltd.	2006.03.13	Room 6A, No. 1358, Yan'an West Road, Shanghai City	76,763	Sale of chemical products and equipment

3. Information of shareholders with corporate governance power while working in the company: None.

4. Business of affiliates and their relationships

Industry code	Name of Affiliates	Business relationship with other affiliated companies
Holding Company	APC (BVI) Holding Co., Ltd.	None
Investment	USI International Corporation	None
Investment	APC Investment Co., Ltd.	None
Trading	USI Trading (Shanghai) Co., Ltd.	Purchases from APC

5. Information regarding the Directors, supervisors and general managers of affiliated companies

Unit: NT$ thousand; share; %

Name of Affiliate	Title	Name or Representative	Number of shares held by the person / Shareholding Ratio	Number of shares held by juristic persons represented / Shareholding percentage
APC (BVI) Holding Co., Ltd.	Directors	Wu, Yi-Kuei	0/0%	—
	Directors	Wu, Pei-Chi	0/0%	
	Directors	Ko, I-Shao	0/0%	
	Directors	Huang, Ya-I	0/0%	
USI International Corporation.	Directors	Wu, Yi-Kuei	0/0%	—
	Directors	Wu, Pei-Chi	0/0%	
	Directors	Yang, Wen-Li	0/0%	
	Directors	Huang, Ya-I	0/0%	
APC Investment Co., Ltd.	Chairman	Wu, Yi-Kuei (assigned Asia polymer Co., Ltd.)	0/0%	20,000,000/100
	Directors	Wu, Pei-Chi (Appointed by Asia polymer Co., Ltd.)	0/0%	
	Directors	Huang, Ya-I (Appointed by Asia polymer Co., Ltd.)	0/0%	
	Supervisor	Yung-Chih Chen (Appointed by Asia polymer Co., Ltd.)	0/0%	
	General Manager	Huang, Ya-I	0/0%	—
USI Trading (Shanghai) Co., Ltd.	Chairman	Wu, Pei-Chi (Appointed by APC (BVI) Holding Co., Ltd.)	0/0%	USD2,500,000/100
	Vice Chairman	Chiao-Feng Wu (Appointed by APC (BVI) Holding Co., Ltd.)	0/0%	
	Directors	Huang, Ya-I (Appointed by APC (BVI) Holding Co., Ltd.)	0/0%	
	Directors	Ming-Tsung Wu (Appointed by APC (BVI) Holding Co., Ltd.)	0/0%	
	Supervisor	Yang, Wen-Li (appointed by APC (BVI) Holding Co., Ltd.)	0/0%	
	General Manager	Wu, Pei-Chi	0/0%	—

6. Operating status of affiliates

Unit: NT$ thousand

Name of Affiliate	Capital	Total Assets	Total Liabilities	Net Value	Operating Revenue	Operating Income (Loss)	Profit or loss for the current period (after taxes)	Earnings per share (NT$) (after tax)
APC (BVI) Holding Co., Ltd.	348,274	596,737	-	596,737	-	(163)	19,337	1.70
USI International Corporation.	92,115	100,468	5,225	95,243	-	(923)	(3,852)	(1.28)
APC Investment Co., Ltd.	200,000	147,618	5,940	141,678	-	(321)	(3,968)	(0.20)
USI Trading (Shanghai) Co., Ltd.	76,763	312,987	150,499	162,488	513,432	15,563	14,541	-

(II) Consolidated financial statements of affiliated enterprises

Declaration of Consolidated Financial Statements of Affiliates

In 2023 (from January 1 to December 31, 2023), pursuant to “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises,” the Company’s entities that shall be included in preparing the Consolidated Financial Statements of Affiliates and the Parent-Subsidiary Consolidated Financial Statements for International Financial Reporting Standards (IFRS) 10 are the same. Moreover, the disclosure information required for the Consolidated Financial Statements of Affiliates has been fully disclosed in the aforementioned Parent-Subsidiary Consolidated Financial Statements; hence, a separate Consolidated Financial Statements of Affiliates will not be prepared.

Sincerely

Company Name: Asia Polymer Corporation

Person in charge: Wu, Yi-Kuei

March 7, 2024

(III) Reports on Affiliations

1. Declaration of affiliation report

The 2023 Affiliation Report (from January 1 to December 31, 2023) prepared by your Company, in accordance with the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises. No material inconsistency has been found between the information disclosed and the relevant information disclosed in the notes to the financial statements for the aforementioned period. The statement is attached in this letter.

Sincerely

Company Name: Asia Polymer Corporation

Person in charge: Wu, Yi-Kuei

March 7, 2024

2. Independent auditor’s opinion on affiliation report

Chin Shen 11302759 dated March 21, 2024

Attn: Asia Polymer Corporation

Subject: We express our opinions on the Company’s 2023 affiliation report that it does not contain any material inconsistency.

Reason for Discrepancy

I. Your Company has issued a statement on the 2023 Affiliation Report (from January 1 to December 31, 2023) prepared by your Company, on March 7, 2024 in accordance with the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises. No material inconsistency has been found between the information disclosed and the relevant information disclosed in the notes to the financial statements for the aforementioned period. The statement is attached in this letter.

II. We have compared the Notes to Financial Statements in the Company’s 2023 Financial Statements with the Company’s Related Company Report based on the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises”, and have not found any material discrepancies in the aforementioned statements.

Deloitte & Touche

CPA Chiu, Cheng-Chun

CPA Zhuang, Bi-Yu

3. Overview on the relationship between affiliates and holding company

Unit: Share; %

Name of the Controlling Company	Reasons for the Control	Shares Held by the Holding Company and Status of Pledged Shares			Directors, Supervisors or Managers Appointed by the Holding Company	
		Shares Held	Shareholding Ratio	The Number of Pledged Shares	Title	Name
Shing Lee Enterprise (Hong Kong) Limited	The major shareholder and representative of USI was elected as the Chairman	0	0	0	None	
USI Corporation	The parent company of the major shareholder (Union Polymer Int'l Investment Corp.) and the same Chairman	0	0	0	None	
Union Polymer Int'l Investment Corp.	Major shareholder with more than half of the director seats	214,245,822	36.08%	0	Chairman Directors	Wu, Yi-Kuei Li, Kuo-Hung

4. Purchase and sales transactions

Unit: NT$ thousand; %

Controlling Company Name	Transaction Details between Control Companies				Transaction terms with the holding company		General Transaction Terms		Reason for the difference	Accounts Receivable (Payable), Bills		Overdue Accounts Receivable			Remark
	Purchase (Sale)	Amount	Percentage to total purchases (sales)	Sales Margin	Unit Price (NTD)	Loan tenor	Unit Price (NTD)	Loan tenor		Cash balance	Percentage to total accounts / notes receivables	Amount	Actions Taken	Allowance for Doubtful Accounts	
USI Corporation	Sales Margin	813,245	12.43%	173,354	47~71	60 Days	37~77	30-90 Days	None	98,763	19.49%	0	None	0	–
	Purchases	201,867	5.28%	–	25~33	30 Days	24~33	30 Days	None	17,007	9.27%	–	–	–	–

5. Property transactions: None

6. Status of financing: None.

7. Lease of assets

Unit: NT$ thousand

Name of the Controlling Company	Type of Transaction	Subject		Leases Duration	Leases Nature	Determination Basis of Leasing Price	Collection Terms	Comparison with Normal Transactions	Total Rent for This Period	Collection Status for the Current Period	Other Stipulations
		Name	Location								
USI Corporation	Lessor	Office and Parking Spaces	9th and 10th Floor, No. 37, Jihu Road, Taipei City	2023.1.1-2023.12.31	Business Lease	Market price	Charged monthly	Quite	3,196	Normal	None
	Lessee	Office and Parking Spaces	12th Floor, No. 37, Jihu Road, Taipei City, Taiwan, R.O.C.	2023.1.1-2023.12.31	Business Lease	Market price	Charged monthly	Quite	2,408	Normal	None
Union Polymer Int'l Investment Corp.	Lessor	Office	10F., No. 37, Jihu Rd., Neihu Dist., Taipei City	2023.1.1-2023.12.31	Business Lease	Market price	Charged monthly	Quite	22	Normal	None

8. Endorsements and guarantees: None.

II. Private placement of securities within the most recent year up to the publication date of this report: None

III. Holding or disposal of Company shares within the most recent year up to the publication date of this report: None

IV. Other necessary supplementary notes to be included: None

V. Any Event which has a Material Impact on Shareholders' Rights and Interests or the Company's Securities as Prescribed in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act, that Have Occurred in the Most Recent Fiscal Year up to the Publication Date of this Annual Report Shall be Indicated Individually: None

Financial Statements for the Most Recent Fiscal Year

INDEPENDENT AUDITORS' REPORT

To Asia Polymer Corporation:

Opinion

We have audited the accompanying consolidated financial statements of Asia Polymer Corporation and its subsidiaries (the "Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, consolidated statement of changes in equity and cash flows for the years then ended, and the notes to 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, 2023 and 2022, 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 International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants Engaged and auditing standards 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 Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. 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.

The key audit matters identified in the Group's consolidated financial statements for the year ended December 31, 2023 are stated as follows:

Recognition of Sales Revenue from Specific Customers

The amount of sales revenue for the year ended December 31, 2023 was NT$6,717,128 thousand, which was approximately 31.56% lower than the sales revenue for the year ended December 31, 2022 of NT$9,815,332 thousand. Nevertheless, the sales revenue from specific customers deviates significantly from the trend of total sales revenue. Therefore, recognition of sales revenue from these specific customers has been identified as a key audit matter.

The audit procedures that we performed in response to the risk were as follows:

1. We obtained an understanding of the design and implementation of internal controls about these specific customers and tested if these controls were performed effectively. Such controls include credit assessments of customers, revenue recognition and receivables collection.
2. We sampled and inspected purchase orders from these specific customers, shipping confirmations and receivables collection receipts in order to verify the accuracy of sales revenue.
3. We reviewed sales returns and discounts recognized and the amounts received in subsequent periods to assess for any abnormalities.

Other Matter

We have also audited the parent company only financial statements of Asia Polymer Corporation as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the FSC of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the audit committee) are responsible for overseeing the Group's financial reporting process.

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 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 the auditing standards in the Republic of China, we exercise professional judgment and 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 appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with statements 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 for the year ended December 31, 2023 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 Chiu, Cheng-Chun (Financial Supervisory Commission, Jin Guan Zheng Liu Zi No. 0930160267) and Chuang, Pi-Yu (Financial Supervisory Commission, Jin Guan Zheng Shen Zi No. 1070323246)

Deloitte & Touche

Taipei, Taiwan
Republic of China

March 7, 2024

Notice to Readers:

The consolidated financial statement (Chinese version) of our company is audited by the CPA Cheng-Chun Chiu and CPA Pi-Yu Chuang of Deloitte Taiwan. For the convenience of reading, the statement has been translated from Chinese to English. If there is any difference regarding the context or interpretation in the English version, the Chinese version shall prevail.

ASIA POLYMER CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

		December 31, 2023		December 31, 2022	
Code	ASSETS	Amount	%	Amount	%
	CURRENT ASSETS				
1100	Cash and cash equivalents (Notes 4 and 6)	$ 1,152,991	8	$ 1,490,320	9
1110	Financial assets at fair value through profit and loss - current (Notes 4 and 7)	783,534	5	499,776	3
1120	Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	22,458	-	21,162	-
1136	Financial assets at amortized cost - current (Notes 4 and 9)	127,425	1	-	-
1170	Accounts receivable (Notes 4, 10 and 22)	293,125	2	868,078	5
1180	Accounts receivable from related parties (Notes 4, 10, 22 and 28)	111,426	1	202,757	1
1200	Other receivables (Note 4)	1,091	-	950	-
1210	Other receivables from related parties (Notes 4 and 28)	2,362	-	3,602	-
1310	Inventories (Notes 4 and 11)	634,725	4	540,844	4
1410	Prepayments	205,944	1	165,484	1
1470	Other current assets	116	-	110	-
11XX	Total current assets	3,335,197	22	3,793,083	23
	NON-CURRENT ASSETS				
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	2,984,710	20	3,189,863	19
1550	Investments accounted for using the equity method (Notes 4, 5, 13 and 29)	4,163,948	28	5,158,490	32
1600	Property, plant and equipment (Notes 4 and 14)	3,456,731	23	3,363,478	21
1755	Right-of-use assets (Notes 4 and 15)	9,402	-	10,451	-
1760	Investment properties (Notes 4 and 16)	500,764	3	510,955	3
1840	Deferred tax assets (Notes 4 and 24)	558,060	4	356,127	2
1990	Other non-current assets (Note 4)	2,877	-	7,622	-
15XX	Total non-current assets	11,676,492	78	12,596,986	77
1XXX	TOTAL ASSETS	$ 15,011,689	100	$ 16,390,069	100
Code	LIABILITIES AND EQUITY				
	CURRENT LIABILITIES				
2100	Short-term borrowings (Note 17)	$ -	-	$ 120,000	1
2120	Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	-	-	3,012	-
2170	Accounts payable (Note 18)	166,694	1	257,607	2
2180	Accounts payable to related parties (Notes 18 and 28)	50,504	-	53,653	-
2200	Other payables (Note 19)	231,346	2	219,889	1
2220	Other payables to related parties (Note 28)	224,537	2	178,903	1
2230	Current tax liabilities (Notes 4 and 24)	223,276	2	656,238	4
2280	Lease liabilities - current (Notes 4 and 15)	6,422	-	6,524	-
2320	Current portion of long-term liabilities (Note 17)	65,880	-	-	-
2365	Refund liabilities - current	5,899	-	5,899	-
2399	Other current liabilities (Note 22)	54,103	-	48,384	-
21XX	Total current liabilities	1,028,661	7	1,550,109	9
	NON-CURRENT LIABILITIES				
2540	Long-term borrowings (Note 17)	480,214	3	450,636	3
2570	Deferred income tax liabilities (Notes 4 and 24)	29,822	-	29,667	-
2580	Lease liabilities - non-current (Notes 4 and 15)	11,326	-	17,709	-
2640	Net defined benefit liabilities - non-current (Notes 4 and 20)	102,364	1	112,106	1
2650	Credit balance of investments accounted for using the equity method (Notes 4 and 13)	5,651	-	330	-
2670	Other non-current liabilities	14,567	-	12,554	-
25XX	Total non-current liabilities	643,944	4	623,002	4
2XXX	Total liabilities	1,672,605	11	2,173,111	13
	EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4, 8, 21 and 24)				
	Share Capital				
3110	Ordinary shares	5,937,438	40	5,937,438	36
3200	Capital surplus	37,559	-	37,142	-
	Retained earnings				
3310	Legal reserve	2,370,208	16	2,223,200	14
3320	Special reserve	554,105	4	565,379	3
3350	Unappropriated earnings	3,771,456	25	4,511,018	28
3300	Total retained earnings	6,695,769	45	7,299,597	45
3400	Other equity	668,318	4	942,781	6
3XXX	Total equity	13,339,084	89	14,216,958	87
	TOTAL LIABILITIES AND EQUITY	$ 15,011,689	100	$ 16,390,069	100

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

Notice to Readers:

The consolidated financial statement (Chinese version) of our company is audited by the CPA Cheng-Chun Chiu and CPA Pi-Yu Chuang of Deloitte Taiwan. For the convenience of reading, the statement has been translated from Chinese to English. If there is any difference regarding the context or interpretation in the English version, the Chinese version

ASIA POLYMER CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

		2023		2022	
Code		Amount	%	Amount	%
4100	NET REVENUE (Notes 4, 22 and 28)	$ 6,717,128	100	$ 9,815,332	100
5110	OPERATING COSTS (Notes 4, 11, 20, 23 and 28)	5,571,131	83	6,582,460	67
5900	GROSS PROFIT	1,145,997	17	3,232,872	33
	OPERATING EXPENSES (Notes 20, 23 and 28)				
6100	Selling and marketing expenses	102,378	1	151,638	2
6200	General and administrative expenses	113,430	2	127,858	1
6300	Research and development expenses	6,353	-	6,468	-
6000	Total operating expenses	222,161	3	285,964	3
6900	PROFIT FROM OPERATIONS	923,836	14	2,946,908	30
	NON-OPERATING INCOME AND EXPENSES (Notes 4, 13, 23 and 28)				
7100	Interest income	21,737	-	11,475	-
7010	Other income	176,943	2	364,988	4
7020	Other gains and losses	(2,228)	-	(23,569)	-
7510	Interest expense	(9,112)	-	(10,311)	-
7060	Share of profit or loss of associates	(960,044)	(14)	(1,471,720)	(15)
7000	Total non-operating income and expenses	(772,704)	(12)	(1,129,137)	(11)
7900	PROFIT BEFORE INCOME TAX	151,132	2	1,817,771	19
7950	INCOME TAX EXPENSE (Notes 4 and 24)	34,848	-	370,402	4
8200	NET PROFIT FOR THE YEAR	116,284	2	1,447,369	15
	OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 13, 20, 21 and 24)				
	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans	$ 16	-	$ 11,338	-
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	(224,049)	(4)	(1,030,919)	(11)

(Continued)

(Continued)

Code		2023 Amount	2023 %	2022 Amount	2022 %
8330	Share of the other comprehensive income (loss) of associates accounted for using the equity method	(16,272)	-	(22,163)	-
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss	275	-	(1,864)	-
8310		(240,030)	(4)	(1,043,608)	(11)
	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating the financial statements of foreign operations	(41,135)	-	150,506	1
8370	Share of the other comprehensive income (loss) of associates accounted for using the equity method	(2,794)	-	10,152	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	8,227	-	(30,101)	-
8360		(35,702)	-	130,557	1
8300	Other comprehensive income (loss) for the year, net of income tax	(275,732)	(4)	(913,051)	(10)
8500	TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	($ 159,448)	(2)	$ 534,318	5
	EARNINGS PER SHARE (Note 25)				
9710	Basic	$ 0.20		$ 2.44	
9810	Diluted	$ 0.20		$ 2.43	

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

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ASIA POLYMER CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

		EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4, 8, 21 and 24)								
								Other Equity		
		Share Capital			Retained Earnings					
Code		Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total Equity
A1	BALANCE AT JANUARY 1, 2022	593,743	$ 5,937,438	$ 35,319	$ 1,906,008	$ 565,379	$ 5,139,359	($ 239,960)	$ 2,118,506	$ 15,462,049
	Appropriation of the 2021 earnings									
B1	Legal reserve	-	-	-	317,192	-	(317,192)	-	-	-
B5	Cash dividends distributed	-	-	-	-	-	(1,781,232)	-	-	(1,781,232)
C7	Changes in capital surplus from investments in associates accounted for using the equity method	-	-	329	-	-	111	-	(111)	329
C17	Reclassification of past dividends to capital surplus	-	-	1,494	-	-	-	-	-	1,494
D1	Net profit for the year ended December 31, 2022	-	-	-	-	-	1,447,369	-	-	1,447,369
D3	Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	22,413	130,557	(1,066,021)	(913,051)
D5	Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	1,469,782	130,557	(1,066,021)	534,318
Q1	Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	190	-	(190)	-
Z1	BALANCE AT DECEMBER 31, 2022	593,743	5,937,438	37,142	2,223,200	565,379	4,511,018	(109,403)	1,052,184	14,216,958
	Appropriation of the 2022 earnings									
B1	Legal reserve	-	-	-	147,008	-	(147,008)	-	-	-
B5	Cash dividends distributed	-	-	-	-	-	(712,493)	-	-	(712,493)
C7	Changes in capital surplus from investments in associates accounted for using the equity method	-	-	(110)	-	-	(6,934)	-	584	(6,460)
C17	Reclassification of past dividends to capital surplus	-	-	527	-	-	-	-	-	527
B17	Reversal for special reserve	-	-	-	-	(11,274)	11,274	-	-	-
D1	Net profit for the year ended December 31, 2023	-	-	-	-	-	116,284	-	-	116,284
D3	Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	(685)	(35,702)	(239,345)	(275,732)
D5	Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	115,599	(35,702)	(239,345)	(159,448)
Z1	BALANCE AT DECEMBER 31, 2023	593,743	$ 5,937,438	$ 37,559	$ 2,370,208	$ 554,105	$ 3,771,456	($ 145,105)	$ 813,423	$ 13,339,084

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ASIA POLYMER CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

Code		2023	2022
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Income before income tax	$ 151,132	$ 1,817,771
A20010	Adjustments for:		
A20100	Depreciation expenses	319,049	305,172
A20200	Amortization expenses	413	35
A20400	Net (gain) loss on fair value change of financial assets at fair value through profit or loss	(13,018)	49,982
A20900	Interest expense	9,112	10,311
A21200	Interest income	(21,737)	(11,475)
A21300	Dividend income	(115,354)	(295,798)
A22300	Share of profit or loss of associates	960,044	1,471,720
A23700	Loss on write-down of inventories	9,957	628
A24100	Net loss on foreign currency exchange	5,661	351
A30000	Changes in operating assets and liabilities		
A31115	Financial assets mandatorily classified as at fair value through profit or loss	(273,752)	571,108
A31150	Accounts receivable	565,843	120,853
A31160	Accounts receivable from related parties	89,549	225,846
A31180	Other receivables	-	17,479
A31190	Other receivables from related parties	1,234	(1,767)
A31200	Inventories	(104,653)	42,615
A31230	Prepayments	(40,508)	(16,753)
A31240	Other current assets	(6)	-
A32150	Accounts payable	(88,746)	40,717
A32160	Accounts payable from related parties	(2,046)	(25,749)
A32180	Other payables	(27,836)	(14,219)
A32190	Other payables from related parties	48,332	(28,813)
A32230	Other current liabilities	5,583	20,198
A32240	Net defined benefit liabilities - non-current	(9,726)	(11,561)
A33000	Cash generated from operations	1,468,527	4,288,651
A33100	Interest received	21,596	10,913
A33300	Interest paid	(6,476)	(10,870)
A33500	Income tax paid	(661,081)	(663,597)
AAAA	Net cash generated from operating activities	822,566	3,625,097

(Continued)

(Continued)

Code		2023	2022
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00010	Purchase of financial assets at fair value through other comprehensive income	($ 19,975)	$ -
B00020	Proceeds from sale of financial assets at fair value through other comprehensive income	-	216
B00030	Capital reduction of financial assets at fair value through other comprehensive income	-	19,237
B00040	Purchase of financial assets at amortized cost	(127,425)	-
B01800	Acquisition of long-term equity investments accounted for using the equity method	(52,584)	(13,203)
B02400	Proceeds from capital reduction of investee companies accounted for using equity method	14,155	-
B02700	Payments for property, plant and equipment	(370,293)	(272,418)
B03700	Increase in refundable deposits	(141)	(143)
B03800	Decrease in refundable deposits	141	143
B04500	Payments for intangible assets	(660)	(479)
B05400	Payments for investment properties	-	(2,214)
B07600	Dividends received	129,420	420,987
B09900	Decrease in other non-current assets	4,991	8,348
BBBB	Net cash (used in) generated from investing activities	(422,371)	160,474
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00200	Repayments of short-term borrowings	(120,000)	(380,000)
C01600	Proceeds from long-term borrowings	104,000	3,128,884
C01700	Repayments of long-term borrowings	(10,000)	(4,050,000)
C03000	Increase in guarantee deposits received	1,215	1,348
C03100	Decrease in guarantee deposits received	(458)	(2,724)
C04020	Repayment of the principal portion of lease liabilities	(6,309)	(6,096)
C04400	Increase (decrease) in other non-current liabilities	87	(3,758)
C04500	Dividends paid to owners of the Company	(703,605)	(1,782,659)
CCCC	Net cash used in financing activities	(735,070)	(3,095,005)
DDDD	EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	(2,454)	14,032
EEEE	NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(337,329)	704,598
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,490,320	785,722
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 1,152,991	$ 1,490,320

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ASIA POLYMER CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Asia Polymer Corporation (the "Company") was established in January 1977. The Company designs, develops, manufactures and sells low-density polyethylene (LDPE), medium-density polyethylene (MDPE), and ethylene vinyl acetate copolymer (EVA).

The ordinary shares of the Company have been listed on the Taiwan Stock Exchange. As of December 31, 2023, the ultimate parent company, USI Corporation, held 36.08% of ordinary shares of the Company.

The functional currency of the Company is the New Taiwan dollar, and the consolidated financial statements of the Group and its subsidiaries, collectively referred to as the "Group," are presented in the Group's functional currency.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were issued after it had been approved by the Board of Directors on March 7, 2024.

3. APPLICATION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC).

   The application of the revised IFRS Accounting Standards approved by the FSC and issued into effect will not result in significant changes in the accounting policies of the Group.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

New/Revised/Amended Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024
Amendment to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024 (Note 3)

Note 1. Unless stated otherwise, the above New/Revised/Amended Standards and Interpretations are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2. Sellers and lessees should apply the amendments to IFRS 16 retroactively to sale-and-leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3. Exemptions from certain disclosure requirements are granted when applying this amendment for the first time.

As of the date the consolidated financial statements were authorized for issue, according to the Group's assessment, the amendments to the above standards and interpretations will have no significant impact on the Group's financial position and financial performance.

c. IFRS Accounting Standards issued by the IASB but not yet endorsed and issued into effect by the FSC

New/Revised/Amended Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

Note 1. Unless stated otherwise, the above New/Revised/Amended Standards and Interpretations are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2. Applicable to the annual reporting periods beginning on or after January 1, 2025. When the amendment is initially applied, the effects will be recognized in the initial application date's retained earnings. When the Group uses non-functional currency as the presentation currency, the effects will be adjusted to the exchange difference of foreign operations under equity on the initial application date.

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

d. Reclassification

The management of the Group believes that the relevant usage restrictions on the funds repatriated for substantial investments in accordance with the "Management, Utilization, and Taxation of Repatriated Offshore Funds Act" have not changed the nature of the deposits. The Group can obtain such amount on demand, and it is more appropriate to present the deposit account as cash and cash equivalents. Therefore, the presentation of the consolidated balance sheets and consolidated statement of cash flows was changed in 2023. The carrying amounts of financial assets at amortized cost that were reclassified to cash and cash equivalents on December 31, 2023, December 31, 2022, and January 1, 2022 were $3,851 thousand, $8,350 thousand, and $21,786 thousand, respectively. The effect of cash flow items in 2022 is as follows:

	Adjustment
Net cash generated from operating activities	$ 463
Net cash used in investing activities	(13,899)
Net decrease in cash and cash equivalents	($ 13,436)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

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

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

c. Classification of current and non-current assets and liabilities

Current assets include:

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

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;
2) Liabilities due to be settled within 12 months after the reporting period even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorized for issue; and
3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

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

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Group and the entities controlled by the Group (i.e., its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Changes in the Group’s ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Group.

See Note 12 and Tables 5 to 6 for detailed information on subsidiaries (including the percentages of ownership and main businesses).

e. Foreign currency

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

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

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

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction (ie., not retranslated).

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including of the associates in other countries or currencies which are different from the currency of the Group) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences is reattributed to non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

f. Inventories

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

g. Investments accounted for using the equity method

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

The Group uses the equity method to account for its investments in associates. Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of the equity of associates attributable to the Group.

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

When the Group subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates accounted for using the equity method. If the Group's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities.

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group's consolidated financial statements only to the extent that interests in the associate are not related to the Group.

h. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Samples of these assets are measured at the lower of cost or net realizable value when the assets are tested for proper functioning before realizing their intended use, and the sales price and cost are recognized in profit or loss. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

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

i. Investment properties

Investment properties are properties held to earn rental and/or for capital appreciation (including right-of-use assets if the definition of investment properties is met). Investment properties also include land held for a currently undetermined future use.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

Investment properties acquired through leases were initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made on or before the commencement date, plus initial direct costs incurred and an estimate of costs needed to restore the underlying assets, less any lease incentives received. These investment properties are subsequently measured at cost less accumulated depreciation and accumulated impairment loss and adjusted for any remeasurement of the lease liabilities.

Depreciation is recognized using the straight-line method.

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

j. Intangible assets

1) Acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis.

The estimated useful lives, residual values, and amortization methods are reviewed at the end of each year, with the effects of any changes in the estimates accounted for on a prospective basis.

2) Derecognition

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

k. Impairment of property, plant and equipment, right-of-use assets, investment property and intangible assets

At each balance sheet date, the Group assesses whether there is any indication that property, plant and equipment, right-of-use assets, investment property and intangible assets may have been impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

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

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

l. Financial instruments

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

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

1) Financial assets

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

   a) Measurement categories

      Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and equity instruments at FVTOCI.

      i. Financial assets at FVTPL

         Financial asset is classified as at FVTPL when such a financial asset is mandatorily classified. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and liability instrument investments that do not meet the amortized cost criteria or the FVTOCI criteria.

         Financial assets at FVTPL are subsequently measured at fair value, and any dividends or interest earned on such financial assets are recognized in other income and interest income, respectively; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 27.

      ii. Financial assets at amortized cost

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

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

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

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

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset.

A financial asset is credit impaired when one or more of the following events have occurred: Significant financial difficulty of the issuer or the borrower; Breach of contract, such as a default; It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable).

The Group always recognizes lifetime expected credit losses (ECLs) for accounts receivable. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

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

For internal credit risk management purposes, the Group determines that the following situations indicate that a financial asset is in default:

i. Internal or external information show that the debtor is unlikely to pay its creditors.

ii. When a financial asset is past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without reclassifying to profit or loss.

2) Equity instruments

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

Equity instruments issued by the Group are recognized at the proceeds received after deducting direct issue costs.

Repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. The carrying amount is calculated as the weighted average amount by type of stock. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

Except the following situation, all the financial liabilities are measured at amortized cost using the effective interest method:

<u>Financial liabilities at FVTPL</u>

Financial liabilities are classified as at FVTPL when such financial liabilities are held for trading.

Financial liabilities held for trading are stated at fair value, and any gains or losses on such financial liabilities are recognized in other gains or losses.

Fair value is determined in the manner described in Note 27.

b) Derecognition of financial liabilities

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

4) Derivative instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

m. Revenue recognition

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

Revenue from sale of goods

Revenue from the sale of goods comes from sale of LDPE, MDPE and EVA. Sales are recognized as revenue when the goods are delivered to the customer's specific location or the goods are shipped because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Accounts receivable are recognized concurrently.

n. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

a) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

When the Group subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Group, as a lessee, has accounted for applying recognition exemption, the sublease is classified as an operating lease.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

b) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets, except for those that meet the definition of investment properties. With respect to the recognition and measurement of right-of-use assets that meet the definition of investment properties, refer to Note i for the accounting policies for investment properties.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee’s incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. Lease liabilities are presented separately on consolidated balance sheets.

o. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the costs of those assets, until such time as the assets are substantially ready for their intended use or sale. Other than those stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

p. Government grant

A government grant is recognized only when it can be reasonably assured that the Group will comply with the conditions imposed by the government grant and that such grant will be received.

Government grants relating to income are recognized in other income on a systematic basis over the periods in which the Group recognizes expenses for the related costs for which the grants are intended to compensate. Government grants whose condition is that the Group should purchase, construct or otherwise acquire the non-current assets are recognized as deferred income, which should be transferred to profit or loss over the useful lives of the related assets on a reasonable and systematic basis.

If the government grant is used to compensate expenses or losses already incurred or is given to the Group for the purpose of immediate financial support without related costs in the future, it can be recognized in profit or loss within the collectible period.

For government subsidy loan with lower than market interest rates obtained by the Group, the difference between the loan amount received and the fair value of the loan based on the prevailing market interest rate is recognized as a government grant.

q. Employee benefits

1) Short-term employee benefits

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

2) Post-employment benefits

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

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

r. Income tax

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

1) Current tax

The Group determines the income (loss) of the current year in accordance with the laws and regulations in each income tax declaration jurisdiction, and calculates the income tax payable accordingly.

According to the Income Tax Law, an additional tax of unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred income tax

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

Deferred income tax liabilities are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilized.

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

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

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

3) Current and deferred income taxes

Current and deferred income taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The Group takes into account the potential impacts when developing critical accounting estimates, and the management will continue to review the estimates and underlying assumptions.

Key sources of estimation uncertainty

Estimation of damage compensation for associate's gas explosion incidents

The Group's associate, China General Terminal & Distribution Corporation (hereinafter "CGTD"), recognized a provision for civil damages due to gas explosion. The management considered the progress of the relevant civil and criminal procedures, settlements achieved, and legal advice to estimate the amount of the provision. However, the actual amount might differ from the current estimation.

6. CASH AND CASH EQUIVALENTS

	December 31, 2023	December 31, 2022
Cash on hand and petty cash	$ 197	$ 267
Checking accounts and demand deposits	212,181	237,680
Cash equivalents		
Time deposits	421,460	678,091
Reverse repurchase agreements collateralized by bonds	519,153	574,282
	$ 1,152,991	$ 1,490,320

At the end of the reporting period, the market rate intervals for bank deposits and reverse repurchase agreements collateralized by bonds were as follows:

	December 31, 2023	December 31, 2022
Time deposits	1.25%-5.55%	0.88%-4.90%
Reverse repurchase agreements collateralized by bonds	1.49%-1.55%	1.15%-1.40%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

	December 31, 2023	December 31, 2022
Financial assets - current		
Mandatorily classified as at FVTPL		
Derivative instruments (not under hedge accounting)		
— Foreign exchange forward contracts	$ 955	$ 425
Non-derivative financial assets		
— Domestic listed shares	141,502	87,136
— Mutual funds	572,257	352,262
— Beneficiary securities	68,820	59,953
Subtotal	782,579	499,351
	$ 783,534	$ 499,776
Financial liabilities - current		
Held for trading		
Derivative instruments (not under hedge accounting)		
— Foreign exchange forward contracts	$ -	$ 3,012

The net gain and loss on operations of financial assets and liabilities at FVTPL in 2023 and 2022 were gain of $17,220 thousand and loss of $31,837 thousand, respectively.

At the end of the reporting period, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

December 31, 2023

	Currency	Maturity Date	Notional Amount (thousand)
Sell	RMB/NTD	2024.01.03-2024.01.09	RMB15,100/NTD66,336

December 31, 2022

	Currency	Maturity Date	Notional Amount (thousand)
Sell	RMB/NTD	2023.01.19-2023.03.30	RMB101,500/NTD444,614

The Group entered into foreign exchange forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities. However, those contracts did not meet the criteria of hedge effectiveness and, therefore, were not accounted for using hedge accounting.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVTOCI)

Investments in equity instruments

	December 31, 2023	December 31, 2022
Current		
Domestic investments		
Listed shares	$ 22,458	$ 21,162
Non-current		
Domestic investments		
Listed shares	$ 2,750,339	$ 2,959,952
Unlisted shares	140,936	135,304
Subtotal	2,891,275	3,095,256
Foreign investments		
Listed shares	9,411	17,179
Unlisted ordinary shares	2	7
Unlisted preferred shares	84,022	77,421
Subtotal	93,435	94,607
	$ 2,984,710	$ 3,189,863

These investments in equity instruments are held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

In June 2022, the Group adjusted the investment position to diversify risks and sold common shares of Riselink Venture Capital Corp. at fair value. The related unrealized gains of $190 thousand booked in other equity - financial assets at fair value through other comprehensive income were transferred to retained earnings.

The investee, AUO Corporation, reduced its capital and returned cash to its shareholders in October 2022. The Group received $19,237 thousand back in total, according to its shareholding ratio.

In November 2023, the Group purchased common shares of PELL Bio-Med Technology Co. Ltd. by $19,975 thousand. Those common shares were designated as measured at fair value through other comprehensive income as they were classified as investments for medium- to long-term strategic purposes.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31, 2023
Current (December 31, 2022: None)	
Time deposits with maturities of more than three months	$ 127,425
Range of interest rates	
Time deposits with maturities of more than three months	1.25%-4.5%

10. ACCOUNTS RECEIVABLE

	December 31, 2023	December 31, 2022
Accounts receivable		
At amortized cost		
Gross carrying amount	$ 295,125	$ 870,078
Less: Allowance for impairment loss	(2,000)	(2,000)
	$ 293,125	$ 868,078
Accounts receivable from related parties (Note 28)	$ 111,426	$ 202,757

The average credit period of sales of goods was 15-90 days. No interest was charged on accounts receivable since the credit period was short.

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

The Group applies the simplified approach to providing for expected credit losses, which permits the use of lifetime expected loss provision for all accounts receivable. The expected credit losses on accounts receivable are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date.

The following table details the loss allowance of accounts receivable based on the Group's provision matrix:

December 31, 2023

	Not Past Due	1 to 60 Days	61 to 90 Days	Total
Gross carrying amount	$ 404,217	$ 2,334	$ -	$ 406,551
Loss allowance (Lifetime ECL)	-	(2,000)	-	(2,000)
Amortized cost	$ 404,217	$ 334	$ -	$ 404,551

December 31, 2022

	Not Past Due	1 to 60 Days	61 to 90 Days	Total
Gross carrying amount	$ 1,072,835	$ -	$ -	$ 1,072,835
Loss allowance (Lifetime ECL)	(2,000)	-	-	(2,000)
Amortized cost	$ 1,070,835	$ -	$ -	$ 1,070,835

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

The movements of the loss allowance of accounts receivable were as follows:

	2023	2022
Balance at January 1	$ 2,000	$ 2,000
Add: Impairment loss for the year	-	-
Balance at December 31	$ 2,000	$ 2,000

11. INVENTORIES

	December 31, 2023	December 31, 2022
Finished goods	$ 483,642	$ 355,705
Work in process	22,627	23,814
Raw materials	78,150	101,313
Production supplies	50,306	60,012
	$ 634,725	$ 540,844

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2023 and 2022 was $5,571,131 thousand and $6,582,460 thousand, respectively. The cost of goods sold for 2023 and 2022 included loss for market price decline and obsolete and slow-moving inventories of $9,957 thousand and $628 thousand respectively.

12. SUBSIDIARY

Subsidiaries included in the consolidated financial statements

The entities included in the consolidated financial statements:

Investor Company	Name of Subsidiary	Nature of Activities	% of Ownership December 31, 2023	% of Ownership December 31, 2022
The Company	APC Investment Corporation (APCI)	Investment	100.00%	100.00%
The Company	APC (BVI) Holding Co., Ltd. (APC (BVI))	Reinvestment	100.00%	100.00%
The Company	USI International Corp. (USIIC)	Reinvestment	70.00%	70.00%
APC(BVI)	USI International Corp. (USIIC)	Reinvestment	30.00%	30.00%
APC(BVI)	USI Trading (Shanghai) Co., Ltd (USITA)	Sale of chemical products and equipment	100.00%	100.00%

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31, 2023	December 31, 2022
Material associates		
Ever Conquest Global Ltd.	$ 2,541,084	$ 3,526,546
Associates that are not individually material		
Listed company		
China General Plastics Corporation (CGPC)	773,150	762,280
Acme Electronics Corporation (ACME)	82,391	59,787
Unlisted company		
China General Terminal & Distribution Corporation (CGTD)	329,972	355,611
ACME Electronics (Cayman) Corp.(ACME (Cayman))	189,269	207,944
Swanson Plastics Corporation (SPC)	198,518	205,730
Taiwan United Venture Capital Corp. (TUVC)	11,369	22,114
USI Optronics Corporation (USIO)	4,925	6,155
Zhangzhou Taiju Trading Co., Ltd. (GUL)	20,266	12,323
Xiamen USI Trading Co., Ltd. (XUL)	13,004	-
Swanson Technologies Corporation (STC)	(5,651)	(330)
	4,158,297	5,158,160
Add: Reclassification of the credit amount of long-term investments to liabilities	5,651	330
	$ 4,163,948	$ 5,158,490

a. Material associates

Name of Associates	Nature of Activities	Principal Place of Business	Proportion of Ownership and Voting Rights December 31, 2023	Proportion of Ownership and Voting Rights December 31, 2022
Ever Conquest Global Ltd.	Reinvestment	British Virgin Islands	40.87%	40.87%

The Group uses the equity method to account for the above associate.

The summarized financial information below represents amounts shown in the associates' consolidated financial statements prepared in accordance with IFRS Accounting Standard and adjusted by the Group for equity accounting purposes.

Ever Conquest Global Ltd.

	December 31, 2023	December 31, 2022
Current assets	$ 1	$ -
Non-current assets	6,217,923	8,629,306
Equity	$ 6,217,924	$ 8,629,306
Proportion of the Company's ownership	40.87%	40.87%
Equity attributable to the Company	$ 2,541,084	$ 3,526,546
Carrying amount	$ 2,541,084	$ 3,526,546

	2023	2022
The Group's share of:		
Net loss for the year	($ 952,746)	($ 1,439,602)
Other comprehensive gain (loss)	(32,716)	114,941
Total comprehensive income for the year	($ 985,462)	($ 1,324,661)

The Company and USI Corporation signed a joint venture contract for a Fujian Gulei Petrochemical Co., Ltd. investment on April 17, 2014. The related entities of the contract or commitments are Ho Tung Chemical Corporation, LCY Chemical Corporation, Hsin Tay Petroleum Co. Ltd., Chenergy Global Corporation and Lien Hwa Corporation. The main contents of the contract and commitments include: (1) the shareholders shall establish Ever Victory Global Limited (hereinafter referred to the "Ever Victory Global") and agree to pass the establishment of the 100% owned company named Dynamic Ever Investments Limited in Hong Kong (hereinafter referred to as the "DEIL"), whose purpose is to build oil refineries and produce ethylene as well as seven other products on the Gulei Peninsula in Zhangzhou, Fujian Province, as approved by the Investment Commission at Taiwan's Ministry of Economic Affairs and according to the operating business permitted by the Joint Venture's board of directors; and (2) the DEIL will establish a joint venture company in accordance with the laws of the People's Republic of China between China Petrochemical Corporation or its affiliated enterprises; Fujian Refining and Chemical Co., Ltd. will establish a joint venture company in accordance with the laws of the People's Republic of China in Fujian Province between China Petrochemical Corporation or its affiliated enterprises (hereinafter referred to as "Gulei Group") and acquire 50% of the shares of Gulei Group as a basis for cooperative investment.

Furthermore, due to the increase in the investment amount specified in the "Fujian Gulei Petrochemical Co., Ltd. Joint Venture Agreement" signed by DEIL and Fujian Refining and Chemical Co., Ltd., some of the counterparties to the original joint venture agreement or commitment are unable to subscribe or participate in the subsequent capital increase procedures according to the proportion of investment as stipulated in the original joint venture agreement. To ensure the continuity and achievement of the business objectives of the original agreement, a joint venture agreement was re-signed on September 30, 2016, and CTCI Corporation was added as a new contract or commitment counterparty. On December 18, 2019, the new joint venture agreement was signed and new counterparties, Fubon Financial Holding Venture Capital Co. and Hongfu Investment Co., Ltd. were added to the agreement as counterparties.

In order to increase Gulei Group's operating capital, Ever Victory Global and Hong Kong Dor Po Investment Company Limited ("DOR PO") signed a joint venture contract for an investment in DEIL on June 5, 2019. According to the joint venture contract, DOR PO will invest US$109,215 thousand to participate in the capital increase of DEIL. As of December 31, 2023, DOR PO had invested US$103,915 thousand and acquired 15% ownership interest in DEIL.

As of December 31, 2023, the Company and USI Corporation had accumulatively invested US$170,475 thousand (approximately $5,255,587 thousand) and US$246,670 thousand (approximately $7,645,981 thousand) in Ever Conquest Global Ltd., respectively, and re-invested in DEIL through Ever Conquest Global Ltd.'s reinvestment in Ever Victory Global. The Company and USI Corporation jointly holds a proportion of ownership of 67.4% in Ever Victory Global. DEIL accumulatively invested a total of RMB$ 4,657,200 thousand in Gulei Group.

b. Aggregate information of associates that are not individually material

	2023	2022
The Group's share of:		
Net loss from continuing operations for the year	($ 7,298)	($ 32,118)
Other comprehensive gain (loss)	(24,425)	(30,926)
Total comprehensive income for the year	($ 31,723)	($ 63,044)

The Group's ownership interest and percentage of voting right in associates at the end of the reporting period were as follows:

Name of Associates	December 31, 2023	December 31, 2022
CGPC	8.07%	8.07%
ACME	4.66%	4.34%
CGTD	33.33%	33.33%
ACME (Cayman)	13.63%	16.64%
SPC	7.95%	7.95%
TUVC	8.33%	8.33%
STC	15.00%	15.00%
USIO	9.20%	9.20%
GUL	30.00%	30.00%
XUL	30.00%	-

Please refer to Table 5 “Information on Investees” and Table 6 “Information on Investments in Mainland China” for the nature of activities, principal places of business and countries of incorporation of the associates.

The Group did not subscribe for the cash capital increase of ACME in proportion to its shareholding with an amount of $39,528 thousand, resulting in the increase of shareholding from 4.34% to 4.66%, with the base date of capital increase on January 16, 2023.

The Group did not subscribe for the cash capital increase of ACME (Cayman), resulting in a decrease of shareholding from 16.64% to 13.63%. The base date of capital increase was April 24, 2023.

TUVC convened shareholders’ meeting on June 28, 2023 and resolved and approved to reduce its capital and returned cash to its shareholders, with the base date of the capital reduction on August 22, 2023. The Company received $14,155 thousand back in August 2023.

In order to meet the business needs, the Company established XUL in Xiamen City, Fujian Province in Mainland China through joint venture of APC (BVI) and Swanlake Traders Ltd., the subsidiary of USI Corporation. The company has been registered and incorporated on November 6, 2023 with the investments of RMB$ 3,000 thousand from APC (BVI) and RMB$ 7,000 thousand from Swanlake on December 14, 2023.

In order to meet the business needs, the Group’s Board of Directors has resolved on August 12, 2020 to establish GUL in Fujian Province in Mainland China through APC (BVI) and Swanlake Traders Ltd., the subsidiary of USI Corporation. The company has been registered and incorporated on March 12, 2022 with the investments of RMB$ 3,000 thousand from APC (BVI) and RMB$ 7,000 thousand from Swanlake on May 20, 2022.

The Group’s percentage of ownership over CGPC, ACME, ACME (Cayman), SPC, TUVC, STC, and USIO was less than 20%. These associates were accounted for using the equity method, as the Group retained significant influence over them.

The market prices of the investments accounted for using the equity method in publicly traded shares calculated by the closing price at the end of the reporting period are summarized as follows.

Name of Associates	December 31, 2023	December 31, 2022
CGPC	$ 1,045,562	$ 1,237,795
ACME	$ 248,931	$ 190,191

14. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings and Improvements	Machinery and Equipment	Transportation Equipment	Other Equipment	Construction in Progress and Prepayments for Equipment	Total
Cost							
Balance at January 1, 2023	$ 228,229	$ 779,756	$ 6,499,542	$ 10,030	$ 88,838	$ 792,988	$ 8,399,383
Additions	-	-	58,342	-	71	342,806	401,219
Disposals	-	-	(70,938)	(630)	(1,294)	-	(72,862)
Internal transfer	-	1,492	176,120	-	4,368	(181,980)	-
Effect of foreign currency exchange differences	-	-	-	(18)	(17)	-	(35)
Balance at December 31, 2023	$ 228,229	$ 781,248	$ 6,663,066	$ 9,382	$ 91,966	$ 953,814	$ 8,727,705
Accumulated depreciation and impairment							
Balance at January 1, 2023	$ -	$ 343,539	$ 4,600,641	$ 8,165	$ 83,560	$ -	$ 5,035,905
Depreciation expenses	-	18,755	285,974	349	2,884	-	307,962
Disposals	-	-	(70,938)	(630)	(1,294)	-	(72,862)
Effect of foreign currency exchange differences	-	-	-	(18)	(13)	-	(31)
Balance at December 31, 2023	$ -	$ 362,294	$ 4,815,677	$ 7,866	$ 85,137	$ -	$ 5,270,974
Net amount at December 31, 2023	$ 228,229	$ 418,954	$ 1,847,389	$ 1,516	$ 6,829	$ 953,814	$ 3,456,731
Cost							
Balance at January 1, 2022	$ 228,229	$ 778,815	$ 6,433,849	$ 9,661	$ 88,138	$ 618,748	$ 8,157,440
Additions	-	-	38,859	-	157	242,260	281,276
Disposals	-	-	(37,500)	(1,467)	(593)	-	(39,560)
Internal transfer	-	941	64,334	1,820	925	(68,020)	-
Effect of foreign currency exchange differences	-	-	-	16	211	-	227
Balance at December 31, 2022	$ 228,229	$ 779,756	$ 6,499,542	$ 10,030	$ 88,838	$ 792,988	$ 8,399,383
Accumulated depreciation and impairment							
Balance at January 1, 2022	$ -	$ 323,757	$ 4,366,644	$ 9,282	$ 81,167	$ -	$ 4,780,850
Depreciation expenses	-	19,782	271,497	341	2,775	-	294,395
Disposals	-	-	(37,500)	(1,467)	(593)	-	(39,560)
Effect of foreign currency exchange differences	-	-	-	9	211	-	220
Balance at December 31, 2022	$ -	$ 343,539	$ 4,600,641	$ 8,165	$ 83,560	$ -	$ 5,035,905
Net amount at December 31, 2022	$ 228,229	$ 436,217	$ 1,898,901	$ 1,865	$ 5,278	$ 792,988	$ 3,363,478

For the years ended December 31, 2023 and 2022, no impairment loss or reversal of impairment loss was recognized.

The accrual of depreciation expenses is conducted on a straight-line basis over the estimated useful lives as follows:

Buildings and improvements	
Factory and improvements	15 to 40 years
Office building, laboratory and improvements	10 to 40 years
Storage rooms	11 to 45 years
Engineering systems	35 to 40 years
Others	2 to 20 years
Machinery and equipment	3 to 22 years
Transportation equipment	4 to 7 years
Other equipment	3 to 10 years

In order to support the relocation of petrochemical storage facilities in the old port area conducted by Taiwan International Ports Corporation Ltd. ("TIPC"), China General Terminal & Distribution Corporation ("CGTD") leases the terminal facilities and back-line lands of Phase II Petrochemical Oil Storage and Transportation Center of Kaohsiung Port Container Center, with the lease term from August 1, 2017 to July 31, 2042. The rent is paid on quarterly basis. The Board of Directors of the Group resolved to build the Intercontinental Phase II Petrochemical Oil Products Center in 2019 with total investment amount of $765,893 thousand for the construction. As of December 31, 2023, the Group has made construction payment of $740,029 thousand, which was booked under the construction in progress.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31, 2023	December 31, 2022
Carrying amounts of right-of-use assets		
Land	$ 9,368	$ 10,213
Transportation equipment	34	238
	$ 9,402	$ 10,451

	2023	2022
Increase in right-of-use assets	$ -	$ 3,034
Depreciation charge for right-of-use assets		
Land	$ 669	$ 521
Transportation equipment	204	205
	$ 873	$ 726

For the years ended December 31, 2023 and 2022, no impairment loss or reversal of impairment loss was recognized.

The Group has been subleasing its leasehold office spaces located in Taipei to other companies under operating leases. The related right-of-use assets are presented as investment properties (as set out in Note 16). The amounts disclosed above with respect to the right-of-use assets do not include right-of-use assets that meet the definition of investment properties.

b. Lease liabilities

Range of discount rate for lease liabilities was as follows:

	December 31, 2023	December 31, 2022
Land	1.06%	1.06%
Transportation equipment	1.06%	1.06%
Buildings	1.06%	1.06%

c. Other lease information

	2023	2022
Expenses relating to short-term leases	$ 4,487	$ 4,152
Expenses relating to variable lease payments not included in the measurement of lease liabilities	$ 577	$ 570
Total cash outflow for leases	($ 11,596)	($ 11,093)

The Group leases certain buildings which qualify as short-term lease. The Group has elected to apply the recognition exemption and, thus, did not recognize right-of-use assets and lease liabilities for these leases.

16. INVESTMENT PROPERTIES

	Land	Buildings and Improvements	Right-of-use Assets	Total
Cost				
Balance at January 1, 2023	$ 370,202	$ 262,807	$ 34,585	$ 667,594
Effect of foreign currency exchange differences	-	(21)	-	(21)
Balance at December 31, 2023	$ 370,202	$ 262,786	$ 34,585	$ 667,573
Accumulated depreciation				
Balance at January 1, 2023	$ -	$ 134,797	$ 21,842	$ 156,639
Depreciation expenses	-	4,753	5,461	10,214
Effect of foreign currency exchange differences	-	(44)	-	(44)
Balance at December 31, 2023	$ -	$ 139,506	$ 27,303	$ 166,809
Net amount at December 31, 2023	$ 370,202	$ 123,280	$ 7,282	$ 500,764

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	Land	Buildings and Improvements	Right-of-use Assets	Total
Cost				
Balance at January 1, 2022	$ 370,202	$ 247,758	$ 34,585	$ 652,545
Additions	-	2,214	-	2,214
Effect of foreign currency exchange differences	-	12,835	-	12,835
Balance at December 31, 2022	$ 370,202	$ 262,807	$ 34,585	$ 667,594
Accumulated depreciation				
Balance at January 1, 2022	$ -	$ 124,906	$ 16,381	$ 141,287
Depreciation expenses	-	4,590	5,461	10,051
Effect of foreign currency exchange differences	-	5,301	-	5,301
Balance at December 31, 2022	$ -	$ 134,797	$ 21,842	$ 156,639
Net amount at December 31, 2022	$ 370,202	$ 128,010	$ 12,743	$ 510,955

Right-of-use assets included in investment properties are units of office space and subleased under operating leases.

The investment properties were leased out for 5 years. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating leases of investment properties as of December 31, 2023 and 2022 was as follows:

	December 31, 2023	December 31, 2022
Year 1	$ 18,893	$ 15,344
Year 2	9,332	13,749
Year 3	7,607	4,375
Year 4	972	3,889
Year 5	-	972
	$ 36,804	$ 38,329

The investment properties held by the Group are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings and improvements	
Main buildings and improvements	5 to 50 years
Right-of-use assets	6 years

The fair value of the investment property (i.e. the land) located in Linyuan Industrial Park, which is for industrial use, cannot be reliably determined due to infrequent market transactions. The investment properties - land (excluding those located in Linyuan Industrial Park), buildings and improvements were not evaluated by the independent appraisers. The fair values of these investment properties were measured by the Group's management applying Level 3 input values generated from the valuation model commonly used by market participants. The valuation was conducted with reference to the transaction prices of similar properties in the neighborhood. The fair value of the right-of-use asset was measured using expected rental income deducting the net amount of all expected payments, plus relevant recognized lease liabilities.

As of December 31, 2023 and 2022, the fair values derived from the valuation were as follows:

	December 31, 2023	December 31, 2022
Fair value	$ 1,975,542	$ 1,943,595

The Group was involved in a proposal of urban renewal, in which it coordinates with neighbors by right of transfer dominated by Huaku Development Co., Ltd. (hereinafter referred to as "Huaku") and provides around ten of its investment properties (located at Yanji St., Songshan Dist., Taipei City) to increase its operating efficiency. The urban renewal plan had been completed in 2022, and had obtained a land use right license and completed the transfer of property rights for the land and houses transferred.

17. BORROWINGS

a. Short-term borrowings (December 31, 2023: None)

	December 31, 2022
Unsecured borrowings	
Bank loans	$ 120,000

The range of interest rates on bank loans was 1.12%-1.65% per annum as of December 31, 2022.

b. Long-term borrowings

	December 31, 2023	December 31, 2022
Unsecured borrowings	$ 546,094	$ 450,636
Less: Current portion due within one year	(65,880)	-
Long-term borrowings	$ 480,214	$ 450,636
Range of interest rates	1.05%	0.925%

In order to fund medium to long-term working capital needs, the Group signed medium to long-term loan agreements with banks with total lines of credit of $4,650,000 thousand. The loan agreements will subsequently expire before November 2026 and these lines of credit are on a revolving basis. The lines of credit have not been used as of December 31, 2023.

Through "Action Plan for Accelerated Investment by Domestic Corporations" the Group obtained a low-interest bank loan of $1,419,000 thousand. The difference between the market interest rate recognized and measured for the bank loan and the interest paid at preferential rate was recognized as government grant. As of December 31, 2023, $549,000 thousand has been utilized.

Some of the Group's loan agreements stipulate that the current ratio and debt ratio as stated on the financial statements shall not be less than a specified percentage, and that if such a percentage fails to be met, the Group shall propose improvement measures to the banks concerned. As of December 31, 2023, the Group did not violate these financial ratios and terms.

18. ACCOUNTS PAYABLE FROM UNRELATED PARTIES

The average credit period was 1 month. The Group had financial risk management policies in place to ensure that all payables were paid within the pre-agreed credit terms.

19. OTHER PAYABLES FROM UNRELATED PARTIES

	December 31, 2023	December 31, 2022
Payables for salaries or bonuses	$ 94,855	$ 125,161
Payables for utilities	46,063	38,737
Payables for equipment	39,784	8,858
Payables for dividends	15,417	7,057
Payables for freight fees	8,462	9,887
Payables for insurance	2,422	2,118
Others	24,343	28,071
	$ 231,346	$ 219,889

20. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

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

b. Defined benefit plans

The defined benefit plan adopted by the Company of the Group in accordance with the Labor Standards Law is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. In 2023 and 2022, the Company contributes amounts equal to 10% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. If the estimated balance of the account before the end of the year is not enough to pay for the workers who are qualified for retirement in the following year, the contribution of the difference will be made in one lump sum by the end of March of the following year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor ("the Bureau"); the Group has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans were as follows:

	December 31, 2023	December 31, 2022
Present value of the defined benefit obligation	$ 238,574	$ 267,490
Fair value of the plan assets	(136,210)	(155,384)
Net defined benefit liabilities	$ 102,364	$ 112,106

Movements in net defined benefit liabilities (assets) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Balance at January 1, 2023	$ 267,490	($ 155,384)	$ 112,106
Service cost			
Current service cost	1,839	-	1,839
Net interest expense (income)	3,511	(2,073)	1,438
Recognized in profit or loss	5,350	(2,073)	3,277
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(1,250)	(1,250)
Actuarial gain - changes in financial assumptions	1,945	-	1,945
Actuarial loss - experience adjustments	(711)	-	(711)
Recognized in other comprehensive income	1,234	(1,250)	(16)

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	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Contributions from the employer	$ -	($ 13,003)	($ 13,003)
Benefits paid	(35,500)	35,500	-
Balance at December 31, 2023	$ 238,574	($ 136,210)	$ 102,364
Balance at January 1, 2022	$ 297,097	($ 162,092)	$ 135,005
Service cost			
Current service cost	2,137	-	2,137
Net interest expense (income)	1,436	(824)	612
Recognized in profit or loss	3,573	(824)	2,749
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(16,335)	(16,335)
Actuarial gain - changes in financial assumptions	(6,968)	-	(6,968)
Actuarial loss - experience adjustments	11,965	-	11,965
Recognized in other comprehensive income	4,997	(16,335)	(11,338)
Contributions from the employer	-	(14,310)	(14,310)
Benefits paid	(38,177)	38,177	-
Balance at December 31, 2022	$ 267,490	($ 155,384)	$ 112,106

Through the defined benefit plans under the Labor Standards Law, the Group is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic or foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate of a 2-year time deposit with local banks.
2) Interest rate risk: A decrease in corporate bond interest rates will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.
3) Salary risk: The present value of the defined benefit obligation is calculated with reference to the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31, 2023	December 31, 2022
Discount rate	1.25%	1.375%
Expected rate of salary increase	2.75%	2.75%

If possible reasonable changes in each of the significant actuarial assumptions were to occur and all other assumptions were to remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31, 2023	December 31, 2022
Discount rate		
0.25% increase	($ 3,866)	($ 4,314)
0.25% decrease	$ 3,960	$ 4,423
Expected rate of salary increase		
0.25% increase	$ 3,833	$ 4,285
0.25% decrease	($ 3,762)	($ 4,201)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that changes in the assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31, 2023	December 31, 2022
Expected contributions to the plan for the next year	$ 10,000	$ 15,000
Average duration of the defined benefit obligation	6.6 years	6.6 years

21. EQUITY

a. Ordinary shares

	December 31, 2023	December 31, 2022
Number of shares authorized (in thousands)	620,000	620,000
Shares authorized	$ 6,200,000	$ 6,200,000
Number of shares issued and fully paid (in thousands)	593,743	593,743
Shares issued	$ 5,937,438	$ 5,937,438

Fully paid ordinary shares, which have a par value of $10, carry one vote per share and carry a right to dividends.

b. Capital surplus

	December 31, 2023	December 31, 2022
Unpaid dividends	$ 26,247	$ 25,720
Share of changes in capital surplus of associates accounted for using the equity method	11,312	11,422
	$ 37,559	$ 37,142

Capital surplus which arises from unclaimed dividends and the share of changes in capital surplus of associates may be used to offset a deficit only.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the amended Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors after the amendment, refer to "Employees' compensation and remuneration of directors" in Note 23-7.

As the Company is in the maturation stage, for research and development needs and business diversification, the amount of dividends for shareholders shall be no less than 10% of distributable retained earnings for the current year, among which the amount of cash dividends shall be no less than 10%. If the distributable retained earnings per share of the current year are less than $0.1, the retained earnings are not to be distributed.

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

Items referred to under Rule No. 1090150022 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs (IFRS Accounting Standards)" should be appropriated to or reversed from a special reserve by the Company.

The appropriations of earnings for 2022 and 2021 approved in the shareholders' meetings on May 30, 2023 and May 27, 2022, respectively, were as follows:

	2022	2021
Legal reserve	$ 147,008	$ 317,192
Cash dividends	$ 712,493	$ 1,781,232
Cash dividends per share (NT$)	$ 1.2	$ 3.0

The appropriation of earnings for 2023 had been proposed by the Company's board of directors on March 7, 2024 were as follows:

	2023
Legal reserve	$ 11,994
Cash dividends	$ 267,185
Cash dividends per share (NT$)	$ 0.45

The appropriation of earnings for 2023 is subject to resolution in the shareholders' meeting to be held on May 30, 2024.

d. Other equity

1) Exchange differences on translating the financial statements of foreign operations

	2023	2022
Balance at January 1	($ 109,403)	($ 239,960)
Recognized for the year		
Exchange differences on translating the financial statements of foreign operations	(41,135)	150,506
Share from associates accounted for using the equity method	(2,794)	10,152
Related income tax	8,227	(30,101)
Other comprehensive income recognized for the year	(35,702)	130,557
Balance at December 31	($ 145,105)	($ 109,403)

2) Unrealized gain (loss) on financial assets at fair value through other comprehensive income

	2023	2022
Balance at January 1	$ 1,052,184	$ 2,118,506
Recognized for the year		
Unrealized (gain) loss		
Equity instruments	(224,049)	(1,030,919)

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	2023	2022
Share from associates accounted for using the equity method	(15,574)	(35,506)
Related income tax	278	404
Other comprehensive income recognized for the year	(239,345)	(1,066,021)
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal		
Recognized for the year	-	(190)
Share from associates accounted for using the equity method	584	(111)
Balance at December 31	$ 813,423	$ 1,052,184

22. REVENUE

a. Revenue from contracts with customers

	2023	2022
Revenue from sale of goods	$ 6,717,128	$ 9,815,332

b. Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Accounts receivable (Note 10)	$ 404,551	$ 1,070,835	$ 1,419,309
Contract liabilities (presented in other current liabilities)	$ 53,244	$ 47,067	$ 24,988

23. NET PROFIT FOR THE YEAR

a. Interest income

	2023	2022
Interest income		
Bank deposits	$ 14,729	$ 8,822
Financial assets at FVTPL	1,533	1,228
Reverse repurchase agreements collateralized by bonds	5,475	1,425
	$ 21,737	$ 11,475

b. Other income

	2023	2022
Lease income	$ 48,958	$ 57,212
Dividend income		
Financial assets at FVTPL	2,669	16,917
Investments in equity instruments at FVTOCI	112,685	278,881
	115,354	295,798
Others	12,631	11,978
	$ 176,943	$ 364,988

c. Other gains and losses

	2023	2022
Fair value changes of financial assets and financial liabilities		
Financial assets at FVTPL	$ 12,260	($ 44,113)
Financial liabilities at FVTPL	758	(5,869)
Net gain on foreign currency exchange	1,793	44,894
Others	(17,039)	(18,481)
	($ 2,228)	($ 23,569)

d. Interest expense

	2023	2022
Interest on bank loans	$ 8,889	$ 10,036
Interest on lease liabilities	223	275
	$ 9,112	$ 10,311

There was no capitalization of interest costs between 2023 and 2022.

e. Depreciation and amortization

	2023	2022
Property, plant and equipment	$ 307,962	$ 294,395
Investment properties	10,214	10,051
Right-of-use assets	873	726
Intangible assets	413	35
Total	$ 319,462	$ 305,207

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	2023	2022
An analysis of depreciation by function		
Operating cost	$ 308,600	$ 294,813
Operating expenses	235	308
Other gains and losses	10,214	10,051
	$ 319,049	$ 305,172
An analysis of amortization by function		
Operating expenses	$ 413	$ 35

f. Employee benefits expense

	2023	2022
Post-employment benefits (Note 20)		
Defined contribution plans	$ 9,137	$ 8,204
Defined benefit plans	3,277	2,749
	12,414	10,953
Other employee benefits	352,721	378,704
Total employee benefits expense	$ 365,135	$ 389,657
An analysis of employee benefits expense by function		
Operating cost	$ 312,565	$ 337,787
Operating expenses	52,570	51,870
	$ 365,135	$ 389,657

g. Employees' compensation and remuneration of directors

The Company accrued employees' compensation and remuneration of directors and supervisors at rates of no less than 1% and no higher than 1%, respectively, of net profit before income tax, employees' compensation and remuneration of directors. The employees' compensation and remuneration of directors for the years ended December 31, 2023 and 2022, which were approved by the Company's board of directors on March 7, 2024 and March 3, 2023, respectively, were as follows:

Accrual rate

	2023	2022
	Cash	Cash
Employees' compensation	1%	1%
Directors' remuneration	-	-

Amount

	2023	2022
	Cash	Cash
Employees' compensation	$ 1,467	$ 18,309
Directors' remuneration	$ -	$ -

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate. There is no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2022 and 2021.

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

h. Gains or losses on foreign currency exchange

	2023	2022
Foreign exchange gains	$ 49,223	$ 112,862
Foreign exchange losses	(47,430)	(67,968)
Net gain	$ 1,793	$ 44,894

24. INCOME TAX

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	2023	2022
Current tax		
In respect of the current year	$ 204,485	$ 608,817
Income tax on unappropriated earnings	24,529	49,175
Adjustments for prior years	(890)	(3,362)
	228,124	654,630
Deferred income tax		
In respect of the current year	(193,276)	(284,228)
Income tax expense recognized in profit or loss	$ 34,848	$ 370,402

A reconciliation of accounting profit and income tax expense is as follows:

	2023	2022
Profit before income tax	$ 151,132	$ 1,817,771
Income tax expense calculated at the statutory rate	$ 33,964	$ 364,994
Items which should be adjusted according to statutory taxable income	801	27,580
Tax-exempt income	(23,600)	(68,204)
Income tax on unappropriated earnings	24,529	49,175
Difference payable of basic tax	44	219
Adjustments for prior years' tax	(890)	(3,362)
Income tax expense recognized in profit or loss	$ 34,848	$ 370,402

b. Income tax recognized in other comprehensive income

	2023	2022
Deferred income tax		
In respect of current year		
— Translation of foreign operations	($ 8,227)	$ 30,101
— Unrealized gain (loss) on financial assets at fair value through other comprehensive income	(278)	(404)
— Remeasurement on defined benefit plans	3	2,268
Income tax (benefits) expense recognized in other comprehensive income	($ 8,502)	$ 31,965

c. Deferred income tax assets and liabilities

The movements of deferred income tax assets and liabilities were as follows:

2023

	Balance at January 1	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Balance at December 31
Deferred income tax assets				
Temporary differences				
Unrealized foreign exchange losses	$ -	$ 1,777	$ -	$ 1,777
Allowance for inventory valuation and obsolescence losses	230	2,024	-	2,254

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	Balance at January 1	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Balance at December 31
Allowance for office supplies impairment losses	9,343	283	-	9,626
Customer rebates	1,180	-	-	1,180
Allowance for production supplies losses	1,087	(10)	-	1,077
FVTPL financial instruments	517	(517)	-	-
Payables for annual leave	2,266	7	-	2,273
Defined benefit obligation	22,636	(1,733)	(3)	20,900
Inventory tax differences	90	21	-	111
Exchange differences on foreign operations	17,116	-	8,227	25,343
Investment loss recognized by the equity method	301,662	187,221	-	488,883
Unappropriated earnings of Controlled Foreign Company	-	4,636	-	4,636
	$ 356,127	$ 193,709	$ 8,224	$ 558,060
Deferred income tax liabilities				
Temporary differences				
Land value increment tax reserve	$ 21,469	$ -	$ -	$ 21,469
Loss allowance for accounts receivable	267	-	-	267
Unrealized foreign exchange gains	9	(9)	-	-
FVTPL financial instruments	-	191	-	191
Depreciation tax differences	182	(167)	-	15
Financial assets at FVTOCI	7,740	-	(278)	7,462
Unrealized gross loss on sales	-	418	-	418
	$ 29,667	$ 433	($ 278)	$ 29,822

2022

	Balance at January 1	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Balance at December 31
Deferred income tax assets				
Temporary differences				
Allowance for inventory valuation and obsolescence losses	$ 176	$ 54	$ -	$ 230
Allowance for office supplies impairment losses	8,857	486	-	9,343
Customer rebates	1,180	-	-	1,180
Allowance for production supplies losses	1,087	-	-	1,087
FVTPL financial instruments	93	424	-	517
Payables for annual leave	2,232	34	-	2,266
Defined benefit obligation	27,191	(2,287)	(2,268)	22,636

(Continued)

(Continued)

	Balance at January 1	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Balance at December 31
Inventory tax differences	$ 196	($ 106)	$ -	$ 90
Exchange differences on foreign operations	47,217	-	(30,101)	17,116
Investment loss recognized by the equity method	16,569	285,093	-	301,662
	$ 104,798	$ 283,698	($ 32,369)	$ 356,127
Deferred income tax liabilities				
Temporary differences				
Land value increment tax reserve	$ 21,469	$ -	$ -	$ 21,469
Loss allowance for accounts receivable	267	-	-	267
Unrealized foreign exchange gains	386	(377)	-	9
Depreciation tax differences	335	(153)	-	182
Financial assets at FVTOCI	8,144	-	(404)	7,740
	$ 30,601	($ 530)	($ 404)	$ 29,667

d. Income tax assessments

The Company's and APCI's income tax returns through 2021, have been assessed by the tax authorities.

25. EARNINGS PER SHARE

Unit: NT$ Per Share

	2023	2022
Basic earnings per share	$ 0.20	$ 2.44
Diluted earnings per share	$ 0.20	$ 2.43

The earnings and weighted average number of ordinary shares outstanding in the computation of earnings per share from continuing operations were as follows:

Net profit for the year

	2023	2022
Net profit used in the computation of basic and diluted earnings per share	$ 116,284	$ 1,447,369

(In Thousand Shares)

	2023	2022
Number of shares		
Weighted average number of ordinary shares used in the computation of basic earnings per share	593,743	593,743
Effect of potentially dilutive ordinary shares:		
Employees' compensation	168	846
Weighted average number of ordinary shares used in the computation of diluted earnings per share	593,911	594,589

If the Group offered to settle compensation paid to employees in cash or shares, the Group assumed the entire amount of the compensation would be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, if the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

26. CAPITAL MANAGEMENT

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

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

27. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

   The Group's management believes that the carrying amounts of financial assets and financial liabilities which are recognized in the consolidated financial statements approximate their fair values.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative instruments	$ -	$ 955	$ -	$ 955
Domestic listed shares	141,502	-	-	141,502
Mutual funds	572,257	-	-	572,257
Beneficiary securities	68,820	-	-	68,820
	$ 782,579	$ 955	$ -	$ 783,534
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	$ 2,772,797	$ -	$ -	$ 2,772,797
Foreign listed shares	9,411	-	-	9,411
Domestic unlisted shares	-	-	140,936	140,936
Foreign unlisted shares	-	-	84,024	84,024
	$ 2,782,208	$ -	$ 224,960	$ 3,007,168

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative instruments	$ -	$ 425	$ -	$ 425
Domestic listed shares	87,136	-	-	87,136
Mutual funds	352,262	-	-	352,262
Beneficiary securities	59,953	-	-	59,953
	$ 499,351	$ 425	$ -	$ 499,776
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	$ 2,981,114	$ -	$ -	$ 2,981,114
Foreign listed shares	17,179	-	-	17,179
Domestic unlisted shares	-	-	135,304	135,304
Foreign unlisted shares	-	-	77,428	77,428
	$ 2,998,293	$ -	$ 212,732	$ 3,211,025
Financial liabilities at FVTPL				
Derivative instruments	$ -	$ 3,012	$ -	$ 3,012

There were no transfers between Levels 1 and 2 in 2023 and 2022.

2) Reconciliation of Level 3 fair value measurements of financial instruments

2023

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1	$ 212,732
Purchase	19,975
Recognized in other comprehensive income (included in unrealized gain on financial assets at FVTOCI)	(7,747)
Balance at December 31	$ 224,960

2022

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1	$ 228,200
Recognized in other comprehensive income (included in unrealized gain on financial assets at FVTOCI)	(15,442)
Disposals	(26)
Balance at December 31	$ 212,732

3) Valuation techniques and inputs applied for Level 2 fair value measurement

Type of Financial Instruments	Valuation Techniques and Inputs
Derivatives - foreign exchange forward contracts	Discounted cash flow: Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

4) Valuation techniques and inputs applied for Level 3 fair value measurement

The Group's financial department used valuation techniques in measuring Level 3 fair value of financial instruments. The assumptions of and the inputs to the measurement are based on information from independent resources. The results of the measurement are evaluated against the market state and reviewed periodically to ensure that they are reasonable. The fair values of domestic and foreign unlisted equity securities were determined using the asset-based approach. In this approach, the fair value is determined by the latest net value of the investee company and the financial and business conditions of an observable company. If the discount for the lack of marketability decreases, the fair value of investments will increase. When the net asset value of the investee increases / decreases by 1%, the fair value will increase / decrease by $2,250 thousand in 2023 and $2,127 thousand in 2022.

c. Categories of financial instruments

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets at FVTPL		
Mandatorily classified as at FVTPL	$ 783,534	$ 499,776
Financial assets at amortized cost (Note 1)	1,690,607	2,567,894
Financial Assets at FVTOCI		
Investments in equity instruments	3,007,168	3,211,025
Financial liabilities		
Financial liabilities at FVTPL		
Held for trading	-	3,012
Financial liabilities at amortized cost (Note 2)	1,129,007	1,159,311

Note 1. The balances include financial assets at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, accounts receivable (including related parties), other receivables (including related parties and excluding tax refund receivables) and refundable deposits.

Note 2. The balances include financial liabilities at amortized cost, which comprise short-term borrowings, accounts payable (including related parties), other payables (including related parties and excluding payables for salaries and taxes), long-term borrowings, current portion of long-term liabilities and guarantee deposits received.

d. Financial risk management objectives and policies

The Group's risk control and hedging strategy are influenced by its operational environment. The Group properly monitors and manages the risks related to business nature and according to the principle of risk diversification. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

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

There has been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk. In order to avoid the impact of foreign currency exchange rate changes, which lead to deductions in foreign currency denominated assets and fluctuations in their future cash flows, the Group used the natural offset between foreign currency assets and liabilities and foreign exchange forward contracts on the net position. The Group sought to minimize the effects of these risks by using foreign exchange forward contracts to hedge risk exposures. The use of foreign exchange forward contracts was governed by the Group's policies approved by the board of directors. Compliance with policies and exposure limits was reviewed by internal auditors on a continuous basis. The Group did not enter into or trade foreign exchange forward contracts for speculative purposes.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities is set out in Note 30. Please refer to Note 7 for the carrying amount of derivative instrument with foreign exchange exposure.

Sensitivity analysis

The Group was mainly exposed to the USD and RMB. The sensitivity analysis includes only outstanding foreign currency denominated monetary items at the end of the reporting period. For a 3% strengthening/weakening of the Group's functional currency against the USD, there would be a decrease/an increase of $9,220 thousand and $14,622 thousand in pre-tax profit for the years ended December 31, 2023 and 2022, respectively. For a 3% strengthening/weakening of the Group's functional currency against the RMB, there would be a decrease/an increase of $5,716 thousand and $20,230 thousand in pre-tax profit for the years ended December 31, 2023 and 2022, respectively.

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

b) Interest rate risk

The Group was exposed to fair value interest rate risk because the Group held financial assets and financial liabilities at fixed rates; the Group was exposed to cash flow interest rate risk because the Group held financial assets and financial liabilities at floating rates. The Group's management personnel monitors the changes in the market rates on a regular basis and adjusts the floating rate financial liabilities to make the Group's rates approach market rates in response to the risk caused by changing market rates.

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

	December 31, 2023	December 31, 2022
Fair value interest rate risk		
— Financial assets	$ 1,068,038	$ 1,260,723
— Financial liabilities	17,748	24,233
Cash flow interest rate risk		
— Financial assets	210,244	228,021
— Financial liabilities	546,094	570,636

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for both financial assets and liabilities at the end of the reporting period. A 50-basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2023 and 2022 would have decreased/increased by $1,679 thousand and $1,713 thousand, respectively.

c) Other price risk

The Group was exposed to securities price risk through its investments in securities listed in the ROC or other countries. The Group manages this exposure by maintaining a portfolio of investments with different risks. In addition, the Group has appointed a special team to monitor price risk.

Sensitivity analysis

The following sensitivity analysis was based on the prices of securities as of the balance sheet date. However, in the financial assets at fair value through profit or loss in which the Group invested, the risk of price fluctuation of money market funds was very limited, so it was not included in the analysis.

If the equity price increases / decreases by 5%, the net profit before tax for 2023 and 2022 would increase / decrease by $10,516 thousand and $7,354 thousand respectively due to the increase / decrease in the fair value of financial assets (excluding investment in money market funds) measured through profit or loss. Other comprehensive income before tax for 2023 and 2022 would increase / decrease by $150,358 thousand and $160,551 thousand respectively due to the increase / decrease in the fair value of financial assets at fair value through other comprehensive income.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Group, could be equal to the total of the following:

a) The carrying amount of the respective recognized financial assets as stated in consolidated balance sheets; and

b) The maximum amount the Group would have to pay if the financial guarantee is called upon, irrespective of the likelihood of the guarantee being exercised.

The Group adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored.

The Group transacted with a large number of unrelated customers in a variety of areas, and, thus, no concentration of credit risk was observed. Ongoing credit evaluations are performed on the financial conditions of trade receivables; therefore, the Group's credit risk is limited.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

As such cash and cash equivalents are sufficient to finance the Group's operations, there is no liquidity risk arising from the deficiency of funds to fulfill contractual obligations.

a) Liquidity and interest rate risk table for non-derivative financial liabilities

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods based on the probable earliest repayment dates. The table was drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

December 31, 2023

	Weighted Average Interest Rate (%)	On Demand or Less than 1 Year	1 to 5 Years	5+ Years
Non-derivative financial liabilities				
Non-interest bearing liabilities		$ 576,311	$ -	$ -
Lease liabilities	1.06%	6,577	4,948	7,151
Floating interest rate instruments	1.05%	72,031	489,477	-
		$ 654,919	$ 494,425	$ 7,151

December 31, 2022

	Weighted Average Interest Rate (%)	On Demand or Less than 1 Year	1 to 5 Years	5+ Years
Non-derivative financial liabilities				
Non-interest bearing liabilities		$ 582,830	$ -	$ -
Lease liabilities	1.06%	6,747	10,761	7,872
Floating interest rate instruments	1.00%	124,168	462,446	-
		$ 713,745	$ 473,207	$ 7,872

b) Liquidity and interest rate risk table for derivative financial liabilities

Liquidity analysis of derivative financial instruments with gross delivery is prepared on the basis of undiscounted gross cash inflows and outflows. When the amount payable or receivable is not fixed, the amount disclosed is determined by the expected interest rate derived from the yield curve on the balance sheet date.

December 31, 2023

	On Demand or Less than 1 Month	1 to 3 Months
Gross settled		
Foreign exchange forward contracts		
— Inflows	$ 66,336	$ -
— Outflows	(65,462)	-
	$ 874	$ -

December 31, 2022

	On Demand or Less than 1 Month	1 to 3 Months
Gross settled		
Foreign exchange forward contracts		
— Inflows	$ 96,081	$ 348,533
— Outflows	(95,684)	(351,870)
	$ 397	($ 3,337)

c) Financing facilities

Bank loans are an essential source of liquidity for the Group. The table below details the used and unused amount of unsecured bank loans at the end of the reporting period:

	December 31, 2023	December 31, 2022
Bank loan facilities		
— Amount used	$ 549,000	$ 575,000
— Amount unused	9,750,000	11,534,000
	$ 10,299,000	$ 12,109,000

28. TRANSACTIONS WITH RELATED PARTIES

The Company's ultimate parent is USI Corporation, which held 36.08% of the ordinary shares of the Company as of December 31, 2023 and 2022.

Balances and transactions between the Company and its subsidiaries (which are related parties of the Company) have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed below:

a. Names and relationships of the related parties which have significant transactions with the Company are summarized as follows:

Name of the Related Party	Relationship with the Company
USI Corporation	Ultimate parent company
Union Polymer International Investment Corporation (Union Polymer)	Parent entity
China General Plastics Corporation (CGPC)	Associate
China General Terminal & Distribution Corporation (CGTD)	Associate
Acme Electronics Corporation (ACME)	Associate
ACME Electronics (Guangzhou) Co., Ltd. (ACME Guangzhou)	Associate
USI Optronics Corporation (USIO)	Associate
Swanson Plastics Corporation (SPC)	Associate

(Continued)

(Continued)

Name of the Related Party	Relationship with the Company
Swanson Plastics (Kunshan) Corporation (SPC Kunshan)	Associate
Taiwan VCM Corporation (TVCM)	Associate
CGPC Polymer Corporation (CGPCP)	Associate
Forever Young Company Limited(Forever Young)	Associate
Swanson Technologies Corporation (STC)	Associate
Fujian Gulei Petrochemical Co., Ltd. (GL)	Associate
Global Green Technology Corporation (GGT)	Associate
Dynamic Ever Investments Limited (DEIL)	Associate
Zhangzhou Taiju Trading Co., Ltd. (GUL)	Associate
Swanson Plastics (Malaysia) Sdn. Bhd.	Associate
Taita Chemical Company, Limited (TTC)	Fellow subsidiary
Taiwan United Venture Management Corporation (TUVM)	Fellow subsidiary
USI Management Consulting Corporation (UM)	Fellow subsidiary
USIFE Investment Co., Ltd. (USII)	Fellow subsidiary
INOMA Corporation	Fellow subsidiary
Chong Loong Trading Co., Ltd.	Fellow subsidiary
USI (Hong Kong) Company Limited (USI (HK))	Fellow subsidiary
USI Green Energy Corporation	Fellow subsidiary
USIG (Shanghai) Co., Ltd.	Fellow subsidiary
USI Education Foundation (USIF)	Essential related party

b. Sales of goods

Related Party Category/Name	2023	2022
Ultimate parent company		
USI Corporation	$ 813,645	$ 1,436,743
Associate	34,198	39,714
Fellow subsidiary	25,653	7,619
	$ 873,496	$ 1,484,076

Sales of goods to related parties were made at the Group's usual prices and conditions which were the same as those to unrelated parties.

c. Purchases of goods

Related Party Category/Name	2023	2022
Ultimate parent company		
USI Corporation	$ 321,720	$ 409,034
Associate		
GL	662,247	698,591
Others	38,161	42,693
	700,408	741,284
	$ 1,022,128	$ 1,150,318

Purchases from related parties were made at market prices which were at the Group's usual prices and conditions which were the same as those from unrelated parties.

d. Management fee (under general and administrative expenses)

Related Party Category/Name	2023	2022
Ultimate parent company		
USI Corporation	$ 9,255	$ 9,631
Fellow subsidiary		
UM	54,800	65,772
Others	-	335
	54,800	66,107
	$ 64,055	$ 75,738

e. Lease arrangements - Group is lessee

Lease expense

Related Party Category/Name	2023	2022
Ultimate parent company		
USI Corporation	$ 2,408	$ 2,505

f. Lease arrangement - Group is lessor

Lease income

Related Party Category/Name	2023	2022
Ultimate parent company		
USI Corporation	$ 3,206	$ 3,471
Parent entity		
Union Polymer	22	40
Associate		
TVCM	13,013	13,099
CGPCP	3,062	4,217
Others	3,326	2,857
	19,401	20,173
Fellow subsidiary		
TTC	6,818	7,405
Others	2,366	2,663
	9,184	10,068
	$ 31,813	$ 33,752

The previously indicated associates leased pipelines from the Company with lease terms of 1 year. The lease contracts are to be regarded as renewed if there is no declaration of termination. The lease payments are calculated according to actual operating volume and are paid on a monthly basis.

g. Donation expenses (under general and administrative expenses)

Related Party Category/Name	2023	2022
Essential related party		
USIF	$ 5,000	$ 5,000

h. Management income (under other income)

Related Party Category/Name	2023	2022
Associate		
CGTD	$ -	$ 552
DEIL	1,951	313
	$ 1,951	$ 865

i. Investment consultant fees (under other gains and losses)

Related Party Category/Name	2023	2022
Fellow subsidiary		
TUVM	$ 1,353	$ 1,286

j. Accounts receivable

Related Party Category/Name	December 31, 2023	December 31, 2022
Ultimate parent company		
USI Corporation	$ 98,763	$ 187,963
Associate	7,045	14,794
Fellow subsidiary	5,618	-
	$ 111,426	$ 202,757

k. Other receivables

Related Party Category/Name	December 31, 2023	December 31, 2022
Ultimate parent company		
USI Corporation	$ 578	$ 1,319
Associate		
CGPCP	33	582
DEIL	696	329
Others	295	306
	1,024	1,217
Fellow subsidiary		
TTC	672	837
Others	88	229
	760	1,066
	$ 2,362	$ 3,602

Other receivables from related parties mainly include payments from the ultimate parent company, associates, and fellow subsidiaries to the Company for renting offices and management fees..

l. Accounts payable

Related Party Category/Name	December 31, 2023	December 31, 2022
Ultimate parent company		
USI Corporation	$ 48,657	$ 50,634
Associate	1,847	3,019
	$ 50,504	$ 53,653

m. Other payables

Related Party Category/Name	December 31, 2023	December 31, 2022
Ultimate parent company		
USI Corporation	$ 218,104	$ 165,778
Associate	5,662	8,000
Fellow subsidiary	771	5,125
	$ 224,537	$ 178,903

Other payables to related parties mainly refer to the payments of purchase of Ethylene by the Company from the ultimate parent company.

n. Compensation of key management personnel

Total remuneration for directors and other key management personnel in 2023 and 2022 is as follows:

	2023	2022
Short-term employee benefits	$ 19,772	$ 22,064

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

29. SIGNIFICANT COMMITMENTS, CRITICAL EVENTS AFTER THE REPORTING DATE AND CONTINGENCIES

a. Significant commitments

The amount available under unused letters of credit as of December 31, 2023 was $250,000 thousand.

b. Key contingencies

Regarding the gas explosion of the propylene pipeline of Lee Chang Yung Chemical Industry Corporation (“LCY Chemical Corp.”) on the night of July 31, 2014 operated by the investee company accounted for using the equity method, China General Terminal & Distribution Corporation (“CGTD”), the criminal case of the gas explosion incident was dismissed by the Supreme Court on September 15, 2021 and all three employees of CGTD were acquitted.

CGTD arrived at an agreement with the Kaohsiung City Government on February 12, 2015, pledging certificates of bank deposits of $231,585 thousand, interests included, to the Kaohsiung City Government as collateral for the loss caused by the gas explosion. The Kaohsiung City Government also filed civil procedure requests in succession against LCY Chemical Corp., CGTD and CPC Corporation, Taiwan ("CPC"). Taiwan Power Company applied to the court for provisional attachment against CGTD's property on August 27 and November 26, 2015 and CGTD had deposited cash of $99,207 thousand to the court to avoid provisional attachment. Taiwan Water Corporation also applied to the court for provisional attachment against CGTD's property on February 3 and March 2, 2017, respectively. As of February 27, 2024, the provisionally attached property of CGTD was worth $9,555 thousand.

As for the victims of the gas explosion, CGTD, LCY Chemical Corp. and the Kaohsiung City Government signed a tripartite agreement on July 17, 2015, agreeing to negotiate compensation in advance for all the heirs and claimants of the 32 victims (hereinafter referred to as "the families of the victims"). Each victim's family received $12,000 thousand, and the total compensation was $384,000 thousand. The compensation was advanced by LCY Chemical Corp, and LCY Chemical Corp. was in charge of negotiating the compensation with the victims' families and signing the settlement agreement on behalf of the three parties. In accordance with the tripartite agreement, CGTD paid $157,347 thousand to LCY Chemical Corp. on August 10, 2022 according to the proportion of fault liability of 30% in the first-instance judgments of this case. After settling the civil litigation later, compensation will be made according to the determined liability proportion.

As for the seriously injured, CGTD, LCY Chemical Corp. and the Kaohsiung City Government signed a tripartite agreement for severe injuries on October 25, 2017, agreeing to negotiate compensation in advance with the 65 seriously injured victims. The compensation was advanced by CGTD and the Kaohsiung City Government, and CGTD was in charge of negotiating the compensation with the seriously injured victims and signing the settlement agreement on behalf of the three parties with the 64 seriously injured victims.

As of February 27, 2024, the victims and victims' families had written letters or filed civil procedures (and criminal procedures) against LCY Chemical Corp., CGTD and CPC for compensation. To reduce the lawsuit costs, CGTD had reached a settlement on the original claim for $46,677 thousand, and the amount of the compensation was $4,519 thousand. Along with the case still in litigation and the above-mentioned compensation, the accumulated amount of compensation is approximately $3,856,447 thousand. The first-instance judgments of some of the abovementioned civil cases (the amount of compensation requested is approximately $1,470,793 thousand) have been gradually announced, starting from June 22, 2018. The proportion of fault liability of the Kaohsiung City Government, LCY Chemical Corp. and CGTD is 4:3:3 in most judgments. The total amount of compensation that CGTD, LCY Chemical Corp. and the other defendants should pay is about $401,979 thousand, of which CGTD was exempted to pay $6,194 thousand. Currently CGTD has filed an appeal for the adjudicated but unsettled civil cases and proceeded with the second instance procedure successively. The rest of the cases are still under trial in the Court of First Instance (the amount of compensation requested is approximately $1,882,829 thousand). CGTD signed a claim agreement with an insurance company, according to the negligence liability ratio determined by the judgment of first instance, it is estimated the settlement amount of victims and seriously injured, the compensation amount of civil litigation cases (including the settled cases), and estimated amount to be borne by itself after deducting the upper limit of insurance claim was $136,375 thousand, which had been included into the account. However, the actual amount of such settlement and compensation shall not be confirmed until the proportion of liability to be borne by CGTD is determined in the civil case judgment in the future.

30. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information is expressed in aggregate in foreign currencies other than the functional currency of the Group, and the exchange rates disclosed refer to the exchange rates at which these foreign currencies were translated into the functional currency. Significant assets and liabilities denominated in foreign currencies are as follows:

Units: The foreign currency/carrying amount is in thousand dollars, except the exchange rate in dollars

December 31, 2023

	Foreign Currency	Exchange Rate	Functional Currency	Carrying Amount
Financial assets				
Monetary items				
USD	$ 15,562	30.705(USD:NTD)	$ 477,816	$ 477,816
USD	391	7.0827(USD:RMB)	2,771	12,013
RMB	3,685	0.1412(RMB:USD)	520	15,967
RMB	41,026	4.3352(RMB:NTD)	177,854	177,854
				$ 683,650

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	Foreign Currency	Exchange Rate	Functional Currency	Carrying Amount
Non-monetary items				
Associates accounted for using the equity method				
USD	82,758	30.705(USD:NTD)	2,541,084	$ 2,541,084
RMB	7,675	0.1412(RMB:USD)	1,084	33,270
				$ 2,574,354
Derivative instruments				
RMB	15,100	4.3352(RMB:NTD)	955	$ 955
Financial liabilities				
Monetary items				
USD	$ 5,944	30.705(USD:NTD)	$ 182,506	$ 182,506
RMB	758	0.1412(RMB:USD)	107	3,288
				$ 185,794

December 31, 2022

	Foreign Currency	Exchange Rate	Functional Currency	Carrying Amount
Financial assets				
Monetary items				
USD	$ 23,264	30.710(USD:NTD)	$ 714,437	$ 714,437
USD	368	6.9647(USD:RMB)	2,561	11,292
RMB	3,254	0.1436(RMB:USD)	467	14,342
RMB	149,703	4.4094(RMB:NTD)	660,099	660,099
				$ 1,400,170
Non-monetary items				
Associates accounted for using the equity method				
USD	114,834	30.710(USD:NTD)	3,526,546	$ 3,526,546
RMB	2,795	0.1436(RMB:USD)	401	12,323
				$ 3,538,869
Derivative instruments				
RMB	21,700	4.4094(RMB:NTD)	425	$ 425
Financial liabilities				
Monetary items				
USD	$ 7,760	30.710(USD:NTD)	$ 238,315	$ 238,315
RMB	29	0.1436(RMB:USD)	4	129
				$ 238,444
Non-monetary items				
Derivative instruments				
RMB	79,800	4.4094(RMB:NTD)	3,012	$ 3,012

For the years ended December 31, 2023 and 2022, realized and unrealized foreign exchange gains were $1,793 thousand and $44,894 thousand, respectively. It is impractical to disclose net foreign exchange (losses) gains by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the Group.

31. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

   1) Financing provided to others. (None)

   2) Endorsements/guarantees provided. (None)

   3) Marketable securities held (excluding investments in subsidiaries, associates and interests in joint ventures). (Table 1)

   4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital. (None)

   5) Acquisitions of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital. (None)

   6) Disposals of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital. (None)

   7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 2)

   8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 3)

   9) Trading in derivative instruments. (Note 7)

   10) Others: Intercompany relationships and significant intercompany transactions. (Table 4)

b. Information about investees. (Table 5)

c. Information on investments in mainland China

   1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 6)

   2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (Table 7)

      a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year.

      b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year.

c) The amount of property transactions and the amount of the resultant gains or losses.

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes.

e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to financing of funds.

f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.

d. Information about substantial shareholders: Names of shareholders with a holding ratio of 5% or more and the amount and proportion of shares held. (Table 8)

Besides Tables 1 to 8 as disclosed, there was no other information about significant transactions, investees and investments in mainland China which should be disclosed.

32. SEGMENT INFORMATION

a. Operating segments: According to IFRS 8 "Operating Segments," the Group is a single operating segment that produces and sells petrochemical products, and therefore, there is no need to disclose the information of operating segments.

b. Geographical information

The Company's revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

	Revenue from External Customers		Non-current Assets	
	2023	2022	December 31, 2023	December 31, 2022
Taiwan	$ 1,568,054	$ 1,900,817	$ 3,894,484	$ 3,809,859
Asia	4,768,699	7,570,488	72,413	75,025
Others	380,375	344,027	-	-
	$ 6,717,128	$ 9,815,332	$ 3,966,897	$ 3,884,884

Non-current assets exclude financial instruments, deferred income tax assets and refundable deposits.

c. Information about major customers:

Customers who contributed 10% or more to the Group's net revenue from sales:

Customer Name	2023	2022
Customer A	$ 813,645	$ 1,436,743

TABLE 1

ASIA POLYMER CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Group	Financial Statement Account	Ending				Note
				Number of Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Asia Polymer Corporation	Shares							
	Harbinger Venture Capital Corp.	-	Financial assets at fair value through other comprehensive income - non-current	2,377	$ 14	1.20%	$ 14	
	KHL IB Venture Capital Co., Ltd.	〃	〃	13,132,193	120,947	11.90%	120,947	
	PELL Bio-Med Technology Co. Ltd.	〃	〃	235,000	19,975	0.44%	19,975	
	USI Corporation	Ultimate parent company	〃	101,355,673	2,001,775	8.53%	2,001,775	
	CTCI Corporation	-	〃	14,446,107	608,903	1.80%	608,903	
	AUO Corporation	〃	〃	7,694,812	139,661	0.10%	139,661	
	Wafer Works Corporation	〃	Financial assets at fair value through other comprehensive income - current	518,668	22,458	0.10%	22,458	
	Taiwan Cement Corporation	〃	Financial assets at fair value through profit or loss - current	2,000,000	69,700	0.03%	69,700	
	Hon Hai Precision Industry Co., Ltd.	〃	〃	100,000	10,450	-	10,450	
	China Steel Corporation	〃	〃	350,000	9,450	-	9,450	
	UPC Technology Corporation	〃	〃	293,000	4,454	0.02%	4,454	
	Beneficiary securities							
	Cathay No. 1 Real Estate Investment Trust Fund	〃	〃	4,053,000	68,820	-	68,820	
	Beneficiary certificates							
	Jih Sun Money Market Fund	〃	〃	3,953,746	60,312	-	60,312	
	Taishin 1699 Money Market Fund	〃	〃	18,260,735	254,600	-	254,600	
	Capital Money Market Fund	〃	〃	2,897,690	48,064	-	48,064	
	CTBC Hua Win Money Market Fund	〃	〃	1,771,181	20,041	-	20,041	
	SinoPac TWD Money Market Fund	〃	〃	11,202,715	160,210	-	160,210	

(Continued)

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Group	Financial Statement Account	Ending				Note
				Number of Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
APC (BVI) Holding Co., Ltd.	Shares							
	Budworth Investment Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	40,467	$ 2	4.45%	$ 2	
	Silicon Technology Investment (Cayman) Corp. - preference shares	〃	〃	1,139,776	84,022	2.21%	84,022	
	NeuroSky, Inc. - series D preference shares	〃	〃	2,397,364	-	0.37%	-	(Note 1)
	Solargiga Energy Holdings Ltd.	〃	〃	15,863,333	9,411	0.48%	9,411	
	Teratech Corp.	〃	〃	112,000	-	0.67%	-	(Note 1)
	TGF Linux Communication, Inc. - preference shares	〃	Financial assets at fair value through profit or loss - non-current	300,000	-	-	-	(Note 1)
	Sohoware, Inc. - preference shares	〃	〃	450,000	-	-	-	(Note 1)
	Boldworks, Inc. - preference shares	〃	〃	689,266	-	-	-	(Note 1)
APC Investment Corporation	Shares							
	USI Corporation	Ultimate parent company	Financial assets at fair value through profit or loss - current	44,808	885	-	885	
	UPC Technology Corporation	-	〃	116,000	1,763	0.01%	1,763	
	China Steel Corporation	〃	〃	175,000	4,725	-	4,725	
	Taiwan Cement Corporation	〃	〃	1,000,000	34,850	0.01%	34,850	
	Hon Hai Precision Industry Co., Ltd.	〃	〃	50,000	5,225	-	5,225	
	Beneficiary certificates							
	Cathay Taiwan Money Market Fund	〃	Financial assets at fair value through profit or loss - current	2,274,563	29,030	-	29,030	

Note 1. The carrying amount of long-term equity investments in the company was zero due to the investment losses recognized in prior years.

Note 2. Please refer to Tables 5 and 6 for information on investments in subsidiaries and associates.

TABLE 2

ASIA POLYMER CORPORATION AND SUBSIDIARIES

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

FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer/Seller	Counterparty	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)			Note
			Purchase/Sale	Amount	Ratio to Total Purchase/Sale (%)	Credit Period	Unit Price	Credit Period	Financial Statement Account and Ending Balance		Ratio to Total Notes/Accounts Receivable (Payable) (%)	
Asia Polymer Corporation	USI Corporation	Ultimate parent company	Sales of goods	($ 813,245)	(12.43%)	60 days	No significant difference	No significant difference	Accounts receivable from related parties	$ 98,763	19.49%	
〃	USI Trading (Shanghai) Co., Ltd	Subsidiary	Sales of goods	(336,955)	(5.15%)	90 days	No significant difference	No significant difference	Accounts receivable from related parties	102,062	20.15%	Note
〃	USI Corporation	Ultimate parent company	Purchases of goods	201,867	5.28%	30 days	No significant difference	No significant difference	Accounts payable from related parties	(17,007)	(9.27%)	
〃	Fujian Gulei Petrochemical Co., Ltd.	Associate	Purchases of goods	651,304	17.05%	Letters of credit	No significant difference	No significant difference	—	-	-	
USI Trading (Shanghai) Co., Ltd	USI Corporation	Ultimate parent company	Purchases of goods	119,853	23.91%	30 days	No significant difference	No significant difference	Accounts payable from related parties	(31,650)	(23.31%)	

Note: All the transactions were written off when preparing the consolidated financial statements.

TABLE 3

ASIA POLYMER CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL

DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Counterparty	Relationship	Balance of Receivables from Related Parties		Turnover Rate	Overdue Amounts from Related Parties		Amounts Receivable from Related Parties in Subsequent Period (Note 2)	Loss Allowance Amount	Note
						Amount	Actions Taken			
Asia Polymer Corporation	USI Trading (Shanghai) Co., Ltd	Subsidiary	Accounts receivable from related parties	$ 102,062	5.00%	$ -	-	$ 87,913	Note 1	Note 3

Note 1. There is no allowance of loss after assessment.

Note 2. The subsequent period refers to the period between January 1 and March 7, 2024.

Note 3. All the transactions were written off when preparing the consolidated financial statements.

TABLE 4

ASIA POLYMER CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS

FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Trading Company	Counterparty	Relationship with Trader (Note 2)	Transactions Details			
				Account	Amount (Note 4)	Transaction Terms	% of Total Consolidated Operating Revenue or Total Assets (Note 3)
0	Asia Polymer Corporation	APC Investment Corporation	(1)	Non-operating income and expenses - rental income	$ 142	No significant difference	-
0	Asia Polymer Corporation	USI Trading (Shanghai) Co., Ltd	(1)	Accounts receivable from related parties	102,062	No significant difference	0.68%
				Commission expenses	899	No significant difference	0.01%
				Sales of goods	336,955	No significant difference	5.02%
				Other payables from related parties	749	No significant difference	-
1	USI International Corp.	USI Trading (Shanghai) Co., Ltd	(3)	Other receivables from related parties	6,594	No significant difference	0.04%
				Other payables from related parties	3,288	No significant difference	0.02%
				Non-operating income and expenses - rental income	1,375	No significant difference	0.02%
				Management fees	120	No significant difference	-

Note 1. The information about the transactions between the parent company and the subsidiaries should be marked in the No. column as follows:

(1) The parent company: 0.

(2) The subsidiaries: 1 onward.

Note 2. The direction of the investment is as follows:

(1) The parent company to the subsidiaries.

(2) The subsidiaries to the parent company.

(3) Between subsidiaries.

Note 3. The following numerals indicate the manner of ratio calculation of the respective transaction type: Asset or liability: The ratio was calculated based on the ending balance of total consolidated assets; Income or loss: The ratio was calculated based on the midterm accumulated amounts of total consolidated operating revenue.

Note 4. All the transactions were written off when preparing the consolidated financial statements.

TABLE 5

ASIA POLYMER CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEES

FOR THE YEAR ENDED DECEMBER 31, 2023

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Holding at the End of Year			Net Income (Loss) of Investee	Investment Income (Loss)	Note
				Ending of Current Year	Ending of Previous Year	Number of Shares	Percentage	Carrying Amount			
Asia Polymer Corporation	APC (BVI) Holding Co., Ltd.	British Virgin Islands	Reinvestment	$ 422,955 (US$ 13,775 thousand)	$ 422,955 (US$ 13,775 thousand)	11,342,594	100.00%	$ 596,737	$ 19,337	$ 19,337	Subsidiary (Note 1)
	APC Investment Corporation	Taipei City	Investment	200,000	200,000	20,000,000	100.00%	141,678	(3,968)	(3,968)	Subsidiary (Note 1)
	USI International Corp.	British Virgin Islands	Reinvestment	64,481 (US$ 2,100 thousand)	64,481 (US$ 2,100 thousand)	2,100,000	70.00%	66,669	(3,852)	(2,696)	Subsidiary (Note 1)
	China General Plastics Corporation	Taipei City	Production and selling of plastic cloth, plastic skin, plastic pipes, plastic particles, plastic powder, alkali chlorine products, and other related products as main business	247,412	247,412	46,886,185	8.07%	773,150	341,916	27,590	Investments accounted for using the equity method
	China General Terminal & Distribution Corporation	Taipei City	Warehousing and transportation of petrochemical raw materials	41,082	41,082	25,053,469	33.33%	329,972	(26,036)	(8,679)	Investments accounted for using the equity method
	Swanson Plastics Corporation	Taipei City	Manufacture and marketing of stretch films and industrial use multi-layer films	75,242	75,242	12,266,779	7.95%	198,518	(77,152)	(6,133)	Investments accounted for using the equity method
	Acme Electronics Corporation	Taipei City	Manufacture and marketing of manganese-zinc and ferrite core	76,241	61,348	6,801,315	3.19%	56,503	(171,224)	(5,468)	Investments accounted for using the equity method
	Taiwan United Venture Capital Corp.	Taipei City	Investment in high technology businesses	38,636	52,791	1,665,333	8.33%	11,369	(149)	(12)	Investments accounted for using the equity method
	USI Optronics Corporation	Taipei City	Manufacture and marketing of sapphire products	59,725	59,725	5,972,464	9.20%	4,925	(13,363)	(1,230)	Investments accounted for using the equity method
	Ever Conquest Global Ltd.	British Virgin Islands	Reinvestment	5,234,435 (US$ 170,475 thousand)	5,234,435 (US$ 170,475 thousand)	170,475,000	40.87%	2,541,084	(2,331,328)	(952,746)	Investments accounted for using the equity method
APC (BVI) Holding Co., Ltd.	ACME Electronics (Cayman) Corp.	British Cayman Islands	Reinvestment	161,045 (US$ 5,245 thousand)	161,045 (US$ 5,245 thousand)	8,316,450	13.63%	189,269	(94,932)		APC (BVI) Holding Co., Ltd. Investments accounted for using the equity method
	USI International Corp.	British Virgin Islands	Reinvestment	27,634 (US$ 900 thousand)	27,634 (US$ 900 thousand)	900,000	30.00%	28,574	(3,852)		APC (BVI) Holding Co., Ltd. Investments accounted for using the equity method (Note 1)
APC Investment Corporation	Acme Electronics Corporation	Taipei City	Manufacture and marketing of manganese-zinc and ferrite core	39,523	14,889	3,116,262	1.46%	25,888	(171,224)		APC Investment Corporation Investments accounted for using the equity method
	Swanson Technologies Corporation	Taipei City	Farming, sales, research and development of agricultural products and production, sales and development of EVA packaging films and other high value-added plastic products	22,500	22,500	2,250,015	15.00%	(5,651)	(35,475)		APC Investment Corporation Investments accounted for using the equity method
Ever Conquest Global Ltd.	Ever Victory Global Limited	British Virgin Islands	Reinvestment	12,808,437 (US$ 417,145 thousand)	12,808,437 (US$ 417,145 thousand)	417,145,000	67.40%	6,217,923 (US$ 202,505 thousand)	(3,458,807) (US$ 111,368 thousand)		Ever Conquest Global Ltd. Investments accounted for using the equity method
Ever Victory Global Limited	Dynamic Ever Investments Ltd.	Hong Kong	Reinvestment	18,080,639 (US$ 588,850 thousand)	18,080,639 (US$ 588,850 thousand)	588,850,000	85.00%	8,242,352 (US$ 268,437 thousand)	(4,128,406) (US$ 132,920 thousand)		Ever Victory Global Limited Investments accounted for using the equity method

Note 1. All the transactions were written off when preparing the consolidated financial statements.

Note 2. Please refer to Table 6 for information on investee companies in mainland China.

TABLE 6

ASIA POLYMER CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA

FOR THE YEAR ENDED DECEMBER 31, 2023

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

Investee Company	Main Businesses and Products	Paid-in Capital (Note 4)	Method and Medium of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023	Net Income (Loss) of Investee (Note 3)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 3)	Carrying Amount of Investment as of December 31, 2023 (Note 4)	Accumulated Repatriation of Investment Income as of December 31, 2023
					Outflow	Inflow						
ACME Electronics (Kunshan) Co., Ltd.	Manufacture and marketing of manganese-zinc soft ferrite core	$ 943,411 (US$ 30,725 thousand)	(2) ACME Electronics (Cayman) Corp.	$ 128,266 (US$ 4,177 thousand)	$ - -	$ - -	$ 128,266 (US$ 4,177 thousand)	B ($ 104,690)	13.63%	($ 15,186)	$ 92,407	$ -
USI Trading (Shanghai) Co., Ltd	Sale of chemical products and equipment	76,763 (US$ 2,500 thousand)	(2) APC (BVI) Holding Co., Ltd.	93,208 (US$ 3,036 thousand)	- -	- -	93,208 (US$ 3,036 thousand)	B 14,541	100.00%	14,541	162,488	-
Fujian Gulei Petrochemical Co., Ltd.	Processing of crude oil and manufacture of petroleum products	40,379,787 (RMB 9,314,400 thousand)	(2) Dynamic Ever Investments Ltd., (Note 2)	4,847,794 (US$ 157,883 thousand)	- -	- -	4,847,794 (US$ 157,883 thousand)	A (8,237,293)	11.71%	(964,327)	2,183,588	-
Zhangzhou Taiju Trading Co., Ltd.	Sales of chemical products	43,352 (RMB 10,000 thousand)	(2) APC (BVI) Holding Co., Ltd.	13,006 (RMB 3,000 thousand)	- -	- -	13,006 (RMB 3,000 thousand)	A 27,784	30.00%	8,335	20,266	-
Xiamen USI Trading Co., Ltd.	Sales of chemical products	43,352 (RMB 10,000 thousand)	(2) APC (BVI) Holding Co., Ltd.	- -	13,006 (RMB 3,000 thousand)	- -	13,006 (RMB 3,000 thousand)	A (5)	30.00%	(1)	13,004	-
Zhangzhou Dynamic Ever Property Co., Ltd.	Property management	91,039 (RMB 21,000 thousand)	(2) Dynamic Ever Investments Ltd., (Note 2)	- -	21,316 (RMB 4,917 thousand)	- -	21,316 (RMB 4,917 thousand)	A 27	23.41%	6	21,322	-

Accumulated Outward Remittance for Investment from Taiwan to Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
$5,264,471 (Note 5) (US$ 171,453 thousand)	$ 7,011,045 (US$ 228,336 thousand)	$ - - (Note 6)

Note 1. Method and medium of investments are divided into three categories as follows:

(1) Direct investment in mainland China.

(2) Investments through a holding company registered in a third region (Please specify the investment company in the third region).

(3) Others.

Note 2. The Group indirectly reinvested in 50% of the outstanding shares of Fujian Gulei Petrochemical Co., Ltd. via Ever Conquest Global Ltd. (40.87%) in the third region, then via Ever Victory Global Limited (67.40%), and finally via Dynamic Ever Investments Ltd. (85.00%).

Note 3. For the column of investment gain (loss):

(1) If there is no investment gain (loss) during the preparation, it should be noted.

(2) If the basis for the recognition of investment gain (loss) is classified into the following three types, it should be noted as follows:

A. Financial statements audited by international accounting firms which have a cooperation relationship with an accounting firm in the Republic of China.

B. Financial statements audited by CPAs of the parent company in Taiwan.

C. Others.

Note 4. The calculation was based on the exchange rate as of December 31, 2023.

Note 5. The companies in mainland China which are indirectly invested by the Company through APC (BVI) Holding Co. Ltd.'s investment in Silicon Technology Investment (Cayman) Corp. (STIC) and Solargiga Energy Holdings Ltd.

Note 6. As the Company has obtained the certificate of qualification for operating headquarters issued by the Industrial Development Bureau, MOEA in Order No. 11120425760 on August 23, 2022, the upper limit on investments is not applicable.

TABLE 7

ASIA POLYMER CORPORATION AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES

FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Transaction Type	Amount	%	Price	Transaction Terms		Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss	Note
					Payment Terms	Comparison with Normal Transactions	Amount	%		
USI Trading (Shanghai) Co., Ltd	Sales of goods	$ 336,955	5.15%	No significant difference	T/T 90 days	No significant difference	$ 102,062	20.15%	$ -	—
Fujian Gulei Petrochemical Co., Ltd.	Purchases of goods	651,304	17.05%	No significant difference	Letters of credit	No significant difference	-	-	-	—

TABLE 8

ASIA POLYMER CORPORATION

INFORMATION ABOUT SUBSTANTIAL SHAREHOLDERS
DECEMBER 31, 2023

Name of Substantial Shareholders	Shares	
	Number of Shares Held	%
Union Polymer International Investment Corporation	214,245,822	36.08%

Note: The information of substantial shareholders in this table refers to the information calculated by TDCC on the last business day at the end of the current quarter of which the total number of ordinary shares and preferred shares (including treasury shares) of the Company held, amounting to more than 5%, by the shareholder that have completed the dematerialized registration and delivery. The share capital recorded in the consolidated financial statements of the Company and the actual number of shares that have completed the dematerialized registration and delivery may be different or discrepant due to different compilation and calculation basis.

Parent Company Only Financial Statements Audited and Attested by CPAs for the Most Recent Fiscal Years:

INDEPENDENT AUDITORS' REPORT

To Asia Polymer Corporation:

Opinion

We have audited the accompanying parent company only financial statements of Asia Polymer Corporation (the "Company"), which comprise the parent company only balance sheets as of December 31, 2023 and 2022, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, 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 of the parent company only financial statements in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants Engaged and auditing standards in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters related to the Company's parent company only financial statements for the year ended December 31, 2023 are stated as follows:

Recognition of Sales Revenue from Specific Customers

The amount of sales revenue for the year ended December 31, 2023 was NT$6,541,670 thousand, which was approximately 31.96% lower than the sales revenue for the year ended December 31, 2022 of NT$9,614,583 thousand. Nevertheless, the sales revenue from specific customers deviates significantly from the trend of total sales revenue. Therefore, recognition of sales revenue from these specific customers has been identified as a key audit matter.
The audit procedures that we performed in response to the risk were as follows:

1. We obtained an understanding of the design and implementation of internal controls about these specific customers and tested if these controls were performed effectively. Such controls include credit assessments of customers, revenue recognition and receivables collection.
2. We sampled and inspected purchase orders from these specific customers, shipping confirmations and receivables collection receipts in order to verify the accuracy of sales revenue.
3. We reviewed sales returns and discounts recognized and the amounts received in subsequent periods to assess for any abnormalities.

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

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

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

Those charged with governance (including the audit committee) are responsible for overseeing the Company’s financial reporting process.

Auditors’ Responsibilities for the Audit of the Parent Company Only Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the 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 statements 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 parent company only financial statements for the year ended December 31, 2023 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 Chiu, Cheng-Chun (Financial Supervisory Commission, Jin Guan Zheng Liu Zi No. 0930160267) and Chuang, Pi-Yu (Financial Supervisory Commission, Jin Guan Zheng Shen Zi No. 1070323246)

Deloitte & Touche

Taipei, Taiwan
Republic of China

March 7, 2024

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ASIA POLYMER CORPORATION

PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

		December 31, 2023		December 31, 2022	
Code	ASSETS	Amount	%	Amount	%
	CURRENT ASSETS				
1100	Cash and cash equivalents (Notes 4 and 6)	$ 859,589	6	$ 1,065,304	7
1110	Financial assets at fair value through profit and loss - current (Notes 4 and 7)	707,056	5	457,732	3
1120	Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	22,458	-	21,162	-
1170	Accounts receivable (Notes 4, 9 and 20)	293,125	2	868,078	5
1180	Accounts receivable from related parties (Notes 4, 9, 20 and 26)	213,488	1	235,587	1
1200	Other receivables (Note 4)	700	-	494	-
1210	Other receivables from related parties (Notes 4 and 26)	2,039	-	3,336	-
130X	Inventories (Notes 4 and 10)	592,720	4	517,666	3
1410	Prepayments	204,238	1	164,319	1
1470	Other current assets	116	-	110	-
11XX	Total current assets	2,895,529	19	3,333,788	20
	NON-CURRENT ASSETS				
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	2,891,275	19	3,095,256	19
1550	Investments accounted for using the equity method (Notes 4, 5, 11 and 27)	4,720,605	32	5,735,988	35
1600	Property, plant and equipment (Notes 4 and 12)	3,456,535	23	3,363,200	21
1755	Right-of-use assets (Notes 4 and 13)	9,402	-	10,451	-
1760	Investment properties (Notes 4 and 14)	428,547	3	436,208	3
1840	Deferred income tax assets (Notes 4 and 22)	558,060	4	356,127	2
1990	Other non-current assets (Note 4)	2,757	-	7,448	-
15XX	Total non-current assets	12,067,181	81	13,004,678	80
1XXX	TOTAL ASSETS	$ 14,962,710	100	$ 16,338,466	100
Code	LIABILITIES AND EQUITY				
	CURRENT LIABILITIES				
2100	Short-term borrowings (Note 15)	$ -	-	$ 120,000	1
2120	Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	-	-	3,012	-
2170	Accounts payable (Note 16)	164,616	1	256,872	2
2180	Accounts payable to related parties (Notes 16 and 26)	18,854	-	23,023	-
2219	Other payables (Note 17)	231,018	2	219,449	1
2220	Other payables to related parties (Note 26)	225,285	2	178,997	1
2230	Current tax liabilities (Notes 4 and 22)	221,932	2	652,253	4
2280	Lease liabilities - current (Notes 4 and 13)	6,422	-	6,524	-
2320	Current portion of long-term liabilities (Note 15)	65,880	-	-	-
2365	Refund liabilities - current	5,899	-	5,899	-
2399	Other current liabilities (Note 20)	47,229	-	34,609	-
21XX	Total current liabilities	987,135	7	1,500,638	9
	NON-CURRENT LIABILITIES				
2540	Long-term borrowings (Note 15)	480,214	3	450,636	3
2570	Deferred income tax liabilities (Notes 4 and 22)	29,822	-	29,667	-
2580	Lease liabilities - non-current (Notes 4 and 13)	11,326	-	17,709	-
2640	Net defined benefit liabilities - non-current (Notes 4 and 18)	102,364	1	112,106	1
2670	Other non-current liabilities	12,765	-	10,752	-
25XX	Total non-current liabilities	636,491	4	620,870	4
2XXX	Total liabilities	1,623,626	11	2,121,508	13
	EQUITY (Notes 4, 8, 19 and 22)				
	Share Capital				
3110	Ordinary shares	5,937,438	40	5,937,438	36
3200	Capital surplus	37,559	-	37,142	-
	Retained earnings				
3310	Legal reserve	2,370,208	16	2,223,200	14
3320	Special reserve	554,105	4	565,379	3
3350	Unappropriated earnings	3,771,456	25	4,511,018	28
3300	Total retained earnings	6,695,769	45	7,299,597	45
3400	Other equity	668,318	4	942,781	6
3XXX	Total equity	13,339,084	89	14,216,958	87
	TOTAL LIABILITIES AND EQUITY	$ 14,962,710	100	$ 16,338,466	100

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

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ASIA POLYMER CORPORATION

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

		2023		2022	
Code		Amount	%	Amount	%
4100	NET REVENUE (Notes 4, 20 and 26)	$ 6,541,670	100	$ 9,614,583	100
5110	OPERATING COSTS (Notes 4, 10, 18, 21 and 26)	5,417,965	83	6,400,965	66
5900	GROSS PROFIT	1,123,705	17	3,213,618	34
	OPERATING EXPENSES (Notes 18, 21 and 26)				
6100	Selling and marketing expenses	99,590	1	148,553	2
6200	General and administrative expenses	109,601	2	122,774	1
6300	Research and development expenses	6,353	-	6,467	-
6000	Total operating expenses	215,544	3	277,794	3
6900	PROFIT FROM OPERATIONS	908,161	14	2,935,824	31
	NON-OPERATING INCOME AND EXPENSES (Notes 4, 11, 21 and 26)				
7100	Interest income	12,648	-	6,637	-
7010	Other income	168,204	2	351,788	3
7020	Other gains and losses	(619)	-	(7,856)	-
7510	Interest expense	(9,112)	-	(10,311)	-
7060	Share of profit or loss of associates	(934,005)	(14)	(1,463,444)	(15)
7000	Total non-operating income and expenses	(762,884)	(12)	(1,123,186)	(12)
7900	PROFIT BEFORE INCOME TAX	145,277	2	1,812,638	19
7950	INCOME TAX EXPENSE (Notes 4 and 22)	28,993	-	365,269	4
8200	NET PROFIT FOR THE YEAR	116,284	2	1,447,369	15
	OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 11, 18, 19 and 24)				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurement of defined benefit plans	$ 16	-	$ 11,338	-

(Continued)

(Continued)

Code		2023 Amount	2023 %	2022 Amount	2022 %
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	(222,659)	(4)	(1,028,899)	(11)
8330	Share of the other comprehensive income (loss) of associates accounted for using the equity method	(17,662)	-	(24,183)	-
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss	275	-	(1,864)	-
		(240,030)	(4)	(1,043,608)	(11)
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translating the financial statements of foreign operations	(41,135)	-	150,506	2
8380	Share of the other comprehensive income (loss) of associates accounted for using the equity method	(2,794)	-	10,152	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	8,227	-	(30,101)	-
		(35,702)	-	130,557	2
8300	Other comprehensive income (loss) for the year, net of income tax	(275,732)	(4)	(913,051)	(9)
8500	TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	($ 159,448)	(2)	$ 534,318	6
	EARNINGS PER SHARE (Note 23)				
9710	Basic	$ 0.20		$ 2.44	
9810	Diluted	$ 0.20		$ 2.43	

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ASIA POLYMER CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

		Share Capital			Retained Earnings			Other Equity		
Code		Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total Equity
A1	BALANCE AT JANUARY 1, 2022	593,743	$ 5,937,438	$ 35,319	$ 1,906,008	$ 565,379	$ 5,139,359	($ 239,960)	$ 2,118,506	$ 15,462,049
	Appropriation of the 2021 earnings									
B1	Legal reserve	-	-	-	317,192	-	(317,192)	-	-	-
B5	Cash dividends distributed	-	-	-	-	-	(1,781,232)	-	-	(1,781,232)
C7	Changes in capital surplus from investments in associates accounted for using the equity method	-	-	329	-	-	111	-	(111)	329
C17	Reclassification of past dividends to capital surplus	-	-	1,494	-	-	-	-	-	1,494
D1	Net profit for the year ended December 31, 2022	-	-	-	-	-	1,447,369	-	-	1,447,369
D3	Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	22,413	130,557	(1,066,021)	(913,051)
D5	Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	1,469,782	130,557	(1,066,021)	534,318
Q1	Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	190	-	(190)	-
Z1	BALANCE AT DECEMBER 31, 2022	593,743	5,937,438	37,142	2,223,200	565,379	4,511,018	(109,403)	1,052,184	14,216,958
	Appropriation of the 2022 earnings									
B1	Legal reserve	-	-	-	147,008	-	(147,008)	-	-	-
B5	Cash dividends distributed	-	-	-	-	-	(712,493)	-	-	(712,493)
C7	Changes in capital surplus from investments in associates accounted for using the equity method	-	-	(110)	-	-	(6,934)	-	584	(6,460)
C17	Reclassification of past dividends to capital surplus	-	-	527	-	-	-	-	-	527
B17	Reversal for special reserve	-	-	-	-	(11,274)	11,274	-	-	-
D1	Net profit for the year ended December 31, 2023	-	-	-	-	-	116,284	-	-	116,284
D3	Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	(685)	(35,702)	(239,345)	(275,732)
D5	Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	115,599	(35,702)	(239,345)	(159,448)
Z1	BALANCE AT DECEMBER 31, 2023	593,743	$ 5,937,438	$ 37,559	$ 2,370,208	$ 554,105	$ 3,771,456	($ 145,105)	$ 813,423	$ 13,339,084

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

ASIA POLYMER CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

Code		2023	2022
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Income before income tax	$ 145,277	$ 1,812,638
A20010	Adjustments for:		
A20100	Depreciation expenses	316,347	302,505
A20200	Amortization expenses	359	35
A20400	Net (gain) loss on fair value change of financial assets at fair value through profit or loss	(10,298)	37,814
A20900	Interest expense	9,112	10,311
A21200	Interest income	(12,648)	(6,637)
A21300	Dividend income	(107,546)	(288,990)
A22400	Share of profit or loss of associates	934,005	1,463,444
A23800	Loss on write-down of inventories	10,123	267
A24100	Net loss on foreign currency exchange	5,661	351
A30000	Changes in operating assets and liabilities		
A31115	Financial assets mandatorily classified as at fair value through profit or loss	(242,038)	546,470
A31150	Accounts receivable	565,843	120,851
A31160	Accounts receivable from related parties	20,317	206,127
A31180	Other receivables	-	10,406
A31190	Other receivables from related parties	1,297	(1,858)
A31200	Inventories	(85,177)	51,255
A31230	Prepayments	(39,919)	(19,151)
A31240	Other current assets	(6)	-
A32150	Accounts payable	(90,140)	40,747
A32160	Accounts payable from related parties	(3,752)	(9,886)
A32180	Other payables	(27,726)	(13,359)
A32190	Other payables from related parties	48,986	(28,734)
A32230	Other current liabilities	12,620	20,402
A32240	Net defined benefit liabilities - non-current	(9,726)	(11,560)
A33000	Cash generated from operations	1,440,971	4,243,448
A33100	Interest received	12,442	6,167
A33300	Interest paid	(6,476)	(10,774)
A33500	Income tax paid	(652,590)	(660,808)
AAAA	Net cash generated from operating activities	794,347	3,578,033

(Continued)

(Continued)

Code		2023	2022
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00020	Proceeds from sale of financial assets at fair value through other comprehensive income	$ -	$ 216
B00030	Capital reduction of financial assets at fair value through other comprehensive income	-	19,237
B00300	Purchase of financial assets at fair value through other comprehensive income	(19,975)	-
B01800	Acquisition of long-term equity investments accounted for using the equity method	(14,894)	-
B02400	Proceeds from capital reduction of investee companies accounted for using equity method	14,155	-
B02700	Payments for property, plant and equipment	(370,222)	(273,222)
B03700	Increase in refundable deposits	(141)	(143)
B03800	Decrease in refundable deposits	141	143
B04500	Payments for intangible assets	(660)	(321)
B05400	Acquisition of investment properties	-	(884)
B07600	Dividends received	121,612	414,180
B09900	Decrease in other non-current assets	4,992	8,346
BBBB	Net cash (used in) generated from investing activities	(264,992)	167,552
	NET CASH FLOWS FROM FINANCING ACTIVITIES		
C00200	Repayments of short-term borrowings	(120,000)	(380,000)
C01600	Proceeds from long-term borrowings	104,000	3,128,884
C01700	Repayments of long-term borrowings	(10,000)	(4,050,000)
C03000	Increase in guarantee deposits received	1,215	789
C03100	Decrease in guarantee deposits received	(458)	(2,724)
C04020	Repayment of the principal portion of lease liabilities	(6,309)	(6,096)
C04400	Increase (decrease) in other non-current liabilities	87	(3,758)
C04500	Payment of dividends	(703,605)	(1,782,659)
CCCC	Net cash used in financing activities	(735,070)	(3,095,564)
EEEE	NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(205,715)	650,021
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,065,304	415,283
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 859,589	$ 1,065,304

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

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ASIA POLYMER CORPORATION

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Asia Polymer Corporation (the "Company") was established in January 1977. The Company designs, develops, manufactures and sells low-density polyethylene (LDPE), medium-density polyethylene (MDPE), and ethylene vinyl acetate copolymer (EVA).

The ordinary shares of the Company have been listed on the Taiwan Stock Exchange. As of December 31, 2023, the ultimate parent company, USI Corporation, held 36.08% of ordinary shares of the Company.

The functional currency of the Company is the New Taiwan dollar, and the parent company only financial statements of the Company are presented in the Company's functional currency.

2. APPROVAL OF FINANCIAL STATEMENTS

The parent company only financial statements were issued after it had been approved by the Board of Directors on March 7, 2024.

3. APPLICATION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC).

   The application of the revised IFRS Accounting Standards endorsed and issued into effect by the FSC will not result in significant changes in the accounting policies of the Company.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

New/Revised/Amended Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024
Amendment to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024 (Note 3)

Note 1. Unless stated otherwise, the above New/Revised/Amended Standards and Interpretations are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2. Sellers and lessees should apply the amendments to IFRS 16 retroactively to sale-and-leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3. Exemptions from certain disclosure requirements are granted when applying this amendment for the first time.

As of the date the parent company only financial statements were authorized for issue, according to the Company's assessment, the amendments to the above standards and interpretations will have no significant impact on the Company's financial position and financial performance.

c. IFRS Accounting Standards issued by the IASB but not yet endorsed and issued into effect by the FSC

New/Revised/Amended Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

Note 1. Unless stated otherwise, the above New/Revised/Amended Standards and Interpretations are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2. Applicable to the annual reporting periods beginning on or after January 1, 2025. When the amendment is initially applied, the effects will be recognized in the initial application date's retained earnings. When the Company uses non-functional currency as the presentation currency, the effects will be adjusted to the exchange difference of foreign operations under equity on the initial application date.

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

d. Reclassification

The management of the Company believes that the relevant usage restrictions on the funds repatriated for substantial investments in accordance with the "Management, Utilization, and Taxation of Repatriated Offshore Funds Act" have not changed the nature of the deposits. The Company can obtain such amount on demand, and it is more appropriate to present the deposit account as cash and cash equivalents. Therefore, the presentation of the parent company only balance sheets and parent company only statements of cash flows was changed in 2023. The carrying amounts of financial assets at amortized cost that were reclassified to cash and cash equivalents on December 31, 2023, December 31, 2022, and January 1, 2022 were $3,851 thousand, $8,350 thousand, and $21,786 thousand, respectively. The effect of cash flow items in 2022 is as follows:

	Adjustment
Net cash generated from operating activities	$ 463
Net cash used in investing activities	(13,899)
Net decrease in cash and cash equivalents	($ 13,436)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

The parent company only financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value and net defined benefit liabilities which are measured at present value of the defined benefit obligation less the fair value of plan assets.

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

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

When preparing the parent company only financial statements, the Company used the equity method to account for its investments in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owners of the Company in its consolidated parent company only financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for using the equity method, the share of profit or loss of subsidiaries and associates, the share of other comprehensive income of subsidiaries and associates and the related equity items, as appropriate, in these parent company only financial statements.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;
2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;
2) Liabilities due to be settled within 12 months after the reporting period even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the parent company only financial statements are authorized for issue; and
3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

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

d. Foreign currency

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

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

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

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction (i.e., not retranslated).

For the purposes of presenting parent company only financial statements, the assets and liabilities of the Company's foreign operations (including of the associates in other countries or currencies which are different from the currency of the Company) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income.

On the disposal of a foreign operation (i.e. a disposal of the Company's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is included in the calculation of equity transactions but is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

e. Inventories

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

f. Investments in subsidiaries

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

A subsidiary is an entity that is controlled by the Company.

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

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are accounted for as equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Company's share of loss of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further loss, if any.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary that forms part of the business at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognized immediately in profit or loss.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's parent company only financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes the reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

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

Unrealized profit or loss resulting from downstream transactions is eliminated in full in the parent company only financial statements. Profit and loss resulting from upstream transactions and transactions between subsidiaries are recognized in the parent company only financial statements and only to the extent of interests in the subsidiaries that are not related to the Company.

g. Investments in associates

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

The Company uses the equity method to account for its investments in associates. Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate. The Company also recognizes the changes in the Company's share of the equity of associates attributable to the Company.

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

When the Company subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Company's proportionate interest in the associate. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates accounted for using the equity method. If the Company's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Company's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the associate), the Company discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Company has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Company discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Company accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities.

When the Company transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Company's parent company only financial statements only to the extent that interests in the associate are not related to the Company.

h. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Samples of these assets are measured at the lower of cost or net realizable value when the assets are tested for proper functioning before realizing their intended use, and the sales price and cost are recognized in profit or loss. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

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

i. Investment properties

Investment properties are properties held to earn rental and/or for capital appreciation (including right-of-use assets if the definition of investment properties is met). Investment properties also include land held for a currently undetermined future use.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

Investment properties acquired through leases were initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made on or before the commencement date, plus initial direct costs incurred and an estimate of costs needed to restore the underlying assets, less any lease incentives received. These investment properties are subsequently measured at cost less accumulated depreciation and accumulated impairment loss and adjusted for any remeasurement of the lease liabilities.

Depreciation is recognized using the straight-line method.

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

j. Intangible assets

1) Acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each year, with the effects of any changes in the estimates accounted for on a prospective basis.

2) Derecognition

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

k. Impairment of property, plant and equipment, right-of-use assets, investment property and intangible assets

At each balance sheet date, the Company assesses whether there is any indication that property, plant and equipment, right-of-use assets, investment property and intangible assets may have been impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

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

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

l. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial asset is classified as at FVTPL when such a financial asset is mandatorily classified. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at

FVTOCI and liability instrument investments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends or interest earned on such financial assets are recognized in other income and interest income, respectively; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 25.

ii. Financial assets at amortized cost

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

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

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

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

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset.

A financial asset is credit impaired when one or more of the following events have occurred: Significant financial difficulty of the issuer or the borrower; Breach of contract, such as a default; It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

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

The Company always recognizes lifetime expected credit losses (ECLs) for accounts receivable. For all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

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

For internal credit risk management purposes, the Company determines that the following situations indicate that a financial asset is in default:

i. Internal or external information show that the debtor is unlikely to pay its creditors.

ii. When a financial asset is past due unless the Company has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

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

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without reclassifying to profit or loss.

2) Equity instruments

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

Equity instruments issued by the Company are recognized at the proceeds received after deducting direct issue costs.

Repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. The carrying amount is calculated as the weighted average amount by type of stock. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3) Financial liabilities

a. Subsequent measurement

Except the following situation, all the financial liabilities are measured at amortized cost using the effective interest method.

<u>Financial liabilities at FVTPL</u>

Financial liabilities are classified as at FVTPL when such financial liabilities are held for trading.

Financial liabilities held for trading are stated at fair value, and any gains or losses on such financial liabilities are recognized in other gains or losses.

Fair value is determined in the manner described in Note 25.

b. Derecognition of financial liabilities

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

4) Derivative instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

m. Revenue recognition

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

Revenue from sale of goods

Revenue from the sale of goods comes from sale of LDPE, MDPE and EVA. Sales are recognized as revenue when the goods are delivered to the customer's specific location or the goods are shipped because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Accounts receivable are recognized concurrently.

n. Leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

1) The Company as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

When the Company subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Company, as a lessee, has accounted for applying recognition exemption, the sublease is classified as an operating lease.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

2) The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the parent company only balance sheets, except for those that meet the definition of investment properties. With respect to the recognition and measurement of right-of-use assets that meet the definition of investment properties, refer to Note h. for the accounting policies for investment properties.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. Lease liabilities are presented separately on the parent company only balance sheets.

o. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the costs of those assets, until such time as the assets are substantially ready for their intended use or sale. Other than those stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

p. Government grant

A government grant is recognized only when it can be reasonably assured that the Company will comply with the conditions imposed by the government grant and that such grant will be received.

Government grants relating to income are recognized in other income on a systematic basis over the periods in which the Company recognizes expenses for the related costs for which the grants are intended to compensate. Government grants whose condition is that the Company should purchase, construct or otherwise acquire the non-current assets are recognized as deferred income, which should be transferred to profit or loss over the useful lives of the related assets on a reasonable and systematic basis.

If the government grant is used to compensate expenses or losses already incurred or is given to the Company for the purpose of immediate financial support without related costs in the future, it can be recognized in profit or loss within the collectible period.

For government subsidy loan with lower than market interest rates obtained by the Company, the difference between the loan amount received and the fair value of the loan based on the prevailing market interest rate is recognized as a government grant.

q. Employee benefits

1) Short-term employee benefits

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

2) Post-employment benefits

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

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

r. Income tax

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

1) Current tax

The Company determines the income (loss) of the current year in accordance with the laws and regulations in the Republic of China, and calculates the income tax payable accordingly.

According to the Income Tax Law, an additional tax of unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred income tax

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

Deferred income tax liabilities are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilized.

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

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

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

3) Current and deferred income taxes

Current and deferred income taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The Company takes into account the potential impacts when developing critical accounting estimates, and the management will continue to review the estimates and underlying assumptions.

Key sources of estimation uncertainty

Estimation of damage compensation for associate's gas explosion incidents

The Company's associate, China General Terminal & Distribution Corporation (hereinafter "CGTD"), recognized a provision for civil damages due to gas explosion. The management considered the progress of the relevant civil and criminal procedures, settlements achieved, and legal advice to estimate the amount of the provision. However, the actual amount might differ from the current estimation.

6. CASH AND CASH EQUIVALENTS

	December 31, 2023	December 31, 2022
Cash on hand and petty cash	$ 91	$ 79
Checking accounts and demand deposits	56,115	46,991
Cash equivalents		
Time deposits	284,230	443,952
Reverse repurchase agreements collateralized by bonds	519,153	574,282
	$ 859,589	$ 1,065,304

At the end of the reporting period, the market rate intervals for bank deposits and reverse repurchase agreements collateralized by bonds were as follows:

	December 31, 2023	December 31, 2022
Time deposits	1.40%～5.25%	1.20%～4.18%
Reverse repurchase agreements collateralized by bonds	1.49%～1.55%	1.15%～1.40%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

	December 31, 2023	December 31, 2022
Financial assets - current		
Mandatorily classified as at FVTPL		
Derivative instruments (not under hedge accounting)		
— Foreign exchange forward contracts	$ 955	$ 425
Non-derivative financial assets		
— Listed shares	94,054	61,402
— Mutual funds	543,227	335,952
— Beneficiary securities	68,820	59,953
Subtotal	706,101	457,307
	$ 707,056	$ 457,732
Financial liabilities - current		
Held for trading		
Derivative instruments (not under hedge accounting)		
— Foreign exchange forward contracts	$ -	$ 3,012

The net gain and loss on operations of financial assets and liabilities at FVTPL in 2023 and 2022 were gain of $13,588 thousand and loss of $24,439 thousand, respectively.

At the end of the reporting period, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

December 31, 2023

	Currency	Maturity Date	Notional Amount (thousand)
Sell	RMB/NTD	2024.01.03-2024.01.09	RMB 15,100/NTD 66,336

December 31, 2022

	Currency	Maturity Date	Notional Amount (thousand)
Sell	RMB/NTD	2023.01.19-2023.03.30	RMB 101,500/NTD 444,614

The Company entered into foreign exchange forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities. However, those contracts did not meet the criteria of hedge effectiveness and, therefore, were not accounted for using hedge accounting.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVTOCI)

Investments in equity instruments

	December 31, 2023	December 31, 2022
Current		
Domestic investments		
Listed shares	$ 22,458	$ 21,162
Non-current		
Domestic investments		
Listed shares	$ 2,750,339	$ 2,959,952
Unlisted shares	140,936	135,304
	$ 2,891,275	$ 3,095,256

These investments in equity instruments are held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes.

In June 2022, the Company adjusted the investment position to diversify risks and sold common shares of Riselink Venture Capital Corp. at fair value. The related unrealized gains of $190 thousand booked in other equity - financial assets at fair value through other comprehensive income were transferred to retained earnings.

The investee, AUO Corporation, reduced its capital and returned cash to its shareholders in October 2022. The Company received $19,237 thousand back in total, according to its shareholding ratio.

In November 2023, the Company purchased common shares of PELL Bio-Med Technology Co. Ltd. by $19,975 thousand. Those common shares were designated as measured at fair value through other comprehensive income as they were classified as investments for medium- to long-term strategic purposes.

9. ACCOUNTS RECEIVABLE

	December 31, 2023	December 31, 2022
Accounts receivable		
At amortized cost		
Gross carrying amount	$ 295,125	$ 870,078
Less: Allowance for impairment loss	(2,000)	(2,000)
	$ 293,125	$ 868,078
Accounts receivable from related parties (Note 26)	$ 213,488	$ 235,587

The average credit period of sales of goods was 15-90 days. No interest was charged on accounts receivable since the credit period was short.

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

The Company applies the simplified approach to providing for expected credit losses, which permits the use of lifetime expected loss provision for all accounts receivable. The expected credit losses on accounts receivable are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date.

The following table details the loss allowance of accounts receivable based on the Company's provision matrix:

December 31, 2023

	Not Past Due	1 to 60 Days	61 to 90 Days	Total
Gross carrying amount	$ 506,279	$ 2,334	$ -	$ 508,613
Loss allowance (Lifetime ECL)	-	(2,000)	-	(2,000)
Amortized cost	$ 506,279	$ 334	$ -	$ 506,613

December 31, 2022

	Not Past Due	1 to 60 Days	61 to 90 Days	Total
Gross carrying amount	$ 1,105,665	$ -	$ -	$ 1,105,665
Loss allowance (Lifetime ECL)	(2,000)	-	-	(2,000)
Amortized cost	$ 1,103,665	$ -	$ -	$ 1,103,665

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

The movements of the loss allowance of accounts receivable were as follows:

	2023	2022
Balance at January 1	$ 2,000	$ 2,000
Add: Impairment loss for the year	-	-
Balance at December 31	$ 2,000	$ 2,000

10. INVENTORIES

	December 31, 2023	December 31, 2022
Finished goods	$ 441,637	$ 332,527
Work in process	22,627	23,814
Raw materials	78,150	101,313
Production supplies	50,306	60,012
	$ 592,720	$ 517,666

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2023 and 2022 was $5,417,965 thousand and $6,400,965 thousand, respectively. The cost of goods sold for 2023 and 2022 included loss for market price decline and obsolete and slow-moving inventories of $10,123 thousand and $267 thousand respectively.

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31, 2023	December 31, 2022
Investments in subsidiaries	$ 805,084	$ 811,953
Investments in associates	3,915,521	4,924,035
	$ 4,720,605	$ 5,735,988

a. Investments in subsidiaries

	December 31, 2023	December 31, 2022
Unlisted company		
APC (BVI) Holding Co., Ltd. (APC (BVI))	$ 596,737	$ 586,541
APC Investment Corporation (APCI)	141,678	156,074
USI International Corp. (USIIC)	66,669	69,338
	$ 805,084	$ 811,953

The Company’s ownership interest and percentage of voting right in subsidiaries at the end of the reporting period were as follows:

	December 31, 2023	December 31, 2022
APC(BVI)	100%	100%
APCI	100%	100%
USIIC	70%	70%

In order to meet the business needs, the Company established XUL in Xiamen City, Fujian Province in Mainland China through joint venture of APC (BVI) and Swanlake Traders Ltd., the subsidiary of USI Corporation. The company has been registered and incorporated on November 6, 2023 with the investments of RMB$ 3,000 thousand from APC (BVI) and RMB$ 7,000 thousand from Swanlake on December 14, 2023.

In order to meet the business needs, the Company’s Board of Directors has resolved on August 12, 2020 to establish GUL in Mainland China through APC (BVI) and Swanlake Traders Ltd., the subsidiary of USI Corporation. The company has been registered and incorporated on March 12, 2022 with the investments of RMB$ 3,000 thousand from APC (BVI) and RMB$ 7,000 thousand from Swanlake on May 20, 2022.

b. Investments in associates

	December 31, 2023	December 31, 2022
Material associates		
Ever Conquest Global Ltd.	$ 2,541,084	$ 3,526,546
Associates that are not individually material		
Listed company		
China General Plastics Corporation (CGPC)	773,150	762,280
Acme Electronics Corporation (ACME)	56,503	45,599
Unlisted company		
China General Terminal & Distribution Corporation (CGTD)	329,972	355,611
Swanson Plastics Corporation (SPC)	198,518	205,730
Taiwan United Venture Capital Corp. (TUVC)	11,369	22,114
USI Optronics Corporation (USIO)	4,925	6,155
	$ 3,915,521	$ 4,924,035

1) Material associates

Name of Associates	Nature of Activities	Principal Place of Business	Proportion of Ownership and Voting Rights December 31, 2023	December 31, 2022
Ever Conquest Global Ltd.	Reinvestment	British Virgin Islands	40.87%	40.87%

The Company uses the equity method to account for the above associate.

The summarized financial information below represents amounts shown in the associates' financial statements prepared in accordance with IFRS Accounting Standard and adjusted by the Company for equity accounting purposes.

Ever Conquest Global Ltd.

	December 31, 2023	December 31, 2022
Current assets	$ 1	$ -
Non-current assets	6,217,923	8,629,306
Equity	$ 6,217,924	$ 8,629,306
Proportion of the Company's ownership	40.87%	40.87%
Equity attributable to the Company	$ 2,541,084	$ 3,526,546
Carrying amount	$ 2,541,084	$ 3,526,546

	2023	2022
The Company's share of:		
Net loss for the year	($ 952,746)	($ 1,439,602)
Other comprehensive gain (loss)	(32,716)	114,941
Total comprehensive income for the year	($ 985,462)	($ 1,324,661)

The Company and USI Corporation signed a joint venture contract for a Fujian Gulei Petrochemical Co., Ltd. investment on April 17, 2014. The related entities of the contract or commitments are Ho Tung Chemical Corporation, LCY Chemical Corporation, Hsin Tay Petroleum Co., Ltd., Chenergy Global Corporation and Lien Hwa Corporation. The main contents of the contract and commitments include: (1) the shareholders shall establish Ever Victory Global Limited (hereinafter referred to the "Ever Victory Global") and agree to pass the establishment of the 100% owned company named Dynamic Ever Investments Limited in Hong Kong (hereinafter referred to as the "DEIL"), whose purpose is to build oil refineries and produce ethylene as well as seven other products on the Gulei Peninsula in Zhangzhou, Fujian

Province, as approved by the Investment Commission at Taiwan's Ministry of Economic Affairs and according to the operating business permitted by the Joint Venture's board of directors; and (2) the DEIL will establish a joint venture company in accordance with the laws of the People's Republic of China between China Petrochemical Corporation or its affiliated enterprises; Fujian Refining and Chemical Co., Ltd. will establish a joint venture company in accordance with the laws of the People's Republic of China in Fujian Province between China Petrochemical Corporation or its affiliated enterprises (hereinafter referred to as "Gulei Group") and acquire 50% of the shares of Gulei Group as a basis for cooperative investment.

Furthermore, due to the increase in the investment amount specified in the "Fujian Gulei Petrochemical Co., Ltd. Joint Venture Agreement" signed by DEIL and Fujian Refining and Chemical Co., Ltd., some of the counterparties to the original joint venture agreement or commitment are unable to subscribe or participate in the subsequent capital increase procedures according to the proportion of investment as stipulated in the original joint venture agreement. To ensure the continuity and achievement of the business objectives of the original agreement, a joint venture agreement was re-signed on September 30, 2016, and CTCI Corporation was added as a new contract or commitment counterparty. On December 18, 2019, the new joint venture agreement was signed and new counterparties, Fubon Financial Holding Venture Capital Co. and Hongfu Investment Co., Ltd. were added to the agreement as counterparties.

In order to increase Gulei Group's operating capital, Ever Victory Global and Hong Kong Dor Po Investment Company Limited ("DOR PO") signed a joint venture contract for an investment in DEIL on June 5, 2019. According to the joint venture contract, DOR PO will invest US$109,215 thousand to participate in the capital increase of DEIL. As of December 31, 2023, DOR PO had invested US$103,915 thousand and acquired 15% ownership interest in DEIL.

As of December 31, 2023, the Company and USI Corporation had accumulatively invested US$170,475 thousand (approximately $5,255,587 thousand) and US$246,670 thousand (approximately $7,645,981 thousand) in Ever Conquest Global Ltd., respectively, and re-invested in DEIL through Ever Conquest Global Ltd.'s reinvestment in Ever Victory Global. The Company and USI Corporation jointly holds a proportion of ownership of 67.4% in Ever Victory Global. DEIL accumulatively invested a total of RMB$ 4,657,200 thousand in Gulei Group.

2) Aggregate information of subsidiaries and associates that are not individually material

	2023	2022
The Company's share of:		
Net gain (loss) for the year	$ 18,741	($ 23,842)
Other comprehensive gain (loss)	(28,875)	21,422
Total comprehensive income for the year	($ 10,134)	($ 2,420)

The Company's ownership interest and percentage of voting right in associates at the end of the reporting period were as follows:

Name of Associates	December 31, 2023	December 31, 2022
CGPC	8.07%	8.07%
ACME	3.19%	3.31%
CGTD	33.33%	33.33%
SPC	7.95%	7.95%
TUVC	8.33%	8.33%
USIO	9.20%	9.20%

Please refer to Table 4 "Information on Investees" and Table 5 "Information on Investments in Mainland China" for the nature of activities, principal places of business and countries of incorporation of the associates.

The Company did not subscribe for the cash capital increase of ACME in proportion to its shareholding with an amount of $14,894 thousand, resulting in the decrease of shareholding from 3.31% to 3.19%, with the base date of capital increase on January 16, 2023.

TUVC convened shareholders' meeting on June 28, 2023 and resolved and approved to reduce its capital and returned cash to its shareholders, with the base date of the capital reduction on August 22, 2023. The Company received $14,155 thousand back in August 2023.

The Company's percentage of ownership over CGPC, ACME, SPC, TUVC, and USIO was less than 20%. These associates were accounted for using the equity method, as the Company retained significant influence over them.

The market prices of the investments accounted for using the equity method in publicly traded shares calculated by the closing price at the end of the reporting period are summarized as follows.

Name of Associates	December 31, 2023	December 31, 2022
CGPC	$ 1,045,562	$ 1,237,795
ACME	$ 170,713	$ 145,056

12. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings and Improvements	Machinery and Equipment	Other Equipment	Construction in Progress and Prepayments for Equipment	Total
Cost						
Balance at January 1, 2023	$ 228,229	$ 779,756	$ 6,499,542	$ 94,948	$ 792,988	$ 8,395,463
Additions	-	-	58,342	-	342,806	401,148
Disposals	-	-	(70,938)	(1,924)	-	(72,862)
Internal transfer	-	1,492	176,120	4,368	(181,980)	-
Balance at December 31, 2023	$ 228,229	$ 781,248	$ 6,663,066	$ 97,392	$ 953,814	$ 8,723,749
Accumulated depreciation and impairment						
Balance at January 1, 2023	$ -	$ 343,539	$ 4,600,641	$ 88,083	$ -	$ 5,032,263
Depreciation expenses	-	18,755	285,974	3,084	-	307,813
Disposals	-	-	(70,938)	(1,924)	-	(72,862)
Balance at December 31, 2023	$ -	$ 362,294	$ 4,815,677	$ 89,243	$ -	$ 5,267,214
Net amount at December 31, 2023	$ 228,229	$ 418,954	$ 1,847,389	$ 8,149	$ 953,814	$ 3,456,535
Cost						
Balance at January 1, 2022	$ 228,229	$ 778,815	$ 6,433,849	$ 94,263	$ 618,748	$ 8,153,904
Additions	-	-	38,859	-	242,260	281,119
Disposals	-	-	(37,500)	(2,060)	-	(39,560)
Internal transfer	-	941	64,334	2,745	(68,020)	-
Balance at December 31, 2022	$ 228,229	$ 779,756	$ 6,499,542	$ 94,948	$ 792,988	$ 8,395,463
Accumulated depreciation and impairment						
Balance at January 1, 2022	$ -	$ 323,757	$ 4,366,644	$ 87,295	$ -	$ 4,777,696
Depreciation expenses	-	19,782	271,497	2,848	-	294,127
Disposals	-	-	(37,500)	(2,060)	-	(39,560)
Balance at December 31, 2022	$ -	$ 343,539	$ 4,600,641	$ 88,083	$ -	$ 5,032,263
Net amount at December 31, 2022	$ 228,229	$ 436,217	$ 1,898,901	$ 6,865	$ 792,988	$ 3,363,200

For the years ended December 31, 2023 and 2022, no impairment loss or reversal of impairment loss was recognized.

The accrual of depreciation expenses is conducted on a straight-line basis over the estimated useful lives as follows:

Buildings and improvements	
Factory and improvements	15 to 40 years
Office building, laboratory and improvements	10 to 40 years
Storage rooms	11 to 45 years
Engineering systems	35 to 40 years
Others	2 to 20 years
Machinery and equipment	3 to 22 years
Other equipment	3 to 10 years

In order to support the relocation of petrochemical storage facilities in the old port area conducted by Taiwan International Ports Corporation Ltd. (“TIPC”), China General Terminal & Distribution Corporation (“CGTD”) leases the terminal facilities and back-line lands of Phase II Petrochemical Oil Storage and Transportation Center of Kaohsiung Port Container Center, with the lease term from August 1, 2017 to July 31, 2042. The rent is paid on quarterly basis. The Board of Directors of the Company resolved to build the Intercontinental Phase II Petrochemical Oil Products Center in 2019 with total investment amount of $765,893 thousand for the construction. As of December 31, 2023, the Company has made construction payment of $740,029 thousand, which was booked under the construction in progress.

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31, 2023	December 31, 2022
Carrying amounts of right-of-use assets		
Land	$ 9,368	$ 10,213
Transportation equipment	34	238
	$ 9,402	$ 10,451

	2023	2022
Increase in right-of-use assets	$ -	$ 3,034
Depreciation charge for right-of-use assets		
Land	$ 669	$ 521
Transportation equipment	204	205
	$ 873	$ 726

For the years ended December 31, 2023 and 2022, no impairment loss or reversal of impairment loss was recognized.

The Company has been subleasing its leasehold office spaces located in Taipei to other companies under operating leases. The related right-of-use assets are presented as investment properties (as set out in Note 14). The amounts disclosed above with respect to the right-of-use assets do not include right-of-use assets that meet the definition of investment properties.

b. Lease liabilities

Range of discount rate for lease liabilities was as follows:

	December 31, 2023	December 31, 2022
Land	1.06%	1.06%
Transportation equipment	1.06%	1.06%
Buildings	1.06%	1.06%

c. Other lease information

	2023	2022
Expenses relating to short-term leases	$ 3,849	$ 3,514
Total cash outflow for leases	($ 10,381)	($ 9,885)

The Company leases certain buildings which qualify as short-term lease. The Company has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

14. INVESTMENT PROPERTIES

	Land	Buildings and Improvements	Right-of-use Assets	Total
Cost				
Balance at January 1, 2023 and December 31, 2023	$ 370,202	$ 132,574	$ 34,585	$ 537,361
Accumulated depreciation				
Balance at January 1, 2023	$ -	$ 79,311	$ 21,842	$ 101,153
Depreciation expenses	-	2,200	5,461	7,661
Balance at December 31, 2023	$ -	$ 81,511	$ 27,303	$ 108,814
Net amount at December 31, 2023	$ 370,202	$ 51,063	$ 7,282	$ 428,547

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	Land	Buildings and Improvements	Right-of-use Assets	Total
Cost				
Balance at January 1, 2022	$ 370,202	$ 131,690	$ 34,585	$ 536,477
Additions	-	884	-	884
Balance at December 31, 2022	$ 370,202	$ 132,574	$ 34,585	$ 537,361
Accumulated depreciation				
Balance at January 1, 2022	$ -	$ 77,120	$ 16,381	$ 93,501
Depreciation expenses	-	2,191	5,461	7,652
Balance at December 31, 2022	$ -	$ 79,311	$ 21,842	$ 101,153
Net amount at December 31, 2022	$ 370,202	$ 53,263	$ 12,743	$ 436,208

Right-of-use assets included in investment properties are units of office space and subleased under operating leases.

The investment properties were leased out for 5 years. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating leases of investment properties as of December 31, 2023 and 2022 was as follows:

	December 31, 2023	December 31, 2022
Year 1	$ 18,893	$ 15,344
Year 2	9,332	13,749
Year 3	7,607	4,375
Year 4	972	3,889
Year 5	-	972
	$ 36,804	$ 38,329

The investment properties held by the Company are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings and improvements	
Main buildings and improvements	5 to 50 years
Right-of-use assets	6 years

The fair value of the investment property (i.e. the land) located in Linyuan Industrial Park, which is for industrial use, cannot be reliably determined due to infrequent market transactions. The investment properties - land (excluding those located in Linyuan Industrial Park), buildings and improvements were not evaluated by the independent appraisers. The fair values of these investment properties were measured by the Company's management applying Level 3 input values generated from the valuation model commonly used by market participants. The valuation was conducted with reference to the transaction prices of similar properties in the neighborhood. The fair value of the right-of-use asset was measured using expected rental income deducting the net amount of all expected payments, plus relevant recognized lease liabilities.

As of December 31, 2023 and 2022, the fair values derived from the valuation were as follows:

	December 31, 2023	December 31, 2022
Fair value	$ 1,329,491	$ 1,275,695

15. BORROWINGS

a. Short-term borrowings (December 31, 2023: None)

	December 31, 2022
Unsecured borrowings	
Bank loans	$ 120,000

The range of interest rates on bank loans was 1.12%-1.65% per annum as of December 31, 2022.

b. Long-term borrowings

	December 31, 2023	December 31, 2022
Unsecured borrowings	$ 546,094	$ 450,636
Less: Current portion due within one year	(65,880)	-
Long-term borrowings	$ 480,214	$ 450,636
Range of interest rates	1.05%	0.925%

In order to fund medium to long-term working capital needs, the Company signed medium to long-term loan agreements with banks with total lines of credit of $4,650,000 thousand. The loan agreements will subsequently expire before November 2026 and these lines of credit are on a revolving basis. The lines of credit have not been used as of December 31, 2023.

Through "Action Plan for Accelerated Investment by Domestic Corporations" the Company obtained a low-interest bank loan of $1,419,000 thousand. The difference between the market interest rate recognized and measured for the bank loan and the interest paid at preferential rate was recognized as government grant. As of December 31, 2023, $549,000 thousand has been utilized.

Some of the Company's loan agreements stipulate that the current ratio and debt ratio as stated on the financial statements shall not be less than a specified percentage, and that if such a percentage fails to be met, the Company shall propose improvement measures to the banks concerned. As of December 31, 2023, the Company did not violate these financial ratios and terms.

16. ACCOUNTS PAYABLE FROM UNRELATED PARTIES

The average credit period was 1 month. The Company had financial risk management policies in place to ensure that all payables were paid within the pre-agreed credit terms.

17. OTHER PAYABLES FROM UNRELATED PARTIES

	December 31, 2023	December 31, 2022
Other payables from unrelated parties		
Payables for salaries or bonuses	$ 94,855	$ 125,161
Payables for utilities	46,063	38,737
Payables for equipment	39,784	8,858
Payables for dividends	15,417	7,057
Payables for freight fees	8,462	9,887
Payables for insurance	2,422	2,118
Others	24,015	27,631
	$ 231,018	$ 219,449

18. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

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

b. Defined benefit plans

The defined benefit plan adopted by the Company in accordance with the Labor Standards Law is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. In 2023 and 2022, the Company contributes amounts equal to 10% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. If the estimated balance of the account before the end of the year is not enough to pay for the workers who are qualified for retirement in the following year, the contribution of the difference will be made in one lump sum by the end of March of the following year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor ("the Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts included in the parent company only balance sheets in respect of the Company's defined benefit plans were as follows:

	December 31, 2023	December 31, 2022
Present value of the defined benefit obligation	$ 238,574	$ 267,490
Fair value of the plan assets	(136,210)	(155,384)
Net defined benefit liabilities	$ 102,364	$ 112,106

Movements in net defined benefit liabilities (assets) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Balance at January 1, 2023	$ 267,490	($ 155,384)	$ 112,106
Service cost			
Current service cost	1,839	-	1,839
Net interest expense (income)	3,511	(2,073)	1,438
Recognized in profit or loss	5,350	(2,073)	3,277
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(1,250)	(1,250)
Actuarial gain - changes in financial assumptions	1,945	-	1,945
Actuarial loss - experience adjustments	(711)	-	(711)
Recognized in other comprehensive income	1,234	(1,250)	(16)
Contributions from the employer	-	(13,003)	(13,003)
Benefits paid	(35,500)	35,500	-
Balance at December 31, 2023	$ 238,574	($ 136,210)	$ 102,364

(Continued)

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	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Balance at January 1, 2022	$ 297,097	($ 162,092)	$ 135,005
Service cost			
Current service cost	2,137	-	2,137
Net interest expense (income)	1,436	(824)	612
Recognized in profit or loss	3,573	(824)	2,749
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(16,335)	(16,335)
Actuarial gain - changes in financial assumptions	(6,968)	-	(6,968)
Actuarial loss - experience adjustments	11,965	-	11,965
Recognized in other comprehensive income	4,997	(16,335)	(11,338)
Contributions from the employer	-	(14,310)	(14,310)
Benefits paid	(38,177)	38,177	-
Balance at December 31, 2022	$ 267,490	($ 155,384)	$ 112,106

Through the defined benefit plans under the Labor Standards Law, the Company is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic or foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate of a 2-year time deposit with local banks.
2) Interest rate risk: A decrease in corporate bond interest rates will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated with reference to the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31, 2023	December 31, 2022
Discount rate	1.25%	1.375%
Expected rate of salary increase	2.75%	2.75%

If possible reasonable changes in each of the significant actuarial assumptions were to occur and all other assumptions were to remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31, 2023	December 31, 2022
Discount rate		
0.25% increase	($ 3,866)	($ 4,314)
0.25% decrease	$ 3,960	$ 4,423
Expected rate of salary increase		
0.25% increase	$ 3,833	$ 4,285
0.25% decrease	($ 3,762)	($ 4,201)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that changes in the assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31, 2023	December 31, 2022
Expected contributions to the plan for the next year	$ 10,000	$ 15,000
Average duration of the defined benefit obligation	6.6 years	6.6 years

19. EQUITY

a. Ordinary shares

	December 31, 2023	December 31, 2022
Number of shares authorized (in thousands)	620,000	620,000
Shares authorized	$ 6,200,000	$ 6,200,000
Number of shares issued and fully paid (in thousands)	593,743	593,743
Shares issued	$ 5,937,438	$ 5,937,438

Fully paid ordinary shares, which have a par value of $10, carry one vote per share and carry a right to dividends.

b. Capital surplus

	December 31, 2023	December 31, 2022
Unpaid dividends	$ 26,247	$ 25,720
Share of changes in capital surplus of associates accounted for using the equity method	11,312	11,422
	$ 37,559	$ 37,142

Capital surplus which arises from unclaimed dividends and the share of changes in capital surplus of associates may be used to offset a deficit only.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the amended Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors after the amendment, refer to "Employees' compensation and remuneration of directors" in Note 21-7.

As the Company is in the maturation stage, for research and development needs and business diversification, the amount of dividends for shareholders shall be no less than 10% of distributable retained earnings for the current year, among which the amount of cash dividends shall be no less than 10%. If the distributable retained earnings per share of the current year are less than $0.1, the retained earnings are not to be distributed.

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

Items referred to under Rule No. 1090150022 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs (IFRS Accounting Standards)" should be appropriated to or reversed from a special reserve by the Company.

The appropriations of earnings for 2022 and 2021 approved in the shareholders' meetings on May 30, 2023 and May 27, 2022, respectively, were as follows:

	2022	2021
Legal reserve	$ 147,008	$ 317,192
Cash dividends	$ 712,493	$ 1,781,232
Cash dividends per share (NT$)	$ 1.2	$ 3

The appropriation of earnings for 2023 had been proposed by the Company's board of directors on March 7, 2024 were as follows:

	2023
Legal reserve	$ 11,994
Cash dividends	$ 267,185
Cash dividends per share (NT$)	$ 0.45

The appropriation of earnings for 2023 is subject to resolution in the shareholders' meeting to be held on May 30, 2024.

d. Other equity

1) Exchange differences on translating the financial statements of foreign operations

	2023	2022
Balance at January 1	($ 109,403)	($ 239,960)
Recognized for the year		
Exchange differences on translating the financial statements of foreign operations	(41,135)	150,506
Share from subsidiaries and associates accounted for using the equity method	(2,794)	10,152
Related income tax	8,227	(30,101)
Other comprehensive income recognized for the year	(35,702)	130,557
Balance at December 31	($ 145,105)	($ 109,403)

2) Unrealized gain (loss) on financial assets at fair value through other comprehensive income

	2023	2022
Balance at January 1	$ 1,052,184	$ 2,118,506
Recognized for the year		
Unrealized (gain) loss		
Equity instruments	(222,659)	(1,028,899)
Share from subsidiaries and associates accounted for using the equity method	(16,964)	(37,526)
Related income tax	278	404
Other comprehensive income recognized for the year	(239,345)	(1,066,021)
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal		
Recognized for the year	-	(190)
Share from subsidiaries and associates accounted for using the equity method	584	(111)
Balance at December 31	$ 813,423	$ 1,052,184

20. REVENUE

a. Revenue from contracts with customers

	2023	2022
Revenue from sale of goods	$ 6,541,670	$ 9,614,583

b. Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Accounts receivable (Note 9)	$ 506,613	$ 1,103,665	$ 1,432,418
Contract liabilities (presented in other current liabilities)	$ 46,371	$ 33,291	$ 11,010

21. NET PROFIT FOR THE YEAR

a. Interest income

	2023	2022
Interest income		
Bank deposits	$ 5,640	$ 3,984
Financial assets at FVTPL	1,533	1,228
Reverse repurchase agreements collateralized by bonds	5,475	1,425
	$ 12,648	$ 6,637

b. Other income

	2023	2022
Lease income	$ 48,502	$ 51,814
Dividend income		
Financial assets at FVTPL	1,757	12,147
Investments in equity instruments at FVTOCI	105,789	276,843
	107,546	288,990
Others	12,156	10,984
	$ 168,204	$ 351,788

c. Other gains and losses

	2023	2022
Fair value changes of financial assets and financial liabilities		
Financial assets at FVTPL	$ 9,540	($ 31,945)
Financial liabilities at FVTPL	758	(5,869)
Net gain on foreign currency exchange	1,787	45,056
Others	(12,704)	(15,098)
	($ 619)	($ 7,856)

d. Interest expense

	2023	2022
Interest on bank loans	$ 8,889	$ 10,036
Interest on lease liabilities	223	275
	$ 9,112	$ 10,311

There was no capitalization of interest costs between 2023 and 2022.

e. Depreciation and amortization

	2023	2022
Property, plant and equipment	$ 307,813	$ 294,127
Investment properties	7,661	7,652
Right-of-use assets	873	726
Intangible assets	359	35
Total	$ 316,706	$ 302,540
An analysis of depreciation by function		
Operating cost	$ 308,600	$ 294,813
Operating expenses	86	40
Other gains and losses	7,661	7,652
	$ 316,347	$ 302,505
An analysis of amortization by function		
Operating expenses	$ 359	$ 35

f. Employee benefits expense

	2023	2022
Post-employment benefits (Note 18)		
Defined contribution plans	$ 9,137	$ 8,204
Defined benefit plans	3,277	2,749
	12,414	10,953
Other employee benefits	349,048	375,545
Total employee benefits expense	$ 361,462	$ 386,498
An analysis of employee benefits expense by function		
Operating cost	$ 312,565	$ 337,787
Operating expenses	48,897	48,711
	$ 361,462	$ 386,498

g. Employees' compensation and remuneration of directors

The Company accrued employees' compensation and remuneration of directors and supervisors at rates of no less than 1% and no higher than 1%, respectively, of net profit before income tax, employees' compensation and remuneration of directors. The employees' compensation and remuneration of directors for the years ended December 31, 2023 and 2022, which were approved by the Company's board of directors on March 7, 2024 and March 3, 2023, respectively, were as follows:

Accrual rate

	2023	2022
	Cash	Cash
Employees' compensation	1%	1%
Directors' remuneration	-	-

Amount

	2023	2022
	Cash	Cash
Employees' compensation	$ 1,467	$ 18,309
Directors' remuneration	$ -	$ -

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

There is no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the parent company only financial statements for the years ended December 31, 2022 and 2021.

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

h. Gains or losses on foreign currency exchange

	2023	2022
Foreign exchange gains	$ 48,995	$ 111,712
Foreign exchange losses	(47,208)	(66,656)
Net gain	$ 1,787	$ 45,056

22. INCOME TAX

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	2023	2022
Current tax		
In respect of the current year	$ 198,630	$ 603,684
Income tax on unappropriated earnings	24,529	49,175
Adjustments for prior years	(890)	(3,362)
	222,269	649,497
Deferred income tax		
In respect of the current year	(193,276)	(284,228)
Income tax expense recognized in profit or loss	$ 28,993	$ 365,269

A reconciliation of accounting profit and income tax expense is as follows:

	2023	2022
Profit before income tax	$ 145,277	$ 1,812,638
Income tax expense calculated at the statutory rate	$ 29,055	$ 362,528
Items which should be adjusted according to statutory taxable income	(579)	22,199
Tax-exempt income	(23,122)	(65,271)
Income tax on unappropriated earnings	24,529	49,175
Adjustments for prior years' tax	(890)	(3,362)
Income tax expense recognized in profit or loss	$ 28,993	$ 365,269

b. Income tax recognized in other comprehensive income

	2023	2022
Deferred income tax		
In respect of current year		
— Translation of foreign operations	(\$ 8,227)	\$ 30,101
— Unrealized gain (loss) on financial assets at fair value through other comprehensive income	(278)	(404)
— Remeasurement on defined benefit plans	3	2,268
Income tax (benefits) expense recognized in other comprehensive income	(\$ 8,502)	\$ 31,965

c. Deferred income tax assets and liabilities

The movements of deferred income tax assets and liabilities were as follows:

2023

	Balance at January 1	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Balance at December 31
Deferred income tax assets				
Temporary differences				
Unrealized foreign exchange losses	\$ -	\$ 1,777	\$ -	\$ 1,777
Allowance for inventory valuation and obsolescence losses	230	2,024	-	2,254
Allowance for office supplies impairment losses	9,343	283	-	9,626
Customer rebates	1,180	-	-	1,180
Allowance for production supplies losses	1,087	(10)	-	1,077
FVTPL financial instruments	517	(517)	-	-
Payables for annual leave	2,266	7	-	2,273
Defined benefit obligation	22,636	(1,733)	(3)	20,900
Inventory tax differences	90	21	-	111
Exchange differences on foreign operations	17,116	-	8,227	25,343
Investment loss recognized by the equity method	301,662	187,221	-	488,883
Unappropriated earnings of Controlled Foreign Company	-	4,636	-	4,636
	\$ 356,127	\$ 193,709	\$ 8,224	\$ 558,060

(Continued)

(Continued)

	Balance at January 1	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Balance at December 31
Deferred income tax liabilities				
Temporary differences				
Land value increment tax reserve	$ 21,469	$ -	$ -	$ 21,469
Loss allowance for accounts receivable	267	-	-	267
Unrealized foreign exchange gains	9	(9)	-	-
FVTPL financial instruments	-	191	-	191
Depreciation tax differences	182	(167)	-	15
Financial assets at FVTOCI	7,740	-	(278)	7,462
Unrealized gross loss on sales	-	418	-	418
	$ 29,667	$ 433	($ 278)	$ 29,822

2022

	Balance at January 1	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Balance at December 31
Deferred income tax assets				
Temporary differences				
Allowance for inventory valuation and obsolescence losses	$ 176	$ 54	$ -	$ 230
Allowance for office supplies impairment losses	8,857	486	-	9,343
Customer rebates	1,180	-	-	1,180
Allowance for production supplies losses	1,087	-	-	1,087
FVTPL financial instruments	93	424	-	517
Payables for annual leave	2,232	34	-	2,266
Defined benefit obligation	27,191	(2,287)	(2,268)	22,636
Inventory tax differences	196	(106)	-	90
Exchange differences on foreign operations	47,217	-	(30,101)	17,116
Investment loss recognized by the equity method	16,569	285,093	-	301,662
	$ 104,798	$ 283,698	($ 32,369)	$ 356,127
Deferred income tax liabilities				
Temporary differences				
Land value increment tax reserve	$ 21,469	$ -	$ -	$ 21,469
Loss allowance for accounts receivable	267	-	-	267
Unrealized foreign exchange gains	386	(377)	-	9
Depreciation tax differences	335	(153)	-	182
Financial assets at FVTOCI	8,144	-	(404)	7,740
	$ 30,601	($ 530)	($ 404)	$ 29,667

d. Income tax assessments

The Company's income tax returns through 2021 have been assessed by the tax authorities.

23. EARNINGS PER SHARE

Unit: NT$ Per Share

	2023	2022
Basic earnings per share	$ 0.20	$ 2.44
Diluted earnings per share	$ 0.20	$ 2.43

The earnings and weighted average number of ordinary shares outstanding in the computation of earnings per share from continuing operations were as follows:

Net profit for the year

	2023	2022
Net profit used in the computation of basic and diluted earnings per share	$ 116,284	$ 1,447,369

(In Thousand Shares)

	2023	2022
Number of shares		
Weighted average number of ordinary shares used in the computation of basic earnings per share	593,743	593,743
Effect of potentially dilutive ordinary shares:		
Employees' compensation	168	846
Weighted average number of ordinary shares used in the computation of diluted earnings per share	593,911	594,589

If the Company offered to settle compensation paid to employees in cash or shares, the Company assumed the entire amount of the compensation would be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, if the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

24. CAPITAL MANAGEMENT

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

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

25. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

The Company's management believes that the carrying amounts of financial assets and financial liabilities which are recognized approximate their fair values.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative instruments	$ -	$ 955	$ -	$ 955
Domestic listed shares	94,054	-	-	94,054
Mutual funds	543,227	-	-	543,227
Beneficiary securities	68,820	-	-	68,820
	$ 706,101	$ 955	$ -	$ 707,056
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	$ 2,772,797	$ -	$ -	$ 2,772,797
Domestic unlisted shares	-	-	140,936	140,936
	$ 2,772,797	$ -	$ 140,936	$ 2,913,733

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative instruments	$ -	$ 425	$ -	$ 425
Domestic listed shares	61,402	-	-	61,402
Mutual funds	335,952	-	-	335,952
Beneficiary securities	59,953	-	-	59,953
	$ 457,307	$ 425	$ -	$ 457,732
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	$ 2,981,114	$ -	$ -	$ 2,981,114
Domestic unlisted shares	-	-	135,304	135,304
	$ 2,981,114	$ -	$ 135,304	$ 3,116,418
Financial liabilities at FVTPL				
Derivative instruments	$ -	$ 3,012	$ -	$ 3,012

There were no transfers between Levels 1 and 2 in 2023 and 2022.

2) Reconciliation of Level 3 fair value measurements of financial instruments

2023

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1	$ 135,304
Purchase	19,975
Recognized in other comprehensive income (included in unrealized gain on financial assets at FVTOCI)	(14,343)
Balance at December 31	$ 140,936

2022

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1	$ 164,993
Recognized in other comprehensive income (included in unrealized gain on financial assets at FVTOCI)	(29,663)
Disposals	(26)
Balance at December 31	$ 135,304

3) Valuation techniques and inputs applied for Level 2 fair value measurement

Type of Financial Instruments	Valuation Techniques and Inputs
Derivatives - foreign exchange forward contracts	Discounted cash flow: Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

4) Valuation techniques and inputs applied for Level 3 fair value measurement

The Company's financial department used valuation techniques in measuring Level 3 fair value of financial instruments. The assumptions of and the inputs to the measurement are based on information from independent resources. The results of the measurement are evaluated against the market state and reviewed periodically to ensure that they are reasonable. The fair values of domestic and foreign unlisted equity securities were determined using the asset-based approach. In this approach, the fair value is determined by the latest net value of the investee company and the financial and business conditions of an observable company. If the discount for the lack of marketability decreases, the fair value of investments will increase. When the net asset value of the investee increases / decreases by 1%, the fair value will increase / decrease by $1,409 thousand in 2023 and $1,353 thousand in 2022.

c. Categories of financial instruments

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets at FVTPL		
Mandatorily classified as at FVTPL	$ 707,056	$ 457,732
Financial assets at amortized cost (Note 1)	1,371,112	2,174,969
Financial Assets at FVTOCI		
Investments in equity instruments	2,913,733	3,116,418
Financial liabilities		
Financial liabilities at FVTPL Held for trading	-	3,012
Financial liabilities at amortized cost (Note 2)	1,094,031	1,126,072

Note 1. The balances include financial assets at amortized cost, which comprise cash and cash equivalents, accounts receivable (including related parties), other receivables (including related parties and excluding tax refund receivables) and refundable deposits.

Note 2. The balances include financial liabilities at amortized cost, which comprise short-term borrowings, accounts payable (including related parties), other payables (including related parties and excluding payables for salaries and taxes), long-term borrowings, current portion of long-term liabilities and guarantee deposits received.

d. Financial risk management objectives and policies

The Company's risk control and hedging strategy are influenced by its operational environment. The Company properly monitors and manages the risks related to business nature and according to the principle of risk diversification. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

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

There has been no change to the Company's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Company had foreign currency sales and purchases, which exposed the Company to foreign currency risk. In order to avoid the impact of foreign currency exchange rate changes, which lead to deductions in foreign currency denominated assets and fluctuations in their future cash flows, the Company used the natural offset between foreign currency assets and liabilities and foreign exchange forward contracts on the net position. The Company sought to minimize the effects of these risks by using foreign exchange forward contracts to hedge risk exposures. The use of foreign exchange forward contracts was governed by the Company's policies approved by the board of directors. Compliance with policies and exposure limits was reviewed by internal auditors on a continuous basis. The Company did not enter into or trade foreign exchange forward contracts for speculative purposes.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities is set out in Note 28. Please refer to Note 7 for the carrying amount of derivative instrument with foreign exchange exposure.

Sensitivity analysis

The Company was mainly exposed to the USD and RMB. The sensitivity analysis includes only outstanding foreign currency denominated monetary items at the end of the reporting period. For a 3% strengthening/weakening of the Company's functional currency against the USD, there would be a decrease/an increase of $8,859 thousand and $14,284 thousand in pre-tax profit for the years ended December 31, 2023 and 2022, respectively. For a 3% strengthening/weakening of the Company's functional currency against the RMB, there would be a decrease/an increase of $5,336 thousand and $19,803 thousand in pre-tax profit for the years ended December 31, 2023 and 2022, respectively.

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

b) Interest rate risk

The Company was exposed to fair value interest rate risk because the Company held financial assets and financial liabilities at fixed rates; the Company was exposed to cash flow interest rate risk because the Company held financial assets and financial liabilities at floating rates. The Company's management personnel monitors the changes in the market rates on a regular basis and adjusts the floating rate financial liabilities to make the Company's rates approach market rates in response to the risk caused by changing market rates.

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

	December 31, 2023	December 31, 2022
Fair value interest rate risk		
— Financial assets	$ 803,383	$ 1,026,584
— Financial liabilities	17,748	24,233
Cash flow interest rate risk		
— Financial assets	54,290	37,443
— Financial liabilities	546,094	570,636

Sensitivity analysis

The sensitivity analysis below was determined based on the Company's exposure to interest rates for both financial assets and liabilities at the end of the reporting period. A 50-basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's pre-tax profit for the years ended December 31, 2023 and 2022 would have decreased/increased by $2,459 thousand and $2,666 thousand, respectively.

c) Other price risk

The Company was exposed to securities price risk through its investments in securities listed in the ROC or other countries. The Company manages this exposure by maintaining a portfolio of investments with different risks. In addition, the Company has appointed a special team to monitor price risk.

Sensitivity analysis

The following sensitivity analysis was based on the prices of securities as of the balance sheet date. However, in the financial assets at fair value through profit or loss in which the Company invested, the risk of price fluctuation of money market funds was very limited, so it was not included in the analysis.

If the equity price increases / decreases by 5%, the net profit before tax for 2023 and 2022 would increase / decrease by $8,144 thousand and $6,068 thousand respectively due to the increase / decrease in the fair value of financial assets (excluding investment in money market funds) measured through profit or loss. Other comprehensive income before tax for 2023 and 2022 would increase / decrease by $145,687 thousand and $155,821 thousand respectively due to the increase / decrease in the fair value of financial assets at fair value through other comprehensive income.

2) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company. As at the end of the reporting period, the Company's maximum exposure to credit risk, which would cause a financial loss to the Company due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Company, could be equal to the total of the following:

a) The carrying amount of the respective recognized financial assets as stated in the parent company only balance sheets; and

b) The maximum amount the Company would have to pay if the financial guarantee is called upon, irrespective of the likelihood of the guarantee being exercised.

The Company adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored.

The Company transacted with a large number of unrelated customers in a variety of areas, and, thus, no concentration of credit risk was observed. Ongoing credit evaluations are performed on the financial conditions of trade receivables; therefore, the Company's credit risk is limited.

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

As such cash and cash equivalents are sufficient to finance the Company's operations, there is no liquidity risk arising from the deficiency of funds to fulfill contractual obligations.

a) Liquidity and interest rate risk table

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods based on the probable earliest repayment dates. The table was drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

December 31, 2023

	Weighted Average Interest Rate (%)	On Demand or Less than 1 Year	1 to 5 Years	5+ Years
Non-derivative financial liabilities				
Non-interest bearing liabilities		$ 543,138	$ -	$ -
Lease liabilities	1.06%	6,577	4,948	7,151
Floating interest rate instruments	1.05%	72,031	489,477	-
		$ 621,746	$ 494,425	$ 7,151

December 31, 2022

	Weighted Average Interest Rate (%)	On Demand or Less than 1 Year	1 to 5 Years	5+ Years
Non-derivative financial liabilities				
Non-interest bearing liabilities		$ 551,393	$ -	$ -
Lease liabilities	1.06%	6,747	10,761	7,872
Floating interest rate instruments	1.00%	124,168	462,446	-
		$ 682,308	$ 473,207	$ 7,872

b) Liquidity and interest rate risk table for derivative financial liabilities

Liquidity analysis of derivative financial instruments with gross delivery is prepared on the basis of undiscounted gross cash inflows and outflows. When the amount payable or receivable is not fixed, the amount disclosed is determined by the expected interest rate derived from the yield curve on the balance sheet date.

December 31, 2023

	On Demand or Less than 1 Month	1 to 3 Months
Gross settled		
Foreign exchange forward contracts		
— Inflows	$ 66,336	$ -
— Outflows	(65,462)	-
	$ 874	$ -

December 31, 2022

	On Demand or Less than 1 Month	1 to 3 Months
Gross settled		
Foreign exchange forward contracts		
— Inflows	$ 96,081	$ 348,533
— Outflows	(95,684)	(351,870)
	$ 397	($ 3,337)

c) Financing facilities

Bank loans are an essential source of liquidity for the Company. The table below details the used and unused amount of unsecured bank loans at the end of the reporting period:

	December 31, 2023	December 31, 2022
Bank loan facilities		
— Amount used	$ 549,000	$ 575,000
— Amount unused	9,750,000	11,534,000
	$ 10,299,000	$ 12,109,000

26. TRANSACTIONS WITH RELATED PARTIES

The Company's ultimate parent is USI Corporation, which held 36.08% of the ordinary shares of the Company as of December 31, 2023 and 2022.

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

a. Names and relationships of the related parties which have significant transactions with the Company are summarized as follows:

Name of the Related Party	Relationship with the Company
USI Corporation	Ultimate parent company
Union Polymer International Investment Corporation (Union Polymer)	Parent entity
USI International Corp. (USIIC)	Subsidiary
USI Trading (Shanghai) Co., Ltd (USITA)	Subsidiary
APC Investment Corporation (APCI)	Subsidiary
China General Plastics Corporation (CGPC)	Associate
China General Terminal & Distribution Corporation (CGTD)	Associate
Acme Electronics Corporation (ACME)	Associate
USI Optronics Corporation (USIO)	Associate
Swanson Plastics Corporation (SPC)	Associate
Taiwan VCM Corporation (TVCM)	Associate
CGPC Polymer Corporation (CGPCP)	Associate
Forever Young Company Limited (Forever Young)	Associate
Swanson Technologies Corporation (STC)	Associate
Fujian Gulei Petrochemical Co., Ltd. (GL)	Associate
Global Green Technology Corporation (GGT)	Associate
Dynamic Ever Investments Limited (DEIL)	Associate
Swanson Plastics (Malaysia) Sdn. Bhd.	Associate
Taita Chemical Company, Limited (TTC)	Fellow subsidiary
Taiwan United Venture Management Corporation (TUVM)	Fellow subsidiary
USI Management Consulting Corporation (UM)	Fellow subsidiary
USIFE Investment Co., Ltd. (USII)	Fellow subsidiary
INOMA Corporation	Fellow subsidiary
Chong Loong Trading Co., Ltd.	Fellow subsidiary
USI (Hong Kong) (USI (HK))	Fellow subsidiary
USI Green Energy Corporation	Fellow subsidiary
USI Education Foundation (USIF)	Essential related party

b. Sales of goods

Related Party Category/Name	2023	2022
Ultimate parent company		
USI Corporation	$ 813,245	$ 1,436,470
Associate	34,192	39,714
Fellow subsidiary	25,417	7,626
Subsidiary		
USITA	336,955	229,542
	$ 1,209,809	$ 1,713,352

Sales of goods to related parties were made at the Company's usual prices and conditions which were the same as those to unrelated parties.

c. Purchases of goods

Related Party Category/Name	2023	2022
Ultimate parent company		
USI Corporation	$ 201,867	$ 252,526
Associate		
GL	651,304	698,591
SPC	38,161	42,693
	689,465	741,284
	$ 891,332	$ 993,810

Purchases from related parties were made at market prices which were at the Company's usual prices and conditions which were the same as those from unrelated parties.

d. Management fee (under general and administrative expenses)

Related Party Category/Name	2023	2022
Ultimate parent company		
USI Corporation	$ 9,255	$ 9,631
Fellow subsidiary		
UM	54,800	65,772
	$ 64,055	$ 75,403

e. Lease arrangements - Company is lessee

Lease expense

Related Party Category/Name	2023	2022
Ultimate parent company		
USI Corporation	$ 2,408	$ 2,505

f. Lease arrangement - Company is lessor

Lease income

Related Party Category/Name	2023	2022
Ultimate parent company		
USI Corporation	$ 3,196	$ 3,471
Parent entity	22	40
Subsidiary	142	142
Associate		
TVCM	13,013	13,099
CGPCP	3,062	4,217
Others	3,321	2,857
	19,396	20,173
Fellow subsidiary		
TTC	6,818	7,405
Others	1,988	1,924
	8,806	9,329
	$ 31,562	$ 33,155

The previously indicated associates leased pipelines from the Company with lease terms of 1 year. The lease contracts are to be regarded as renewed if there is no declaration of termination. The lease payments are calculated according to actual operating volume and are paid on a monthly basis.

g. Donation expenses (under general and administrative expenses)

Related Party Category/Name	2023	2022
Essential related party - USIF	$ 5,000	$ 5,000

h. Management income (under other income)

Related Party Category/Name	2023	2022
Associate		
CGTD	$ -	$ 552
DEIL	1,951	313
	$ 1,951	$ 865

i. Investment consultant fees (under other gains and losses)

Related Party Category/Name	2023	2022
Fellow subsidiary		
TUVM	$ 1,353	$ 1,286

j. Accounts receivable

Related Party Category/Name	December 31, 2023	December 31, 2022
Ultimate parent company		
USI Corporation	$ 98,763	$ 187,963
Associate	7,045	14,794
Subsidiary		
USITA	102,062	32,830
Fellow subsidiary	5,618	-
	$ 213,488	$ 235,587

k. Other receivables

Related Party Category/Name	December 31, 2023	December 31, 2022
Ultimate parent company		
USI Corporation	$ 255	$ 1,261
Associate		
CGPCP	33	582
DEIL	696	329
Others	295	306
	1,024	1,217
Fellow subsidiary		
TTC	671	837
Others	89	21
	760	858
	$ 2,039	$ 3,336

Other receivables from related parties mainly include payments from the ultimate parent company, associates, and fellow subsidiaries to the Company for renting offices and management fees.

l. Accounts payable

Related Party Category/Name	December 31, 2023	December 31, 2022
Ultimate parent company		
USI Corporation	$ 17,007	$ 20,004
Associate		
SPC	1,847	3,019
	$ 18,854	$ 23,023

m. Other payables

Related Party Category/Name	December 31, 2023	December 31, 2022
Ultimate parent company		
USI Corporation	$ 218,104	$ 165,778
Subsidiary	749	94
Associate	5,662	5,125
Fellow subsidiary	770	8,000
	$ 225,285	$ 178,997

Other payables to related parties mainly refer to the payments of purchase of Ethylene by the Company from the ultimate parent company.

n. Compensation of key management personnel

Total remuneration for directors and other key management personnel in 2023 and 2022 is as follows:

	2023	2022
Short-term employee benefits	$ 19,772	$ 22,064

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

27. SIGNIFICANT COMMITMENTS, CRITICAL EVENTS AFTER THE REPORTING DATE AND CONTINGENCIES

a. Significant commitments

The amount available under unused letters of credit as of December 31, 2023 was $250,000 thousand.

b. Key contingencies

Regarding the gas explosion of the propylene pipeline of Lee Chang Yung Chemical Industry Corporation ("LCY Chemical Corp.") on the night of July 31, 2014 operated by the investee company accounted for using the equity method, China General Terminal & Distribution Corporation ("CGTD"), the criminal case of the gas explosion incident was dismissed by the Supreme Court on September 15, 2021 and all three employees of CGTD were acquitted.

CGTD arrived at an agreement with the Kaohsiung City Government on February 12, 2015, pledging certificates of bank deposits of $231,585 thousand, interests included, to the Kaohsiung City Government as collateral for the loss caused by the gas explosion. The Kaohsiung City Government also filed civil procedure requests in succession against LCY Chemical Corp., CGTD and CPC Corporation, Taiwan ("CPC"). Taiwan Power Company applied to the court for provisional attachment against CGTD's property on August 27 and November 26, 2015 and CGTD had deposited cash of $99,207 thousand to the court to avoid provisional attachment. Taiwan Water Corporation also applied to the court for provisional attachment against CGTD's property on February 3 and March 2, 2017, respectively. As of February 27, 2024, the provisionally attached property of CGTD was worth $9,555 thousand.

As for the victims of the gas explosion, CGTD, LCY Chemical Corp. and the Kaohsiung City Government signed a tripartite agreement on July 17, 2015, agreeing to negotiate compensation in advance for all the heirs and claimants of the 32 victims (hereinafter referred to as "the families of the victims"). Each victim's family received $12,000 thousand, and the total compensation was $384,000 thousand. The compensation was advanced by LCY Chemical Corp, and LCY Chemical Corp. was in charge of negotiating the compensation with the victims' families and signing the settlement agreement on behalf of the three parties. In accordance with the tripartite agreement, CGTD paid $157,347 thousand to LCY Chemical Corp. on August 10, 2022 according to the proportion of fault liability of 30% in the first-instance judgments of this case. After settling the civil litigation later, compensation will be made according to the determined liability proportion.

As for the seriously injured, CGTD, LCY Chemical Corp. and the Kaohsiung City Government signed a tripartite agreement for severe injuries on October 25, 2017, agreeing to negotiate compensation in advance with the 65 seriously injured victims. The compensation was advanced by CGTD and the Kaohsiung City Government, and CGTD was in charge of negotiating the compensation with the seriously injured victims and signing the settlement agreement on behalf of the three parties with the 64 seriously injured victims.

As of February 27, 2024, the victims and victims' families had written letters or filed civil procedures (and criminal procedures) against LCY Chemical Corp., CGTD and CPC for compensation. To reduce the lawsuit costs, CGTD had reached a settlement on the original claim for $46,677 thousand, and the amount of the compensation was $4,519 thousand. Along with the case still in litigation and the above-mentioned compensation, the accumulated amount of compensation is approximately $3,856,447 thousand. The first-instance judgments of some of the abovementioned civil cases (the amount of compensation requested is approximately $1,470,793 thousand) have been gradually announced, starting from June 22, 2018. The proportion of fault liability of the Kaohsiung City Government, LCY Chemical Corp. and CGTD is 4:3:3 in most judgments. The total amount of compensation that CGTD, LCY Chemical Corp. and the other defendants should pay is about $401,979 thousand, of which CGTD was exempted to pay $6,194 thousand. Currently CGTD has filed an appeal for the adjudicated but unsettled civil cases and proceeded with the second instance procedure successively. The rest of the cases are still under trial in the Court of First Instance (the amount of compensation requested is approximately $1,882,829 thousand). CGTD signed a claim agreement with an insurance company, according to the negligence liability ratio determined by the judgment of first instance, it is estimated the settlement amount of victims and seriously injured, the compensation amount of civil litigation cases (including the settled cases), and estimated amount to be borne by itself after deducting the upper limit of insurance claim was $136,375 thousand, which had been included into the account. However, the actual amount of such settlement and compensation shall not be confirmed until the proportion of liability to be borne by CGTD is determined in the civil case judgment in the future.

28. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information is expressed in aggregate in foreign currencies other than the functional currency of the Company, and the exchange rates disclosed refer to the exchange rates at which these foreign currencies were translated into the functional currency. Significant financial assets and liabilities denominated in foreign currencies are as follows:

Units: The foreign currency/carrying amount is in thousand dollars, except the exchange rate in dollars

December 31, 2023

	Foreign Currency	Exchange Rate		Functional Currency	Carrying Amount
Financial assets					
Monetary items					
USD	$ 15,562	30.705	(USD:NTD)	$ 477,816	$ 477,816
RMB	41,026	4.3352	(RMB:NTD)	177,854	177,854
					$ 655,670
Non-monetary items					
Subsidiaries and associates accounted for using the equity method					
USD	104,364	30.705	(USD:NTD)	3,204,490	$ 3,204,490
Derivative instruments					
RMB	15,100	4.3352	(RMB:NTD)	955	$ 955
Financial liabilities					
Monetary items					
USD	$ 5,944	30.705	(USD:NTD)	$ 182,506	$ 182,506

December 31, 2022

	Foreign Currency	Exchange Rate		Functional Currency	Carrying Amount
Financial assets					
Monetary items					
USD	$ 23,264	30.710	(USD:NTD)	$ 714,437	$ 714,437
RMB	149,703	4.4094	(RMB:NTD)	660,099	660,099
					$ 1,374,536
Non-monetary items					
Subsidiaries and associates accounted for using the equity method					
USD	136,191	30.710	(USD:NTD)	4,182,425	$ 4,182,425
Derivative instruments					
RMB	21,700	4.4094	(RMB:NTD)	425	$ 425
Financial liabilities					
Monetary items					
USD	7,760	30.710	(USD:NTD)	238,315	$ 238,315
Non-monetary items					
Derivative instruments					
RMB	79,800	4.4094	(RMB:NTD)	3,012	$ 3,012

For the years ended December 31, 2023 and 2022, realized and unrealized foreign exchange gains were $1,787 thousand and $45,056 thousand, respectively. It is impractical to disclose net foreign exchange (losses) gains by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the Company.

29. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

   1) Financing provided to others. (None)
   2) Endorsements/guarantees provided. (None)
   3) Marketable securities held (excluding investments in subsidiaries, associates and interests in joint ventures). (Table 1)
   4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital. (None)
   5) Acquisitions of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital. (None)
   6) Disposals of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital. (None)
   7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 2)
   8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 3)
   9) Trading in derivative instruments. (Note 7)

b. Information about investees. (Table 4)

c. Information on investments in mainland China

   1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 5)
   2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (Table 6)

      a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year.

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year.

c) The amount of property transactions and the amount of the resultant gains or losses.

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes.

e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to financing of funds.

f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.

d. Information about substantial shareholders: Names of shareholders with a holding ratio of 5% or more and the amount and proportion of shares held. (Table 7)

Besides Tables 1 to 7 as disclosed, there was no other information about significant transactions, investees and investments in mainland China which should be disclosed.

30. SEGMENT INFORMATION

According to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standard (IFRS) No. 8 on segment information does not apply to the Company's parent company only financial statements.

TABLE 1

ASIA POLYMER CORPORATION

MARKETABLE SECURITIES HELD
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	Ending				Note
				Number of Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Asia Polymer Corporation	Shares							
	Harbinger Venture Capital Corp.	-	Financial assets at fair value through other comprehensive income - non-current	2,377	$ 14	1.20%	$ 14	
	KHL IB Venture Capital Co., Ltd.	〃	〃	13,132,193	120,947	11.90%	120,947	
	PELL Bio-Med Technology Co. Ltd.	〃	〃	235,000	19,975	0.44%	19,975	
	USI Corporation	Ultimate parent company	〃	101,355,673	2,001,775	8.53%	2,001,775	
	CTCI Corporation	-	〃	14,446,107	608,903	1.80%	608,903	
	AUO Corporation	〃	〃	7,694,812	139,661	0.10%	139,661	
	Wafer Works Corporation	〃	Financial assets at fair value through other comprehensive income - current	518,668	22,458	0.10%	22,458	
	Taiwan Cement Corporation	〃	Financial assets at fair value through profit or loss - current	2,000,000	69,700	0.03%	69,700	
	Hon Hai Precision Industry Co., Ltd.	〃	〃	100,000	10,450	-	10,450	
	China Steel Corporation	〃	〃	350,000	9,450	-	9,450	
	UPC Technology Corporation	〃	〃	293,000	4,454	0.02%	4,454	
	Beneficiary securities							
	Cathay No. 1 Real Estate Investment Trust Fund	〃	〃	4,053,000	68,820	-	68,820	
	Beneficiary certificates							
	Jih Sun Money Market Fund	〃	〃	3,953,746	60,312	-	60,312	
	Taishin 1699 Money Market Fund	〃	〃	18,260,735	254,600	-	254,600	
	Capital Money Market Fund	〃	〃	2,897,690	48,064	-	48,064	
	CTBC Hua Win Money Market Fund	〃	〃	1,771,181	20,041	-	20,041	
	SinoPac TWD Money Market Fund	〃	〃	11,202,715	160,210	-	160,210	

(Continued)

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	Ending				Note
				Number of Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
APC (BVI) Holding Co., Ltd.	Shares							
	Budworth Investment Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	40,467	$ 2	4.45%	$ 2	
	Silicon Technology Investment (Cayman) Corp. - preference shares	〃	〃	1,139,776	84,022	2.21%	84,022	
	NeuroSky, Inc. - series D preference shares	〃	〃	2,397,364	-	0.37%	-	(Note 1)
	Solargiga Energy Holdings Ltd.	〃	〃	15,863,333	9,411	0.48%	9,411	
	Teratech Corp.	〃	〃	112,000	-	0.67%	-	(Note 1)
	TGF Linux Communication, Inc. - preference shares	〃	Financial assets at fair value through profit or loss - non-current	300,000	-	-	-	(Note 1)
	Sohoware, Inc. - preference shares	〃	〃	450,000	-	-	-	(Note 1)
	Boldworks, Inc. - preference shares	〃	〃	689,266	-	-	-	(Note 1)
APC Investment Corporation	Shares							
	USI Corporation	Ultimate parent company	Financial assets at fair value through profit or loss - current	44,808	885	-	885	
	UPC Technology Corporation	-	〃	116,000	1,763	0.01%	1,763	
	China Steel Corporation	〃	〃	175,000	4,725	-	4,725	
	Taiwan Cement Corporation	〃	〃	1,000,000	34,850	0.01%	34,850	
	Hon Hai Precision Industry Co., Ltd.	〃	〃	50,000	5,225	-	5,225	
	Beneficiary certificates							
	Cathay Taiwan Money Market Fund	〃	Financial assets at fair value through profit or loss - current	2,274,563	29,030	-	29,030	

Note 1. The carrying amount of long-term equity investments in the company was zero due to the investment losses recognized in prior years.

Note 2. Please refer to Tables 4 and 5 for information on investments in subsidiaries and associates.

TABLE 2

ASIA POLYMER CORPORATION

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer/Seller	Counterparty	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		
			Purchase/Sale	Amount	Ratio to Total Purchase/Sale (%)	Credit Period	Unit Price	Credit Period	Financial Statement Account and Ending Balance		Ratio to Total Notes/Accounts Receivable (Payable) (%)
Asia Polymer Corporation	USI Corporation	Ultimate parent company	Sales of goods	($ 813,245)	(12.43%)	60 days	No significant difference	No significant difference	Accounts receivable from related parties	$ 98,763	19.49%
〃	USI Trading (Shanghai) Co., Ltd	Subsidiary	Sales of goods	(336,955)	(5.15%)	90 days	No significant difference	No significant difference	Accounts receivable from related parties	102,062	20.15%
〃	USI Corporation	Ultimate parent company	Purchases of goods	201,867	5.28%	30 days	No significant difference	No significant difference	Accounts payable from related parties	(17,007)	(9.27%)
〃	Fujian Gulei Petrochemical Co., Ltd.	Associate	Purchases of goods	651,304	17.05%	Letters of credit	No significant difference	No significant difference	—	-	-
USI Trading (Shanghai) Co., Ltd	USI Corporation	Ultimate parent company	Purchases of goods	119,853	23.91%	30 days	No significant difference	No significant difference	Accounts payable from related parties	(31,650)	(23.31%)

TABLE 3

ASIA POLYMER CORPORATION

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Counterparty	Relationship	Balance of Receivables from Related Parties		Turnover Rate	Overdue Amounts from Related Parties		Amounts Receivable from Related Parties in Subsequent Period (Note 2)	Loss Allowance Amount
						Amount	Actions Taken		
Asia Polymer Corporation	USI Trading (Shanghai) Co., Ltd	Subsidiary	Accounts receivable from related parties	$ 102,062	5.00%	$ -	-	$ 87,913	Note 1

Note 1. There is no allowance of loss after assessment.

Note 2. The subsequent period refers to the period between January 1 and March 7, 2024.

TABLE 4

ASIA POLYMER CORPORATION

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Holding at the End of Year			Net Income (Loss) of Investee	Investment Income (Loss)	Note
				Ending of Current Year	Ending of Previous Year	Number of Shares	Percentage	Carrying Amount			
Asia Polymer Corporation	APC (BVI) Holding Co., Ltd.	British Virgin Islands	Reinvestment	$ 422,955 (US$ 13,775 thousand)	$ 422,955 (US$ 13,775 thousand)	11,342,594	100.00%	$ 596,737	$ 19,337	$ 19,337	Subsidiary (Note 1)
	APC Investment Corporation	Taipei City	Investment	200,000	200,000	20,000,000	100.00%	141,678	(3,968)	(3,968)	Subsidiary (Note 1)
	USI International Corp.	British Virgin Islands	Reinvestment	64,481 (US$ 2,100 thousand)	64,481 (US$ 2,100 thousand)	2,100,000	70.00%	66,669	(3,852)	(2,696)	Subsidiary (Note 1)
	China General Plastics Corporation	Taipei City	Production and selling of plastic cloth, plastic skin, plastic pipes, plastic particles, plastic powder, alkali chlorine products, and other related products as main business	247,412	247,412	46,886,185	8.07%	773,150	341,916	27,590	Investments accounted for using the equity method
	China General Terminal & Distribution Corporation	Taipei City	Warehousing and transportation of petrochemical raw materials	41,082	41,082	25,053,469	33.33%	329,972	(26,036)	(8,679)	Investments accounted for using the equity method
	Swanson Plastics Corporation	Taipei City	Manufacture and marketing of stretch films and industrial use multi-layer films	75,242	75,242	12,266,779	7.95%	198,518	(77,152)	(6,133)	Investments accounted for using the equity method
	Acme Electronics Corporation	Taipei City	Manufacture and marketing of manganese-zinc and ferrite core	76,241	61,348	6,801,315	3.19%	56,503	(171,224)	(5,468)	Investments accounted for using the equity method
	Taiwan United Venture Capital Corp.	Taipei City	Investment in high technology businesses	38,636	52,791	1,665,333	8.33%	11,369	(149)	(12)	Investments accounted for using the equity method
	USI Optronics Corporation	Taipei City	Manufacture and marketing of sapphire products	59,725	59,725	5,972,464	9.20%	4,925	(13,363)	(1,230)	Investments accounted for using the equity method
	Ever Conquest Global Ltd.	British Virgin Islands	Reinvestment	5,234,435 (US$ 170,475 thousand)	5,234,435 (US$ 170,475 thousand)	170,475,000	40.87%	2,541,084	(2,331,328)	(952,746)	Investments accounted for using the equity method
APC (BVI) Holding Co., Ltd.	ACME Electronics (Cayman) Corp.	British Cayman Islands	Reinvestment	161,045 (US$ 5,245 thousand)	161,045 (US$ 5,245 thousand)	8,316,450	13.63%	189,269	(94,932)		APC (BVI) Holding Co., Ltd. Investments accounted for using the equity method
	USI International Corp.	British Virgin Islands	Reinvestment	27,634 (US$ 900 thousand)	27,634 (US$ 900 thousand)	900,000	30.00%	28,574	(3,852)		APC (BVI) Holding Co., Ltd. Investments accounted for using the equity method (Note 1)
APC Investment Corporation	Acme Electronics Corporation	Taipei City	Manufacture and marketing of manganese-zinc and ferrite core	39,523	14,889	3,116,262	1.46%	25,888	(171,224)		APC Investment Corporation Investments accounted for using the equity method
	Swanson Technologies Corporation	Taipei City	Farming, sales, research and development of agricultural products and production, sales and development of EVA packaging films and other high value-added plastic products	22,500	22,500	2,250,015	15.00%	(5,651)	(35,475)		APC Investment Corporation Investments accounted for using the equity method
Ever Conquest Global Ltd.	Ever Victory Global Limited	British Virgin Islands	Reinvestment	12,808,437 (US$ 417,145 thousand)	12,808,437 (US$ 417,145 thousand)	417,145,000	67.40%	6,217,923 (US$ 202,505 thousand)	(3,458,807) (US$ 111,368 thousand)		Ever Conquest Global Ltd. Investments accounted for using the equity method
Ever Victory Global Limited	Dynamic Ever Investments Ltd.	Hong Kong	Reinvestment	18,080,639 (US$ 588,850 thousand)	18,080,639 (US$ 588,850 thousand)	588,850,000	85.00%	8,242,352 (US$ 268,437 thousand)	(4,128,406) (US$ 132,920 thousand)		Ever Victory Global Limited Investments accounted for using the equity method

Note 1. Please refer to Table 5 for information on investee companies in mainland China.

TABLE 5

ASIA POLYMER CORPORATION

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 4)	Method and Medium of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023	Net Income (Loss) of Investee (Note 3)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 3)	Carrying Amount of Investment as of December 31, 2023 (Note 4)	Accumulated Repatriation of Investment Income as of December 31, 2023
					Outflow	Inflow						
ACME Electronics (Kunshan) Co., Ltd.	Manufacture and marketing of manganese-zinc soft ferrite core	$ 943,411 (US$ 30,725 thousand)	(2) ACME Electronics (Cayman) Corp.	$ 128,266 (US$ 4,177 thousand)	$ - -	$ - -	$ 128,266 (US$ 4,177 thousand)	B ($ 104,690)	13.63%	($ 15,186)	$ 92,407	$ -
USI Trading (Shanghai) Co., Ltd	Sale of chemical products and equipment	76,763 (US$ 2,500 thousand)	(2) APC (BVI) Holding Co., Ltd.	93,208 (US$ 3,036 thousand)	- -	- -	93,208 (US$ 3,036 thousand)	B 14,541	100.00%	14,541	162,488	-
Fujian Gulei Petrochemical Co., Ltd.	Processing of crude oil and manufacture of petroleum products	40,379,787 (RMB 9,314,400 thousand)	(2) Dynamic Ever Investments Ltd., (Note 2)	4,847,794 (US$ 157,883 thousand)	- -	- -	4,847,794 (US$ 157,883 thousand)	A (8,237,293)	11.71%	(964,327)	2,183,588	-
Zhangzhou Taiju Trading Co., Ltd.	Sales of chemical products	43,352 (RMB 10,000 thousand)	(2) APC (BVI) Holding Co., Ltd.	13,006 (RMB 3,000 thousand)	- -	- -	13,006 (RMB 3,000 thousand)	A 27,784	30.00%	8,335	20,266	-
Xiamen USI Trading Co., Ltd.	Sales of chemical products	43,352 (RMB 10,000 thousand)	(2) APC (BVI) Holding Co., Ltd.	- -	13,006 (RMB 3,000 thousand)	- -	13,006 (RMB 3,000 thousand)	A (5)	30.00%	(1)	13,004	-
Zhangzhou Dynamic Ever Property Co., Ltd.	Property management	91,039 (RMB 21,000 thousand)	(2) Dynamic Ever Investments Ltd., (Note 2)	- -	21,316 (RMB 4,917 thousand)	- -	21,316 (RMB 4,917 thousand)	A 27	23.41%	6	21,322	-

Accumulated Outward Remittance for Investment from Taiwan to Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
$5,264,471 (Note 5) (US$ 171,453 thousand)	$ 7,011,045 (US$ 228,336 thousand)	$ - - (Note 6)

Note 1. Method and medium of investments are divided into three categories as follows:

(1) Direct investment in mainland China.

(2) Investments through a holding company registered in a third region (Please specify the investment company in the third region).

(3) Others.

Note 2. The Company indirectly reinvested in 50% of the outstanding shares of Fujian Gulei Petrochemical Co., Ltd. via Ever Conquest Global Ltd. (40.87%) in the third region, then via Ever Victory Global Limited (67.40%), and finally via Dynamic Ever Investments Ltd. (85.00%).

Note 3. For the column of investment gain (loss):

(1) If there is no investment gain (loss) during the preparation, it should be noted.

(2) If the basis for the recognition of investment gain (loss) is classified into the following three types, it should be noted as follows:

A. Financial statements audited by international accounting firms which have a cooperation relationship with an accounting firm in the Republic of China.

B. Financial statements audited by CPAs of the parent company in Taiwan.

C. Others.

Note 4. The calculation was based on the exchange rate as of December 31, 2023.

Note 5. The companies in mainland China which are indirectly invested by the Company through APC (BVI) Holding Co. Ltd.'s investment in Silicon Technology Investment (Cayman) Corp. (STIC) and Solargiga Energy Holdings Ltd.

Note 6. As the Company has obtained the certificate of qualification for operating headquarters issued by the Industrial Development Bureau, MOEA in Order No. 11120425760 on August 23, 2022, the upper limit on investments is not applicable.

TABLE 6

ASIA POLYMER CORPORATION

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Transaction Type	Amount	%	Price	Transaction Terms		Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss	Note
					Payment Terms	Comparison with Normal Transactions	Amount	%		
USI Trading (Shanghai) Co., Ltd	Sales of goods	$ 336,955	5.15%	No significant difference	T/T 90 days	No significant difference	$ 102,062	20.15%	$ -	—
Fujian Gulei Petrochemical Co., Ltd.	Purchases of goods	651,304	17.05%	No significant difference	Letters of credit	No significant difference	-	-	-	—

TABLE 7

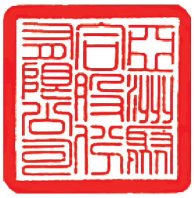
ASIA POLYMER CORPORATION

INFORMATION ABOUT SUBSTANTIAL SHAREHOLDERS
DECEMBER 31, 2023

Name of Substantial Shareholders	Shares	
	Number of Shares Held	%
Union Polymer International Investment Corporation	214,245,822	36.08%

Note: The information of substantial shareholders in this table refers to the information calculated by TDCC on the last business day at the end of the current quarter of which the total number of ordinary shares and preferred shares (including treasury shares) of the Company held, amounting to more than 5%, by the shareholder that have completed the dematerialized registration and delivery. The share capital recorded in the parent company only financial statements of the Company and the actual number of shares that have completed the dematerialized registration and delivery may be different or discrepant due to different compilation and calculation basis.

Asia Polymer Corporation



Chairman: Wu, Yi-Kuei