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ASIA POLYMER CORPORATION AND SUBSIDIARIES

Consolidated Financial Statements and Independent Auditors' Review Report

Q2, 2023 and 2022

Address: No. 3, Gongye 1st Rd., Linyuan Dist., Kaohsiung City

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§CONTENTS§

INDEPENDENT AUDITORS' REVIEW REPORT

To Asia Polymer Corporation:

Preface

We have reviewed the accompanying consolidated financial statements of Asia Polymer Corporation and its subsidiaries (the Group), which comprise the consolidated balance sheets as of June 30, 2023 and 2022, and the consolidated statements of comprehensive income from April 1 to June 30, 2023 and 2022, and from January 1 to June 30, 2023 and 2022, changes in equity and cash flows from January 1 to June 30, 2023 and 2022, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements"). It is the responsibility of management to prepare the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting", which have been endorsed by the Financial Supervisory Commission and are effective for issuance.

Scope

We have conducted our review in accordance with Statement of Auditing Standards No. 2410, "Review of Financial Statements," except for the basis of our qualified opinion. The procedures performed in reviewing the consolidated financial statements include inquiries (primarily of persons responsible for financial and accounting matters), analytical procedures and other review procedures. A review is significantly less in scope than an audit and, accordingly, we may not be able to discern all significant matters that could be identified by an audit and, accordingly, we cannot express an audit opinion.

The Basis for the Qualified Conclusion

As stated in Notes 12 and 13 to the consolidated financial statements, the financial statements of the non-significant subsidiaries and certain investments accounted for under the equity method included in the preceding consolidated financial statements for the same period have not been reviewed by the accountants, and their total assets and the balance of investments accounted for under the equity method amounted to NT$ 4,403,389 thousand and NT$5,841,468 thousand as of June 30, 2023 and 2022, respectively, representing 28% and 33% of the consolidated total assets, respectively; the total liabilities amounted to NT$37,474 thousand and NT$54,823 thousand, representing 2% and 1% of the total consolidated liabilities, respectively; the above unreviewed non-significant subsidiaries accounted for NT$ 71,991 thousand, 42,243 thousand, 117,383 thousand, and NT$72,721 thousand, or (20%), (9%), 106% and (59%) of the consolidated total profit or loss from April 1 to June 30, 2023 and 2022, January 1 to June 30, 2023 and 2022, respectively; and for the above unreviewed portion of investments accounted for by the equity method, a total consolidated gain or loss of NT$(313,418) thousand, NT$(407,288) thousand, NT$(624,275) thousand and NT$(669,691) thousand is recognized from January 1 to June 30, 2023 and 2022, respectively, representing 89%, 89%, (566%) and 542% of the total consolidated gain or loss, respectively. The information related to the investees mentioned in the notes to the consolidated financial statements is based on the investees' unreviewed financial statements for the same period.

Qualified Conclusion

Based on our review, we are not aware of any material modifications that might have been made to the consolidated financial statements had we reviewed the financial statements of the immaterial subsidiaries and certain investments accounted for using the equity method, as described in the Basis for Qualified Conclusions, that are not in accordance, in all material respects, with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 as endorsed by the Financial Supervisory Commission and issued in effect. As a result, the consolidated financial statements of Asia Polymer Corporation and its subsidiaries as of June 30, 2023 and 2022, and the consolidated financial performance from April 1 to June 30, 2023 and 2022, as well as the consolidated financial performance and consolidated cash flows from January 1 to June 30, 2023 and 2022 are not fairly stated.

Deloitte & Touche

CPA Chiu, Cheng-Chun

CPA Chuang, Pi-Yu

Financial Supervisory Commission,
Approval No. 0930160267

Financial Supervisory Commission,
Approval No. 1070323246

August 2, 2023

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ASIA POLYMER CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
June 30, 2023 and December 31 and June 30, 2022
(In Thousands of New Taiwan Dollars)

		June 30, 2023		December 31, 2022		June 30, 2022	
Code	ASSETS	Amount	%	Amount	%	Amount	%
	CURRENT ASSETS						
1100	Cash and cash equivalents (Note 6)	$ 1,190,875	7	$ 1,481,970	9	$ 1,156,868	6
1110	Financial assets at fair value through profit and loss - current (Note 7)	742,524	5	499,776	3	1,033,122	6
1120	Financial assets at fair value through other comprehensive income - current (Note 8)	24,533	-	21,162	-	24,922	-
1170	Accounts receivable from unrelated parties (Notes 10 and 22)	415,830	3	868,078	5	501,395	3
1180	Accounts receivable from related parties (Notes 10, 22 and 28)	152,498	1	202,757	1	384,600	2
1200	Other receivables	893	-	950	-	11,140	-
1210	Other receivables from related parties (Note 28)	91,258	1	3,602	-	349,572	2
130X	Inventories (Note 11)	815,512	5	540,844	4	710,820	4
1410	Prepayments	209,842	1	165,484	1	142,626	1
1470	Other current assets	110	-	110	-	110	-
11XX	Total current assets	3,643,875	23	3,784,733	23	4,315,175	24
	NON-CURRENT ASSETS						
1517	Financial assets at fair value through other comprehensive income - non-current (Note 8)	3,253,800	21	3,189,863	19	3,331,844	19
1535	Financial assets at amortized cost - non-current (Note 9)	3,885	-	8,350	-	9,816	-
1550	Investments accounted for using the equity method (Notes 13 and 29)	4,551,898	29	5,158,490	32	6,007,658	34
1600	Property, plant and equipment (Note 14)	3,376,194	21	3,363,478	21	3,371,671	19
1755	Right-of-use assets (Note 15)	10,012	-	10,451	-	7,855	-
1760	Investment properties (Note 16)	506,894	3	510,955	3	513,594	3
1840	Deferred tax assets (Notes 4 and 24)	478,220	3	356,127	2	203,485	1
1900	Other non-current assets	4,656	-	7,622	-	10,507	-
15XX	Total non-current assets	12,185,559	77	12,605,336	77	13,456,430	76
1XXX	TOTAL ASSETS	$ 15,829,434	100	$ 16,390,069	100	$ 17,771,605	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 (Note 7)	29	-	3,012	-	1,212	-
2170	Accounts payable (Note 18)	165,622	1	257,607	2	379,565	2
2180	Accounts payable to related parties (Notes 18 and 28)	49,247	1	53,653	-	77,861	1
2200	Other payables (Note 19)	674,847	4	219,889	1	1,294,462	7
2220	Other payables to related parties (Note 28)	411,235	3	178,903	1	732,844	4
2230	Current tax liabilities (Notes 4 and 24)	150,201	1	656,238	4	299,015	2
2280	Lease liabilities - current (Note 15)	6,490	-	6,524	-	6,092	-
2365	Refund liabilities - current	5,899	-	5,899	-	5,899	-
2399	Other current liabilities (Note 22)	45,033	-	48,384	-	55,685	-
21XX	Total current liabilities	1,508,603	10	1,550,109	9	2,852,635	16
	NON-CURRENT LIABILITIES						
2540	Long-term borrowings (Note 17)	544,743	3	450,636	3	1,170,672	7
2570	Deferred tax liabilities (Notes 4 and 24)	31,337	-	29,667	-	32,912	-
2580	Lease liabilities - non-current (Note 15)	14,439	-	17,709	-	18,235	-
2640	Net defined benefit liabilities - non-current (Notes 4 and 20)	105,396	1	112,106	1	126,179	1
2650	Credit balance of investments accounted for using the equity method (Note 13)	3,165	-	330	-	-	-
2670	Other non-current liabilities	13,511	-	12,554	-	13,756	-
25XX	Total non-current liabilities	712,591	4	623,002	4	1,361,754	8
2XXX	Total liabilities	2,221,194	14	2,173,111	13	4,214,389	24
	EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 8, 21 and 24)						
	Share Capital						
3110	Ordinary shares	5,937,438	38	5,937,438	36	5,937,438	33
3200	Capital Surplus	36,889	-	37,142	-	35,318	-
	Retained Earnings						
3310	Legal Reserve	2,370,208	15	2,223,200	14	2,223,200	13
3320	Special Reserve	565,379	3	565,379	3	565,379	3
3350	Unappropriated Earnings	3,748,363	24	4,511,018	28	3,732,973	21
3300	Total retained earnings	6,683,950	42	7,299,597	45	6,521,552	37
3400	Other equity	949,963	6	942,781	6	1,062,908	6
3XXX	Total equity	13,608,240	86	14,216,958	87	13,557,216	76
	TOTAL LIABILITIES AND EQUITY	$ 15,829,434	100	$ 16,390,069	100	$ 17,771,605	100

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

(Please refer to the review report issued by Deloitte & Touche on August 2, 2023)

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ASIA POLYMER CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
From April 1 to June 30, 2023 and 2022, and from January 1 to June 30, 2023 and 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

		From April 1 to June 30, 2023		From April 1 to June 30, 2022		From January 1 to June 30, 2023		From January 1 to June 30, 2022	
Code		Amount	%	Amount	%	Amount	%	Amount	%
4100	NET REVENUE (Notes 22 and 28)	$ 1,659,326	100	$ 2,348,179	100	$ 3,228,503	100	$ 4,489,795	100
5110	OPERATING COSTS (Notes 11, 20, 23 and 28)	1,265,196	76	1,531,421	65	2,521,651	78	3,116,331	69
5900	GROSS PROFIT	394,130	24	816,758	35	706,852	22	1,373,464	31
	OPERATING EXPENSES (Notes 20, 23 and 28)								
6100	Selling and marketing expenses	22,421	1	35,969	2	48,794	1	87,140	2
6200	General and administrative expenses	25,986	2	28,372	1	57,624	2	65,795	2
6300	Research and development expenses	1,612	-	1,571	-	3,172	-	3,187	-
6000	Total operating expenses	50,019	3	65,912	3	109,590	3	156,122	4
6900	PROFIT FROM OPERATIONS	344,111	21	750,846	32	597,262	19	1,217,342	27
	NON-OPERATING INCOME AND EXPENSES (Notes 13, 23 and 28)								
7100	Interest income	7,924	1	5,010	-	11,729	-	5,882	-
7010	Other income	87,774	5	250,021	11	107,680	3	271,337	6
7020	Other gains and losses	4,385	-	(33,229)	(2)	(3,328)	-	(19,803)	-
7510	Interest expense	(2,354)	-	(2,081)	-	(4,595)	-	(5,212)	-
7060	Share of profit or loss of associates	(257,771)	(16)	(380,776)	(16)	(558,036)	(17)	(606,262)	(14)
7000	Total non-operating income and expenses	(160,042)	(10)	(161,055)	(7)	(446,550)	(14)	(354,058)	(8)
7900	PROFIT BEFORE INCOME TAX	184,069	11	589,791	25	150,712	5	863,284	19
7950	INCOME TAX EXPENSE (Notes 4 and 24)	55,746	3	127,559	6	47,516	2	170,232	4
8200	Net profit for the period	128,323	8	462,232	19	103,196	3	693,052	15
	Other comprehensive income or loss for the period (Notes 4, 13, 21 and 24)								
	Items that will not be reclassified subsequently to profit or loss:								

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Code		From April 1 to June 30, 2023 Amount	%	From April 1 to June 30, 2022 Amount	%	From January 1 to June 30, 2023 Amount	%	From January 1 to June 30, 2022 Amount	%
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	(412,349)	(25)	(831,538)	(35)	65,876	2	(901,125)	(20)
8320	Share of the other comprehensive income (loss) of associates accounted for using the equity method	(10,009)	-	(38,241)	(2)	(10,329)	-	(37,847)	(1)
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss	(219)	-	(538)	-	(973)	-	(1,707)	-
8310		(422,577)	(25)	(870,317)	(37)	54,574	2	(940,679)	(21)
	Items that may be reclassified subsequently to profit or loss:								
8361	Exchange Differences on Translating the Financial Statements of Foreign Operations	($ 71,017)	(5)	($ 61,110)	(3)	($ 59,640)	(2)	$ 140,347	3
8370	Share of the other comprehensive income (loss) of associates accounted for using the equity method	(1,027)	-	(1,167)	-	321	-	11,749	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	14,203	1	12,222	1	11,927	-	(28,069)	-
8360		(57,841)	(4)	(50,055)	(2)	(47,392)	(2)	124,027	3
8300	Other comprehensive income (loss) for the period, net of income tax	(480,418)	(29)	(920,372)	(39)	7,182	-	(816,652)	(18)
8500	Total comprehensive (loss) income for the period	($ 352,095)	(21)	($ 458,140)	(20)	$ 110,378	3	($ 123,600)	(3)
	EARNINGS PER SHARE (Note 25)								
9710	Basic	$ 0.22		$ 0.78		$ 0.17		$ 1.17	
9810	Diluted	$ 0.22		$ 0.78		$ 0.17		$ 1.17	

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ASIA POLYMER CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

From January 1 to June 30, 2023 and 2022

(In Thousands of New Taiwan Dollars)

		Equity Attributable to Owners of the Company (Notes 8, 21 and 24)								
		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	-	-	(1)	-	-	(1,204)	-	1,204	(1)
D1	Net Profit from January 1 to June 30, 2022	-	-	-	-	-	693,052	-	-	693,052
D3	Other comprehensive income (loss) after tax for the period from January 1 to June 30, 2022, net of income tax	-	-	-	-	-	-	124,027	(940,679)	(816,652)
D5	Total comprehensive income (loss) from January 1 to June 30, 2022	-	-	-	-	-	693,052	124,027	(940,679)	(123,600)
Q1	Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	190	-	(190)	-
Z1	Balance as of June 30, 2022	593,743	$ 5,937,438	$ 35,318	$ 2,223,200	$ 565,379	$ 3,732,973	($ 115,933)	$ 1,178,841	$ 13,557,216
A1	Balance as of January 1, 2023	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	-	-	(253)	-	-	(6,350)	-	-	(6,603)
D1	Net Profit from January 1 to June 30, 2023	-	-	-	-	-	103,196	-	-	103,196
D3	Other comprehensive income (loss) after tax for the period from January 1 to June 30, 2023, net of income tax	-	-	-	-	-	-	(47,392)	54,574	7,182
D5	Total comprehensive income (loss) from January 1 to June 30, 2023	-	-	-	-	-	103,196	(47,392)	54,574	110,378
Z1	Balance as of June 30, 2023	593,743	$ 5,937,438	$ 36,889	$ 2,370,208	$ 565,379	$ 3,748,363	($ 156,795)	$ 1,106,758	$ 13,608,240

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ASIA POLYMER CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

From January 1 to June 30, 2023 and 2022

(In Thousands of New Taiwan Dollars)

Code		From January 1 to June 30, 2023	From January 1 to June 30, 2022
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Net income before tax for the period	$ 150,712	$ 863,284
A20010	Adjustments for:		
A20100	Depreciation expenses	156,858	150,981
A20200	Amortization expenses	239	-
A20400	Net (gain) loss on fair value change of financial assets at fair value through profit or loss	(9,152)	90,990
A20900	Interest expense	4,595	5,212
A21200	Interest income	(11,729)	(5,882)
A21300	Dividend income	(76,507)	(237,930)
A22300	Share of profit or loss of associates	558,036	606,262
A23700	Benefits from inventory decline and recovery	(817)	(731)
A24100	Non-reliable net loss (gain) on foreign currency exchange	2,814	(3,551)
A30000	Changes in operating assets and liabilities		
A31115	Financial assets mandatorily classified as at fair value through profit or loss	(236,579)	(5,046)
A31150	Accounts Receivable	451,051	493,215
A31160	Accounts receivable from related parties	49,352	43,834
A31180	Other receivables	-	22,041
A31190	Other receivables from related parties	(2,584)	527
A31200	Inventories	(273,853)	(126,003)
A31230	Prepayments	(44,358)	6,105
A32150	Accounts payable from unrelated parties	(92,516)	160,321
A32160	Accounts payable from related parties	(4,618)	(1,677)
A32180	Other payables from unrelated parties	12,532	(56,951)
A32190	Other payables to related parties	(33,325)	(138,451)
A32230	Other current liabilities	(3,351)	27,499
A32240	Net defined benefit liabilities - non-current	(6,710)	(8,826)
A33000	Incoming cash generated from operations	590,090	1,885,223
A33100	Interest received	11,786	5,417
A33300	Interest paid	(4,618)	(5,564)
A33500	Income tax paid	(663,022)	(662,574)
AAAA	Net cash inflow (outflow) generated from operating activities	(65,764)	1,222,502

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Code		From January 1 to June 30, 2023	From January 1 to June 30, 2022
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00020	Proceeds from sale of financial assets at fair value through other comprehensive income	$ -	$ 216
B01800	Acquisition of associates	(39,528)	(13,203)
B02700	Payments for property, plant and equipment	(162,655)	(123,461)
B04500	Acquisition of intangible assets	(603)	-
B05400	Payments for investment properties	-	(2,214)
B07600	Dividends received	5,526	-
B09900	Decrease in other non-current assets	3,326	5,019
BBBB	Net cash used in investing activities	(193,934)	(133,643)
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00200	Repayments of short-term borrowings	(120,000)	(500,000)
C01600	Proceeds from long-term borrowings	104,000	2,300,000
C01700	Repayments of long-term borrowings	(10,000)	(2,500,000)
C04020	Repayment of the principal portion of lease liabilities	(3,304)	(2,968)
C04300	Decrease in other non-current liabilities	(213)	(3,782)
C04500	Dividends paid to owners of the Group	(38)	(191)
CCCC	Net cash used in financing activities	(29,555)	(706,941)
DDDD	EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	(1,842)	11,014
EEEE	CURRENT (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(291,095)	392,932
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	1,481,970	763,936
E00200	CASH AND CASH EQUIVALENTS AT THE ENDING OF THE PERIOD	$ 1,190,875	$ 1,156,868

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

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ASIA POLYMER CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
From January 1 to June 30, 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 June 30, 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 approved and issued by the Board of Directors on August 2, 2023.

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 "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC).

   The application of the revised IFRSs approved by the FSC and issued into effect will not result in significant changes in the accounting policies of the Group.

b. IFRSs issued by the IASB but not yet endorsed by the FSC and issued effective

New IFRSs	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
Amendments to IFRS 16 “Lease Liabilities in Leaseback after Sales”	January 1, 2024 (Note 2)
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 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Contractual Terms”	January 1, 2024
Amendment to IAS 7 and IFRS 7 'Supplier Financing Arrangements'	January 1, 2024
Amendment to IAS 12 "International Tax Reform - Pillar 2 Rule Template"	Note 3

Note 1: Unless stated otherwise, the above New IFRSs 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: After the issuance of such amendments, the exception provisions and disclosure of facts that have already been applied shall immediately apply, and shall be retroactively applied in accordance with the provisions of IAS 8; Other disclosure provisions shall apply to annual reporting periods starting after January 1, 2023, and shall not apply to interim financial reports ending before December 31, 2023.

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.

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 ISA 34 Interim Financial Reporting as endorsed and issued into effect by the FSC. The consolidated financial statements do not include all IFRSs disclosures required by the entire annual financial report.

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. 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).

d. Other significant accounting policies

Except as noted below, please refer to the summary of significant accounting policies in the consolidated financial statements for the year 2022.

1) Defined benefits - Post-employment benefits

Pension cost for the interim period is calculated using the actuarially determined pension cost rate as of the prior year-end, based on the beginning of the year to the end of the current period, which is adjusted for significant market fluctuations, significant plan amendments, liquidations or other significant one-time events during the period.

2) Income tax expense

Income tax expense represents the sum of the tax currently payables and deferred income tax. Income taxes for interim periods are evaluated on an annual basis, and the pre-tax benefit for the period is calculated using the tax rate applicable to the expected total annual earnings.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Please refer to the description of significant accounting judgments, estimates and key sources of assumption uncertainty in the consolidated financial statements for 2022.

6. CASH AND CASH EQUIVALENTS

	June 30, 2023	December 31, 2022	June 30, 2022
Cash on hand and petty cash	$ 264	$ 267	$ 212
Checking accounts and demand deposits	207,570	229,330	383,083
Cash equivalents			
Time deposits	512,846	678,091	393,802
Reverse repurchase agreements collateralized by bonds	470,195	574,282	379,771
	$ 1,190,875	$ 1,481,970	$ 1,156,868

At the end of the reporting period, the market rate intervals for bank deposits and reverse repurchase agreements collateralized by bonds were as follows:

	June 30, 2023	December 31, 2022	June 30, 2022
Time deposits	1.13%~5.38%	0.88%~4.90%	0.60%~1.75%
Reverse repurchase agreements collateralized by bonds	1.30%~1.60%	1.15%~1.40%	0.63%~0.72%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

	June 30, 2023	December 31, 2022	June 30, 2022
Financial assets - current			
Mandatorily classified as at FVTPL			
Derivative instruments (not under hedge accounting)			
— Foreign exchange forward contracts	$ 3,984	$ 425	$ 1,698
Non-derivative financial assets			
— Domestic listed shares	60,447	87,136	110,118
— Mutual funds	609,101	352,262	861,684
— Beneficiary securities	68,992	59,953	59,622
Subtotal	738,540	499,351	1,031,424
	$ 742,524	$ 499,776	$ 1,033,122

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	June 30, 2023	December 31, 2022	June 30, 2022
Financial liabilities - current			
Held for trading			
Derivative instruments (not under hedge accounting)			
—Foreign exchange forward contracts	$ 29	$ 3,012	$ 1,212

The Group had a gain of NT$16,229 thousand and a loss of NT$ 28,939 thousand on financial instruments at fair value through profit or loss from January 1 to June 30, 2023 and 2022, respectively.

At the end of the reporting period, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

June 30, 2023

	Currency	Maturity Date	Notional Amount (thousand)
Sell	RMB/NTD	August 3, 2023 - September 12, 2023	RMB55,400/NTD240,865

December 31, 2022

	Currency	Maturity Date	Notional Amount (thousand)
Sell	RMB/NTD	January 19, 2023 - March 30, 2023	RMB101,500/NTD444,614

June 30, 2022

	Currency	Maturity Date	Notional Amount (thousand)
Sell	RMB/NTD	July 4, 2022 - September 22, 2022	RMB83,800/NTD371,608

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 FVTOCI

Investments in equity instruments

	June 30, 2023	December 31, 2022	June 30, 2022
Current			
Domestic investments			
Listed shares	$ 24,533	$ 21,162	$ 24,922
Non-current			
Domestic investments			
Listed shares	$ 3,021,672	$ 2,959,952	$ 3,090,983
Unlisted shares	131,221	135,304	138,987
Subtotal	3,152,893	3,095,256	3,229,970
Foreign investments			
Listed shares	15,445	17,179	22,834
Unlisted ordinary shares	3	7	6
Unlisted preferred shares	85,459	77,421	79,034
Subtotal	100,907	94,607	101,874
	$ 3,253,800	$ 3,189,863	$ 3,331,844

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.

9. Financial assets at amortized cost

	June 30, 2023	December 31, 2022	June 30, 2022
Non-current			
Restricted bank deposits	$ 3,885	$ 8,350	$ 9,816

The restricted bank deposits are the earnings repatriation of USI International Corporation and the Ministry of Economic Affairs has approved the Group's repatriation application in accordance with the Regulations Governing Investment Industry with Repatriated Offshore Funds.

10. Accounts Receivable

	June 30, 2023	December 31, 2022	June 30, 2022
Accounts Receivable			
At amortized cost			
Gross carrying amount	$ 417,830	$ 870,078	$ 503,395
Less: Allowance for impairment loss	(2,000)	(2,000)	(2,000)
	$ 415,830	$ 868,078	$ 501,395
Accounts receivable from related parties (Note 28)	$ 152,498	$ 202,757	$ 384,600

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:

June 30, 2023

	Not Past Due	1 to 60 Days	61 to 90 Days	Total
Gross carrying amount	$ 570,328	$ -	$ -	$ 570,328
Loss allowance (Lifetime ECL)	(2,000)	-	-	(2,000)
Amortized cost	$ 568,328	$ -	$ -	$ 568,328

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

June 30, 2022

	Not Past Due	1 to 60 Days	61 to 90 Days	Total
Gross carrying amount	$ 887,995	$ -	$ -	$ 887,995
Loss allowance (Lifetime ECL)	(2,000)	-	-	(2,000)
Amortized cost	$ 885,995	$ -	$ -	$ 885,995

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:

	From January 1 to June 30, 2023	From January 1 to June 30, 2022
Beginning Balance	$ 2,000	$ 2,000
Add: Impairment loss charged to current period	-	-
Ending Balance	$ 2,000	$ 2,000

11. Inventories

	June 30, 2023	December 31, 2022	June 30, 2022
Finished goods	$ 687,901	$ 355,705	$ 502,807
Work in process	22,506	23,814	28,424
Raw materials	45,438	101,313	125,373
Production supplies	59,667	60,012	54,216
	$ 815,512	$ 540,844	$ 710,820

The cost of goods sold from April 1 to June 30 in 2023 and 2022, as well as the profit from inventory decline and recovery from January 1 to June 30 in 2023 and 2022, were NT$593 thousand, NT$ 284 thousand, NT$817 thousand, and NT$ 731 thousand, respectively. The increase in net realizable value of inventory was due to the increase in sales prices of inventory in the market.

12. Subsidiary

Subsidiaries included in the consolidated financial statements

The entities included in the consolidated financial statements:

			% of Ownership			
Investor Company	Name of Subsidiary	Nature of Activities	June 30, 2023	December 31, 2022	June 30, 2022	Remark
The Company	APC Investment Corporation (APCI)	Investment	100.00%	100.00%	100.00%	1
The Company	APC (BVI) Holding Co., Ltd. (“APC BVI”)	Reinvestment	100.00%	100.00%	100.00%	1
The Company	USI International Corp. (USIIC)	Reinvestment	70.00%	70.00%	70.00%	1
APC（BVI）	USI International Corp. (USIIC)	Reinvestment	30.00%	30.00%	30.00%	1
APC（BVI）	USI Trading (Shanghai) Co., Ltd (USITA)	Sale of chemical products and equipment	100.00%	100.00%	100.00%	1

Note:

1. Asia Polymer Investment Corporation, APC (BVI), USIIC and USITA are not material subsidiaries and their financial statements have not been reviewed by an auditor.

13. Investments accounted for using the equity method

	June 30, 2023	December 31, 2022	June 30, 2022
Material associates			
Ever Conquest Global Ltd.	$ 2,923,920	$ 3,526,546	$ 4,318,166
Associates that are not individually material			
Listed company			
China General Plastics Corporation (CGPC)	766,032	762,280	811,001
Acme Electronics Corporation (ACME)	83,990	59,787	59,736
Unlisted company			
China General Terminal & Distribution Corporation (CGTD)	340,913	355,611	355,312
ACME Electronics (Cayman) Corp.（ACME (Cayman)）	195,061	207,944	206,067
Swanson Plastics Corporation (SPC)	203,452	205,730	212,335
Taiwan United Venture Capital Corp. (TUVC)	23,277	22,114	21,893
USI Optronics Corporation (USIO)	5,223	6,155	7,126
Zhangzhou Taiju Trading Co., Ltd. (GUL)	10,030	12,323	13,207
Swanson Technologies Corporation (STC)	(3,165)	(330)	2,815
	4,548,733	5,158,160	6,007,658
Add: Credit balance of investments accounted for using the equity method			
Reclassification to liabilities	3,165	330	-
	$ 4,551,898	$ 5,158,490	$ 6,007,658

a. Material associates

Name of Associates	Nature of Activities	Principal Place of Business	Proportion of Ownership and Voting Rights June 30, 2023	December 31, 2022	June 30, 2022
Ever Conquest Global Ltd.	Reinvestment	British Virgin Islands	40.87%	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 IFRSs and adjusted by the Group for equity accounting purposes.

Ever Conquest Global Ltd.

	June 30, 2023	December 31, 2022	June 30, 2022
NON-CURRENT ASSETS	$ 7,154,705	$ 8,629,306	$ 10,566,366
EQUITY	$ 7,154,706	$ 8,629,306	$ 10,566,366
Proportion of the Group's ownership	40.87%	40.87%	40.87%
Equity attributable to the Group	$ 2,923,920	$ 3,526,546	$ 4,318,166
Carrying amount of investment	$ 2,923,920	$ 3,526,546	$ 4,318,166

	From April 1 to June 30, 2023	From April 1 to June 30, 2022	From January 1 to June 30, 2023	From January 1 to June 30, 2022
The Group's share of:				
Net loss for the period	($ 244,715)	($ 381,381)	($ 549,228)	($ 648,429)
Other comprehensive gain (loss)	(66,787)	(64,396)	(53,398)	115,388
Total comprehensive income for the year	($ 311,502)	($ 445,777)	($ 602,626)	($ 533,041)

b. Aggregate information of associates that are not individually material

	From April 1 to June 30, 2023	From April 1 to June 30, 2022	From January 1 to June 30, 2023	From January 1 to June 30, 2022
The Group's share of:				
Net (loss) income for the period	($ 13,056)	$ 605	($ 8,808)	$ 42,167
Other comprehensive gain (loss)	(22,196)	(51,333)	(19,639)	(37,994)
Total comprehensive income for the year	($ 35,252)	($ 50,728)	($ 28,447)	$ 4,173

The group's ownership interest and percentage of voting right in associate at the end of the reporting period were as follows:

Name of Associates	June 30, 2023	December 31, 2022	June 30, 2022
CGPC	8.07%	8.07%	8.07%
ACME	4.66%	4.34%	4.34%
CGTD	33.33%	33.33%	33.33%
ACME (Cayman)	13.63%	16.64%	16.64%
SPC	7.95%	7.95%	7.95%
TUVC	8.33%	8.33%	8.33%
STC	15.00%	15.00%	15.00%
USIO	9.20%	9.20%	9.20%
GUL	30.00%	30.00%	30.00%

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, resulting in the increase of shareholding from 4.34% to 4.66%, with the base date of capital increase on January 16, 2023.

The merged company did not subscribe to the cash capital increase equity of ACME (Cayman), resulting in a decrease in its shareholding ratio from 16.64% to 13.63%. The capital increase benchmark date was April 24, 2023.

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 Group 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, Hengtai Petroleum Group Limited, 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 "Joint Venture") and agree to pass the establishment of the 100% owned company named Dynamic Ever Investments Limited in Hong Kong (hereinafter referred to as the "Hong Kong Group"), 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 Hong Kong Group 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. However, after signing the original joint venture agreement, the total amount that the joint venture company should invest in Gulei Group has increased due to the increase in the capital requirements of the investment plan, and some of the counterparties to the original agreement or commitment are unable to provide the proportion of investment as stipulated in the original joint venture agreement. Therefore, on September 30, 2016, the Group re-signed the joint venture agreement with USI Corporation and the original contract or commitment counterparty and CTCI Corporation, and the original joint venture agreement was terminated at the same time. 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 Limited and Hong Kong Dor Po Investment Group Limited ("DOR PO") signed a joint venture contract for an investment in Dynamic Ever Investment Limited which was approved by the board of directors on June 5, 2019. According to the contract, DOR PO will invest US$109,215 thousand in Dynamic Ever Investment Limited in 2019. As of June 30, 2023, DOR PO had invested US$103,915 thousand and held 15.0% ownership interest in Dynamic Ever Investment Limited.

Ever Conquest Global Ltd. that is jointly established by the Group and USI Corporation through joint venture has invested in the joint venture through a holding company registered in a third region. As of June 30, 2023, the Group and USI Corporation had respectively invested US$170,475 thousand (approximately $5,255,588 thousand) and US$246,670 thousand (approximately $7,645,981 thousand) in Ever Conquest Global Ltd., and accumulatively re-invested RMB$ 4,657,200 thousand in Gulei Group through the joint venture and the Hong Kong Group.

In order to meet the business needs, the Group's Board of Directors has resolved on August 12, 2020 to establish a joint venture sales company 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 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	June 30, 2023	December 31, 2022	June 30, 2022
CGPC	$ 1,097,137	$ 1,237,795	$ 1,434,717
ACME	$ 287,610	$ 190,191	$ 233,868

The calculation of the equity in earnings and other comprehensive income shares of investments and consolidated companies using the equity method is based on unreviewed financial statements for the same period, except for CGPC, ACME and ACME (Cayman), which are based on reviewed financial statements for the same period. The rest is based on the unreviewed financial statements for the same period.

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 as of January 1, 2023	$ 228,229	$ 779,756	$ 6,499,542	$ 10,030	$ 88,838	$ 792,988	$ 8,399,383
Additions	-	-	29,352	-	-	134,704	164,056
Disposals	-	-	(13,100)	-	(275)	-	(13,375)
Internal transfer	-	911	86,842	-	2,558	(90,311)	-
Effect of foreign currency exchange differences	-	-	-	(24)	10	-	(14)
Balance as of June 30, 2023	$ 228,229	$ 780,667	$ 6,602,636	$ 10,006	$ 91,131	$ 837,381	$ 8,550,050
Accumulated depreciation and impairment							
Balance as of January 1, 2023	$ -	$ 343,539	$ 4,600,641	$ 8,165	$ 83,560	$ -	$ 5,035,905
Depreciation expenses	-	9,442	140,226	218	1,450	-	151,336
Disposals	-	-	(13,100)	-	(275)	-	(13,375)
Effect of foreign currency exchange differences	-	-	-	(23)	13	-	(10)
Balance as of June 30, 2023	$ -	$ 352,981	$ 4,727,767	$ 8,360	$ 84,748	$ -	$ 5,173,856
Net amount as of June 30, 2023	$ 228,229	$ 427,686	$ 1,874,869	$ 1,646	$ 6,383	$ 837,381	$ 3,376,194
Cost							
BALANCE AT JANUARY 1, 2022	$ 228,229	$ 778,815	$ 6,433,849	$ 9,661	$ 88,138	$ 618,748	$ 8,157,440
Additions	-	-	16,585	-	-	124,227	140,812
Disposals	-	-	(420)	-	(107)	-	(527)
Internal transfer	-	-	41,196	-	925	(42,121)	-
Effect of foreign currency exchange differences	-	-	-	21	148	-	169
Balance as of June 30, 2022	$ 228,229	$ 778,815	$ 6,491,210	$ 9,682	$ 89,104	$ 700,854	$ 8,297,894
Accumulated depreciation and impairment							
BALANCE AT JANUARY 1, 2022	$ -	$ 323,757	$ 4,366,644	$ 9,282	$ 81,167	$ -	$ 4,780,850
Depreciation expenses	-	9,887	134,287	163	1,402	-	145,739
Disposals	-	-	(420)	-	(107)	-	(527)
Effect of foreign currency exchange differences	-	-	-	14	147	-	161
Balance as of June 30, 2022	$ -	$ 333,644	$ 4,500,511	$ 9,459	$ 82,609	$ -	$ 4,926,223
Net amount as of June 30, 2022	$ 228,229	$ 445,171	$ 1,990,699	$ 223	$ 6,495	$ 700,854	$ 3,371,671

No impairment loss was recognized or reversed from January 1 and June 30, 2023 and 2022.

The above items of property, plant and equipment are depreciated on a straight-line basis over their 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 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 June 30, 2023, the Group has made construction payment of $704,651 thousand, which was booked under the construction in progress.

15. LEASE ARRANGEMENTS

a. Right-of-use Assets

	June 30, 2023	December 31, 2022	June 30, 2022
Carrying amounts of right-of-use assets			
Land	$ 9,876	$ 10,213	$ 7,515
Transportation equipment	136	238	340
	$ 10,012	$ 10,451	$ 7,855

	From April 1 to June 30, 2023	From April 1 to June 30, 2022	From January 1 to June 30, 2023	From January 1 to June 30, 2022
Depreciation charge for right-of-use assets				
Land	$ 168	$ 92	$ 337	$ 185
Transportation equipment	51	52	102	103
	$ 219	$ 144	$ 439	$ 288

Except for the depreciation expense recognized, there was no significant sublease or impairment of the Group's right-of-use assets from January 1 to June 30, 2023 and 2022.

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:

	June 30, 2023	December 31, 2022	June 30, 2022

Land	1.06%	1.06%	1.06%
Transportation equipment	1.06%	1.06%	1.06%
Building	1.06%	1.06%	1.06%

c. Other lease information

	From April 1 to June 30, 2023	From April 1 to June 30, 2022	From January 1 to June 30, 2023	From January 1 to June 30, 2022
Expenses relating to short-term leases	$ 996	$ 832	$ 2,050	$ 1,741
Expenses relating to variable lease payments not included in the measurement of lease liabilities	$ 120	$ 76	$ 242	$ 236
Total cash outflow for leases			($ 5,716)	($ 5,083)

16. INVESTMENT PROPERTIES

	Land	Buildings and improvements	Right-of-use Assets	Total
Cost				
Balance as of January 1, 2023	$ 370,202	$ 262,807	$ 34,585	$ 667,594
Effect of foreign currency exchange differences	-	1,824	-	1,824
Balance as of June 30, 2023	$ 370,202	$ 264,631	$ 34,585	$ 669,418
Accumulated depreciation				
Balance as of January 1, 2023	$ -	$ 134,797	$ 21,842	$ 156,639
Depreciation expenses	-	2,352	2,731	5,083
Effect of foreign currency exchange differences	-	802	-	802
Balance as of June 30, 2023	$ -	$ 137,951	$ 24,573	$ 162,524
Net amount as of June 30, 2023	$ 370,202	$ 126,680	$ 10,012	$ 506,894
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	-	8,637	-	8,637
Balance as of June 30, 2022	$ 370,202	$ 258,609	$ 34,585	$ 663,396
Accumulated depreciation				
BALANCE AT JANUARY 1, 2022	$ -	$ 124,906	$ 16,381	$ 141,287
Depreciation expenses	-	2,224	2,730	4,954
Effect of foreign currency exchange differences	-	3,561	-	3,561
Balance as of June 30, 2022	$ -	$ 130,691	$ 19,111	$ 149,802
Net amount as of June 30, 2022	$ 370,202	$ 127,918	$ 15,474	$ 513,594

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 from January 1 to June 30, 2023 and 2022 was as follows:

	June 30, 2023	December 31, 2022	June 30, 2022
Year 1	$ 20,157	$ 15,344	$ 31,599
Year 2	8,630	13,749	21,993
Year 3	3,889	4,375	11,986
Year 4	2,917	3,889	3,889
Year 5	-	972	2,917
	$ 35,593	$ 38,329	$ 72,384

Except for adding and recognizing depreciation expenses, there was no significant disposal or impairment of the Group's investment properties from January 1 to June 30, 2023 and 2022. 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.

The fair values of the proceeds as of June 30, 2023 and December 31 and June 30, 2022, are as follows

	June 30, 2023	December 31, 2022	June 30, 2022
Fair Value	$ 2,019,860	$ 1,943,595	$ 1,901,417

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 has been completed in the year 2022, and has 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 (June 30, 2023 and June 30, 2022: 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

	June 30, 2023	December 31, 2022	June 30, 2022
Unsecured borrowings	$ 544,743	$ 450,636	$ 1,170,672
Range of interest rates	1.05%	0.925%	0.675%-0.97%

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 $5,300,000 thousand. The loan agreements will subsequently expire before May 2026 and these lines of credit are on a revolving basis. Unused as of June 30, 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 actual interest paid at preferential rate was recognized as government grant. As of June 30, 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 June 30, 2023, the Company did not violate these financial ratios and terms.

18. ACCOUNTS PAYABLE (INCLUDING RELATED 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

	June 30, 2023	December 31, 2022	June 30, 2022
Payables for dividends	$ 453,857	$ 7,057	$ 1,123,027
Payables for salaries or bonuses	72,022	125,161	78,704
Payables for utilities	59,986	38,737	42,900
Payables for equipment	54,953	8,858	6,017
Payables for freight fees	6,673	9,887	10,757
Payables for insurance	2,529	2,118	2,171
Others	24,827	28,071	30,886
	$ 674,847	$ 219,889	$ 1,294,462

20. RETIREMENT BENEFIT PLANS

Pension expense related to defined benefit plans recognized from April 1 to June 30, 2023 and 2022, and from January 1 to June 30, 2023 and 2022 was recognized in each period using the actuarially determined pension cost rates as of December 31, 2022 and 2021, respectively, as follows:

	From April 1 to June 30, 2023	From April 1 to June 30, 2022	From January 1 to June 30, 2023	From January 1 to June 30, 2022
Operating Cost	$ 725	$ 622	$ 1,462	$ 1,234
Selling and marketing expenses	62	47	124	93
General and administrative expenses	17	8	23	26
R&D expenses	15	11	30	22
	$ 819	$ 688	$ 1,639	$ 1,375

21. EQUITY

a. Ordinary shares

	June 30, 2023	December 31, 2022	June 30, 2022
Number of shares authorized (in thousands)	620,000	620,000	620,000
Shares authorized	$ 6,200,000	$ 6,200,000	$ 6,200,000
Number of shares issued and fully paid (in thousands)	593,743	593,743	593,743
Shares issued	$ 5,937,438	$ 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

	June 30, 2023	December 31, 2022	June 30, 2022
Unpaid dividends	$ 25,720	$ 25,720	$ 24,226
Share of changes in capital surplus of associates	11,169	11,422	11,092
	$ 36,889	$ 37,142	$ 35,318

Capital surplus which arises from the consideration received from issuance of shares (including consideration from issuance of ordinary shares) and donations may be used to offset a deficit, in addition, when the Group has no deficit, such capital surplus may be distributed as cash dividends or share dividends up to a certain percentage of the Group's paid-in capital.

Capital surplus which arises from unclaimed dividends may be used to offset a deficit only, and the share of changes in capital surplus of associates may not be used for any purpose.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the amended Articles, where the Group 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 Group'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 Group 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 Group's paid-in capital. The legal reserve may be used to offset deficits. If the Group has no deficit and the legal reserve has exceeded 25% of the Group's paid-in capital, the excess may be transferred to capital or distributed in cash.

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

d. Other equity

1) Exchange Differences on Translating the Financial Statements of Foreign Operations

	From January 1 to June 30, 2023	From January 1 to June 30, 2022
Beginning Balance	($109,403)	($239,960)
Generated for the period		
Exchange Differences on Translating the Financial Statements of Foreign Operations	(59,640)	140,347
Share of exchange differences of associates accounted for using the equity method	$ 321	$ 11,749
Related income tax	11,927	(28,069)
Other comprehensive loss for the period	(47,392)	124,027
Ending Balance	($156,795)	($115,933)

2) Unrealized Reviewed Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income

	From January 1 to June 30, 2023	From January 1 to June 30, 2022
Beginning Balance	$ 1,052,184	$ 2,118,506
Generated for the period		
Unrealized (Gain) Loss		
Equity instruments	65,876	(901,125)
Share from associates accounted for using the equity method	(10,329)	(37,847)
Related income tax	(973)	(1,707)
Other comprehensive loss for the period	54,574	(940,679)
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposals	-	(190)
Changes in capital surplus from investments in associates accounted for using the equity method	-	1,204
Ending Balance	$ 1,106,758	$ 1,178,841

22. REVENUE

a. Revenue from contracts with customers

	From April 1 to June 30, 2023	From April 1 to June 30, 2022	From January 1 to June 30, 2023	From January 1 to June 30, 2022
Revenue from contracts with customers				
Revenue from sale of goods	$ 1,659,326	$ 2,348,179	$ 3,228,503	$ 4,489,795

b. Contract balances

	June 30, 2023	December 31, 2022	June 30, 2022	January 1, 2022
Accounts Receivable	$ 568,328	$ 1,070,835	$ 885,995	$ 1,419,309
Contract liabilities (presented in other current liabilities)	$ 43,804	$ 47,067	$ 54,546	$ 24,988

23. NET PROFIT FOR THE PERIOD

a. Interest income

	From April 1 to June 30, 2023	From April 1 to June 30, 2022	From January 1 to June 30, 2023	From January 1 to June 30, 2022
Interest income				
Bank deposits	$ 4,396	$ 3,439	$ 6,525	$ 4,279
Financial assets at FVTPL	1,532	1,228	1,532	1,228
Reverse repurchase agreements collateralized by bonds	1,996	343	3,672	375
	$ 7,924	$ 5,010	$ 11,729	$ 5,882

b. Other income

	From April 1 to June 30, 2023	From April 1 to June 30, 2022	From January 1 to June 30, 2023	From January 1 to June 30, 2022
Lease income	$ 11,876	$ 12,992	$ 24,052	$ 27,611
Dividend income				
Financial assets at FVTPL	858	10,425	1,274	14,948
Investments in equity instruments at FVTOCI	70,949	222,982	75,233	222,982
Others	4,091	3,622	7,121	5,796
	$ 87,774	$ 250,021	$ 107,680	$ 271,337

c. Other gains and losses

	From April 1 to June 30, 2023	From April 1 to June 30, 2022	From January 1 to June 30, 2023	From January 1 to June 30, 2022
Fair value changes of financial assets and financial liabilities				
Financial assets at FVTPL	$ 5,206	($ 33,183)	$ 8,856	($ 34,569)
Financial liabilities at FVTPL	6,500	2,389	4,567	(10,546)
Net foreign exchange (losses) gains	(3,787)	1,834	(9,259)	34,028
Others	(3,534)	(4,269)	(7,492)	(8,716)
	$ 4,385	($ 33,229)	($ 3,328)	($ 19,803)

d. Interest expense

	From April 1 to June 30, 2023	From April 1 to June 30, 2022	From January 1 to June 30, 2023	From January 1 to June 30, 2022
Interest on bank loans	$ 2,296	$ 2,014	$ 4,475	$ 5,074
Interest on lease liabilities	58	67	120	138
	$ 2,354	$ 2,081	$ 4,595	$ 5,212

The Group did not capitalize interest for the period from January 1 to June 30, 2023 and 2022.

Depreciation and amortization

	From April 1 to June 30, 2023	From April 1 to June 30, 2022	From January 1 to June 30, 2023	From January 1 to June 30, 2022
Property, plant and equipment	$ 76,374	$ 72,974	$ 151,336	$ 145,739
Investment properties	2,544	2,514	5,083	4,954
Right-of-use Assets	219	144	439	288
Intangible assets	133	-	239	-
Total	$ 79,270	$ 75,632	$ 157,097	$ 150,981
An analysis of depreciation by function				
Operating Cost	$ 76,535	$ 73,040	$ 151,627	$ 145,873
Operating Expenses	58	78	148	154
Other gains and losses	2,544	2,514	5,083	4,954
	$ 79,137	$ 75,632	$ 156,858	$ 150,981
An analysis of amortization by function				
General and administrative expenses	$ 133	$ -	$ 239	$ -

e. Employee benefits expense

	From April 1 to June 30, 2023	From April 1 to June 30, 2022	From January 1 to June 30, 2023	From January 1 to June 30, 2022
Post-employment benefits (Note 20)				
Defined contribution plans	$ 2,264	$ 2,053	$ 4,499	$ 3,974
Defined benefit plans	819	688	1,639	1,375
	3,083	2,741	6,138	5,349
Other employee benefits	92,037	90,979	188,695	190,907
Total employee benefits expense	$ 95,120	$ 93,720	$ 194,833	$ 196,256
An analysis of employee benefits expense by function				
Operating Cost	$ 82,547	$ 81,500	$ 168,761	$ 171,046
Operating Expenses	12,573	12,220	26,072	25,210
	$ 95,120	$ 93,720	$ 194,833	$ 196,256

f. Employees' compensation and remuneration of directors

The Group 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 estimated remuneration of employees and directors for the period from April 1 to June 30, 2023 and 2022, January 1 to June 30, 2023 and 2022 is as follows:

Accrual rate

	From January 1 to June 30, 2023	From January 1 to June 30, 2022
	Cash	Cash
Employees' compensation	1%	1%
Directors' remuneration	-	-

Amount

	From April 1 to June 30, 2023	From April 1 to June 30, 2022	From January 1 to June 30, 2023	From January 1 to June 30, 2022
Employees' compensation	$ 1,490	$ 5,955	$ 1,490	$ 8,715
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.

The employees' compensation and remuneration of directors for the years 2022 and 2021, which were approved by the Group's board of directors on March 3, 2023 and March 9, 2022, respectively, were as follows:

	2022	2021
	Cash	Cash
Employees' compensation	$ 18,309	$ 37,699
Directors' remuneration	-	-

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 2022 and 2021.

Information on the employees' compensation and remuneration of directors resolved by the Group's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

g. Gains or losses on foreign currency exchange

	From April 1 to June 30, 2023	From April 1 to June 30, 2022	From January 1 to June 30, 2023	From January 1 to June 30, 2022
Foreign exchange gains	$ 10,735	$ 19,568	$ 18,031	$ 60,394
Foreign exchange losses	(14,522)	(17,734)	(27,290)	(26,366)
Net (losses) gains	($ 3,787)	$ 1,834	($ 9,259)	$ 34,028

24. INCOME TAX

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	From April 1 to June 30, 2023	From April 1 to June 30, 2022	From January 1 to June 30, 2023	From January 1 to June 30, 2022
Current tax				
In respect of the current period	$ 72,580	$ 155,075	$ 125,923	$ 250,071
Income tax on unappropriated earnings	27,029	49,675	27,029	49,675
Adjustments for prior years	4,032	308	4,033	(3,362)
	103,641	205,058	156,985	296,384
Deferred income tax				
In respect of the current period	(47,895)	(77,499)	(109,469)	(126,152)
Income tax expense recognized in profit or loss	$ 55,746	$ 127,559	$ 47,516	$ 170,232

b. Income tax recognized in other comprehensive income

	From April 1 to June 30, 2023	From April 1 to June 30, 2022	From January 1 to June 30, 2023	From January 1 to June 30, 2022
Deferred income tax				
In respect of the period				
—Translation of foreign operations	($ 14,203)	($ 12,222)	($ 11,927)	$ 28,069
—Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	219	538	973	1,707
Income tax (benefits) expense recognized in other comprehensive income	($ 13,984)	($ 11,684)	($ 10,954)	$ 29,776

c. Income tax assessments

The Company and ROC subsidiary’s income tax returns through 2021, have been assessed by the tax authorities.

25. EARNINGS PER SHARE

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 period

	From April 1 to June 30, 2023	From April 1 to June 30, 2022	From January 1 to June 30, 2023	From January 1 to June 30, 2022
Earnings used in the computation of basic and diluted earnings per share	$ 128,323	$ 462,232	$ 103,196	$ 693,052

(In Thousand Shares)

	From April 1 to June 30, 2023	From April 1 to June 30, 2022	From January 1 to June 30, 2023	From January 1 to June 30, 2022
Number of Shares				
Weighted average number of ordinary shares in computation of basic earnings per share	593,743	593,743	593,743	593,743
Effect of potentially dilutive ordinary shares:				
Employees’ compensation	59	346	280	780
Weighted average number of ordinary shares used in the computation of diluted earnings per share	593,802	594,089	594,023	594,523

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

June 30, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative instruments	$ -	$ 3,984	$ -	$ 3,984
Domestic listed shares	60,447	-	-	60,447
Mutual funds	609,101	-	-	609,101
Beneficiary securities	68,992	-	-	68,992
	$ 738,540	$ 3,984	$ -	$ 742,524
Financial Assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	$ 3,046,205	$ -	$ -	$ 3,046,205
Foreign listed shares	15,445	-	-	15,445
Domestic unlisted shares	-	-	131,221	131,221
Foreign unlisted shares	-	-	85,462	85,462
	$ 3,061,650	$ -	$ 216,683	$ 3,278,333
Financial liabilities at FVTPL				
Derivative instruments	$ -	$ 29	$ -	$ 29

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

June 30, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative instruments	$ -	$ 1,698	$ -	$ 1,698
Domestic listed shares	110,118	-	-	110,118
Mutual funds	861,684	-	-	861,684
Beneficiary securities	59,622	-	-	59,622
	$ 1,031,424	$ 1,698	$ -	$ 1,033,122
Financial Assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	$ 3,115,905	$ -	$ -	$ 3,115,905
Foreign listed shares	22,834	-	-	22,834
Domestic unlisted shares	-	-	138,987	138,987
Foreign unlisted shares	-	-	79,040	79,040
	$ 3,138,739	$ -	$ 218,027	$ 3,356,766
Financial liabilities at FVTPL				
Derivative instruments	$ -	$ 1,212	$ -	$ 1,212

There were no transfers between Levels 1 and 2 from January 1 to June 30, 2023 and 2022.

2) Reconciliation of Level 3 fair value measurements of financial instruments

From January 1 to June 30, 2023

Financial assets	Financial Assets at FVTOCI Equity instruments
Beginning Balance	$ 212,732
Recognized in other comprehensive income (included in unrealized gain on financial assets at FVTOCI)	3,951
Ending Balance	$ 216,683

From January 1 to June 30, 2022

Financial assets	Financial Assets at FVTOCI Equity instruments
Beginning Balance	$ 228,200
Recognized in other comprehensive income (included in unrealized gain on financial assets at FVTOCI)	(10,147)
Disposals	(26)
Ending Balance	$ 218,027

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 company increases/decreases by 1%, it will increase/decrease the fair value by NT$2,167 thousand from January 1 to June 30, 2023; and increase/decrease the fair value by NT$2,180 thousand from January 1 to June 30, 2022.

c. Categories of financial instruments

	June 30, 2023	December 31, 2022	June 30, 2022
Financial assets			
at FVTPL			
Mandatorily classified as at FVTPL	$ 742,524	$ 499,776	$ 1,033,122
Financial assets at amortized cost (Note 1)	1,857,426	2,567,894	2,415,578
Financial Assets at FVTOCI			
Investments in equity instruments	3,278,333	3,211,025	3,356,766
Financial liabilities			
at FVTPL			
Held for trading	29	3,012	1,212
Financial liabilities at amortized cost (Note 2)	1,776,332	1,159,311	3,581,843

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 refundable deposits.

Note 2: The balances include financial liabilities at amortized cost, which comprise short-term loans, accounts payable (including related parties), other payables (including related parties and excluding payables for salaries and taxes), long-term borrowings and refundable deposits.

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. See Note 7 for the carrying value of derivative instruments with additional exposure to foreign exchange rate risk.

Sensitivity analysis

The Group was mainly exposed to the US$ and RMB. The sensitivity analysis includes only outstanding foreign currency denominated monetary items at the end of the reporting period. If the functional currency of the Group strengthens/weakens by 3% against US$, the Group's net loss before income tax will decrease/increase by NT$6,206 thousand for the period from January 1 to June 30, 2023 and the net income before income tax will increase/decrease by NT$6,826 thousand for the period from January 1 to June 30, 2022. If the functional currency of the Group strengthens/weakens by 3% against RMB, the Group’s net loss before income tax will decrease/increase by NT$10,983 thousand from January 1 to June 30, 2023 and the net income before income tax will increase/decrease by NT$13,869 thousand from January 1 to June 30, 2022.

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:

	June 30, 2023	December 31, 2022	June 30, 2022
Fair value interest rate risk			
— Financial assets	$ 986,926	$ 1,260,723	$ 762,389
— Financial liabilities	20,929	24,233	824,327
Cash flow interest rate risk			
— Financial assets	205,321	228,021	402,204
— Financial liabilities	544,743	570,636	370,672

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. With all other variables are held constant, a 0.5% increase/decrease in market interest rates, financial assets and liabilities exposed to cash flow interest rate risk would increase/decrease the Group's net loss before income tax by NT$849 thousand/NT$ 79 thousand from January 1 to June 30, 2023 and 2022.

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 marketable securities price increases / decreases by 5%, the net profit before tax for January 1 to June 30, 2023 and 2022 would increase / decrease by $6,472 thousand and $8,487 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 from January 1 to June 30, 2023 and 2022 will increase/decrease by NT$163,917 thousand and NT$167,838 thousand due to the increase/decrease in fair value of financial assets measured 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 the balance sheets; and

b) The maximum amount the entity 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 and obtaining sufficient collateral, where appropriate, 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.

June 30, 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		$ 1,226,000	$ -	$ -
Lease liabilities	1.06%	6,678	7,832	7,337
Floating interest rate liabilities	1.05%	5,780	558,816	-
		$ 1,238,458	$ 566,648	$ 7,337

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 liabilities	1.00%	124,168	462,446	-
		$ 713,745	$ 473,207	$ 7,872

June 30, 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		$ 2,403,090	$ -	$ -
Lease liabilities	1.06%	6,320	12,810	6,331
Fixed interest rate liabilities	0.93%	7,410	809,990	-
Floating interest rate liabilities	0.30%	2,063	381,873	-
		$ 2,418,883	$ 1,204,673	$ 6,331

b) Financing facilities

Bank loans are an essential source of liquidity for the Group. The table below details the used and unused amount of bank loans at the end of the reporting period:

	June 30, 2023	December 31, 2022	June 30, 2022
Unsecured bank facilities			
— Amount used	$ 549,000	$ 575,000	$ 1,175,000
— Amount unused	10,389,646	11,534,000	9,232,600
	$ 10,938,646	$ 12,109,000	$ 10,407,600

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 June 30, 2023 and December 31 and June 30, 2022.

Balances and transactions between the Group and its subsidiaries (which are related parties of the Group) 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. Related parties' names and relationships:

Related Party Name	Relationship with the Group
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
USI Optronics Corporation (USIO)	Associate
Swanson Plastics Corporation (SPC)	Associate
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

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Related Party Name	Relationship with the Group
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
TUTS Trading (Shanghai) Co., Ltd.	Fellow subsidiary
USI Education Foundation (USIF)	Essential related party

b. Sales of goods

Related Party Category/Name	From April 1 to June 30, 2023	From April 1 to June 30, 2022	From January 1 to June 30, 2023	From January 1 to June 30, 2022
Ultimate parent company				
USI Corporation	$ 220,606	$ 479,497	$ 427,939	$ 796,562
Associate	9,269	10,106	20,741	15,559
Fellow subsidiary	-	1,995	3,530	2,864
	$ 229,875	$ 491,598	$ 452,210	$ 814,985

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	From April 1 to June 30, 2023	From April 1 to June 30, 2022	From January 1 to June 30, 2023	From January 1 to June 30, 2022
Ultimate parent company				
USI Corporation	$ 88,327	$ 108,740	$ 156,273	$ 186,411
Associate				
GL	232,155	199,094	429,740	310,556
Others	9,487	11,819	20,978	19,932
	241,642	210,913	450,718	330,488
	$ 329,969	$ 319,653	$ 606,991	$ 516,899

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	From April 1 to June 30, 2023	From April 1 to June 30, 2022	From January 1 to June 30, 2023	From January 1 to June 30, 2022
Ultimate parent company				
USI Corporation	$ 2,167	$ 3,598	$ 4,306	$ 5,687
Fellow subsidiary				
UM	13,460	12,911	27,830	32,848
Others	-	126	-	251
	13,460	13,037	27,830	33,099
	$ 15,627	$ 16,635	$ 32,136	$ 38,786

e. Lease arrangements - Group is lessee

Lease expense

Related Party Category/Name	From April 1 to June 30, 2023	From April 1 to June 30, 2022	From January 1 to June 30, 2023	From January 1 to June 30, 2022
Ultimate parent company				
USI Corporation	$ 599	$ 626	$ 1,198	$ 1,251

f. Lease arrangement - Group is lessor

Lease income

Related Party Category/Name	From April 1 to June 30, 2023	From April 1 to June 30, 2022	From January 1 to June 30, 2023	From January 1 to June 30, 2022
Ultimate parent company				
USI Corporation	$ 771	$ 989	$ 1,586	$ 1,870
Parent entity				
Union Polymer	5	10	11	20
Associate				
TVCM	3,219	3,199	6,532	6,481
Others	1,546	1,464	3,262	2,927
	4,765	4,663	9,794	9,408
Fellow subsidiary				
TTC	1,664	1,692	3,325	3,626
Others	687	663	1,378	1,329
	2,351	2,355	4,703	4,955
	$ 7,892	$ 8,017	$ 16,094	$ 16,253

The previously indicated associates leased pipelines from the Group with lease terms of 1 years. 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	From April 1 to June 30, 2023	From April 1 to June 30, 2022	From January 1 to June 30, 2023	From January 1 to June 30, 2022
Essential related party - USI Education Foundation	$ -	$ -	$ 5,000	$ 5,000

h. Management income (under other income)

Related Party Category/Name	From April 1 to June 30, 2023	From April 1 to June 30, 2022	From January 1 to June 30, 2023	From January 1 to June 30, 2022
Associate	$ 860	$ -	$ 1,720	$ 552
Fellow subsidiary	626	-	626	-
	$ 1,486	$ -	$ 2,346	$ 552

i. Investment consultant fees (under other gains and losses)

Related Party Category/Name	From April 1 to June 30, 2023	From April 1 to June 30, 2022	From January 1 to June 30, 2023	From January 1 to June 30, 2022
Fellow subsidiary				
TUVM	$ 321	$ 321	$ 643	$ 643

j. Accounts Receivable

Related Party Category/Name	June 30, 2023	December 31, 2022	June 30, 2022
Ultimate parent company			
USI Corporation	$ 147,360	$ 187,963	$ 375,845
Associate	5,138	14,794	6,748
Fellow subsidiary	-	-	2,007
	$ 152,498	$ 202,757	$ 384,600

k. Other receivables

Related Party Category/Name	June 30, 2023	December 31, 2022	June 30, 2022
Ultimate parent company			
USI Corporation	$ 73,707	$ 1,319	$ 223,301
Associate			
CGPC	14,245	66	117,360
Others	2,642	1,151	8,133
	16,887	1,217	125,493
Fellow subsidiary	664	1,066	778
	$ 91,258	$ 3,602	$ 349,572

Other receivables - Related party payments mainly include payments from the ultimate parent company, affiliated enterprises, and brother companies to the company for renting offices and cash dividends receivable.

l. Accounts payable from unrelated parties

Related Party Category/Name	June 30, 2023	December 31, 2022	June 30, 2022
Ultimate parent company			
USI Corporation	$ 45,529	$ 50,634	$ 74,784
Associate	3,718	3,019	3,077
	$ 49,247	$ 53,653	$ 77,861

m. Other payables

Related Party Category/Name	June 30, 2023	December 31, 2022	June 30, 2022
Ultimate parent company			
USI Corporation	$ 139,894	$ 165,778	$ 63,419
Parent entity			
Union Polymer	257,095	-	642,737
Associate			
CGTD	11,481	4,987	20,602
Others	265	138	511
	11,746	5,125	21,113
Fellow subsidiary	2,500	8,000	5,575
	$ 411,235	$ 178,903	$ 732,844

Other payables-Related party funds mainly refer to the funds allocated and purchased by our company to the ultimate parent company and related enterprises, as well as the payable cash dividends.

n. Compensation and bonus of key management personnel

	From April 1 to June 30, 2023	From April 1 to June 30, 2022	From January 1 to June 30, 2023	From January 1 to June 30, 2022
Short-term employee benefits	$ 3,598	$ 3,809	$ 6,814	$ 7,047

The remuneration of directors and key executives 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 June 30, 2023 was NT$260,354 thousand.

b. Contingencies

Regarding the gas explosion of the propylene pipeline of Lee Chang Yung Chemical Industry Corporation (“Lee Chang Yung Chemical”) on the night of July 31, 2014 operated by the invested company by 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 $229,532 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 Group applied to the court for sequestration of CGTD's property on August 27 and November 26, 2015 and CGTD has deposited cash of $99,207 thousand to the court to avoid sequestration. Taiwan Water Corporation also applied to the court for false seizure of CGTD's property on February 3 and March 2, 2017 respectively. As of July 26, 2023, the provisionally attached property was worth $10,557 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 $12,000 thousand, and the total compensation was $384,000 thousand. The compensation was advanced by LCY Chemical Corp. 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 agreement of the three parties, on August 10, 2022, CGTD paid $157,347 thousand to LCY Chemical Corp. at the liability ratio of 30% for negligence awarded in the first trial of the case. After settling the civil litigation later, compensation will be made according to the liability ratio determined.

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 July 26, 2023, the victims and victims’ families had written letters or filed civil procedures (and criminal procedures) against CGTD, LCY Chemical Corp. 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 settlement was $4,519 thousand. Along with the case still in litigation and the above-mentioned compensation, the accumulated amount of compensation is $3,856,447 thousand. The first-instance judgments of some of the abovementioned civil cases (with a total amount of compensation of approximately NT$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 NT$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 shared by CGTD is determined in accordance with the civil action.

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:

Units: The foreign currency / carrying amount is in thousand dollars, except the exchange rate in dollars.

June 30, 2023

	Foreign Currency	Exchange Rate	Functional Currency (In Thousands)	Carrying Amount
Financial assets				
Monetary items				
US$	$ 13,070	31.140(US$:NTD)	$ 407,005	$ 407,005
US$	383	7.2257(US$:RMB)	2,767	11,926
RMB	3,509	0.1384(RMB:US$)	486	15,122
RMB	81,823	4.3096(RMB:NTD)	352,623	352,623
				$ 786,676
Non-monetary items				
Investments accounted for using the equity method				
US$	93,896	31.140(US$:NTD)	2,923,920	$ 2,923,920
RMB	2,327	0.1384(RMB:US$)	322	10,030
				$ 2,933,950
Derivative instruments				
RMB	48,600	4.3096(RMB:NTD)	3,984	$ 3,984
Financial liabilities				
Monetary items				
US$	6,810	31.140(US$:NTD)	212,068	$ 212,068
RMB	382	0.1384(RMB:US$)	53	1,648
				$ 213,716
Non-monetary items				
Derivative instruments				
RMB	6,800	4.3096(RMB:NTD)	29	$ 29

December 31, 2022

	Foreign Currency	Exchange Rate	Functional Currency (In Thousands)	Carrying Amount
Financial assets				
Monetary items				
US$	$ 23,264	30.710(US$:NTD)	$ 714,437	$ 714,437
US$	368	6.9647(US$:RMB)	2,561	11,292
RMB	3,254	0.1436(RMB:US$)	467	14,342
RMB	149,703	4.4094(RMB:NTD)	660,099	660,099
				$ 1,400,170
Non-monetary items				
Investments accounted for using the equity method				
US$	$ 114,834	30.710(US$:NTD)	$ 3,526,546	$ 3,526,546
RMB	2,795	0.1436(RMB:US$)	401	12,323
				$ 3,538,869
Derivative instruments				
RMB	21,700	4.4094(RMB:NTD)	425	$ 425
Financial liabilities				
Monetary items				
US$	7,760	30.710(US$:NTD)	238,315	$ 238,315
RMB	29	0.1436(RMB:US$)	4	129
				$ 238,444
Non-monetary items				
Derivative instruments				
RMB	79,800	4.4094(RMB:NTD)	3,012	$ 3,012

June 30, 2022

	Foreign Currency	Exchange Rate	Functional Currency (In Thousands)	Carrying Amount
Financial assets				
Monetary items				
US$	$ 14,033	29.720(US$:NTD)	$ 417,058	$ 417,058
US$	355	6.7114(US$:RMB)	2,381	10,544
RMB	3,110	0.1490(RMB:US$)	463	13,760
RMB	101,472	4.4283(RMB:NTD)	449,348	449,348
				$ 890,710
Non-monetary items				
Investments accounted for using the equity method				
US$	145,295	29.720(US$:NTD)	4,318,166	$ 4,318,166
RMB	2,982	0.1490(RMB:US$)	444	13,207
				$ 4,331,373
Derivative instruments				
RMB	23,600	4.4283(RMB:NTD)	1,698	$ 1,698
Financial liabilities				
Monetary items				
US$	6,731	29.720(US$:NTD)	200,060	$ 200,060
RMB	178	0.1490(RMB:US$)	27	802
EUR	114	31.050(EUR:NTD)	3,538	3,538
				$ 204,400
Non-monetary items				
Derivative instruments				
RMB	60,200	4.4283(RMB:NTD)	1,212	$ 1,212

From April 1 to June 30, 2023 and 2022, and from January 1 to June 30, 2023 and 2022, realized and unrealized net foreign exchange (losses) gains were $3,787 thousand (loss), $ 1,834 thousand (gains), and $9,259 thousand (loss), and 34,028 (gains) respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the group entities.

31. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions：

1) Financing provided to others. (None)

2) Endorsements/guarantees provided. (None)

3) Marketable securities held (excluding investments in subsidiaries, associates and 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) 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, net income of investees, 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

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.

TABLE 1

ASIA POLYMER CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD AT THE END OF THE PERIOD
June 30, 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	$ 15	1.20%	$ 15	
	KHL IB Venture Capital Co., Ltd.	〃	〃	9,954,950	131,206	11.90%	131,206	
	USI Corporation	Ultimate parent company	〃	101,355,673	2,270,367	8.53%	2,270,367	
	CTCI Corporation	-	〃	14,446,107	608,181	1.80%	608,181	
	AU Optronic Corporation	〃	〃	7,694,812	143,124	0.10%	143,124	
	Wafer Works Corporation	〃	Financial assets at fair value through other comprehensive income - current	518,668	24,533	0.10%	24,533	
	Taiwan Cement Corporation	〃	Financial assets at fair value through profit or loss - current	100,000	3,805	-	3,805	
	Hon Hai Precision Industry Co., Ltd.	〃	〃	100,000	11,300	-	11,300	
	TUNG HO STEEL ENTERPRISE CORP.	〃	〃	169,500	10,086	0.02%	10,086	
	China Steel Corporation	〃	〃	350,000	10,290	-	10,290	
	UPC Technology Corporation	〃	〃	293,000	4,351	0.02%	4,351	
	Beneficiary securities							
	Cathay No. 1 Real Estate Investment Trust Fund	〃	〃	3,850,000	68,992	-	68,992	
	Beneficiary certificate							
	Capital Money Market Fund	〃	〃	1,821,870	30,029	-	30,029	
	Taishin 1699 Money Market Fund	〃	〃	18,260,735	252,966	-	252,966	
	Fubon Chi-Hsiang Money Market Fund	〃	〃	6,277,582	100,468	-	100,468	
	SinoPac TWD Money Market Fund	〃	〃	11,202,715	159,192	-	159,192	
	Hua Nan Phoenix Money Market Fund	〃	〃	3,011,323	50,047	-	50,047	

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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	$ 3	4.45%	$ 3	
	Silicon Technology Investment (Cayman) Corp. - preference shares	〃	〃	1,139,776	85,459	2.21%	85,459	
	NeuroSky, Inc. - series D preference shares	〃	〃	2,397,364	-	0.37%	-	(Note 1)
	Solargiga Energy Holdings Ltd.	〃	〃	15,863,333	15,445	0.48%	15,445	
	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	1,004	-	1,004	
	UPC Technology Corporation	-	〃	116,000	1,723	0.01%	1,723	
	China Steel Corporation	〃	〃	175,000	5,145	-	5,145	
	TUNG HO STEEL ENTERPRISE CORP.	〃	〃	87,250	5,191	0.01%	5,191	
	Taiwan Cement Corporation	〃	〃	50,000	1,902	-	1,902	
	Hon Hai Precision Industry Co., Ltd.	〃	〃	50,000	5,650	-	5,650	
	Beneficiary certificate							
	Cathay Taiwan Money Market Fund	〃	〃	1,292,518	16,399	-	16,399	

Note 1. The carrying amount was zero due to the impairment loss recognized in prior years.

Note 2. Refer to Tables 5 and 6 for information about 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
From January 1 to June 30, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		
			Purchase/Sale	Amount	% of Total	Credit Period	Unit Price	Credit period	Financial Statement Account and Ending Balance		% of Total
ASIA POLYMER CORPORATION	USI Corporation	Ultimate parent company	Sales of goods	($ 427,818)	(13.25%)	60 days	No significant difference	No significant difference	Accounts receivable from related parties	$ 147,360	25.93%
	USI Trading (Shanghai) Co., Ltd.	Subsidiary	Sales of goods	(123,021)	(3.81%)	90 days	No significant difference	No significant difference	Accounts receivable from related parties	60,836	10.70%
〃	Fujian Gulei Petrochemical Co., Ltd.	Associate	Purchases of goods	429,740	21.83%	Letters of credit	No significant difference	No significant difference	—	-	-

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
June 30, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Balance of receivables from related parties		Turnover Rate	Overdue amounts from related parties		Amounts receivable from related parties after the period (Note 2)	Allowance Loss Amount
						Amount	Actions Taken		
ASIA POLYMER CORPORATION	USI Corporation	Ultimate parent company	Accounts receivable from related parties	$ 147,360	5.10%	$ -	-	$ 69,806	Note 1
			Other receivables from related parties	73,651		-	-	2,677	Note 1

Note 1. There is no allowance of loss after an impairment assessment.

Note 2. The subsequent period is between July 1 and August 2, 2023.

ASIA POLYMER CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
From January 1 to June 30, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details			
				Item	Amount (Note 4)	Transaction Details	% of Total Sales or Assets (Note 3)
0	ASIA POLYMER CORPORATION	APC Investment Corporation	(1)	Non-operating income and expenses - rental income	$ 71	No significant difference	-
0	ASIA POLYMER CORPORATION	USI Trading (Shanghai) Co., Ltd	(1)	Accounts receivable from related parties	60,836	No significant difference	0.38%
				Commission expenses	407	No significant difference	0.01%
				Sales of goods	123,021	No significant difference	3.81%
				Other payables from related parties	227	No significant difference	-
1	USI International Corp.	USI Trading (Shanghai) Co., Ltd	(3)	Other receivables from related parties	5,837	No significant difference	0.04%
				Other payables from related parties	1,648	No significant difference	0.01%
				Non-operating income and expenses - rental income	674	No significant difference	0.02%
				Management fees	60	No significant difference	-

Note 1. The correlation between the numeral and the entity are stated as follows:

(1) The Group: 0.

(2) The subsidiaries: 1 onward.

Note 2. The direction of the investment is as follows:

(1) The Group to the subsidiaries.

(2) The subsidiaries to the Group.

(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 sales revenue.

Note 4. All intercompany transactions have been eliminated on consolidation.

TABLE 5

ASIA POLYMER CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEES
From January 1 to June 30, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Group	Location	Main Businesses and Products	Original Investment Amount		Holding at the end of period			Net Income (Loss) of Investee	Share of Profits (Loss)	Note
				Ending of current year	Ending of previous year	Number of Shares	%	Carrying Amount			
ASIA POLYMER CORPORATION	APC (BVI) Holding Co., Ltd.	British Virgin Islands	Reinvestment	$ 428,947 (US$ 13,775 thousand)	$ 428,947 (US$ 13,775 thousand)	11,342,594	100.00%	$ 589,550	$ 4,635	$ 4,635	Subsidiary (Note 1)
	APC Investment Corporation	Taipei	Investment	200,000	200,000	20,000,000	100.00%	143,211	(2,304)	(2,304)	Subsidiary (Note 1)
	USI International Corp.	British Virgin Islands	Reinvestment	65,394 (US$ 2,100 thousand)	65,394 (US$ 2,100 thousand)	2,100,000	70.00%	68,895	(1,987)	(1,391)	Subsidiary (Note 1)
	China General Plastics Corporation	Taipei	The main business of producing and selling plastic cloth, plastic skin, plastic pipes, plastic particles, plastic powder, alkali chlorine products, and other related products	247,412	247,412	46,886,185	8.07%	766,032	233,042	18,805	Investments accounted for using the equity method
	China General Terminal & Distribution Corporation	Taipei	Warehousing and transportation of petro chemical raw materials	41,082	41,082	23,892,871	33.33%	340,913	(12,895)	(4,299)	Investments accounted for using the equity method
	Swanson Plastics Corporation	Taipei	Manufacture and marketing of stretch film, diaper film, embossed film, heavy-duty sacks	75,242	75,242	12,266,779	7.95%	203,452	(58,149)	(4,623)	Investments accounted for using the equity method
	Acme Electronics Corporation	Taipei	Manufacture and marketing of manganese-zinc and ferrite core	76,241	61,348	6,801,315	3.19%	57,599	(127,951)	(4,086)	Investments accounted for using the equity method
	Taiwan United Venture Capital Corp.	Taipei	Investment in high technology businesses	52,791	52,791	3,080,866	8.33%	23,277	749	62	Investments accounted for using the equity method
	USI Optronics Corporation	Taipei	Manufacture and marketing of sapphire products	59,725	59,725	5,972,464	9.20%	5,223	(10,131)	(932)	Investments accounted for using the equity method
	Ever Conquest Global Ltd.	British Virgin Islands	Reinvestment	5,308,592 (US$ 170,475 thousand)	5,308,592 (US$ 170,475 thousand)	170,475,000	40.87%	2,923,920	(1,343,938)	(549,228)	Investments accounted for using the equity method
APC (BVI) Holding Co., Ltd.	ACME Electronics (Cayman) Corp.	British Cayman Islands	Reinvestment	163,326 (US$ 5,245 thousand)	163,326 (US$ 5,245 thousand)	8,316,450	13.63%	195,061	(44,193)	-	APC (BVI) Holding Co., Ltd. Investments accounted for using the equity method
	USI International Corp.	British Virgin Islands	Reinvestment	28,026 (US$ 900 thousand)	28,026 (US$ 900 thousand)	900,000	30.00%	29,527	(1,987)	-	APC (BVI) Holding Co., Ltd. Investments accounted for using the equity method (Note 1)
APC Investment Corporation	Acme Electronics Corporation	Taipei	Manufacture and marketing of manganese-zinc and ferrite core	39,523	14,889	3,116,262	1.46%	26,391	(127,951)	-	APC Investment Corporation Investments accounted for using the equity method
	Swanson Technologies Corporation	Taipei	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%	(3,165)	(18,905)	-	APC Investment Corporation Investments accounted for using the equity method
Ever Conquest Global Ltd.	Ever Victory Global Ltd.	British Virgin Islands	Reinvestment	12,989,895 (US$ 417,145 thousand)	12,989,895 (US$ 417,145 thousand)	417,145,000	67.40%	7,154,705 (US$ 229,759 thousand)	(1,993,895) (US$ -65,304 thousand)	-	Ever Conquest Global Ltd. Investments accounted for using the equity method
Ever Victory Global Ltd.	Dynamic Ever Investments Ltd.	Hong Kong	Reinvestment	18,336,789 (US$ 588,850 thousand)	18,336,789 (US$ 588,850 thousand)	588,850,000	85.00%	9,645,276 (US$ 309,739 thousand)	(2,372,560) (US$ -77,706 thousand)	-	Ever Victory Global Ltd. Investments accounted for using the equity method

Note 1. All intercompany transactions have been eliminated on consolidation.

Note 2. Please refer to Table 6 for information on investee companies in mainland China.

ASIA POLYMER CORPORATION AND SUBSIDIARIES

Information on investments in mainland China
From January 1 to June 30, 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 April 1, 2023	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan at the End of the Period	Net Income and Loss of Investee (Note 3)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 3)	Carrying Amount at the End of the Period (Note 4)	Accumulated Repatriation of Investment Income at the End of the Period
					Outflow	Inflow						
ACME Electronics (Kunshan) Co., Ltd.	Manufacture and marketing of manganese-zinc soft ferrite core	$ 956,777 (US$ 30,725 thousand)	(2) ACME Electronics (Cayman) Corp.	$ 130,083 (US$ 4,177 thousand)	$ -	$ -	$ 130,083 (US$ 4,177 thousand)	B ($ 50,716)	13.63%	($ 7,830)	$ 99,009	$ -
USI Trading (Shanghai) Co., Ltd	Sale of chemical products and equipment	77,850 (US$ 2,500 thousand)	(2) APC (BVI) Holding Co., Ltd.	94,529 (US$ 3,036 thousand)	-	-	94,529 (US$ 3,036 thousand)	C 7,903	100.00%	7,903	155,083	-
Fujian Gulei Petrochemical Co., Ltd.	Manufacture of crude oil and petroleum products	40,141,338 (RMB 9,314,400 thousand)	(2) Dynamic Ever Investments Ltd., (Note 2)	4,916,473 (US$ 157,883 thousand)	-	-	4,916,473 (US$ 157,883 thousand)	C (4,729,611)	11.71%	(553,688)	2,575,008	-
Zhangzhou USI Corporation	Sales of chemical products	43,096 (RMB 10,000 thousand)	(2) APC (BVI) Holding Co., Ltd.	12,929 (RMB 3,000 thousand)	-	-	12,929 (RMB 3,000 thousand)	C (6,895)	30.00%	(2,068)	10,030	-

Accumulated Outward Remittance for Investment in Mainland China as of June 30, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
$ 5,305,017(Note 5) (US$ 170,360 thousand)	$ 6,970,241 (US$ 223,836 thousand)	$ - -(Note 6)

Note 1. 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 reinvested in 50% of the outstanding shares of Gulei via Ever Conquest Global Limited (40.87%), then via Ever Victory Global Ltd. (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 type, 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 the parent company's CPA.

C. Others.

Note 4. The calculation was based on the exchange rate as of June 30, 2023.

Note 5. The investment in China is indirectly invested by Silicon Technology Investment (Cayman) Corp.(STIC) and Solargiga Energy Holdings Ltd., both are invested by APC(BVI)Holding Co. Ltd., a subsidiary 100% held by the Company.

Note 6. As the Group 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 in mainland China pursuant to the "Principle of Investment or Technical Cooperation in Mainland China" is not applicable.

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
From January 1 to June 30, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Transaction Type	Amount	%	Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss	Note
					Payment Terms	Comparison with Normal Transactions	Amount	%		
USI Trading (Shanghai) Co., Ltd	Sales of goods	$ 123,021	3.92%	No significant difference	T/T 90 days	No significant difference	$ 60,836	9.67%	$ -	—
Fujian Gulei Petrochemical Co., Ltd.	Purchases of goods	429,740	22.73%	No significant difference	Letters of credit	No significant difference	-	-	-	—

Note: All intercompany transactions have been eliminated on consolidation.

TABLE 8

ASIA POLYMER CORPORATION

Information about substantial shareholders
June 30, 2023

Name of Major Shareholders	Shares	
	Number of shares held	%
Union Polymer International Investment Corporation	214,245,822	36.08%

Note: The information of major shareholders in this attachment refers to the information calculated by Nordic CSD on the last business day at the end of the current quarter of which the total number of common stocks and special stocks of the Group held, amounting to more than 5%, by the shareholder has been delivered without physical registration (including treasury shares). The capital stock recorded in the consolidated financial statements of the Group and the actual number of shares delivered without physical registration may be different or discrepant due to different compilation and calculation basis.