Stock Code: 1308

Notice to Readers:

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ASIA POLYMER CORPORATION AND SUBSIDIARIES

Consolidated Financial Statements and Independent Auditors' Report

For the Years Ended December 31, 2023 and 2022

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

Tel: (02)87516888

§CONTENTS§

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The entities that are required to be included in the combined financial statements of Asia Polymer Corporation as of and for the year ended December 31, 2023, under the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises,” are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standard 10, “Consolidated Financial Statements.” In addition, the information required to be disclosed in the combined financial statements of affiliates is included in the consolidated financial statements of Asia Polymer Corporation and Subsidiaries. Consequently, we do not prepare a separate set of combined financial statements of affiliates.

Very truly yours,

ASIA POLYMER CORPORATION

Responsible person: Wu, Yi-Kuei

March 7, 2024

INDEPENDENT AUDITORS' REPORT

To Asia Polymer Corporation:

Opinion

We have audited the accompanying consolidated financial statements of Asia Polymer Corporation and its subsidiaries (the "Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, consolidated statement of changes in equity and cash flows for the years then ended, and the notes to consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants Engaged and auditing standards in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in the Group's consolidated financial statements for the year ended December 31, 2023 are stated as follows:

Recognition of Sales Revenue from Specific Customers

The amount of sales revenue for the year ended December 31, 2023 was NT$6,717,128 thousand, which was approximately 31.56% lower than the sales revenue for the year ended December 31, 2022 of NT$9,815,332 thousand. Nevertheless, the sales revenue from specific customers deviates significantly from the trend of total sales revenue. Therefore, recognition of sales revenue from these specific customers has been identified as a key audit matter.

The audit procedures that we performed in response to the risk were as follows:

1. We obtained an understanding of the design and implementation of internal controls about these specific customers and tested if these controls were performed effectively. Such controls include credit assessments of customers, revenue recognition and receivables collection.
2. We sampled and inspected purchase orders from these specific customers, shipping confirmations and receivables collection receipts in order to verify the accuracy of sales revenue.
3. We reviewed sales returns and discounts recognized and the amounts received in subsequent periods to assess for any abnormalities.

Other Matter

We have also audited the parent company only financial statements of Asia Polymer Corporation as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the FSC of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the audit committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are
Chiu, Cheng-Chun (Financial Supervisory Commission, Jin Guan Zheng Liu Zi No. 0930160267)
and Chuang, Pi-Yu (Financial Supervisory Commission, Jin Guan Zheng Shen Zi No. 1070323246)

Deloitte & Touche

Taipei, Taiwan
Republic of China

March 7, 2024

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ASIA POLYMER CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

December 31, 2023 and 2022
(In Thousands of New Taiwan Dollars)

Code	ASSETS	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	CURRENT ASSETS				
1100	Cash and cash equivalents (Notes 4 and 6)	$ 1,152,991	8	$ 1,490,320	9
1110	Financial assets at fair value through profit and loss - current (Notes 4 and 7)	783,534	5	499,776	3
1120	Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	22,458	-	21,162	-
1136	Financial assets at amortized cost - current (Notes 4 and 9)	127,425	1	-	-
1170	Accounts receivable (Notes 4, 10 and 22)	293,125	2	868,078	5
1180	Accounts receivable from related parties (Notes 4, 10, 22 and 28)	111,426	1	202,757	1
1200	Other receivables (Note 4)	1,091	-	950	-
1210	Other receivables from related parties (Notes 4 and 28)	2,362	-	3,602	-
1310	Inventories (Notes 4 and 11)	634,725	4	540,844	4
1410	Prepayments	205,944	1	165,484	1
1470	Other current assets	116	-	110	-
11XX	Total current assets	3,335,197	22	3,793,083	23
	NON-CURRENT ASSETS				
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	2,984,710	20	3,189,863	19
1550	Investments accounted for using the equity method (Notes 4, 5, 13 and 29)	4,163,948	28	5,158,490	32
1600	Property, plant and equipment (Notes 4 and 14)	3,456,731	23	3,363,478	21
1755	Right-of-use assets (Notes 4 and 15)	9,402	-	10,451	-
1760	Investment properties (Notes 4 and 16)	500,764	3	510,955	3
1840	Deferred tax assets (Notes 4 and 24)	558,060	4	356,127	2
1990	Other non-current assets (Note 4)	2,877	-	7,622	-
15XX	Total non-current assets	11,676,492	78	12,596,986	77
1XXX	TOTAL ASSETS	$ 15,011,689	100	$ 16,390,069	100

Code	LIABILITIES AND EQUITY	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	CURRENT LIABILITIES				
2100	Short-term borrowings (Note 17)	$ -	-	$ 120,000	1
2120	Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	-	-	3,012	-
2170	Accounts payable (Note 18)	166,694	1	257,607	2
2180	Accounts payable to related parties (Notes 18 and 28)	50,504	-	53,653	-
2200	Other payables (Note 19)	231,346	2	219,889	1
2220	Other payables to related parties (Note 28)	224,537	2	178,903	1
2230	Current tax liabilities (Notes 4 and 24)	223,276	2	656,238	4
2280	Lease liabilities - current (Notes 4 and 15)	6,422	-	6,524	-
2320	Current portion of long-term liabilities (Note 17)	65,880	-	-	-
2365	Refund liabilities - current	5,899	-	5,899	-
2399	Other current liabilities (Note 22)	54,103	-	48,384	-
21XX	Total current liabilities	1,028,661	7	1,550,109	9
	NON-CURRENT LIABILITIES				
2540	Long-term borrowings (Note 17)	480,214	3	450,636	3
2570	Deferred income tax liabilities (Notes 4 and 24)	29,822	-	29,667	-
2580	Lease liabilities - non-current (Notes 4 and 15)	11,326	-	17,709	-
2640	Net defined benefit liabilities - non-current (Notes 4 and 20)	102,364	1	112,106	1
2650	Credit balance of investments accounted for using the equity method (Notes 4 and 13)	5,651	-	330	-
2670	Other non-current liabilities	14,567	-	12,554	-
25XX	Total non-current liabilities	643,944	4	623,002	4
2XXX	Total liabilities	1,672,605	11	2,173,111	13
	EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4, 8, 21 and 24)				
	Share Capital				
3110	Ordinary shares	5,937,438	40	5,937,438	36
3200	Capital surplus	37,559	-	37,142	-
	Retained earnings				
3310	Legal reserve	2,370,208	16	2,223,200	14
3320	Special reserve	554,105	4	565,379	3
3350	Unappropriated earnings	3,771,456	25	4,511,018	28
3300	Total retained earnings	6,695,769	45	7,299,597	45
3400	Other equity	668,318	4	942,781	6
3XXX	Total equity	13,339,084	89	14,216,958	87
	TOTAL LIABILITIES AND EQUITY	$ 15,011,689	100	$ 16,390,069	100

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

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ASIA POLYMER CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

		2023		2022	
Code		Amount	%	Amount	%
4100	NET REVENUE (Notes 4, 22 and 28)	$ 6,717,128	100	$ 9,815,332	100
5110	OPERATING COSTS (Notes 4, 11, 20, 23 and 28)	5,571,131	83	6,582,460	67
5900	GROSS PROFIT	1,145,997	17	3,232,872	33
	OPERATING EXPENSES (Notes 20, 23 and 28)				
6100	Selling and marketing expenses	102,378	1	151,638	2
6200	General and administrative expenses	113,430	2	127,858	1
6300	Research and development expenses	6,353	-	6,468	-
6000	Total operating expenses	222,161	3	285,964	3
6900	PROFIT FROM OPERATIONS	923,836	14	2,946,908	30
	NON-OPERATING INCOME AND EXPENSES (Notes 4, 13, 23 and 28)				
7100	Interest income	21,737	-	11,475	-
7010	Other income	176,943	2	364,988	4
7020	Other gains and losses	(2,228)	-	(23,569)	-
7510	Interest expense	(9,112)	-	(10,311)	-
7060	Share of profit or loss of associates	(960,044)	(14)	(1,471,720)	(15)
7000	Total non-operating income and expenses	(772,704)	(12)	(1,129,137)	(11)
7900	PROFIT BEFORE INCOME TAX	151,132	2	1,817,771	19
7950	INCOME TAX EXPENSE (Notes 4 and 24)	34,848	-	370,402	4
8200	NET PROFIT FOR THE YEAR	116,284	2	1,447,369	15
	OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 13, 20, 21 and 24)				
	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans	$ 16	-	$ 11,338	-
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	(224,049)	(4)	(1,030,919)	(11)

(Continued)

(Continued)

Code		2023 Amount	2023 %	2022 Amount	2022 %
8330	Share of the other comprehensive income (loss) of associates accounted for using the equity method	(16,272)	-	(22,163)	-
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss	275	-	(1,864)	-
8310		(240,030)	(4)	(1,043,608)	(11)
	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating the financial statements of foreign operations	(41,135)	-	150,506	1
8370	Share of the other comprehensive income (loss) of associates accounted for using the equity method	(2,794)	-	10,152	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	8,227	-	(30,101)	-
8360		(35,702)	-	130,557	1
8300	Other comprehensive income (loss) for the year, net of income tax	(275,732)	(4)	(913,051)	(10)
8500	TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	($ 159,448)	(2)	$ 534,318	5
	EARNINGS PER SHARE (Note 25)				
9710	Basic	$ 0.20		$ 2.44	
9810	Diluted	$ 0.20		$ 2.43	

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ASIA POLYMER CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Dividends Per Share)

Code		EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4, 8, 21 and 24)								
		Share Capital			Retained Earnings			Other Equity		
		Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total Equity
A1	BALANCE AT JANUARY 1, 2022	593,743	$ 5,937,438	$ 35,319	$ 1,906,008	$ 565,379	$ 5,139,359	($ 239,960)	$ 2,118,506	$ 15,462,049
	Appropriation of the 2021 earnings									
B1	Legal reserve	-	-	-	317,192	-	(317,192)	-	-	-
B5	Cash dividends distributed	-	-	-	-	-	(1,781,232)	-	-	(1,781,232)
C7	Changes in capital surplus from investments in associates accounted for using the equity method	-	-	329	-	-	111	-	(111)	329
C17	Reclassification of past dividends to capital surplus	-	-	1,494	-	-	-	-	-	1,494
D1	Net profit for the year ended December 31, 2022	-	-	-	-	-	1,447,369	-	-	1,447,369
D3	Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	22,413	130,557	(1,066,021)	(913,051)
D5	Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	1,469,782	130,557	(1,066,021)	534,318
Q1	Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	190	-	(190)	-
Z1	BALANCE AT DECEMBER 31, 2022	593,743	5,937,438	37,142	2,223,200	565,379	4,511,018	(109,403)	1,052,184	14,216,958
	Appropriation of the 2022 earnings									
B1	Legal reserve	-	-	-	147,008	-	(147,008)	-	-	-
B5	Cash dividends distributed	-	-	-	-	-	(712,493)	-	-	(712,493)
C7	Changes in capital surplus from investments in associates accounted for using the equity method	-	-	(110)	-	-	(6,934)	-	584	(6,460)
C17	Reclassification of past dividends to capital surplus	-	-	527	-	-	-	-	-	527
B17	Reversal for special reserve	-	-	-	-	(11,274)	11,274	-	-	-
D1	Net profit for the year ended December 31, 2023	-	-	-	-	-	116,284	-	-	116,284
D3	Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	(685)	(35,702)	(239,345)	(275,732)
D5	Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	115,599	(35,702)	(239,345)	(159,448)
Z1	BALANCE AT DECEMBER 31, 2023	593,743	$ 5,937,438	$ 37,559	$ 2,370,208	$ 554,105	$ 3,771,456	($ 145,105)	$ 813,423	$ 13,339,084

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ASIA POLYMER CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

Code		2023	2022
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Income before income tax	$ 151,132	$ 1,817,771
A20010	Adjustments for:		
A20100	Depreciation expenses	319,049	305,172
A20200	Amortization expenses	413	35
A20400	Net (gain) loss on fair value change of financial assets at fair value through profit or loss	(13,018)	49,982
A20900	Interest expense	9,112	10,311
A21200	Interest income	(21,737)	(11,475)
A21300	Dividend income	(115,354)	(295,798)
A22300	Share of profit or loss of associates	960,044	1,471,720
A23700	Loss on write-down of inventories	9,957	628
A24100	Net loss on foreign currency exchange	5,661	351
A30000	Changes in operating assets and liabilities		
A31115	Financial assets mandatorily classified as at fair value through profit or loss	(273,752)	571,108
A31150	Accounts receivable	565,843	120,853
A31160	Accounts receivable from related parties	89,549	225,846
A31180	Other receivables	-	17,479
A31190	Other receivables from related parties	1,234	(1,767)
A31200	Inventories	(104,653)	42,615
A31230	Prepayments	(40,508)	(16,753)
A31240	Other current assets	(6)	-
A32150	Accounts payable	(88,746)	40,717
A32160	Accounts payable from related parties	(2,046)	(25,749)
A32180	Other payables	(27,836)	(14,219)
A32190	Other payables from related parties	48,332	(28,813)
A32230	Other current liabilities	5,583	20,198
A32240	Net defined benefit liabilities - non-current	(9,726)	(11,561)
A33000	Cash generated from operations	1,468,527	4,288,651
A33100	Interest received	21,596	10,913
A33300	Interest paid	(6,476)	(10,870)
A33500	Income tax paid	(661,081)	(663,597)
AAAA	Net cash generated from operating activities	822,566	3,625,097

(Continued)

(Continued)

Code		2023	2022
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00010	Purchase of financial assets at fair value through other comprehensive income	($ 19,975)	$ -
B00020	Proceeds from sale of financial assets at fair value through other comprehensive income	-	216
B00030	Capital reduction of financial assets at fair value through other comprehensive income	-	19,237
B00040	Purchase of financial assets at amortized cost	(127,425)	-
B01800	Acquisition of long-term equity investments accounted for using the equity method	(52,584)	(13,203)
B02400	Proceeds from capital reduction of investee companies accounted for using equity method	14,155	-
B02700	Payments for property, plant and equipment	(370,293)	(272,418)
B03700	Increase in refundable deposits	(141)	(143)
B03800	Decrease in refundable deposits	141	143
B04500	Payments for intangible assets	(660)	(479)
B05400	Payments for investment properties	-	(2,214)
B07600	Dividends received	129,420	420,987
B09900	Decrease in other non-current assets	4,991	8,348
BBBB	Net cash (used in) generated from investing activities	(422,371)	160,474
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00200	Repayments of short-term borrowings	(120,000)	(380,000)
C01600	Proceeds from long-term borrowings	104,000	3,128,884
C01700	Repayments of long-term borrowings	(10,000)	(4,050,000)
C03000	Increase in guarantee deposits received	1,215	1,348
C03100	Decrease in guarantee deposits received	(458)	(2,724)
C04020	Repayment of the principal portion of lease liabilities	(6,309)	(6,096)
C04400	Increase (decrease) in other non-current liabilities	87	(3,758)
C04500	Dividends paid to owners of the Company	(703,605)	(1,782,659)
CCCC	Net cash used in financing activities	(735,070)	(3,095,005)
DDDD	EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	(2,454)	14,032
EEEE	NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(337,329)	704,598
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,490,320	785,722
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 1,152,991	$ 1,490,320

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ASIA POLYMER CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Asia Polymer Corporation (the "Company") was established in January 1977. The Company designs, develops, manufactures and sells low-density polyethylene (LDPE), medium-density polyethylene (MDPE), and ethylene vinyl acetate copolymer (EVA).

The ordinary shares of the Company have been listed on the Taiwan Stock Exchange. As of December 31, 2023, the ultimate parent company, USI Corporation, held 36.08% of ordinary shares of the Company.

The functional currency of the Company is the New Taiwan dollar, and the consolidated financial statements of the Group and its subsidiaries, collectively referred to as the "Group," are presented in the Group's functional currency.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were issued after it had been approved by the Board of Directors on March 7, 2024.

3. APPLICATION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC).

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

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

New/Revised/Amended Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024
Amendment to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024 (Note 3)

Note 1. Unless stated otherwise, the above New/Revised/Amended Standards and Interpretations are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2. Sellers and lessees should apply the amendments to IFRS 16 retroactively to sale-and-leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3. Exemptions from certain disclosure requirements are granted when applying this amendment for the first time.

As of the date the consolidated financial statements were authorized for issue, according to the Group's assessment, the amendments to the above standards and interpretations will have no significant impact on the Group's financial position and financial performance.

c. IFRS Accounting Standards issued by the IASB but not yet endorsed and issued into effect by the FSC

New/Revised/Amended Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

Note 1. Unless stated otherwise, the above New/Revised/Amended Standards and Interpretations are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2. Applicable to the annual reporting periods beginning on or after January 1, 2025. When the amendment is initially applied, the effects will be recognized in the initial application date's retained earnings. When the Group uses non-functional currency as the presentation currency, the effects will be adjusted to the exchange difference of foreign operations under equity on the initial application date.

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

d. Reclassification

The management of the Group believes that the relevant usage restrictions on the funds repatriated for substantial investments in accordance with the "Management, Utilization, and Taxation of Repatriated Offshore Funds Act" have not changed the nature of the deposits. The Group can obtain such amount on demand, and it is more appropriate to present the deposit account as cash and cash equivalents. Therefore, the presentation of the consolidated balance sheets and consolidated statement of cash flows was changed in 2023. The carrying amounts of financial assets at amortized cost that were reclassified to cash and cash equivalents on December 31, 2023, December 31, 2022, and January 1, 2022 were $3,851 thousand, $8,350 thousand, and $21,786 thousand, respectively. The effect of cash flow items in 2022 is as follows:

	Adjustment
Net cash generated from operating activities	$ 463
Net cash used in investing activities	(13,899)
Net decrease in cash and cash equivalents	($ 13,436)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

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

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

c. Classification of current and non-current assets and liabilities

Current assets include:

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

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;
2) Liabilities due to be settled within 12 months after the reporting period even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorized for issue; and
3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

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

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Group and the entities controlled by the Group (i.e., its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Group.

See Note 12 and Tables 5 to 6 for detailed information on subsidiaries (including the percentages of ownership and main businesses).

e. Foreign currency

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

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

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

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction (ie., not retranslated).

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including of the associates in other countries or currencies which are different from the currency of the Group) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences is reattributed to non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

f. Inventories

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

g. Investments accounted for using the equity method

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

The Group uses the equity method to account for its investments in associates. Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Group’s share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group’s share of the equity of associates attributable to the Group.

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

When the Group subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group’s proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates accounted for using the equity method. If the Group's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities.

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group's consolidated financial statements only to the extent that interests in the associate are not related to the Group.

h. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Samples of these assets are measured at the lower of cost or net realizable value when the assets are tested for proper functioning before realizing their intended use, and the sales price and cost are recognized in profit or loss. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

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

i. Investment properties

Investment properties are properties held to earn rental and/or for capital appreciation (including right-of-use assets if the definition of investment properties is met). Investment properties also include land held for a currently undetermined future use.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

Investment properties acquired through leases were initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made on or before the commencement date, plus initial direct costs incurred and an estimate of costs needed to restore the underlying assets, less any lease incentives received. These investment properties are subsequently measured at cost less accumulated depreciation and accumulated impairment loss and adjusted for any remeasurement of the lease liabilities.

Depreciation is recognized using the straight-line method.

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

j. Intangible assets

1) Acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each year, with the effects of any changes in the estimates accounted for on a prospective basis.

2) Derecognition

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

k. Impairment of property, plant and equipment, right-of-use assets, investment property and intangible assets

At each balance sheet date, the Group assesses whether there is any indication that property, plant and equipment, right-of-use assets, investment property and intangible assets may have been impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

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

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

l. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial asset is classified as at FVTPL when such a financial asset is mandatorily classified. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and liability instrument investments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends or interest earned on such financial assets are recognized in other income and interest income, respectively; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 27.

ii. Financial assets at amortized cost

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

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

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

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

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset.

A financial asset is credit impaired when one or more of the following events have occurred: Significant financial difficulty of the issuer or the borrower; Breach of contract, such as a default; It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable).

The Group always recognizes lifetime expected credit losses (ECLs) for accounts receivable. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

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

For internal credit risk management purposes, the Group determines that the following situations indicate that a financial asset is in default:

i. Internal or external information show that the debtor is unlikely to pay its creditors.

ii. When a financial asset is past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

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

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without reclassifying to profit or loss.

2) Equity instruments

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

Equity instruments issued by the Group are recognized at the proceeds received after deducting direct issue costs.

Repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. The carrying amount is calculated as the weighted average amount by type of stock. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

Except the following situation, all the financial liabilities are measured at amortized cost using the effective interest method:

<u>Financial liabilities at FVTPL</u>

Financial liabilities are classified as at FVTPL when such financial liabilities are held for trading.

Financial liabilities held for trading are stated at fair value, and any gains or losses on such financial liabilities are recognized in other gains or losses.

Fair value is determined in the manner described in Note 27.

b) Derecognition of financial liabilities

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

4) Derivative instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

m. Revenue recognition

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

<u>Revenue from sale of goods</u>

Revenue from the sale of goods comes from sale of LDPE, MDPE and EVA. Sales are recognized as revenue when the goods are delivered to the customer’s specific location or the goods are shipped because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Accounts receivable are recognized concurrently.

n. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

a) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

When the Group subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Group, as a lessee, has accounted for applying recognition exemption, the sublease is classified as an operating lease.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

b) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets, except for those that meet the definition of investment properties. With respect to the recognition and measurement of right-of-use assets that meet the definition of investment properties, refer to Note i for the accounting policies for investment properties.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee’s incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. Lease liabilities are presented separately on consolidated balance sheets.

o. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the costs of those assets, until such time as the assets are substantially ready for their intended use or sale. Other than those stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

p. Government grant

A government grant is recognized only when it can be reasonably assured that the Group will comply with the conditions imposed by the government grant and that such grant will be received.

Government grants relating to income are recognized in other income on a systematic basis over the periods in which the Group recognizes expenses for the related costs for which the grants are intended to compensate. Government grants whose condition is that the Group should purchase, construct or otherwise acquire the non-current assets are recognized as deferred income, which should be transferred to profit or loss over the useful lives of the related assets on a reasonable and systematic basis.

If the government grant is used to compensate expenses or losses already incurred or is given to the Group for the purpose of immediate financial support without related costs in the future, it can be recognized in profit or loss within the collectible period.

For government subsidy loan with lower than market interest rates obtained by the Group, the difference between the loan amount received and the fair value of the loan based on the prevailing market interest rate is recognized as a government grant.

q. Employee benefits

1) Short-term employee benefits

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

2) Post-employment benefits

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

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group’s defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

r. Income tax

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

1) Current tax

The Group determines the income (loss) of the current year in accordance with the laws and regulations in each income tax declaration jurisdiction, and calculates the income tax payable accordingly.

According to the Income Tax Law, an additional tax of unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred income tax

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

Deferred income tax liabilities are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilized.

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

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

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

3) Current and deferred income taxes

Current and deferred income taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The Group takes into account the potential impacts when developing critical accounting estimates, and the management will continue to review the estimates and underlying assumptions.

Key sources of estimation uncertainty

Estimation of damage compensation for associate's gas explosion incidents

The Group's associate, China General Terminal & Distribution Corporation (hereinafter "CGTD"), recognized a provision for civil damages due to gas explosion. The management considered the progress of the relevant civil and criminal procedures, settlements achieved, and legal advice to estimate the amount of the provision. However, the actual amount might differ from the current estimation.

6. CASH AND CASH EQUIVALENTS

	December 31, 2023	December 31, 2022
Cash on hand and petty cash	$ 197	$ 267
Checking accounts and demand deposits	212,181	237,680
Cash equivalents		
Time deposits	421,460	678,091
Reverse repurchase agreements collateralized by bonds	519,153	574,282
	$ 1,152,991	$ 1,490,320

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

	December 31, 2023	December 31, 2022
Time deposits	1.25%-5.55%	0.88%-4.90%
Reverse repurchase agreements collateralized by bonds	1.49%-1.55%	1.15%-1.40%

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

	December 31, 2023	December 31, 2022
Financial assets - current		
Mandatorily classified as at FVTPL		
Derivative instruments (not under hedge accounting)		
— Foreign exchange forward contracts	$ 955	$ 425
Non-derivative financial assets		
— Domestic listed shares	141,502	87,136
— Mutual funds	572,257	352,262
— Beneficiary securities	68,820	59,953
Subtotal	782,579	499,351
	$ 783,534	$ 499,776
Financial liabilities - current		
Held for trading		
Derivative instruments (not under hedge accounting)		
— Foreign exchange forward contracts	$ -	$ 3,012

The net gain and loss on operations of financial assets and liabilities at FVTPL in 2023 and 2022 were gain of $17,220 thousand and loss of $31,837 thousand, respectively.

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

December 31, 2023

	Currency	Maturity Date	Notional Amount (thousand)
Sell	RMB/NTD	2024.01.03-2024.01.09	RMB15,100/NTD66,336

December 31, 2022

	Currency	Maturity Date	Notional Amount (thousand)
Sell	RMB/NTD	2023.01.19-2023.03.30	RMB101,500/NTD444,614

The Group entered into foreign exchange forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities. However, those contracts did not meet the criteria of hedge effectiveness and, therefore, were not accounted for using hedge accounting.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVTOCI)

Investments in equity instruments

	December 31, 2023	December 31, 2022
Current		
Domestic investments		
Listed shares	$ 22,458	$ 21,162
Non-current		
Domestic investments		
Listed shares	$ 2,750,339	$ 2,959,952
Unlisted shares	140,936	135,304
Subtotal	2,891,275	3,095,256
Foreign investments		
Listed shares	9,411	17,179
Unlisted ordinary shares	2	7
Unlisted preferred shares	84,022	77,421
Subtotal	93,435	94,607
	$ 2,984,710	$ 3,189,863

These investments in equity instruments are held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

In June 2022, the Group adjusted the investment position to diversify risks and sold common shares of Riselink Venture Capital Corp. at fair value. The related unrealized gains of $190 thousand booked in other equity - financial assets at fair value through other comprehensive income were transferred to retained earnings.

The investee, AUO Corporation, reduced its capital and returned cash to its shareholders in October 2022. The Group received $19,237 thousand back in total, according to its shareholding ratio.

In November 2023, the Group purchased common shares of PELL Bio-Med Technology Co. Ltd. by $19,975 thousand. Those common shares were designated as measured at fair value through other comprehensive income as they were classified as investments for medium- to long-term strategic purposes.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31, 2023
Current (December 31, 2022: None)	
Time deposits with maturities of more than three months	$ 127,425
Range of interest rates	
Time deposits with maturities of more than three months	1.25%-4.5%

10. ACCOUNTS RECEIVABLE

	December 31, 2023	December 31, 2022
Accounts receivable		
At amortized cost		
Gross carrying amount	$ 295,125	$ 870,078
Less: Allowance for impairment loss	(2,000)	(2,000)
	$ 293,125	$ 868,078
Accounts receivable from related parties (Note 28)	$ 111,426	$ 202,757

The average credit period of sales of goods was 15-90 days. No interest was charged on accounts receivable since the credit period was short.

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

The Group applies the simplified approach to providing for expected credit losses, which permits the use of lifetime expected loss provision for all accounts receivable. The expected credit losses on accounts receivable are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date.

The following table details the loss allowance of accounts receivable based on the Group's provision matrix:

December 31, 2023

	Not Past Due	1 to 60 Days	61 to 90 Days	Total
Gross carrying amount	$ 404,217	$ 2,334	$ -	$ 406,551
Loss allowance (Lifetime ECL)	-	(2,000)	-	(2,000)
Amortized cost	$ 404,217	$ 334	$ -	$ 404,551

December 31, 2022

	Not Past Due	1 to 60 Days	61 to 90 Days	Total
Gross carrying amount	$ 1,072,835	$ -	$ -	$ 1,072,835
Loss allowance (Lifetime ECL)	(2,000)	-	-	(2,000)
Amortized cost	$ 1,070,835	$ -	$ -	$ 1,070,835

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

The movements of the loss allowance of accounts receivable were as follows:

	2023	2022
Balance at January 1	$ 2,000	$ 2,000
Add: Impairment loss for the year	-	-
Balance at December 31	$ 2,000	$ 2,000

11. INVENTORIES

	December 31, 2023	December 31, 2022
Finished goods	$ 483,642	$ 355,705
Work in process	22,627	23,814
Raw materials	78,150	101,313
Production supplies	50,306	60,012
	$ 634,725	$ 540,844

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2023 and 2022 was $5,571,131 thousand and $6,582,460 thousand, respectively. The cost of goods sold for 2023 and 2022 included loss for market price decline and obsolete and slow-moving inventories of $9,957 thousand and $628 thousand respectively.

12. SUBSIDIARY

Subsidiaries included in the consolidated financial statements

The entities included in the consolidated financial statements:

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

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31, 2023	December 31, 2022
Material associates		
Ever Conquest Global Ltd.	$ 2,541,084	$ 3,526,546
Associates that are not individually material		
Listed company		
China General Plastics Corporation (CGPC)	773,150	762,280
Acme Electronics Corporation (ACME)	82,391	59,787
Unlisted company		
China General Terminal & Distribution Corporation (CGTD)	329,972	355,611
ACME Electronics (Cayman) Corp.(ACME (Cayman))	189,269	207,944
Swanson Plastics Corporation (SPC)	198,518	205,730
Taiwan United Venture Capital Corp. (TUVC)	11,369	22,114
USI Optronics Corporation (USIO)	4,925	6,155
Zhangzhou Taiju Trading Co., Ltd. (GUL)	20,266	12,323
Xiamen USI Trading Co., Ltd. (XUL)	13,004	-
Swanson Technologies Corporation (STC)	(5,651)	(330)
	4,158,297	5,158,160
Add: Reclassification of the credit amount of long-term investments to liabilities	5,651	330
	$ 4,163,948	$ 5,158,490

a. Material associates

Name of Associates	Nature of Activities	Principal Place of Business	Proportion of Ownership and Voting Rights December 31, 2023	Proportion of Ownership and Voting Rights December 31, 2022
Ever Conquest Global Ltd.	Reinvestment	British Virgin Islands	40.87%	40.87%

The Group uses the equity method to account for the above associate.

The summarized financial information below represents amounts shown in the associates' consolidated financial statements prepared in accordance with IFRS Accounting Standard and adjusted by the Group for equity accounting purposes.

Ever Conquest Global Ltd.

	December 31, 2023	December 31, 2022
Current assets	$ 1	$ -
Non-current assets	6,217,923	8,629,306
Equity	$ 6,217,924	$ 8,629,306
Proportion of the Company's ownership	40.87%	40.87%
Equity attributable to the Company	$ 2,541,084	$ 3,526,546
Carrying amount	$ 2,541,084	$ 3,526,546

	2023	2022
The Group's share of:		
Net loss for the year	($ 952,746)	($ 1,439,602)
Other comprehensive gain (loss)	(32,716)	114,941
Total comprehensive income for the year	($ 985,462)	($ 1,324,661)

The Company and USI Corporation signed a joint venture contract for a Fujian Gulei Petrochemical Co., Ltd. investment on April 17, 2014. The related entities of the contract or commitments are Ho Tung Chemical Corporation, LCY Chemical Corporation, Hsin Tay Petroleum Co. Ltd., Chenergy Global Corporation and Lien Hwa Corporation. The main contents of the contract and commitments include: (1) the shareholders shall establish Ever Victory Global Limited (hereinafter referred to the "Ever Victory Global") and agree to pass the establishment of the 100% owned company named Dynamic Ever Investments Limited in Hong Kong (hereinafter referred to as the "DEIL"), whose purpose is to build oil refineries and produce ethylene as well as seven other products on the Gulei Peninsula in Zhangzhou, Fujian Province, as approved by the Investment Commission at Taiwan's Ministry of Economic Affairs and according to the operating business permitted by the Joint Venture's board of directors; and (2) the DEIL will establish a joint venture company in accordance with the laws of the People's Republic of China between China Petrochemical Corporation or its affiliated enterprises; Fujian Refining and Chemical Co., Ltd. will establish a joint venture company in accordance with the laws of the People's Republic of China in Fujian Province between China Petrochemical Corporation or its affiliated enterprises (hereinafter referred to as "Gulei Group") and acquire 50% of the shares of Gulei Group as a basis for cooperative investment.

Furthermore, due to the increase in the investment amount specified in the "Fujian Gulei Petrochemical Co., Ltd. Joint Venture Agreement" signed by DEIL and Fujian Refining and Chemical Co., Ltd., some of the counterparties to the original joint venture agreement or commitment are unable to subscribe or participate in the subsequent capital increase procedures according to the proportion of investment as stipulated in the original joint venture agreement. To ensure the continuity and achievement of the business objectives of the original agreement, a joint venture agreement was re-signed on September 30, 2016, and CTCI Corporation was added as a new contract or commitment counterparty. On December 18, 2019, the new joint venture agreement was signed and new counterparties, Fubon Financial Holding Venture Capital Co. and Hongfu Investment Co., Ltd. were added to the agreement as counterparties.

In order to increase Gulei Group's operating capital, Ever Victory Global and Hong Kong Dor Po Investment Company Limited ("DOR PO") signed a joint venture contract for an investment in DEIL on June 5, 2019. According to the joint venture contract, DOR PO will invest US$109,215 thousand to participate in the capital increase of DEIL. As of December 31, 2023, DOR PO had invested US$103,915 thousand and acquired 15% ownership interest in DEIL.

As of December 31, 2023, the Company and USI Corporation had accumulatively invested US$170,475 thousand (approximately $5,255,587 thousand) and US$246,670 thousand (approximately $7,645,981 thousand) in Ever Conquest Global Ltd., respectively, and re-invested in DEIL through Ever Conquest Global Ltd.'s reinvestment in Ever Victory Global. The Company and USI Corporation jointly holds a proportion of ownership of 67.4% in Ever Victory Global. DEIL accumulatively invested a total of RMB$ 4,657,200 thousand in Gulei Group.

b. Aggregate information of associates that are not individually material

	2023	2022
The Group's share of:		
Net loss from continuing operations for the year	($ 7,298)	($ 32,118)
Other comprehensive gain (loss)	(24,425)	(30,926)
Total comprehensive income for the year	($ 31,723)	($ 63,044)

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

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

Please refer to Table 5 "Information on Investees" and Table 6 "Information on Investments in Mainland China" for the nature of activities, principal places of business and countries of incorporation of the associates.

The Group did not subscribe for the cash capital increase of ACME in proportion to its shareholding with an amount of $39,528 thousand, resulting in the increase of shareholding from 4.34% to 4.66%, with the base date of capital increase on January 16, 2023.

The Group did not subscribe for the cash capital increase of ACME (Cayman), resulting in a decrease of shareholding from 16.64% to 13.63%. The base date of capital increase was April 24, 2023.

TUVC convened shareholders' meeting on June 28, 2023 and resolved and approved to reduce its capital and returned cash to its shareholders, with the base date of the capital reduction on August 22, 2023. The Company received $14,155 thousand back in August 2023.

In order to meet the business needs, the Company established XUL in Xiamen City, Fujian Province in Mainland China through joint venture of APC (BVI) and Swanlake Traders Ltd., the subsidiary of USI Corporation. The company has been registered and incorporated on November 6, 2023 with the investments of RMB$ 3,000 thousand from APC (BVI) and RMB$ 7,000 thousand from Swanlake on December 14, 2023.

In order to meet the business needs, the Group's Board of Directors has resolved on August 12, 2020 to establish GUL in Fujian Province in Mainland China through APC (BVI) and Swanlake Traders Ltd., the subsidiary of USI Corporation. The company has been registered and incorporated on March 12, 2022 with the investments of RMB$ 3,000 thousand from APC (BVI) and RMB$ 7,000 thousand from Swanlake on May 20, 2022.

The Group's percentage of ownership over CGPC, ACME, ACME (Cayman), SPC, TUVC, STC, and USIO was less than 20%. These associates were accounted for using the equity method, as the Group retained significant influence over them.

The market prices of the investments accounted for using the equity method in publicly traded shares calculated by the closing price at the end of the reporting period are summarized as follows.

Name of Associates	December 31, 2023	December 31, 2022
CGPC	$ 1,045,562	$ 1,237,795
ACME	$ 248,931	$ 190,191

14. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings and Improvements	Machinery and Equipment	Transportation Equipment	Other Equipment	Construction in Progress and Prepayments for Equipment	Total
Cost							
Balance at January 1, 2023	$ 228,229	$ 779,756	$ 6,499,542	$ 10,030	$ 88,838	$ 792,988	$ 8,399,383
Additions	-	-	58,342	-	71	342,806	401,219
Disposals	-	-	(70,938)	(630)	(1,294)	-	(72,862)
Internal transfer	-	1,492	176,120	-	4,368	(181,980)	-
Effect of foreign currency exchange differences	-	-	-	(18)	(17)	-	(35)
Balance at December 31, 2023	$ 228,229	$ 781,248	$ 6,663,066	$ 9,382	$ 91,966	$ 953,814	$ 8,727,705
Accumulated depreciation and impairment							
Balance at January 1, 2023	$ -	$ 343,539	$ 4,600,641	$ 8,165	$ 83,560	$ -	$ 5,035,905
Depreciation expenses	-	18,755	285,974	349	2,884	-	307,962
Disposals	-	-	(70,938)	(630)	(1,294)	-	(72,862)
Effect of foreign currency exchange differences	-	-	-	(18)	(13)	-	(31)
Balance at December 31, 2023	$ -	$ 362,294	$ 4,815,677	$ 7,866	$ 85,137	$ -	$ 5,270,974
Net amount at December 31, 2023	$ 228,229	$ 418,954	$ 1,847,389	$ 1,516	$ 6,829	$ 953,814	$ 3,456,731
Cost							
Balance at January 1, 2022	$ 228,229	$ 778,815	$ 6,433,849	$ 9,661	$ 88,138	$ 618,748	$ 8,157,440
Additions	-	-	38,859	-	157	242,260	281,276
Disposals	-	-	(37,500)	(1,467)	(593)	-	(39,560)
Internal transfer	-	941	64,334	1,820	925	(68,020)	-
Effect of foreign currency exchange differences	-	-	-	16	211	-	227
Balance at December 31, 2022	$ 228,229	$ 779,756	$ 6,499,542	$ 10,030	$ 88,838	$ 792,988	$ 8,399,383
Accumulated depreciation and impairment							
Balance at January 1, 2022	$ -	$ 323,757	$ 4,366,644	$ 9,282	$ 81,167	$ -	$ 4,780,850
Depreciation expenses	-	19,782	271,497	341	2,775	-	294,395
Disposals	-	-	(37,500)	(1,467)	(593)	-	(39,560)
Effect of foreign currency exchange differences	-	-	-	9	211	-	220
Balance at December 31, 2022	$ -	$ 343,539	$ 4,600,641	$ 8,165	$ 83,560	$ -	$ 5,035,905
Net amount at December 31, 2022	$ 228,229	$ 436,217	$ 1,898,901	$ 1,865	$ 5,278	$ 792,988	$ 3,363,478

For the years ended December 31, 2023 and 2022, no impairment loss or reversal of impairment loss was recognized.

The accrual of depreciation expenses is conducted on a straight-line basis over the estimated useful lives as follows:

Buildings and improvements	
Factory and improvements	15 to 40 years
Office building, laboratory and improvements	10 to 40 years
Storage rooms	11 to 45 years
Engineering systems	35 to 40 years
Others	2 to 20 years
Machinery and equipment	3 to 22 years
Transportation equipment	4 to 7 years
Other equipment	3 to 10 years

In order to support the relocation of petrochemical storage facilities in the old port area conducted by Taiwan International Ports Corporation Ltd. ("TIPC"), China General Terminal & Distribution Corporation ("CGTD") leases the terminal facilities and back-line lands of Phase II Petrochemical Oil Storage and Transportation Center of Kaohsiung Port Container Center, with the lease term from August 1, 2017 to July 31, 2042. The rent is paid on quarterly basis. The Board of Directors of the Group resolved to build the Intercontinental Phase II Petrochemical Oil Products Center in 2019 with total investment amount of $765,893 thousand for the construction. As of December 31, 2023, the Group has made construction payment of $740,029 thousand, which was booked under the construction in progress.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31, 2023	December 31, 2022
Carrying amounts of right-of-use assets		
Land	$ 9,368	$ 10,213
Transportation equipment	34	238
	$ 9,402	$ 10,451

	2023	2022
Increase in right-of-use assets	$ -	$ 3,034
Depreciation charge for right-of-use assets		
Land	$ 669	$ 521
Transportation equipment	204	205
	$ 873	$ 726

For the years ended December 31, 2023 and 2022, no impairment loss or reversal of impairment loss was recognized.

The Group has been subleasing its leasehold office spaces located in Taipei to other companies under operating leases. The related right-of-use assets are presented as investment properties (as set out in Note 16). The amounts disclosed above with respect to the right-of-use assets do not include right-of-use assets that meet the definition of investment properties.

b. Lease liabilities

Range of discount rate for lease liabilities was as follows:

	December 31, 2023	December 31, 2022
Land	1.06%	1.06%
Transportation equipment	1.06%	1.06%
Buildings	1.06%	1.06%

c. Other lease information

	2023	2022
Expenses relating to short-term leases	$ 4,487	$ 4,152
Expenses relating to variable lease payments not included in the measurement of lease liabilities	$ 577	$ 570
Total cash outflow for leases	($ 11,596)	($ 11,093)

The Group leases certain buildings which qualify as short-term lease. The Group has elected to apply the recognition exemption and, thus, did not recognize right-of-use assets and lease liabilities for these leases.

16. INVESTMENT PROPERTIES

	Land	Buildings and Improvements	Right-of-use Assets	Total
Cost				
Balance at January 1, 2023	$ 370,202	$ 262,807	$ 34,585	$ 667,594
Effect of foreign currency exchange differences	-	(21)	-	(21)
Balance at December 31, 2023	$ 370,202	$ 262,786	$ 34,585	$ 667,573
Accumulated depreciation				
Balance at January 1, 2023	$ -	$ 134,797	$ 21,842	$ 156,639
Depreciation expenses	-	4,753	5,461	10,214
Effect of foreign currency exchange differences	-	(44)	-	(44)
Balance at December 31, 2023	$ -	$ 139,506	$ 27,303	$ 166,809
Net amount at December 31, 2023	$ 370,202	$ 123,280	$ 7,282	$ 500,764

(Continued)

(Continued)

	Land	Buildings and Improvements	Right-of-use Assets	Total
Cost				
Balance at January 1, 2022	$ 370,202	$ 247,758	$ 34,585	$ 652,545
Additions	-	2,214	-	2,214
Effect of foreign currency exchange differences	-	12,835	-	12,835
Balance at December 31, 2022	$ 370,202	$ 262,807	$ 34,585	$ 667,594
Accumulated depreciation				
Balance at January 1, 2022	$ -	$ 124,906	$ 16,381	$ 141,287
Depreciation expenses	-	4,590	5,461	10,051
Effect of foreign currency exchange differences	-	5,301	-	5,301
Balance at December 31, 2022	$ -	$ 134,797	$ 21,842	$ 156,639
Net amount at December 31, 2022	$ 370,202	$ 128,010	$ 12,743	$ 510,955

Right-of-use assets included in investment properties are units of office space and subleased under operating leases.

The investment properties were leased out for 5 years. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating leases of investment properties as of December 31, 2023 and 2022 was as follows:

	December 31, 2023	December 31, 2022
Year 1	$ 18,893	$ 15,344
Year 2	9,332	13,749
Year 3	7,607	4,375
Year 4	972	3,889
Year 5	-	972
	$ 36,804	$ 38,329

The investment properties held by the Group are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings and improvements	
Main buildings and improvements	5 to 50 years
Right-of-use assets	6 years

The fair value of the investment property (i.e. the land) located in Linyuan Industrial Park, which is for industrial use, cannot be reliably determined due to infrequent market transactions. The investment properties - land (excluding those located in Linyuan Industrial Park), buildings and improvements were not evaluated by the independent appraisers. The fair values of these investment properties were measured by the Group's management applying Level 3 input values generated from the valuation model commonly used by market participants. The valuation was conducted with reference to the transaction prices of similar properties in the neighborhood. The fair value of the right-of-use asset was measured using expected rental income deducting the net amount of all expected payments, plus relevant recognized lease liabilities.

As of December 31, 2023 and 2022, the fair values derived from the valuation were as follows:

	December 31, 2023	December 31, 2022
Fair value	$ 1,975,542	$ 1,943,595

The Group was involved in a proposal of urban renewal, in which it coordinates with neighbors by right of transfer dominated by Huaku Development Co., Ltd. (hereinafter referred to as "Huaku") and provides around ten of its investment properties (located at Yanji St., Songshan Dist., Taipei City) to increase its operating efficiency. The urban renewal plan had been completed in 2022, and had obtained a land use right license and completed the transfer of property rights for the land and houses transferred.

17. BORROWINGS

a. Short-term borrowings (December 31, 2023: None)

	December 31, 2022
Unsecured borrowings	
Bank loans	$ 120,000

The range of interest rates on bank loans was 1.12%-1.65% per annum as of December 31, 2022.

b. Long-term borrowings

	December 31, 2023	December 31, 2022
Unsecured borrowings	$ 546,094	$ 450,636
Less: Current portion due within one year	(65,880)	-
Long-term borrowings	$ 480,214	$ 450,636
Range of interest rates	1.05%	0.925%

In order to fund medium to long-term working capital needs, the Group signed medium to long-term loan agreements with banks with total lines of credit of $4,650,000 thousand. The loan agreements will subsequently expire before November 2026 and these lines of credit are on a revolving basis. The lines of credit have not been used as of December 31, 2023.

Through "Action Plan for Accelerated Investment by Domestic Corporations" the Group obtained a low-interest bank loan of $1,419,000 thousand. The difference between the market interest rate recognized and measured for the bank loan and the interest paid at preferential rate was recognized as government grant. As of December 31, 2023, $549,000 thousand has been utilized.

Some of the Group's loan agreements stipulate that the current ratio and debt ratio as stated on the financial statements shall not be less than a specified percentage, and that if such a percentage fails to be met, the Group shall propose improvement measures to the banks concerned. As of December 31, 2023, the Group did not violate these financial ratios and terms.

18. ACCOUNTS PAYABLE FROM UNRELATED PARTIES

The average credit period was 1 month. The Group had financial risk management policies in place to ensure that all payables were paid within the pre-agreed credit terms.

19. OTHER PAYABLES FROM UNRELATED PARTIES

	December 31, 2023	December 31, 2022
Payables for salaries or bonuses	$ 94,855	$ 125,161
Payables for utilities	46,063	38,737
Payables for equipment	39,784	8,858
Payables for dividends	15,417	7,057
Payables for freight fees	8,462	9,887
Payables for insurance	2,422	2,118
Others	24,343	28,071
	$ 231,346	$ 219,889

20. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

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

b. Defined benefit plans

The defined benefit plan adopted by the Company of the Group in accordance with the Labor Standards Law is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. In 2023 and 2022, the Company contributes amounts equal to 10% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. If the estimated balance of the account before the end of the year is not enough to pay for the workers who are qualified for retirement in the following year, the contribution of the difference will be made in one lump sum by the end of March of the following year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor ("the Bureau"); the Group has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans were as follows:

	December 31, 2023	December 31, 2022
Present value of the defined benefit obligation	$ 238,574	$ 267,490
Fair value of the plan assets	(136,210)	(155,384)
Net defined benefit liabilities	$ 102,364	$ 112,106

Movements in net defined benefit liabilities (assets) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Balance at January 1, 2023	$ 267,490	($ 155,384)	$ 112,106
Service cost			
Current service cost	1,839	-	1,839
Net interest expense (income)	3,511	(2,073)	1,438
Recognized in profit or loss	5,350	(2,073)	3,277
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(1,250)	(1,250)
Actuarial gain - changes in financial assumptions	1,945	-	1,945
Actuarial loss - experience adjustments	(711)	-	(711)
Recognized in other comprehensive income	1,234	(1,250)	(16)

(Continued)

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	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Contributions from the employer	$ -	($ 13,003)	($ 13,003)
Benefits paid	(35,500)	35,500	-
Balance at December 31, 2023	$ 238,574	($ 136,210)	$ 102,364
Balance at January 1, 2022	$ 297,097	($ 162,092)	$ 135,005
Service cost			
Current service cost	2,137	-	2,137
Net interest expense (income)	1,436	(824)	612
Recognized in profit or loss	3,573	(824)	2,749
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(16,335)	(16,335)
Actuarial gain - changes in financial assumptions	(6,968)	-	(6,968)
Actuarial loss - experience adjustments	11,965	-	11,965
Recognized in other comprehensive income	4,997	(16,335)	(11,338)
Contributions from the employer	-	(14,310)	(14,310)
Benefits paid	(38,177)	38,177	-
Balance at December 31, 2022	$ 267,490	($ 155,384)	$ 112,106

Through the defined benefit plans under the Labor Standards Law, the Group is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic or foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate of a 2-year time deposit with local banks.
2) Interest rate risk: A decrease in corporate bond interest rates will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.
3) Salary risk: The present value of the defined benefit obligation is calculated with reference to the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31, 2023	December 31, 2022
Discount rate	1.25%	1.375%
Expected rate of salary increase	2.75%	2.75%

If possible reasonable changes in each of the significant actuarial assumptions were to occur and all other assumptions were to remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31, 2023	December 31, 2022
Discount rate		
0.25% increase	($ 3,866)	($ 4,314)
0.25% decrease	$ 3,960	$ 4,423
Expected rate of salary increase		
0.25% increase	$ 3,833	$ 4,285
0.25% decrease	($ 3,762)	($ 4,201)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that changes in the assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31, 2023	December 31, 2022
Expected contributions to the plan for the next year	$ 10,000	$ 15,000
Average duration of the defined benefit obligation	6.6 years	6.6 years

21. EQUITY

a. Ordinary shares

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

Fully paid ordinary shares, which have a par value of $10, carry one vote per share and carry a right to dividends.

b. Capital surplus

	December 31, 2023	December 31, 2022
Unpaid dividends	$ 26,247	$ 25,720
Share of changes in capital surplus of associates accounted for using the equity method	11,312	11,422
	$ 37,559	$ 37,142

Capital surplus which arises from unclaimed dividends and the share of changes in capital surplus of associates may be used to offset a deficit only.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the amended Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors after the amendment, refer to "Employees' compensation and remuneration of directors" in Note 23-7.

As the Company is in the maturation stage, for research and development needs and business diversification, the amount of dividends for shareholders shall be no less than 10% of distributable retained earnings for the current year, among which the amount of cash dividends shall be no less than 10%. If the distributable retained earnings per share of the current year are less than $0.1, the retained earnings are not to be distributed.

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

Items referred to under Rule No. 1090150022 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs (IFRS Accounting Standards)" should be appropriated to or reversed from a special reserve by the Company.

The appropriations of earnings for 2022 and 2021 approved in the shareholders' meetings on May 30, 2023 and May 27, 2022, respectively, were as follows:

	2022	2021
Legal reserve	$ 147,008	$ 317,192
Cash dividends	$ 712,493	$ 1,781,232
Cash dividends per share (NT$)	$ 1.2	$ 3.0

The appropriation of earnings for 2023 had been proposed by the Company's board of directors on March 7, 2024 were as follows:

	2023
Legal reserve	$ 11,994
Cash dividends	$ 267,185
Cash dividends per share (NT$)	$ 0.45

The appropriation of earnings for 2023 is subject to resolution in the shareholders' meeting to be held on May 30, 2024.

d. Other equity

1) Exchange differences on translating the financial statements of foreign operations

	2023	2022
Balance at January 1	($ 109,403)	($ 239,960)
Recognized for the year		
Exchange differences on translating the financial statements of foreign operations	(41,135)	150,506
Share from associates accounted for using the equity method	(2,794)	10,152
Related income tax	8,227	(30,101)
Other comprehensive income recognized for the year	(35,702)	130,557
Balance at December 31	($ 145,105)	($ 109,403)

2) Unrealized gain (loss) on financial assets at fair value through other comprehensive income

	2023	2022
Balance at January 1	$ 1,052,184	$ 2,118,506
Recognized for the year		
Unrealized (gain) loss		
Equity instruments	(224,049)	(1,030,919)

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	2023	2022
Share from associates accounted for using the equity method	(15,574)	(35,506)
Related income tax	278	404
Other comprehensive income recognized for the year	(239,345)	(1,066,021)
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal		
Recognized for the year	-	(190)
Share from associates accounted for using the equity method	584	(111)
Balance at December 31	$ 813,423	$ 1,052,184

22. REVENUE

a. Revenue from contracts with customers

	2023	2022
Revenue from sale of goods	$ 6,717,128	$ 9,815,332

b. Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Accounts receivable (Note 10)	$ 404,551	$ 1,070,835	$ 1,419,309
Contract liabilities (presented in other current liabilities)	$ 53,244	$ 47,067	$ 24,988

23. NET PROFIT FOR THE YEAR

a. Interest income

	2023	2022
Interest income		
Bank deposits	$ 14,729	$ 8,822
Financial assets at FVTPL	1,533	1,228
Reverse repurchase agreements collateralized by bonds	5,475	1,425
	$ 21,737	$ 11,475

b. Other income

	2023	2022
Lease income	$ 48,958	$ 57,212
Dividend income		
Financial assets at FVTPL	2,669	16,917
Investments in equity instruments at FVTOCI	112,685	278,881
	115,354	295,798
Others	12,631	11,978
	$ 176,943	$ 364,988

c. Other gains and losses

	2023	2022
Fair value changes of financial assets and financial liabilities		
Financial assets at FVTPL	$ 12,260	($ 44,113)
Financial liabilities at FVTPL	758	(5,869)
Net gain on foreign currency exchange	1,793	44,894
Others	(17,039)	(18,481)
	($ 2,228)	($ 23,569)

d. Interest expense

	2023	2022
Interest on bank loans	$ 8,889	$ 10,036
Interest on lease liabilities	223	275
	$ 9,112	$ 10,311

There was no capitalization of interest costs between 2023 and 2022.

e. Depreciation and amortization

	2023	2022
Property, plant and equipment	$ 307,962	$ 294,395
Investment properties	10,214	10,051
Right-of-use assets	873	726
Intangible assets	413	35
Total	$ 319,462	$ 305,207

(Continued)

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	2023	2022
An analysis of depreciation by function		
Operating cost	$ 308,600	$ 294,813
Operating expenses	235	308
Other gains and losses	10,214	10,051
	$ 319,049	$ 305,172
An analysis of amortization by function		
Operating expenses	$ 413	$ 35

f. Employee benefits expense

	2023	2022
Post-employment benefits (Note 20)		
Defined contribution plans	$ 9,137	$ 8,204
Defined benefit plans	3,277	2,749
	12,414	10,953
Other employee benefits	352,721	378,704
Total employee benefits expense	$ 365,135	$ 389,657
An analysis of employee benefits expense by function		
Operating cost	$ 312,565	$ 337,787
Operating expenses	52,570	51,870
	$ 365,135	$ 389,657

g. Employees' compensation and remuneration of directors

The Company accrued employees' compensation and remuneration of directors and supervisors at rates of no less than 1% and no higher than 1%, respectively, of net profit before income tax, employees' compensation and remuneration of directors. The employees' compensation and remuneration of directors for the years ended December 31, 2023 and 2022, which were approved by the Company's board of directors on March 7, 2024 and March 3, 2023, respectively, were as follows:

Accrual rate

	2023	2022
	Cash	Cash
Employees' compensation	1%	1%
Directors' remuneration	-	-

Amount

	2023	2022
	Cash	Cash
Employees' compensation	$ 1,467	$ 18,309
Directors' remuneration	$ -	$ -

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate. There is no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2022 and 2021.

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

h. Gains or losses on foreign currency exchange

	2023	2022
Foreign exchange gains	$ 49,223	$ 112,862
Foreign exchange losses	(47,430)	(67,968)
Net gain	$ 1,793	$ 44,894

24. INCOME TAX

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	2023	2022
Current tax		
In respect of the current year	$ 204,485	$ 608,817
Income tax on unappropriated earnings	24,529	49,175
Adjustments for prior years	(890)	(3,362)
	228,124	654,630
Deferred income tax		
In respect of the current year	(193,276)	(284,228)
Income tax expense recognized in profit or loss	$ 34,848	$ 370,402

A reconciliation of accounting profit and income tax expense is as follows:

	2023	2022
Profit before income tax	$ 151,132	$ 1,817,771
Income tax expense calculated at the statutory rate	$ 33,964	$ 364,994
Items which should be adjusted according to statutory taxable income	801	27,580
Tax-exempt income	(23,600)	(68,204)
Income tax on unappropriated earnings	24,529	49,175
Difference payable of basic tax	44	219
Adjustments for prior years' tax	(890)	(3,362)
Income tax expense recognized in profit or loss	$ 34,848	$ 370,402

b. Income tax recognized in other comprehensive income

	2023	2022
Deferred income tax		
In respect of current year		
— Translation of foreign operations	($ 8,227)	$ 30,101
— Unrealized gain (loss) on financial assets at fair value through other comprehensive income	(278)	(404)
— Remeasurement on defined benefit plans	3	2,268
Income tax (benefits) expense recognized in other comprehensive income	($ 8,502)	$ 31,965

c. Deferred income tax assets and liabilities

The movements of deferred income tax assets and liabilities were as follows:

2023

	Balance at January 1	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Balance at December 31
Deferred income tax assets				
Temporary differences				
Unrealized foreign exchange losses	$ -	$ 1,777	$ -	$ 1,777
Allowance for inventory valuation and obsolescence losses	230	2,024	-	2,254

(Continued)

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	Balance at January 1	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Balance at December 31
Allowance for office supplies impairment losses	9,343	283	-	9,626
Customer rebates	1,180	-	-	1,180
Allowance for production supplies losses	1,087	(10)	-	1,077
FVTPL financial instruments	517	(517)	-	-
Payables for annual leave	2,266	7	-	2,273
Defined benefit obligation	22,636	(1,733)	(3)	20,900
Inventory tax differences	90	21	-	111
Exchange differences on foreign operations	17,116	-	8,227	25,343
Investment loss recognized by the equity method	301,662	187,221	-	488,883
Unappropriated earnings of Controlled Foreign Company	-	4,636	-	4,636
	$ 356,127	$ 193,709	$ 8,224	$ 558,060
Deferred income tax liabilities				
Temporary differences				
Land value increment tax reserve	$ 21,469	$ -	$ -	$ 21,469
Loss allowance for accounts receivable	267	-	-	267
Unrealized foreign exchange gains	9	(9)	-	-
FVTPL financial instruments	-	191	-	191
Depreciation tax differences	182	(167)	-	15
Financial assets at FVTOCI	7,740	-	(278)	7,462
Unrealized gross loss on sales	-	418	-	418
	$ 29,667	$ 433	($ 278)	$ 29,822

2022

	Balance at January 1	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Balance at December 31
Deferred income tax assets				
Temporary differences				
Allowance for inventory valuation and obsolescence losses	$ 176	$ 54	$ -	$ 230
Allowance for office supplies impairment losses	8,857	486	-	9,343
Customer rebates	1,180	-	-	1,180
Allowance for production supplies losses	1,087	-	-	1,087
FVTPL financial instruments	93	424	-	517
Payables for annual leave	2,232	34	-	2,266
Defined benefit obligation	27,191	(2,287)	(2,268)	22,636

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	Balance at January 1	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Balance at December 31
Inventory tax differences	$ 196	($ 106)	$ -	$ 90
Exchange differences on foreign operations	47,217	-	(30,101)	17,116
Investment loss recognized by the equity method	16,569	285,093	-	301,662
	$ 104,798	$ 283,698	($ 32,369)	$ 356,127
Deferred income tax liabilities				
Temporary differences				
Land value increment tax reserve	$ 21,469	$ -	$ -	$ 21,469
Loss allowance for accounts receivable	267	-	-	267
Unrealized foreign exchange gains	386	(377)	-	9
Depreciation tax differences	335	(153)	-	182
Financial assets at FVTOCI	8,144	-	(404)	7,740
	$ 30,601	($ 530)	($ 404)	$ 29,667

d. Income tax assessments

The Company's and APCI's income tax returns through 2021, have been assessed by the tax authorities.

25. EARNINGS PER SHARE

Unit: NT$ Per Share

	2023	2022
Basic earnings per share	$ 0.20	$ 2.44
Diluted earnings per share	$ 0.20	$ 2.43

The earnings and weighted average number of ordinary shares outstanding in the computation of earnings per share from continuing operations were as follows:

Net profit for the year

	2023	2022
Net profit used in the computation of basic and diluted earnings per share	$ 116,284	$ 1,447,369

(In Thousand Shares)

	2023	2022
Number of shares		
Weighted average number of ordinary shares used in the computation of basic earnings per share	593,743	593,743
Effect of potentially dilutive ordinary shares:		
Employees' compensation	168	846
Weighted average number of ordinary shares used in the computation of diluted earnings per share	593,911	594,589

If the Group offered to settle compensation paid to employees in cash or shares, the Group assumed the entire amount of the compensation would be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, if the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

26. CAPITAL MANAGEMENT

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

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

27. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

The Group's management believes that the carrying amounts of financial assets and financial liabilities which are recognized in the consolidated financial statements approximate their fair values.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative instruments	$ -	$ 955	$ -	$ 955
Domestic listed shares	141,502	-	-	141,502
Mutual funds	572,257	-	-	572,257
Beneficiary securities	68,820	-	-	68,820
	$ 782,579	$ 955	$ -	$ 783,534
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	$ 2,772,797	$ -	$ -	$ 2,772,797
Foreign listed shares	9,411	-	-	9,411
Domestic unlisted shares	-	-	140,936	140,936
Foreign unlisted shares	-	-	84,024	84,024
	$ 2,782,208	$ -	$ 224,960	$ 3,007,168

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative instruments	$ -	$ 425	$ -	$ 425
Domestic listed shares	87,136	-	-	87,136
Mutual funds	352,262	-	-	352,262
Beneficiary securities	59,953	-	-	59,953
	$ 499,351	$ 425	$ -	$ 499,776
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	$ 2,981,114	$ -	$ -	$ 2,981,114
Foreign listed shares	17,179	-	-	17,179
Domestic unlisted shares	-	-	135,304	135,304
Foreign unlisted shares	-	-	77,428	77,428
	$ 2,998,293	$ -	$ 212,732	$ 3,211,025
Financial liabilities at FVTPL				
Derivative instruments	$ -	$ 3,012	$ -	$ 3,012

There were no transfers between Levels 1 and 2 in 2023 and 2022.

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

2023

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1	$ 212,732
Purchase	19,975
Recognized in other comprehensive income (included in unrealized gain on financial assets at FVTOCI)	(7,747)
Balance at December 31	$ 224,960

2022

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1	$ 228,200
Recognized in other comprehensive income (included in unrealized gain on financial assets at FVTOCI)	(15,442)
Disposals	(26)
Balance at December 31	$ 212,732

3) Valuation techniques and inputs applied for Level 2 fair value measurement

Type of Financial Instruments	Valuation Techniques and Inputs
Derivatives - foreign exchange forward contracts	Discounted cash flow: Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

4) Valuation techniques and inputs applied for Level 3 fair value measurement

The Group's financial department used valuation techniques in measuring Level 3 fair value of financial instruments. The assumptions of and the inputs to the measurement are based on information from independent resources. The results of the measurement are evaluated against the market state and reviewed periodically to ensure that they are reasonable. The fair values of domestic and foreign unlisted equity securities were determined using the asset-based approach. In this approach, the fair value is determined by the latest net value of the investee company and the financial and business conditions of an observable company. If the discount for the lack of marketability decreases, the fair value of investments will increase. When the net asset value of the investee increases / decreases by 1%, the fair value will increase / decrease by $2,250 thousand in 2023 and $2,127 thousand in 2022.

c. Categories of financial instruments

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets at FVTPL		
Mandatorily classified as at FVTPL	$ 783,534	$ 499,776
Financial assets at amortized cost (Note 1)	1,690,607	2,567,894
Financial Assets at FVTOCI		
Investments in equity instruments	3,007,168	3,211,025
Financial liabilities		
Financial liabilities at FVTPL		
Held for trading	-	3,012
Financial liabilities at amortized cost (Note 2)	1,129,007	1,159,311

Note 1. The balances include financial assets at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, accounts receivable (including related parties), other receivables (including related parties and excluding tax refund receivables) and refundable deposits.

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

d. Financial risk management objectives and policies

The Group's risk control and hedging strategy are influenced by its operational environment. The Group properly monitors and manages the risks related to business nature and according to the principle of risk diversification. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

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

There has been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk. In order to avoid the impact of foreign currency exchange rate changes, which lead to deductions in foreign currency denominated assets and fluctuations in their future cash flows, the Group used the natural offset between foreign currency assets and liabilities and foreign exchange forward contracts on the net position. The Group sought to minimize the effects of these risks by using foreign exchange forward contracts to hedge risk exposures. The use of foreign exchange forward contracts was governed by the Group's policies approved by the board of directors. Compliance with policies and exposure limits was reviewed by internal auditors on a continuous basis. The Group did not enter into or trade foreign exchange forward contracts for speculative purposes.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities is set out in Note 30. Please refer to Note 7 for the carrying amount of derivative instrument with foreign exchange exposure.

Sensitivity analysis

The Group was mainly exposed to the USD and RMB. The sensitivity analysis includes only outstanding foreign currency denominated monetary items at the end of the reporting period. For a 3% strengthening/weakening of the Group's functional currency against the USD, there would be a decrease/an increase of $9,220 thousand and $14,622 thousand in pre-tax profit for the years ended December 31, 2023 and 2022, respectively. For a 3% strengthening/weakening of the Group's functional currency against the RMB, there would be a decrease/an increase of $5,716 thousand and $20,230 thousand in pre-tax profit for the years ended December 31, 2023 and 2022, respectively.

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

b) Interest rate risk

The Group was exposed to fair value interest rate risk because the Group held financial assets and financial liabilities at fixed rates; the Group was exposed to cash flow interest rate risk because the Group held financial assets and financial liabilities at floating rates. The Group's management personnel monitors the changes in the market rates on a regular basis and adjusts the floating rate financial liabilities to make the Group's rates approach market rates in response to the risk caused by changing market rates.

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

	December 31, 2023	December 31, 2022
Fair value interest rate risk		
— Financial assets	$ 1,068,038	$ 1,260,723
— Financial liabilities	17,748	24,233
Cash flow interest rate risk		
— Financial assets	210,244	228,021
— Financial liabilities	546,094	570,636

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for both financial assets and liabilities at the end of the reporting period. A 50-basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2023 and 2022 would have decreased/increased by $1,679 thousand and $1,713 thousand, respectively.

c) Other price risk

The Group was exposed to securities price risk through its investments in securities listed in the ROC or other countries. The Group manages this exposure by maintaining a portfolio of investments with different risks. In addition, the Group has appointed a special team to monitor price risk.

Sensitivity analysis

The following sensitivity analysis was based on the prices of securities as of the balance sheet date. However, in the financial assets at fair value through profit or loss in which the Group invested, the risk of price fluctuation of money market funds was very limited, so it was not included in the analysis.

If the equity price increases / decreases by 5%, the net profit before tax for 2023 and 2022 would increase / decrease by $10,516 thousand and $7,354 thousand respectively due to the increase / decrease in the fair value of financial assets (excluding investment in money market funds) measured through profit or loss. Other comprehensive income before tax for 2023 and 2022 would increase / decrease by $150,358 thousand and $160,551 thousand respectively due to the increase / decrease in the fair value of financial assets at fair value through other comprehensive income.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Group, could be equal to the total of the following:

a) The carrying amount of the respective recognized financial assets as stated in consolidated balance sheets; and

b) The maximum amount the Group would have to pay if the financial guarantee is called upon, irrespective of the likelihood of the guarantee being exercised.

The Group adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored.

The Group transacted with a large number of unrelated customers in a variety of areas, and, thus, no concentration of credit risk was observed. Ongoing credit evaluations are performed on the financial conditions of trade receivables; therefore, the Group's credit risk is limited.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

As such cash and cash equivalents are sufficient to finance the Group's operations, there is no liquidity risk arising from the deficiency of funds to fulfill contractual obligations.

a) Liquidity and interest rate risk table for non-derivative financial liabilities

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods based on the probable earliest repayment dates. The table was drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

December 31, 2023

	Weighted Average Interest Rate (%)	On Demand or Less than 1 Year	1 to 5 Years	5+ Years
Non-derivative financial liabilities				
Non-interest bearing liabilities		$ 576,311	$ -	$ -
Lease liabilities	1.06%	6,577	4,948	7,151
Floating interest rate instruments	1.05%	72,031	489,477	-
		$ 654,919	$ 494,425	$ 7,151

December 31, 2022

	Weighted Average Interest Rate (%)	On Demand or Less than 1 Year	1 to 5 Years	5+ Years
Non-derivative financial liabilities				
Non-interest bearing liabilities		$ 582,830	$ -	$ -
Lease liabilities	1.06%	6,747	10,761	7,872
Floating interest rate instruments	1.00%	124,168	462,446	-
		$ 713,745	$ 473,207	$ 7,872

b) Liquidity and interest rate risk table for derivative financial liabilities

Liquidity analysis of derivative financial instruments with gross delivery is prepared on the basis of undiscounted gross cash inflows and outflows. When the amount payable or receivable is not fixed, the amount disclosed is determined by the expected interest rate derived from the yield curve on the balance sheet date.

December 31, 2023

	On Demand or Less than 1 Month	1 to 3 Months
Gross settled		
Foreign exchange forward contracts		
— Inflows	$ 66,336	$ -
— Outflows	(65,462)	-
	$ 874	$ -

December 31, 2022

	On Demand or Less than 1 Month	1 to 3 Months
Gross settled		
Foreign exchange forward contracts		
— Inflows	$ 96,081	$ 348,533
— Outflows	(95,684)	(351,870)
	$ 397	($ 3,337)

c) Financing facilities

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

	December 31, 2023	December 31, 2022
Bank loan facilities		
— Amount used	$ 549,000	$ 575,000
— Amount unused	9,750,000	11,534,000
	$ 10,299,000	$ 12,109,000

28. TRANSACTIONS WITH RELATED PARTIES

The Company's ultimate parent is USI Corporation, which held 36.08% of the ordinary shares of the Company as of December 31, 2023 and 2022.

Balances and transactions between the Company and its subsidiaries (which are related parties of the Company) have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed below:

a. Names and relationships of the related parties which have significant transactions with the Company are summarized as follows:

Name of the Related Party	Relationship with the Company
USI Corporation	Ultimate parent company
Union Polymer International Investment Corporation (Union Polymer)	Parent entity
China General Plastics Corporation (CGPC)	Associate
China General Terminal & Distribution Corporation (CGTD)	Associate
Acme Electronics Corporation (ACME)	Associate
ACME Electronics (Guangzhou) Co., Ltd. (ACME Guangzhou)	Associate
USI Optronics Corporation (USIO)	Associate
Swanson Plastics Corporation (SPC)	Associate

(Continued)

(Continued)

Name of the Related Party	Relationship with the Company
Swanson Plastics (Kunshan) Corporation (SPC Kunshan)	Associate
Taiwan VCM Corporation (TVCM)	Associate
CGPC Polymer Corporation (CGPCP)	Associate
Forever Young Company Limited(Forever Young)	Associate
Swanson Technologies Corporation (STC)	Associate
Fujian Gulei Petrochemical Co., Ltd. (GL)	Associate
Global Green Technology Corporation (GGT)	Associate
Dynamic Ever Investments Limited (DEIL)	Associate
Zhangzhou Taiju Trading Co., Ltd. (GUL)	Associate
Swanson Plastics (Malaysia) Sdn. Bhd.	Associate
Taita Chemical Company, Limited (TTC)	Fellow subsidiary
Taiwan United Venture Management Corporation (TUVM)	Fellow subsidiary
USI Management Consulting Corporation (UM)	Fellow subsidiary
USIFE Investment Co., Ltd. (USII)	Fellow subsidiary
INOMA Corporation	Fellow subsidiary
Chong Loong Trading Co., Ltd.	Fellow subsidiary
USI (Hong Kong) Company Limited (USI (HK))	Fellow subsidiary
USI Green Energy Corporation	Fellow subsidiary
USIG (Shanghai) Co., Ltd.	Fellow subsidiary
USI Education Foundation (USIF)	Essential related party

b. Sales of goods

Related Party Category/Name	2023	2022
Ultimate parent company		
USI Corporation	$ 813,645	$ 1,436,743
Associate	34,198	39,714
Fellow subsidiary	25,653	7,619
	$ 873,496	$ 1,484,076

Sales of goods to related parties were made at the Group's usual prices and conditions which were the same as those to unrelated parties.

c. Purchases of goods

Related Party Category/Name	2023	2022
Ultimate parent company		
USI Corporation	$ 321,720	$ 409,034
Associate		
GL	662,247	698,591
Others	38,161	42,693
	700,408	741,284
	$ 1,022,128	$ 1,150,318

Purchases from related parties were made at market prices which were at the Group's usual prices and conditions which were the same as those from unrelated parties.

d. Management fee (under general and administrative expenses)

Related Party Category/Name	2023	2022
Ultimate parent company		
USI Corporation	$ 9,255	$ 9,631
Fellow subsidiary		
UM	54,800	65,772
Others	-	335
	54,800	66,107
	$ 64,055	$ 75,738

e. Lease arrangements - Group is lessee

Lease expense

Related Party Category/Name	2023	2022
Ultimate parent company		
USI Corporation	$ 2,408	$ 2,505

f. Lease arrangement - Group is lessor

Lease income

Related Party Category/Name	2023	2022
Ultimate parent company		
USI Corporation	$ 3,206	$ 3,471
Parent entity		
Union Polymer	22	40
Associate		
TVCM	13,013	13,099
CGPCP	3,062	4,217
Others	3,326	2,857
	19,401	20,173
Fellow subsidiary		
TTC	6,818	7,405
Others	2,366	2,663
	9,184	10,068
	$ 31,813	$ 33,752

The previously indicated associates leased pipelines from the Company with lease terms of 1 year. The lease contracts are to be regarded as renewed if there is no declaration of termination. The lease payments are calculated according to actual operating volume and are paid on a monthly basis.

g. Donation expenses (under general and administrative expenses)

Related Party Category/Name	2023	2022
Essential related party		
USIF	$ 5,000	$ 5,000

h. Management income (under other income)

Related Party Category/Name	2023	2022
Associate		
CGTD	$ -	$ 552
DEIL	1,951	313
	$ 1,951	$ 865

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

Related Party Category/Name	2023	2022
Fellow subsidiary		
TUVM	$ 1,353	$ 1,286

j. Accounts receivable

Related Party Category/Name	December 31, 2023	December 31, 2022
Ultimate parent company		
USI Corporation	$ 98,763	$ 187,963
Associate	7,045	14,794
Fellow subsidiary	5,618	-
	$ 111,426	$ 202,757

k. Other receivables

Related Party Category/Name	December 31, 2023	December 31, 2022
Ultimate parent company		
USI Corporation	$ 578	$ 1,319
Associate		
CGPCP	33	582
DEIL	696	329
Others	295	306
	1,024	1,217
Fellow subsidiary		
TTC	672	837
Others	88	229
	760	1,066
	$ 2,362	$ 3,602

Other receivables from related parties mainly include payments from the ultimate parent company, associates, and fellow subsidiaries to the Company for renting offices and management fees..

l. Accounts payable

Related Party Category/Name	December 31, 2023	December 31, 2022
Ultimate parent company		
USI Corporation	$ 48,657	$ 50,634
Associate	1,847	3,019
	$ 50,504	$ 53,653

m. Other payables

Related Party Category/Name	December 31, 2023	December 31, 2022
Ultimate parent company		
USI Corporation	$ 218,104	$ 165,778
Associate	5,662	8,000
Fellow subsidiary	771	5,125
	$ 224,537	$ 178,903

Other payables to related parties mainly refer to the payments of purchase of Ethylene by the Company from the ultimate parent company.

n. Compensation of key management personnel

Total remuneration for directors and other key management personnel in 2023 and 2022 is as follows:

	2023	2022
Short-term employee benefits	$ 19,772	$ 22,064

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

29. SIGNIFICANT COMMITMENTS, CRITICAL EVENTS AFTER THE REPORTING DATE AND CONTINGENCIES

a. Significant commitments

The amount available under unused letters of credit as of December 31, 2023 was $250,000 thousand.

b. Key contingencies

Regarding the gas explosion of the propylene pipeline of Lee Chang Yung Chemical Industry Corporation ("LCY Chemical Corp.") on the night of July 31, 2014 operated by the investee company accounted for using the equity method, China General Terminal & Distribution Corporation ("CGTD"), the criminal case of the gas explosion incident was dismissed by the Supreme Court on September 15, 2021 and all three employees of CGTD were acquitted.

CGTD arrived at an agreement with the Kaohsiung City Government on February 12, 2015, pledging certificates of bank deposits of $231,585 thousand, interests included, to the Kaohsiung City Government as collateral for the loss caused by the gas explosion. The Kaohsiung City Government also filed civil procedure requests in succession against LCY Chemical Corp., CGTD and CPC Corporation, Taiwan (“CPC”). Taiwan Power Company applied to the court for provisional attachment against CGTD's property on August 27 and November 26, 2015 and CGTD had deposited cash of $99,207 thousand to the court to avoid provisional attachment. Taiwan Water Corporation also applied to the court for provisional attachment against CGTD's property on February 3 and March 2, 2017, respectively. As of February 27, 2024, the provisionally attached property of CGTD was worth $9,555 thousand.

As for the victims of the gas explosion, CGTD, LCY Chemical Corp. and the Kaohsiung City Government signed a tripartite agreement on July 17, 2015, agreeing to negotiate compensation in advance for all the heirs and claimants of the 32 victims (hereinafter referred to as "the families of the victims"). Each victim’s family received $12,000 thousand, and the total compensation was $384,000 thousand. The compensation was advanced by LCY Chemical Corp, and LCY Chemical Corp. was in charge of negotiating the compensation with the victims’ families and signing the settlement agreement on behalf of the three parties. In accordance with the tripartite agreement, CGTD paid $157,347 thousand to LCY Chemical Corp. on August 10, 2022 according to the proportion of fault liability of 30% in the first-instance judgments of this case. After settling the civil litigation later, compensation will be made according to the determined liability proportion.

As for the seriously injured, CGTD, LCY Chemical Corp. and the Kaohsiung City Government signed a tripartite agreement for severe injuries on October 25, 2017, agreeing to negotiate compensation in advance with the 65 seriously injured victims. The compensation was advanced by CGTD and the Kaohsiung City Government, and CGTD was in charge of negotiating the compensation with the seriously injured victims and signing the settlement agreement on behalf of the three parties with the 64 seriously injured victims.

As of February 27, 2024, the victims and victims’ families had written letters or filed civil procedures (and criminal procedures) against LCY Chemical Corp., CGTD and CPC for compensation. To reduce the lawsuit costs, CGTD had reached a settlement on the original claim for $46,677 thousand, and the amount of the compensation was

$4,519 thousand. Along with the case still in litigation and the above-mentioned compensation, the accumulated amount of compensation is approximately $3,856,447 thousand. The first-instance judgments of some of the abovementioned civil cases (the amount of compensation requested is approximately $1,470,793 thousand) have been gradually announced, starting from June 22, 2018. The proportion of fault liability of the Kaohsiung City Government, LCY Chemical Corp. and CGTD is 4:3:3 in most judgments. The total amount of compensation that CGTD, LCY Chemical Corp. and the other defendants should pay is about $401,979 thousand, of which CGTD was exempted to pay $6,194 thousand. Currently CGTD has filed an appeal for the adjudicated but unsettled civil cases and proceeded with the second instance procedure successively. The rest of the cases are still under trial in the Court of First Instance (the amount of compensation requested is approximately $1,882,829 thousand). CGTD signed a claim agreement with an insurance company, according to the negligence liability ratio determined by the judgment of first instance, it is estimated the settlement amount of victims and seriously injured, the compensation amount of civil litigation cases (including the settled cases), and estimated amount to be borne by itself after deducting the upper limit of insurance claim was $136,375 thousand, which had been included into the account. However, the actual amount of such settlement and compensation shall not be confirmed until the proportion of liability to be borne by CGTD is determined in the civil case judgment in the future.

30. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information is expressed in aggregate in foreign currencies other than the functional currency of the Group, and the exchange rates disclosed refer to the exchange rates at which these foreign currencies were translated into the functional currency. Significant assets and liabilities denominated in foreign currencies are as follows:

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

December 31, 2023

	Foreign Currency	Exchange Rate	Functional Currency	Carrying Amount
Financial assets				
Monetary items				
USD	$ 15,562	30.705(USD:NTD)	$ 477,816	$ 477,816
USD	391	7.0827(USD:RMB)	2,771	12,013
RMB	3,685	0.1412(RMB:USD)	520	15,967
RMB	41,026	4.3352(RMB:NTD)	177,854	177,854
				$ 683,650

(Continued)

(Continued)

	Foreign Currency	Exchange Rate	Functional Currency	Carrying Amount
Non-monetary items				
Associates accounted for using the equity method				
USD	82,758	30.705(USD:NTD)	2,541,084	$ 2,541,084
RMB	7,675	0.1412(RMB:USD)	1,084	33,270
				$ 2,574,354
Derivative instruments				
RMB	15,100	4.3352(RMB:NTD)	955	$ 955
Financial liabilities				
Monetary items				
USD	$ 5,944	30.705(USD:NTD)	$ 182,506	$ 182,506
RMB	758	0.1412(RMB:USD)	107	3,288
				$ 185,794

December 31, 2022

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

For the years ended December 31, 2023 and 2022, realized and unrealized foreign exchange gains were $1,793 thousand and $44,894 thousand, respectively. It is impractical to disclose net foreign exchange (losses) gains by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the Group.

31. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

   1) Financing provided to others. (None)

   2) Endorsements/guarantees provided. (None)

   3) Marketable securities held (excluding investments in subsidiaries, associates and interests in joint ventures). (Table 1)

   4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital. (None)

   5) Acquisitions of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital. (None)

   6) Disposals of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital. (None)

   7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 2)

   8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 3)

   9) Trading in derivative instruments. (Note 7)

   10) Others: Intercompany relationships and significant intercompany transactions. (Table 4)

b. Information about investees. (Table 5)

c. Information on investments in mainland China

   1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 6)

   2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (Table 7)

      a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year.

      b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year.

c) The amount of property transactions and the amount of the resultant gains or losses.

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes.

e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to financing of funds.

f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.

d. Information about substantial shareholders: Names of shareholders with a holding ratio of 5% or more and the amount and proportion of shares held. (Table 8)

Besides Tables 1 to 8 as disclosed, there was no other information about significant transactions, investees and investments in mainland China which should be disclosed.

32. SEGMENT INFORMATION

a. Operating segments: According to IFRS 8 "Operating Segments," the Group is a single operating segment that produces and sells petrochemical products, and therefore, there is no need to disclose the information of operating segments.

b. Geographical information

The Company's revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

	Revenue from External Customers		Non-current Assets	
	2023	2022	December 31, 2023	December 31, 2022
Taiwan	$ 1,568,054	$ 1,900,817	$ 3,894,484	$ 3,809,859
Asia	4,768,699	7,570,488	72,413	75,025
Others	380,375	344,027	-	-
	$ 6,717,128	$ 9,815,332	$ 3,966,897	$ 3,884,884

Non-current assets exclude financial instruments, deferred income tax assets and refundable deposits.

c. Information about major customers:

Customers who contributed 10% or more to the Group's net revenue from sales:

Customer Name	2023	2022
Customer A	$ 813,645	$ 1,436,743

TABLE 1

ASIA POLYMER CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Group	Financial Statement Account	Ending				Note
				Number of Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Asia Polymer Corporation	Shares							
	Harbinger Venture Capital Corp.	-	Financial assets at fair value through other comprehensive income - non-current	2,377	$ 14	1.20%	$ 14	
	KHL IB Venture Capital Co., Ltd.	〃	〃	13,132,193	120,947	11.90%	120,947	
	PELL Bio-Med Technology Co. Ltd.	〃	〃	235,000	19,975	0.44%	19,975	
	USI Corporation	Ultimate parent company	〃	101,355,673	2,001,775	8.53%	2,001,775	
	CTCI Corporation	-	〃	14,446,107	608,903	1.80%	608,903	
	AUO Corporation	〃	〃	7,694,812	139,661	0.10%	139,661	
	Wafer Works Corporation	〃	Financial assets at fair value through other comprehensive income - current	518,668	22,458	0.10%	22,458	
	Taiwan Cement Corporation	〃	Financial assets at fair value through profit or loss - current	2,000,000	69,700	0.03%	69,700	
	Hon Hai Precision Industry Co., Ltd.	〃	〃	100,000	10,450	-	10,450	
	China Steel Corporation	〃	〃	350,000	9,450	-	9,450	
	UPC Technology Corporation	〃	〃	293,000	4,454	0.02%	4,454	
	Beneficiary securities							
	Cathay No. 1 Real Estate Investment Trust Fund	〃	〃	4,053,000	68,820	-	68,820	
	Beneficiary certificates							
	Jih Sun Money Market Fund	〃	〃	3,953,746	60,312	-	60,312	
	Taishin 1699 Money Market Fund	〃	〃	18,260,735	254,600	-	254,600	
	Capital Money Market Fund	〃	〃	2,897,690	48,064	-	48,064	
	CTBC Hua Win Money Market Fund	〃	〃	1,771,181	20,041	-	20,041	
	SinoPac TWD Money Market Fund	〃	〃	11,202,715	160,210	-	160,210	

(Continued)

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Group	Financial Statement Account	Ending				Note
				Number of Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
APC (BVI) Holding Co., Ltd.	Shares							
	Budworth Investment Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	40,467	$ 2	4.45%	$ 2	
	Silicon Technology Investment (Cayman) Corp. - preference shares	〃	〃	1,139,776	84,022	2.21%	84,022	
	NeuroSky, Inc. - series D preference shares	〃	〃	2,397,364	-	0.37%	-	(Note 1)
	Solargiga Energy Holdings Ltd.	〃	〃	15,863,333	9,411	0.48%	9,411	
	Teratech Corp.	〃	〃	112,000	-	0.67%	-	(Note 1)
	TGF Linux Communication, Inc. - preference shares	〃	Financial assets at fair value through profit or loss - non-current	300,000	-	-	-	(Note 1)
	Sohoware, Inc. - preference shares	〃	〃	450,000	-	-	-	(Note 1)
	Boldworks, Inc. - preference shares	〃	〃	689,266	-	-	-	(Note 1)
APC Investment Corporation	Shares							
	USI Corporation	Ultimate parent company	Financial assets at fair value through profit or loss - current	44,808	885	-	885	
	UPC Technology Corporation	-	〃	116,000	1,763	0.01%	1,763	
	China Steel Corporation	〃	〃	175,000	4,725	-	4,725	
	Taiwan Cement Corporation	〃	〃	1,000,000	34,850	0.01%	34,850	
	Hon Hai Precision Industry Co., Ltd.	〃	〃	50,000	5,225	-	5,225	
	Beneficiary certificates							
	Cathay Taiwan Money Market Fund	〃	Financial assets at fair value through profit or loss - current	2,274,563	29,030	-	29,030	

Note 1. The carrying amount of long-term equity investments in the company was zero due to the investment losses recognized in prior years.

Note 2. Please refer to Tables 5 and 6 for information on investments in subsidiaries and associates.

TABLE 2

ASIA POLYMER CORPORATION AND SUBSIDIARIES

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

FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer/Seller	Counterparty	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)			Note
			Purchase/Sale	Amount	Ratio to Total Purchase/Sale (%)	Credit Period	Unit Price	Credit Period	Financial Statement Account and Ending Balance		Ratio to Total Notes/Accounts Receivable (Payable) (%)	
Asia Polymer Corporation	USI Corporation	Ultimate parent company	Sales of goods	($ 813,245)	(12.43%)	60 days	No significant difference	No significant difference	Accounts receivable from related parties	$ 98,763	19.49%	
〃	USI Trading (Shanghai) Co., Ltd	Subsidiary	Sales of goods	(336,955)	(5.15%)	90 days	No significant difference	No significant difference	Accounts receivable from related parties	102,062	20.15%	Note
〃	USI Corporation	Ultimate parent company	Purchases of goods	201,867	5.28%	30 days	No significant difference	No significant difference	Accounts payable from related parties	(17,007)	(9.27%)	
〃	Fujian Gulei Petrochemical Co., Ltd.	Associate	Purchases of goods	651,304	17.05%	Letters of credit	No significant difference	No significant difference	—	-	-	
USI Trading (Shanghai) Co., Ltd	USI Corporation	Ultimate parent company	Purchases of goods	119,853	23.91%	30 days	No significant difference	No significant difference	Accounts payable from related parties	(31,650)	(23.31%)	

Note: All the transactions were written off when preparing the consolidated financial statements.

TABLE 3

ASIA POLYMER CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL

DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Counterparty	Relationship	Balance of Receivables from Related Parties		Turnover Rate	Overdue Amounts from Related Parties		Amounts Receivable from Related Parties in Subsequent Period (Note 2)	Loss Allowance Amount	Note
						Amount	Actions Taken			
Asia Polymer Corporation	USI Trading (Shanghai) Co., Ltd	Subsidiary	Accounts receivable from related parties	$ 102,062	5.00%	$ -	-	$ 87,913	Note 1	Note 3

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

Note 2. The subsequent period refers to the period between January 1 and March 7, 2024.

Note 3. All the transactions were written off when preparing the consolidated financial statements.

ASIA POLYMER CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS

FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Trading Company	Counterparty	Relationship with Trader (Note 2)	Transactions Details			
				Account	Amount (Note 4)	Transaction Terms	% of Total Consolidated Operating Revenue or Total Assets (Note 3)
0	Asia Polymer Corporation	APC Investment Corporation	(1)	Non-operating income and expenses - rental income	$ 142	No significant difference	-
0	Asia Polymer Corporation	USI Trading (Shanghai) Co., Ltd	(1)	Accounts receivable from related parties	102,062	No significant difference	0.68%
				Commission expenses	899	No significant difference	0.01%
				Sales of goods	336,955	No significant difference	5.02%
				Other payables from related parties	749	No significant difference	-
1	USI International Corp.	USI Trading (Shanghai) Co., Ltd	(3)	Other receivables from related parties	6,594	No significant difference	0.04%
				Other payables from related parties	3,288	No significant difference	0.02%
				Non-operating income and expenses - rental income	1,375	No significant difference	0.02%
				Management fees	120	No significant difference	-

Note 1. The information about the transactions between the parent company and the subsidiaries should be marked in the No. column as follows:

(1) The parent company: 0.

(2) The subsidiaries: 1 onward.

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

(1) The parent company to the subsidiaries.

(2) The subsidiaries to the parent company.

(3) Between subsidiaries.

Note 3. The following numerals indicate the manner of ratio calculation of the respective transaction type: Asset or liability: The ratio was calculated based on the ending balance of total consolidated assets; Income or loss: The ratio was calculated based on the midterm accumulated amounts of total consolidated operating revenue.

Note 4. All the transactions were written off when preparing the consolidated financial statements.

TABLE 5

ASIA POLYMER CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEES

FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Holding at the End of Year			Net Income (Loss) of Investee	Investment Income (Loss)	Note
				Ending of Current Year	Ending of Previous Year	Number of Shares	Percentage	Carrying Amount			
Asia Polymer Corporation	APC (BVI) Holding Co., Ltd.	British Virgin Islands	Reinvestment	$ 422,955 (US$ 13,775 thousand)	$ 422,955 (US$ 13,775 thousand)	11,342,594	100.00%	$ 596,737	$ 19,337	$ 19,337	Subsidiary (Note 1)
	APC Investment Corporation	Taipei City	Investment	200,000	200,000	20,000,000	100.00%	141,678	(3,968)	(3,968)	Subsidiary (Note 1)
	USI International Corp.	British Virgin Islands	Reinvestment	64,481 (US$ 2,100 thousand)	64,481 (US$ 2,100 thousand)	2,100,000	70.00%	66,669	(3,852)	(2,696)	Subsidiary (Note 1)
	China General Plastics Corporation	Taipei City	Production and selling of plastic cloth, plastic skin, plastic pipes, plastic particles, plastic powder, alkali chlorine products, and other related products as main business	247,412	247,412	46,886,185	8.07%	773,150	341,916	27,590	Investments accounted for using the equity method
	China General Terminal & Distribution Corporation	Taipei City	Warehousing and transportation of petrochemical raw materials	41,082	41,082	25,053,469	33.33%	329,972	(26,036)	(8,679)	Investments accounted for using the equity method
	Swanson Plastics Corporation	Taipei City	Manufacture and marketing of stretch films and industrial use multi-layer films	75,242	75,242	12,266,779	7.95%	198,518	(77,152)	(6,133)	Investments accounted for using the equity method
	Acme Electronics Corporation	Taipei City	Manufacture and marketing of manganese-zinc and ferrite core	76,241	61,348	6,801,315	3.19%	56,503	(171,224)	(5,468)	Investments accounted for using the equity method
	Taiwan United Venture Capital Corp.	Taipei City	Investment in high technology businesses	38,636	52,791	1,665,333	8.33%	11,369	(149)	(12)	Investments accounted for using the equity method
	USI Optronics Corporation	Taipei City	Manufacture and marketing of sapphire products	59,725	59,725	5,972,464	9.20%	4,925	(13,363)	(1,230)	Investments accounted for using the equity method
	Ever Conquest Global Ltd.	British Virgin Islands	Reinvestment	5,234,435 (US$ 170,475 thousand)	5,234,435 (US$ 170,475 thousand)	170,475,000	40.87%	2,541,084	(2,331,328)	(952,746)	Investments accounted for using the equity method
APC (BVI) Holding Co., Ltd.	ACME Electronics (Cayman) Corp.	British Cayman Islands	Reinvestment	161,045 (US$ 5,245 thousand)	161,045 (US$ 5,245 thousand)	8,316,450	13.63%	189,269	(94,932)		APC (BVI) Holding Co., Ltd. Investments accounted for using the equity method
	USI International Corp.	British Virgin Islands	Reinvestment	27,634 (US$ 900 thousand)	27,634 (US$ 900 thousand)	900,000	30.00%	28,574	(3,852)		APC (BVI) Holding Co., Ltd. Investments accounted for using the equity method (Note 1)
APC Investment Corporation	Acme Electronics Corporation	Taipei City	Manufacture and marketing of manganese-zinc and ferrite core	39,523	14,889	3,116,262	1.46%	25,888	(171,224)		APC Investment Corporation Investments accounted for using the equity method
	Swanson Technologies Corporation	Taipei City	Farming, sales, research and development of agricultural products and production, sales and development of EVA packaging films and other high value-added plastic products	22,500	22,500	2,250,015	15.00%	(5,651)	(35,475)		APC Investment Corporation Investments accounted for using the equity method
Ever Conquest Global Ltd.	Ever Victory Global Limited	British Virgin Islands	Reinvestment	12,808,437 (US$ 417,145 thousand)	12,808,437 (US$ 417,145 thousand)	417,145,000	67.40%	6,217,923 (US$ 202,505 thousand)	(3,458,807) (US$ 111,368 thousand)		Ever Conquest Global Ltd. Investments accounted for using the equity method
Ever Victory Global Limited	Dynamic Ever Investments Ltd.	Hong Kong	Reinvestment	18,080,639 (US$ 588,850 thousand)	18,080,639 (US$ 588,850 thousand)	588,850,000	85.00%	8,242,352 (US$ 268,437 thousand)	(4,128,406) (US$ 132,920 thousand)		Ever Victory Global Limited Investments accounted for using the equity method

Note 1. All the transactions were written off when preparing the consolidated financial statements.

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

TABLE 6

ASIA POLYMER CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA

FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 4)	Method and Medium of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023	Net Income (Loss) of Investee (Note 3)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 3)	Carrying Amount of Investment as of December 31, 2023 (Note 4)	Accumulated Repatriation of Investment Income as of December 31, 2023
					Outflow	Inflow						
ACME Electronics (Kunshan) Co., Ltd.	Manufacture and marketing of manganese-zinc soft ferrite core	$ 943,411 (US$ 30,725 thousand)	(2) ACME Electronics (Cayman) Corp.	$ 128,266 (US$ 4,177 thousand)	$ - -	$ - -	$ 128,266 (US$ 4,177 thousand)	B ($ 104,690)	13.63%	($ 15,186)	$ 92,407	$ -
USI Trading (Shanghai) Co., Ltd	Sale of chemical products and equipment	76,763 (US$ 2,500 thousand)	(2) APC (BVI) Holding Co., Ltd.	93,208 (US$ 3,036 thousand)	- -	- -	93,208 (US$ 3,036 thousand)	B 14,541	100.00%	14,541	162,488	-
Fujian Gulei Petrochemical Co., Ltd.	Processing of crude oil and manufacture of petroleum products	40,379,787 (RMB 9,314,400 thousand)	(2) Dynamic Ever Investments Ltd., (Note 2)	4,847,794 (US$ 157,883 thousand)	- -	- -	4,847,794 (US$ 157,883 thousand)	A (8,237,293)	11.71%	(964,327)	2,183,588	-
Zhangzhou Taiju Trading Co., Ltd.	Sales of chemical products	43,352 (RMB 10,000 thousand)	(2) APC (BVI) Holding Co., Ltd.	13,006 (RMB 3,000 thousand)	- -	- -	13,006 (RMB 3,000 thousand)	A 27,784	30.00%	8,335	20,266	-
Xiamen USI Trading Co., Ltd.	Sales of chemical products	43,352 (RMB 10,000 thousand)	(2) APC (BVI) Holding Co., Ltd.	- -	13,006 (RMB 3,000 thousand)	- -	13,006 (RMB 3,000 thousand)	A (5)	30.00%	(1)	13,004	-
Zhangzhou Dynamic Ever Property Co., Ltd.	Property management	91,039 (RMB 21,000 thousand)	(2) Dynamic Ever Investments Ltd., (Note 2)	- -	21,316 (RMB 4,917 thousand)	- -	21,316 (RMB 4,917 thousand)	A 27	23.41%	6	21,322	-

Accumulated Outward Remittance for Investment from Taiwan to Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
$5,264,471 (Note 5) (US$ 171,453 thousand)	$ 7,011,045 (US$ 228,336 thousand)	$ - - (Note 6)

Note 1.Method and medium of investments are divided into three categories as follows:

(1) Direct investment in mainland China.

(2) Investments through a holding company registered in a third region (Please specify the investment company in the third region).

(3) Others.

Note 2.The Group indirectly reinvested in 50% of the outstanding shares of Fujian Gulei Petrochemical Co., Ltd. via Ever Conquest Global Ltd. (40.87%) in the third region, then via Ever Victory Global Limited (67.40%), and finally via Dynamic Ever Investments Ltd. (85.00%).

Note 3.For the column of investment gain (loss):

(1) If there is no investment gain (loss) during the preparation, it should be noted.

(2) If the basis for the recognition of investment gain (loss) is classified into the following three types, it should be noted as follows:

A. Financial statements audited by international accounting firms which have a cooperation relationship with an accounting firm in the Republic of China.

B. Financial statements audited by CPAs of the parent company in Taiwan.

C. Others.

Note 4.The calculation was based on the exchange rate as of December 31, 2023.

Note 5.The companies in mainland China which are indirectly invested by the Company through APC (BVI) Holding Co. Ltd.'s investment in Silicon Technology Investment (Cayman) Corp. (STIC) and Solargiga Energy Holdings Ltd.

Note 6.As the Company has obtained the certificate of qualification for operating headquarters issued by the Industrial Development Bureau, MOEA in Order No. 11120425760 on August 23, 2022, the upper limit on investments is not applicable.

TABLE 7

ASIA POLYMER CORPORATION AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES

FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Transaction Type	Amount	%	Price	Transaction Terms		Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss	Note
					Payment Terms	Comparison with Normal Transactions	Amount	%		
USI Trading (Shanghai) Co., Ltd	Sales of goods	$ 336,955	5.15%	No significant difference	T/T 90 days	No significant difference	$ 102,062	20.15%	$ -	—
Fujian Gulei Petrochemical Co., Ltd.	Purchases of goods	651,304	17.05%	No significant difference	Letters of credit	No significant difference	-	-	-	—

TABLE 8

ASIA POLYMER CORPORATION

INFORMATION ABOUT SUBSTANTIAL SHAREHOLDERS
DECEMBER 31, 2023

Name of Substantial Shareholders	Shares	
	Number of Shares Held	%
Union Polymer International Investment Corporation	214,245,822	36.08%

Note: The information of substantial shareholders in this table refers to the information calculated by TDCC on the last business day at the end of the current quarter of which the total number of ordinary shares and preferred shares (including treasury shares) of the Company held, amounting to more than 5%, by the shareholder that have completed the dematerialized registration and delivery. The share capital recorded in the consolidated financial statements of the Company and the actual number of shares that have completed the dematerialized registration and delivery may be different or discrepant due to different compilation and calculation basis.