

**Notice to Readers:**

The consolidated financial statement (Chinese version) of our company is audited by the CPA Cheng-Chun Chiu and CPA Pi-Yu Chuang of Deloitte Taiwan. For the convenience of reading, the statement has been translated from Chinese to English. If there is any difference regarding the context or interpretation in the English version, the Chinese version shall prevail

# ASIA POLYMER CORPORATION AND SUBSIDIARIES

## Consolidated Financial Statements and Independent Auditors' Review Report Q2 2024 and 2023

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## **INDEPENDENT AUDITORS' REVIEW REPORT**

The Board of Directors and Shareholders Asia Polymer Corporation

### **Preface**

We have reviewed the accompanying consolidated financial statements of Asia Polymer Corporation and its subsidiaries (the Group), which comprise the consolidated balance sheets as of June 30, 2024 and 2023, and the consolidated statements of comprehensive income from April 1 to June 30, 2024 and 2023, and from January 1 to June 30, 2024 and 2023, the consolidated statements of changes in equity and the consolidated statements of cash flows from January 1 to June 30, 2024 and 2023, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”). It is the responsibility of management to prepare the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting”, which have been endorsed by the Financial Supervisory Commission and are effective for issuance.

### **Scope**

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

### **The Basis for the Qualified Conclusion**

As stated in Notes 12 and 13 of the consolidated financial statements, the financial statements of the non-significant subsidiaries and certain equity method investments included in the aforementioned consolidated financial statements were not reviewed by CPAs for the same period. The total assets and equity method investment balances as of June 30, 2024 and June 30, 2023 were NT\$3,719,919 thousand and NT\$4,403,389 thousand, respectively, accounting for 25% and 28% of the total consolidated assets. The total liabilities were NT\$47,257 thousand and NT\$37,474 thousand, respectively, accounting for 2% and 2% of the total consolidated liabilities. The unaudited comprehensive income for the non-significant subsidiaries and certain equity method investments for the period from April 1, 2024 to June 30, 2024 and 2023 as well as from January

1 to June 30, 2024 and 2023 were (NT\$147,581) thousand, (NT\$312,636) thousand, (NT\$227,050) thousand, and (NT\$610,974) thousand, respectively, representing 352%, 89%, 52%, and (554%) of the total consolidated comprehensive income. The information related to the investees mentioned in the notes to the consolidated financial statements is based on the investees' unreviewed financial statements for the same period.

### **Qualified Conclusion**

Based on our review, we are not aware of any material modifications that might have been made to the consolidated financial statements had we reviewed the financial statements of the immaterial subsidiaries and certain investments accounted for using the equity method, as described in the Basis for Qualified Conclusions, that are not in accordance, in all material respects, with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 as endorsed by the Financial Supervisory Commission and issued in effect. As a result, the consolidated financial statements of Asia Polymer Corporation and its subsidiaries as of June 30, 2024 and 2023, and the consolidated financial performance from April 1 to June 30, 2024 and 2023, as well as the consolidated financial performance and consolidated cash flows from January 1 to June 30, 2024 and 2023 are not fairly stated.

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  
August 5, 2024

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**ASIA POLYMER CORPORATION AND SUBSIDIARIES**
**CONSOLIDATED BALANCE SHEETS**
**June 30, 2024 and December 31 and June 30, 2023**
**(In Thousands of New Taiwan Dollars)**

Code	Assets	June 30, 2024		December 31, 2023		June 30, 2023	
		Amount	%	Amount	%	Amount	%
	Current assets						
1100	Cash and cash equivalents (Note 6)	\$ 902,312	6	\$ 1,152,991	8	\$ 1,194,760	7
1110	Financial assets at fair value through profit and loss - current (Note 7)	537,422	4	783,534	5	742,524	5
1120	Financial assets at fair value through other comprehensive income - current (Note 8)	19,632	-	22,458	-	24,533	-
1136	Financial assets at amortized cost - current (Note 9)	655,331	4	127,425	1	-	-
1170	Accounts receivable (Notes 10 and 22)	372,217	3	293,125	2	415,830	3
1180	Accounts receivable from related parties (Notes 10, 22 and 28)	77,251	1	111,426	1	152,498	1
1200	Other receivables	2,578	-	1,091	-	893	-
1210	Other receivables from related parties (Note 28)	104,981	1	2,362	-	91,258	1
130X	Inventories (Note 11)	633,458	4	634,725	4	815,512	5
1410	Prepayments	163,223	1	205,944	1	209,842	1
1470	Other current assets	116	-	116	-	110	-
11XX	Total current assets	<u>3,468,521</u>	<u>24</u>	<u>3,335,197</u>	<u>22</u>	<u>3,647,760</u>	<u>23</u>
	Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non-current (Note 8)	2,703,884	18	2,984,710	20	3,253,800	21
1535	Financial assets at amortized cost - non-current (Note 9)	29,596	-	-	-	-	-
1550	Investments accounted for using the equity method (Notes 13 and 29)	3,886,343	26	4,163,948	28	4,551,898	29
1600	Property, plant and equipment (Note 14)	3,509,417	24	3,456,731	23	3,376,194	21
1755	Right-of-use assets (Note 15)	9,036	-	9,402	-	10,012	-
1760	Investment properties (Note 16)	499,708	4	500,764	3	506,894	3
1840	Deferred tax assets (Notes 4 and 24)	616,172	4	558,060	4	478,220	3
1900	Other non-current assets	2,560	-	2,877	-	4,656	-
15XX	Total non-current assets	<u>11,256,716</u>	<u>76</u>	<u>11,676,492</u>	<u>78</u>	<u>12,181,674</u>	<u>77</u>
1XXX	TOTAL ASSETS	<u>\$ 14,725,237</u>	<u>100</u>	<u>\$ 15,011,689</u>	<u>100</u>	<u>\$ 15,829,434</u>	<u>100</u>
	LIABILITIES AND EQUITY						
	CURRENT LIABILITIES						
2100	Short-term borrowings (Note 17)	\$ 300,000	2	\$ -	-	\$ -	-
2120	Financial liabilities at fair value through profit or loss - current (Note 7)	-	-	-	-	29	-
2170	Accounts payable (Note 18)	342,572	2	166,694	1	165,622	1
2180	Accounts payable to related parties (Notes 18 and 28)	43,214	-	50,504	-	49,247	1
2200	Other payables (Note 19)	435,260	3	231,346	2	674,847	4
2220	Other payables to related parties (Note 28)	105,434	1	224,537	2	411,235	3
2230	Current tax liabilities (Notes 4 and 24)	4,839	-	223,276	2	150,201	1
2280	Lease liabilities - current (Note 15)	5,456	-	6,422	-	6,490	-
2320	Current portion of long-term liabilities (Note 17)	225,000	2	65,880	-	-	-
2365	Refund liabilities - current	5,899	-	5,899	-	5,899	-
2399	Other current liabilities (Note 22)	49,601	-	54,103	-	45,033	-
21XX	Total current liabilities	<u>1,517,275</u>	<u>10</u>	<u>1,028,661</u>	<u>7</u>	<u>1,508,603</u>	<u>10</u>
	NON-CURRENT LIABILITIES						
2540	Long-term borrowings (Note 17)	397,955	3	480,214	3	544,743	3
2570	Deferred income tax liabilities (Notes 4 and 24)	43,079	-	29,822	-	31,337	-
2580	Lease liabilities - non-current (Note 15)	8,912	-	11,326	-	14,439	-
2640	Net defined benefit liabilities - non-current (Notes 4 and 20)	98,438	1	102,364	1	105,396	1
2650	Credit balance of investments accounted for using the equity method (Note 13)	7,806	-	5,651	-	3,165	-
2670	Other non-current liabilities	15,397	-	14,567	-	13,511	-
25XX	Total non-current liabilities	<u>571,587</u>	<u>4</u>	<u>643,944</u>	<u>4</u>	<u>712,591</u>	<u>4</u>
2XXX	Total liabilities	<u>2,088,862</u>	<u>14</u>	<u>1,672,605</u>	<u>11</u>	<u>2,221,194</u>	<u>14</u>
	Equity attributable to owners of the Company (Notes 8, 21 and 24)						
	Share capital						
3110	Ordinary shares	5,937,438	40	5,937,438	40	5,937,438	38
3200	Capital surplus	37,557	-	37,559	-	36,889	-
	Retained earnings						
3310	Legal reserve	2,382,202	16	2,370,208	16	2,370,208	15
3320	Special Reserve	554,105	4	554,105	4	565,379	3
3350	Unappropriated earnings	3,232,630	22	3,771,456	25	3,748,363	24
3300	Total retained earnings	6,168,937	42	6,695,769	45	6,683,950	42
3400	Other equity	492,443	4	668,318	4	949,963	6
3XXX	Total equity	<u>12,636,375</u>	<u>86</u>	<u>13,339,084</u>	<u>89</u>	<u>13,608,240</u>	<u>86</u>
	TOTAL LIABILITIES AND EQUITY	<u>\$ 14,725,237</u>	<u>100</u>	<u>\$ 15,011,689</u>	<u>100</u>	<u>\$ 15,829,434</u>	<u>100</u>

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

(Please refer to the review report issued by Deloitte &amp; Touche on August 5, 2024)

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**ASIA POLYMER CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

**From April 1 to June 30, 2024 and 2023, and from January 1 to June 30, 2024 and 2023**

**Unit: In Thousands of New Taiwan Dollars, Except Earnings (Losses) Per Share**

Code		From April 1 to June 30, 2024		From April 1 to June 30, 2023		From January 1 to June 30, 2024		From January 1 to June 30, 2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4100	Net revenue (Notes 22 and 28)	\$1,494,815	100	\$1,659,326	100	\$3,056,168	100	\$3,228,503	100
5110	Operating costs (Notes 11, 20, 23 and 28)	<u>1,395,029</u>	<u>93</u>	<u>1,265,196</u>	<u>76</u>	<u>2,948,750</u>	<u>96</u>	<u>2,521,651</u>	<u>78</u>
5900	Gross profit	<u>99,786</u>	<u>7</u>	<u>394,130</u>	<u>24</u>	<u>107,418</u>	<u>4</u>	<u>706,852</u>	<u>22</u>
	OPERATING EXPENSES (Notes 20, 23 and 28)								
6100	Selling and marketing expenses	26,766	2	22,421	1	53,755	2	48,794	1
6200	General and administrative expenses	27,948	2	25,986	2	60,938	2	57,624	2
6300	Research and development expenses	<u>1,449</u>	<u>-</u>	<u>1,612</u>	<u>-</u>	<u>2,914</u>	<u>-</u>	<u>3,172</u>	<u>-</u>
6000	Total operating expenses	<u>56,163</u>	<u>4</u>	<u>50,019</u>	<u>3</u>	<u>117,607</u>	<u>4</u>	<u>109,590</u>	<u>3</u>
6900	Net operating profit (loss)	<u>43,623</u>	<u>3</u>	<u>344,111</u>	<u>21</u>	( <u>10,189</u> )	<u>-</u>	<u>597,262</u>	<u>19</u>
	Non-operating income and expenses (Notes 13, 23 and 28)								
7100	Interest income	8,779	-	7,924	1	12,884	-	11,729	-
7010	Other income	51,175	3	87,774	5	66,247	2	107,680	3
7020	Other gains and losses	( 1,937 )	-	4,385	-	11,376	-	( 3,328 )	-
7510	Interest expense	( 2,443 )	-	( 2,354 )	-	( 4,663 )	-	( 4,595 )	-
7060	Share of profit or loss of associates	( <u>200,072</u> )	( <u>13</u> )	( <u>257,771</u> )	( <u>16</u> )	( <u>408,551</u> )	( <u>13</u> )	( <u>558,036</u> )	( <u>17</u> )
7000	Total non-operating income and expenses	( <u>144,498</u> )	( <u>10</u> )	( <u>160,042</u> )	( <u>10</u> )	( <u>322,707</u> )	( <u>11</u> )	( <u>446,550</u> )	( <u>14</u> )
7900	Profit (loss) before income tax	( 100,875 )	( 7 )	184,069	11	( 332,896 )	( 11 )	150,712	5
7950	Income tax (benefits) expenses (Notes 4 and 24)	( <u>28,936</u> )	( <u>2</u> )	<u>55,746</u>	<u>3</u>	( <u>73,249</u> )	( <u>3</u> )	<u>47,516</u>	<u>2</u>
8200	Net (loss) income for the period	( <u>71,939</u> )	( <u>5</u> )	<u>128,323</u>	<u>8</u>	( <u>259,647</u> )	( <u>8</u> )	<u>103,196</u>	<u>3</u>
	Other comprehensive income for the period (Notes 4, 13, 21 and 24)								
	Items that will not be reclassified subsequently to profit or loss:								
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	12,948	1	( 412,349 )	( 25 )	( 289,135 )	( 9 )	65,876	2
8320	Share of the other comprehensive income of associates accounted for using the equity method	( 4,681 )	-	( 10,009 )	-	( 17,849 )	( 1 )	( 10,329 )	-
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss	( <u>6,336</u> )	( <u>1</u> )	( <u>219</u> )	<u>-</u>	( <u>6,833</u> )	<u>-</u>	( <u>973</u> )	<u>-</u>
8310		<u>1,931</u>	<u>-</u>	( <u>422,577</u> )	( <u>25</u> )	( <u>313,817</u> )	( <u>10</u> )	<u>54,574</u>	<u>2</u>

(Continued)

(Continued)

Code		From April 1 to June 30, 2024		From April 1 to June 30, 2023		From January 1 to June 30, 2024		From January 1 to June 30, 2023	
		Amount	%	Amount	%	Amount	%	Amount	%
	Items that may be reclassified subsequently to profit or loss:								
8361	Exchange differences on translating the financial statements of foreign operations	\$ 31,531	2	(\$ 71,017)	( 5)	\$ 155,770	5	(\$ 59,640)	( 2)
8370	Share of the other comprehensive income of associates accounted for using the equity method	2,830	-	( 1,027)	-	13,326	-	321	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	( <u>6,307</u> )	<u>-</u>	( <u>14,203</u> )	( <u>1</u> )	( <u>31,154</u> )	( <u>1</u> )	( <u>11,927</u> )	( <u>-</u> )
8360		<u>28,054</u>	<u>2</u>	( <u>57,841</u> )	( <u>4</u> )	<u>137,942</u>	<u>4</u>	( <u>47,392</u> )	( <u>2</u> )
8300	Other comprehensive income for the period, net of income tax	<u>29,985</u>	<u>2</u>	( <u>480,418</u> )	( <u>29</u> )	( <u>175,875</u> )	( <u>6</u> )	<u>7,182</u>	<u>-</u>
8500	Total comprehensive income for the period	( <u>\$ 41,954</u> )	( <u>3</u> )	( <u>\$ 352,095</u> )	( <u>21</u> )	( <u>\$ 435,522</u> )	( <u>14</u> )	<u>\$ 110,378</u>	<u>3</u>
	Earnings (losses) per share (Note 25)								
9710	Basic	( <u>\$ 0.12</u> )		<u>\$ 0.22</u>		( <u>\$ 0.44</u> )		<u>\$ 0.17</u>	
9810	Diluted	( <u>\$ 0.12</u> )		<u>\$ 0.22</u>		( <u>\$ 0.44</u> )		<u>\$ 0.17</u>	

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**ASIA POLYMER CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**From January 1 to June 30, 2024 and 2023**  
**(In Thousands of New Taiwan Dollars)**

		Equity attributable to owners of the Company (Notes 8, 21 and 24)								
		Share Capital		Retained Earnings			Other Equity			
Code		Shares (In Thousands)	Amount	Capital surplus	Legal reserve	Special Reserve	Unappropriated earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total Equity
A1	Balance on January 1, 2023	593,743	\$ 5,937,438	\$ 37,142	\$ 2,223,200	\$ 565,379	\$ 4,511,018	(\$ 109,403)	\$ 1,052,184	\$ 14,216,958
	Appropriation and distribution of 2022 retained earnings									
B1	Legal reserve	-	-	-	147,008	-	( 147,008)	-	-	-
B5	Cash dividends distributed	-	-	-	-	-	( 712,493)	-	-	( 712,493)
C7	Changes in capital surplus from investments in associates accounted for using the equity method	-	-	( 253)	-	-	( 6,350)	-	-	( 6,603)
D1	Net profit from January 1 to June 30, 2023	-	-	-	-	-	103,196	-	-	103,196
D3	Other comprehensive income after tax for the period from January 1 to June 30, 2023	-	-	-	-	-	-	( 47,392)	54,574	7,182
D5	Total comprehensive income from January 1 to June 30, 2023	-	-	-	-	-	103,196	( 47,392)	54,574	110,378
Z1	Balance on June 30, 2023	<u>593,743</u>	<u>\$ 5,937,438</u>	<u>\$ 36,889</u>	<u>\$ 2,370,208</u>	<u>\$ 565,379</u>	<u>\$ 3,748,363</u>	<u>(\$ 156,795)</u>	<u>\$ 1,106,758</u>	<u>\$ 13,608,240</u>
A1	Balance on January 1, 2024	593,743	\$ 5,937,438	\$ 37,559	\$ 2,370,208	\$ 554,105	\$ 3,771,456	(\$ 145,105)	\$ 813,423	\$ 13,339,084
	Appropriation and distribution of 2023 retained earnings									
B1	Legal reserve	-	-	-	11,994	-	( 11,994)	-	-	-
B5	Cash dividends distributed	-	-	-	-	-	( 267,185)	-	-	( 267,185)
C7	Changes in capital surplus from investments in associates accounted for using the equity method	-	-	( 2)	-	-	-	-	-	( 2)
D1	Net losses from January 1 to June 30, 2024	-	-	-	-	-	( 259,647)	-	-	( 259,647)
D3	Other comprehensive income after tax for the period from January 1 to June 30, 2024	-	-	-	-	-	-	137,942	( 313,817)	( 175,875)
D5	Total comprehensive income from January 1 to June 30, 2024	-	-	-	-	-	( 259,647)	137,942	( 313,817)	( 435,522)
Z1	Balance on June 30, 2024	<u>593,743</u>	<u>\$ 5,937,438</u>	<u>\$ 37,557</u>	<u>\$ 2,382,202</u>	<u>\$ 554,105</u>	<u>\$ 3,232,630</u>	<u>(\$ 7,163)</u>	<u>\$ 499,606</u>	<u>\$ 12,636,375</u>

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

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# ASIA POLYMER CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

From January 1 to June 30, 2024 and 2023

(In Thousands of New Taiwan Dollars)

Code		From January 1 to June 30, 2024	From January 1 to June 30, 2023
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Net profit (loss) before tax for the period	( \$ 332,896)	\$ 150,712
A20010	Adjustments for		
A20100	Depreciation expenses	168,658	156,858
A20200	Amortization expenses	322	239
A20400	Net gain on fair value change of financial assets at fair value through profit or loss	( 8,952)	( 13,423)
A20900	Interest expense	4,663	4,595
A21200	Interest income	( 12,884)	( 11,729)
A21300	Dividend income	( 35,490)	( 76,507)
A22300	Share of profit or loss of associates	408,551	558,036
A22500	Disposal and scrapping losses of property, plant and equipment	9,787	-
A23700	Allowance for inventory valuation and obsolescence loss (reversal)	7,220	( 817)
A24100	Non-reliable net loss (gain) on foreign currency exchange	( 4,464)	2,822
A30000	Changes in operating assets and liabilities		
A31115	Financial assets mandatory classified as at fair value through profit or loss	255,064	( 232,308)
A31150	Accounts receivable	( 74,782)	451,051
A31160	Accounts receivable from related parties	34,711	49,352
A31180	Other receivables	16	-
A31190	Other receivables from related parties	( 50,710)	( 2,584)
A31200	Inventories	( 4,012)	( 273,853)
A31230	Prepayments	42,809	( 44,358)
A32150	Accounts payable	175,360	( 92,516)
A32160	Accounts payable from related parties	( 8,865)	( 4,618)
A32180	Other payables	( 4,225)	12,532
A32190	Other payables to related parties	( 218,719)	( 33,325)
A32230	Other current liabilities	( 4,972)	( 3,351)
A32240	Net defined benefit liabilities - non- current	( 3,926)	( 6,710)
A33000	Incoming cash generated from operations	342,264	590,098
A33100	Interest received	11,399	11,786
A33300	Interest paid	( 3,208)	( 4,618)
A33500	Income tax paid	( 228,091)	( 663,022)
AAAA	Net cash generated from (used in) operating activities	<u>122,364</u>	<u>( 65,756)</u>

(Continued)

(Continued)

<u>Code</u>		<u>From January 1 to June 30, 2024</u>	<u>From January 1 to June 30, 2023</u>
	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
B00040	Purchase of financial assets at amortized cost	(\$ 644,348)	\$ -
B00060	Financial assets at amortized cost repayment of principal at maturity	91,947	-
B01800	Acquisition of long-term equity investments accounted for using the equity method	( 25,822)	( 39,528)
B02400	Proceeds from capital reduction of investee companies accounted for using equity method	8,327	-
B02700	Payments for property, plant and equipment	( 185,003)	( 167,128)
B03700	Increase in refundable deposits	( 189)	( 141)
B03800	Decrease in refundable deposits	188	141
B04500	Acquisition of intangible assets	-	( 603)
B07600	Dividends received	-	5,526
B09900	Decrease in other non-current assets	-	3,326
BBBB	Net cash used in investing activities	( <u>754,900</u> )	( <u>198,407</u> )
	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
C00200	Increase (decrease) in short-term borrowings	300,000	( 120,000)
C01600	Proceeds from long-term borrowings	76,000	104,000
C01700	Repayments of long-term borrowings	-	( 10,000)
C03000	Increase in guarantee deposits received	218	-
C03100	Decrease in guarantee deposits received	-	( 281)
C04020	Repayment of the principal portion of lease liabilities	( 3,380)	( 3,304)
C04300	Other non-current liabilities (decrease) increase	( 50)	43
C04500	Dividends paid to owners of the Group	( <u>84</u> )	( <u>38</u> )
CCCC	Net cash generated from (used in) financing activities	<u>372,704</u>	( <u>29,580</u> )
DDDD	<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES</b>	<u>9,153</u>	( <u>1,817</u> )
EEEE	Current decrease in cash and cash equivalents for the period	( 250,679)	( 295,560)
E00100	<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<u>1,152,991</u>	<u>1,490,320</u>
E00200	<b>CASH AND CASH EQUIVALENTS AT THE ENDING OF THE PERIOD</b>	<u><u>\$ 902,312</u></u>	<u><u>\$ 1,194,760</u></u>

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

(Please refer to the review report issued by Deloitte & Touche on August 5, 2024)

**Notice to Readers:**

The consolidated financial statement (Chinese version) of our company is audited by the CPA Cheng-Chun Chiu and CPA Pi-Yu Chuang of Deloitte Taiwan. For the convenience of reading, the statement has been translated from Chinese to English. If there is any difference regarding the context or interpretation in the English version, the Chinese version shall prevail

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**ASIA POLYMER CORPORATION AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**From January 1 to June 30, 2024 and 2023**

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

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**1. GENERAL INFORMATION**

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

The ordinary shares of the Company have been listed on the Taiwan Stock Exchange. As of June 30, 2024, the ultimate parent company, USI Corporation, indirectly held 36.08% of ordinary shares of the Company.

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

**2. APPROVAL OF FINANCIAL STATEMENTS**

The consolidated financial statements were approved and issued by the Board of Directors on August 5, 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 2025

<u>New/Revised/Amended Standards and Interpretations</u>	<u>Effective Date Announced by IASB</u>
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 1)

Note 1: Applicable to the annual reporting periods beginning on or after January 1, 2025. When applying the amendment for the first time, the comparative period should not be restated. Instead, the impact amount should be recognized in the retained earnings or equity of the foreign operating entity on the initial application date, as well as the relevant affected assets and liabilities (as appropriate).

Amendments to IAS 21 “Lack of Exchangeability”

The amendment clarifies that a currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose. When a currency is not exchangeable at the measurement date, an entity estimates the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing. When a currency is not exchangeable an entity discloses information that would enable users of its financial statements to evaluate how a currency’s lack of exchangeability affects, or is expected to affect, its financial performance, financial position and cash flows.

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

<u>New/Revised/Amended Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
“Annual Improvements to IFRS Accounting Standards — Volume 11”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 for the Classification and Measurement of Financial Instruments	January 1, 2026
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
IFRS 18 “Expression and Disclosure of Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

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.

IFRS 18 “Expression and Disclosure of Financial Statements”

IFRS 18 will replace IAS 1 “Presentation of Financial Statements”. The main changes in this standard include:

- The income statement should classify revenue and expense items into categories of operating, investing, financing, income tax, and discontinued operations.
- The income statement should report operating income, financing and income before tax, as well as subtotals and totals of income.
- Provide guidance to strengthen the consolidation and subdivision provisions: The Group must identify assets, liabilities, equity, income, expenses, and cash flows from individual transactions or other matters, and classify and consolidate them based on common characteristics so that each line item reported in the main financial statements has at least one similar characteristic. The items with different characteristics should be classified in the main financial statements and notes. When the Group cannot find a more informative name, it will label such items as “Other”.
- Disclosure of performance measures defining management levels: When the Group engages in public communication outside of financial statements and communicates the perspective of management levels on the overall financial performance of the Group, relevant information regarding the disclosure of performance measures defining management levels should be disclosed in a single note to the financial statements. This includes the description of the measures, how they are calculated, adjustments to subtotals or totals as defined by IFRS accounting standards, and the impact of income tax and non-controlling interests related to the adjustments.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of the 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. The carrying amounts of financial assets at amortized cost that were reclassified to cash and cash equivalents on June 30 and January 1, 2023 and were NT\$3,885 thousand and NT\$8,350 thousand, respectively. The impact of cash flow items for the period from January 1 to June 30, 2023 is as follows:

	<u>Adjustment</u>
Net cash generated from operating activities	\$ 8
Net cash used in investing activities	( 4,473 )
Net decrease in cash and cash equivalents	( \$ 4,465 )

#### **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 IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. The consolidated financial statements do not include all IFRS Accounting Standards disclosures required by the entire annual financial report.

##### **b. Basis of preparation**

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

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

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

##### **c. Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Group and the entities controlled by the Group (i.e., its subsidiaries). Income and expenses of

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

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

See Note 12 and Tables 4 to 5 for detailed information on subsidiaries (including the percentages of ownership and main businesses).

d. Other significant accounting policies

Except as noted below, please refer to the summary of significant accounting policies in the consolidated financial statements for the year 2023.

1) Classification of current and non-current assets and liabilities

Current assets include:

- a) Assets held primarily for the purpose of trading;
- b) Assets expected to be realized within 12 months after the reporting period; and
- c) 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:

- a) Liabilities held primarily for the purpose of trading;
- b) 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
- c) On the balance sheet date, there is no substantive right to defer the maturity date of liabilities to at least 12 months after the balance sheet date.

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

2) Defined benefits - Post-employment benefits

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

3) Income tax expense

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

**5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

Please refer to the description of significant accounting judgments, estimates and key sources of assumption uncertainty in the consolidated financial statements for 2023.

**6. CASH AND CASH EQUIVALENTS**

	June 30, 2024	December 31, 2023	June 30, 2023
Cash on hand and petty cash	\$ 264	\$ 197	\$ 264
Checking accounts and demand deposits	183,429	212,181	211,455
Cash equivalents			
Time deposits	199,946	421,460	512,846
Reverse repurchase agreements collateralized by bonds	518,673	519,153	470,195
	<u>\$ 902,312</u>	<u>\$ 1,152,991</u>	<u>\$ 1,194,760</u>

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

	June 30, 2024	December 31, 2023	June 30, 2023
Time deposits	1.43%~5.38%	1.25%~5.55%	1.13%~5.38%
Reverse repurchase agreements collateralized by bonds	1.42%~1.92%	1.49%~1.55%	1.30%~1.60%



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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Financial assets - current</u>			
Mandatorily classified as at FVTPL			
Derivative instruments (not under hedge accounting)			
— Foreign exchange forward contracts	\$ -	\$ 955	\$ 3,984
Non-derivative financial assets			
— Domestic listed shares	135,484	141,502	60,447
— Foreign listed shares	26,479	-	-
— Mutual funds	306,842	572,257	609,101
— Beneficiary securities	68,617	68,820	68,992
Subtotal	537,422	782,579	738,540
	<u>\$ 537,422</u>	<u>\$ 783,534</u>	<u>\$ 742,524</u>
<u>Financial liabilities - current</u>			
Held for trading			
Derivative instruments (not under hedge accounting)			
— Foreign exchange forward contracts	\$ -	\$ -	\$ 29

The Group generated net income of NT\$10,721 thousand and NT\$16,229 thousand for the period from January 1 to June 30, 2024 and 2023, respectively, from financial assets and liabilities measured at fair value through profit or loss.

At the end of the reporting period, outstanding foreign exchange forward contracts not under hedge accounting on were as follows (June 30, 2024: None):

December 31, 2023

	<u>Currency</u>	<u>Maturity Date</u>	<u>Notional Amount (thousand)</u>
Sell	RMB/NT\$	January 3, 2024 to January 9, 2024	RMB15,100/NTD66,336

June 30, 2023

	<u>Currency</u>	<u>Maturity Date</u>	<u>Notional Amount (thousand)</u>
Sell	RMB/NT\$	August 3, 2023 to September 12, 2023	RMB55,400/NTD240,865

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

## 8. **FINANCIAL ASSETS AT FVTOCI**

### Investments in equity instruments

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Current</u>			
Domestic investments			
Listed shares	<u>\$ 19,632</u>	<u>\$ 22,458</u>	<u>\$ 24,533</u>
<u>Non-current</u>			
Domestic investments			
Listed shares	\$ 2,449,839	\$ 2,750,339	\$ 3,021,672
Unlisted shares	<u>120,960</u>	<u>140,936</u>	<u>131,221</u>
Subtotal	<u>2,570,799</u>	<u>2,891,275</u>	<u>3,152,893</u>
Foreign investments			
Listed shares	8,041	9,411	15,445
Unlisted ordinary shares	-	2	3
Unlisted preferred shares	<u>125,044</u>	<u>84,022</u>	<u>85,459</u>
Subtotal	<u>133,085</u>	<u>93,435</u>	<u>100,907</u>
	<u>\$ 2,703,884</u>	<u>\$ 2,984,710</u>	<u>\$ 3,253,800</u>

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 November 2023, the Group purchased common shares of PELL Bio-Med Technology Co. Ltd. by NT\$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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Current</u>			
Time deposits with maturities of more than three months	\$ 110,342	\$ 127,425	\$ -
Reverse repurchase agreements collateralized by bonds with maturities of more than 3 months	<u>544,989</u>	<u>-</u>	<u>-</u>
	<u>\$ 655,331</u>	<u>\$ 127,425</u>	<u>\$ -</u>
<u>Non-current</u>			
Time deposits with maturities of more than 12 months	<u>\$ 29,596</u>	<u>\$ -</u>	<u>\$ -</u>
Range of interest rates			
Time deposits with maturities of more than three months	1.25%~4.50%	1.25%~4.50%	-
Reverse repurchase agreements collateralized by bonds with maturities of more than 3 months	1.77%~1.95%	-	-
Time deposits with maturities of more than 12 months	3.05%	-	-

## 10. ACCOUNTS RECEIVABLE

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Accounts receivable</u>			
At amortized cost			
Gross carrying amount	\$ 374,217	\$ 295,125	\$ 417,830
Less: Loss allowance	<u>( 2,000 )</u>	<u>( 2,000 )</u>	<u>( 2,000 )</u>
	<u>\$ 372,217</u>	<u>\$ 293,125</u>	<u>\$ 415,830</u>
Accounts receivable from related parties (Note 28)	<u>\$ 77,251</u>	<u>\$ 111,426</u>	<u>\$ 152,498</u>

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

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

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

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

June 30, 2024

	<u>Not Past Due</u>	<u>1 to 60 Days</u>	<u>61 to 90 Days</u>	<u>Total</u>
Gross carrying amount	\$ 451,468	\$ -	\$ -	\$ 451,468
Loss allowance (Lifetime ECL)	( 2,000 )	-	-	( 2,000 )
Amortized cost	<u>\$ 449,468</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 449,468</u>

December 31, 2023

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

June 30, 2023

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

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

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

	<u>From January 1 to June 30, 2024</u>	<u>From January 1 to June 30, 2023</u>
Beginning balance	\$ 2,000	\$ 2,000
Add: Impairment loss charged to current period	-	-
Ending balance	<u>\$ 2,000</u>	<u>\$ 2,000</u>

## 11. INVENTORIES

	June 30, 2024	December 31, 2023	June 30, 2023
Finished goods	\$ 496,403	\$ 483,642	\$ 687,901
Work in process	23,522	22,627	22,506
Raw materials	52,005	78,150	45,438
Production supplies	<u>61,528</u>	<u>50,306</u>	<u>59,667</u>
	<u>\$ 633,458</u>	<u>\$ 634,725</u>	<u>\$ 815,512</u>

The cost of goods sold from April 1 to June 30, 2024 and 2023, as well as the profit from inventory decline and recovery from January 1 to June 30, 2024 and 2023, were NT\$10,694 thousand, (NT\$593) thousand, NT\$7,220 thousand, and (NT\$817) thousand, respectively. The increase in net realizable value of inventory was due to the increase in sales prices of inventory in the market.

## 12. SUBSIDIARY

### Subsidiaries included in the consolidated financial statements

The entities included in the consolidated financial statements:

Investor Company	Name of Subsidiary	Nature of Activities	% of Ownership			Remark
			June 30, 2024	December 31, 2023	June 30, 2023	
The Company	APC Investment Corporation (APCIC)	Investment	100.00%	100.00%	100.00%	1
The Company	APC (BVI) Holding Co., Ltd. (APC (BVI))	Reinvestment	100.00%	100.00%	100.00%	1
The Company	USI International Corp. (USIIC)	Reinvestment	70.00%	70.00%	70.00%	1
APC (BVI)	USI International Corp. (USIIC)	Reinvestment	30.00%	30.00%	30.00%	1
APC (BVI)	USI Trading (Shanghai) Co., Ltd (USITA)	Sale of chemical products and equipment	100.00%	100.00%	100.00%	1

Note 1: APCIC, APC (BVI), USIIC and USITA are not material subsidiaries and their financial statements have not been reviewed by CPAs.

## 13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Material associates</u>			
Ever Conquest Global Ltd.	\$ 2,235,636	\$ 2,541,084	\$ 2,923,920
<u>Associates that are not individually material</u>			
<u>Listed company</u>			
China General Plastics Corporation (CGPC)	762,348	773,150	766,032
Acme Electronics Corporation (ACME)	91,725	82,391	83,990

(Continued on next page)

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	June 30, 2024	December 31, 2023	June 30, 2023
<u>Unlisted company</u>			
China General Terminal & Distribution Corporation (CGTD)	318,813	329,972	340,913
ACME Electronics (Cayman) Corp. ( ACME (Cayman) )	222,591	189,269	195,061
Swanson Plastics Corporation (SPC)	205,527	198,518	203,452
Taiwan United Venture Capital Corp. (TUVVC)	2,794	11,369	23,277
USI Optronics Corporation (USIO)	3,922	4,925	5,223
Zhangzhou Taiju Trading Co., Ltd. (GUL)	22,392	20,266	10,030
Xiamen USI Trading Co., Ltd. (XUL)	20,595	13,004	-
Swanson Technologies Corporation (STC)	( <u>7,806</u> )	( <u>5,651</u> )	( <u>3,165</u> )
	3,878,537	4,158,297	4,548,733
Add: Credit balance of investments accounted for using the equity method reclassified as liabilities	<u>7,806</u>	<u>5,651</u>	<u>3,165</u>
	<u>\$ 3,886,343</u>	<u>\$ 4,163,948</u>	<u>\$ 4,551,898</u>

a. Material associates

Name of Associates	Nature of Activities	Principal Place of Business	Proportion of Ownership and Voting Rights		
			June 30, 2024	December 31, 2023	June 30, 2023
Ever Conquest Global Ltd.	Reinvestment	British Virgin Islands	40.87%	40.87%	40.87%

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

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

Ever Conquest Global Ltd.

	June 30, 2024	December 31, 2023	June 30, 2023
Current assets	\$ 1	\$ 1	\$ 1
Non-current assets	<u>5,470,505</u>	<u>6,217,923</u>	<u>7,154,705</u>
EQUITY	<u>\$ 5,470,506</u>	<u>\$ 6,217,924</u>	<u>\$ 7,154,706</u>
Proportion of the Group's ownership	40.87%	40.87%	40.87%
Equity attributable to the Group	<u>\$ 2,235,636</u>	<u>\$ 2,541,084</u>	<u>\$ 2,923,920</u>
Carrying amount of investments	<u>\$ 2,235,636</u>	<u>\$ 2,541,084</u>	<u>\$ 2,923,920</u>

  

	From April 1 to June 30, 2024	From April 1 to June 30, 2023	From January 1 to June 30, 2024	From January 1 to June 30, 2023
The Group's share of Net loss for the period	(\$ 222,970)	(\$ 244,715)	(\$ 429,632)	(\$ 549,228)
Other comprehensive income	<u>24,840</u>	<u>( 66,787)</u>	<u>124,184</u>	<u>( 53,398)</u>
Total comprehensive income for the year	<u>(\$ 198,130)</u>	<u>(\$ 311,502)</u>	<u>(\$ 305,448)</u>	<u>(\$ 602,626)</u>

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 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; (2) DEIL establishes 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.

establishes 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. CTCI Corporation was added as a new contract or commitment counterparty and a joint venture agreement was re-signed on December 18, 2019. Fubon Financial Holding Venture Capital Co., Ltd. and Hongfu Investment Co., Ltd. were added as new contract or commitment counterparties.

In order to increase Gulei Group's operating capital, Ever Victory Global and Hong Kong Dor Po Investment Company Limited (as "DOR PO") signed a joint venture contract for an investment in DEIL on June 5, 2019. According to the joint venture contract, DOR PO would invest USD109,215 thousand to participate in the capital increase of DEIL. As of June 30, 2024, DOR PO had invested USD103,915 thousand and acquired 15% ownership interest in DEIL.

As of June 30, 2024, the Company and USI Corporation had accumulatively invested USD170,475 thousand (approximately NT\$5,255,587 thousand) and USD246,670 thousand (approximately NT\$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 hold 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

	From April 1 to June 30, 2024	From April 1 to June 30, 2023	From January 1 to June 30, 2024	From January 1 to June 30, 2023
The Group's share of Net profit (loss) for the period	\$ 22,898	(\$ 13,056)	\$ 21,081	(\$ 8,808)
Other comprehensive income	( 4,282 )	( 22,196 )	( 9,867 )	( 19,639 )
Total comprehensive income for the year	<u>\$ 18,616</u>	<u>(\$ 35,252)</u>	<u>\$ 11,214</u>	<u>(\$ 28,447)</u>

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	June 30, 2024	December 31, 2023	June 30, 2023
CGPC	8.07%	8.07%	8.07%
ACME	4.66%	4.66%	4.66%
CGTD	33.33%	33.33%	33.33%
ACME (Cayman)	13.63%	13.63%	13.63%
SPC	7.95%	7.95%	7.95%
TUVC	8.33%	8.33%	8.33%
STC	15.00%	15.00%	15.00%
USIO	9.20%	9.20%	9.20%
GUL	30.00%	30.00%	30.00%
XUL	30.00%	30.00%	-

Please refer to Table 4 "Information on Investees" and Table 5 "Information on Investments in Mainland China" for the nature of activities, principal places of business and countries of incorporation of the associates.

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

ACME (Cayman) conducted a cash capital increase in April 2023, resulting in the dilution of its ownership percentage from 16.64% to 13.63%. The reference date for the capital increase was April 24, 2023. In addition, ACME (Cayman) carried out another cash capital increase in February 2024, issuing 6,000 thousand new shares. The Group participated in the aforementioned capital increase based on its original ownership percentage of 13.63%, with a capital increase amount of USD 818 thousand.

TUVC convened a shareholders' meeting on June 28, 2023 and resolved to reduce its capital and return cash to its shareholders, with the base date of the capital reduction on August 22, 2023. The Company received NT\$14,155 thousand back in August 2023. Furthermore, TUVC convened a shareholders' meeting on June 5, 2024 and resolved and approved to reduce its capital and return cash to its shareholders, with the base date of the capital reduction on June 18, 2024. The Company received NT\$8,327 thousand back in June 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. (Swanlake), the subsidiary of USI Corporation. The company has been registered and incorporated on November 6, 2023 with investments of RMB 3,000 thousand from APC (BVI) and RMB 7,000 thousand from Swanlake on December 14, 2023.

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

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

Name of Associates	June 30, 2024	December 31, 2023	June 30, 2023
CGPC	<u>\$ 785,344</u>	<u>\$ 1,045,562</u>	<u>\$ 1,097,137</u>
ACME	<u>\$ 439,349</u>	<u>\$ 248,931</u>	<u>\$ 287,610</u>

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

## 14. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings and Improvements	Machinery and Equipment	Transportation Equipment	Other Equipment	Construction in Progress and Prepayments for Equipment	Total
<u>Cost</u>							
Balance on January 1, 2024	\$ 228,229	\$ 781,248	\$ 6,663,066	\$ 9,382	\$ 91,966	\$ 953,814	\$ 8,727,705
Additions	-	-	21,929	-	-	203,688	225,617
Disposals	-	-	( 24,246 )	-	-	-	( 24,246 )
Internal transfer	-	-	37,468	-	1,975	( 39,443 )	-
Effect of foreign currency exchange differences	-	-	-	53	161	-	214
Balance on June 30, 2024	<u>\$ 228,229</u>	<u>\$ 781,248</u>	<u>\$ 6,698,217</u>	<u>\$ 9,435</u>	<u>\$ 94,102</u>	<u>\$ 1,118,059</u>	<u>\$ 8,929,290</u>
<u>Accumulated depreciation and impairment</u>							
Balance on January 1, 2024	\$ -	\$ 362,294	\$ 4,815,677	\$ 7,866	\$ 85,137	\$ -	\$ 5,270,974
Depreciation expenses	-	8,971	153,077	130	976	-	163,154
Disposals	-	-	( 14,459 )	-	-	-	( 14,459 )
Effect of foreign currency exchange differences	-	-	-	53	151	-	204
Balance on June 30, 2024	<u>\$ -</u>	<u>\$ 371,265</u>	<u>\$ 4,954,295</u>	<u>\$ 8,049</u>	<u>\$ 86,264</u>	<u>\$ -</u>	<u>\$ 5,419,873</u>
Net amount as of June 30, 2024	<u>\$ 228,229</u>	<u>\$ 409,983</u>	<u>\$ 1,743,922</u>	<u>\$ 1,386</u>	<u>\$ 7,838</u>	<u>\$ 1,118,059</u>	<u>\$ 3,509,417</u>
<u>Cost</u>							
Balance on January 1, 2023	\$ 228,229	\$ 779,756	\$ 6,499,542	\$ 10,030	\$ 88,838	\$ 792,988	\$ 8,399,383
Additions	-	-	29,352	-	-	134,704	164,056
Disposals	-	-	( 13,100 )	-	( 275 )	-	( 13,375 )
Internal transfer	-	911	86,842	-	2,558	( 90,311 )	-
Effect of foreign currency exchange differences	-	-	-	( 24 )	10	-	( 14 )
Balance on June 30, 2023	<u>\$ 228,229</u>	<u>\$ 780,667</u>	<u>\$ 6,602,636</u>	<u>\$ 10,006</u>	<u>\$ 91,131</u>	<u>\$ 837,381</u>	<u>\$ 8,550,050</u>
<u>Accumulated depreciation and impairment</u>							
Balance on January 1, 2023	\$ -	\$ 343,539	\$ 4,600,641	\$ 8,165	\$ 83,560	\$ -	\$ 5,035,905
Depreciation expenses	-	9,442	140,226	218	1,450	-	151,336
Disposals	-	-	( 13,100 )	-	( 275 )	-	( 13,375 )
Effect of foreign currency exchange differences	-	-	-	( 23 )	13	-	( 10 )
Balance on June 30, 2023	<u>\$ -</u>	<u>\$ 352,981</u>	<u>\$ 4,727,767</u>	<u>\$ 8,360</u>	<u>\$ 84,748</u>	<u>\$ -</u>	<u>\$ 5,173,856</u>
Net amount as of June 30, 2023	<u>\$ 228,229</u>	<u>\$ 427,686</u>	<u>\$ 1,874,869</u>	<u>\$ 1,646</u>	<u>\$ 6,383</u>	<u>\$ 837,381</u>	<u>\$ 3,376,194</u>

No impairment loss was recognized or reversed from January 1 and June 30, 2024 and 2023.

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	2 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 a quarterly basis. The Board of Directors of the Group resolved to build the Intercontinental Phase II Petrochemical Oil Products Center in 2019. As of June 30, 2024, the Group has made construction payment of NT\$796,964 thousand, which was booked under the construction in progress.

## 15. LEASE ARRANGEMENTS

### a. Right-of-use assets

	June 30, 2024	December 31, 2023	June 30, 2023
Carrying amounts of right-of-use assets			
Land	\$ 9,036	\$ 9,368	\$ 9,876
Transportation equipment	-	34	136
	<u>\$ 9,036</u>	<u>\$ 9,402</u>	<u>\$ 10,012</u>
Depreciation charge for right-of-use assets	From April 1 to June 30, 2024	From April 1 to June 30, 2023	From January 1 to June 30, 2024
Land	\$ 166	\$ 168	\$ 332
Transportation equipment	-	51	102
	<u>\$ 166</u>	<u>\$ 219</u>	<u>\$ 439</u>

Except for the depreciation expense recognized, there was no significant sublease or impairment of the Group's right-of-use assets from January 1 to June 30, 2024 and 2023. The Group has been subleasing its leasehold office spaces located in Taipei to other companies under operating leases. The related right-of-use assets are presented as investment properties (as set out in Note 16). The amounts disclosed above with respect to the right-of-use assets do not include right-of-use assets that meet the definition of investment properties.

### b. Lease liabilities

Range of discount rate for lease liabilities was as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Land	1.06%	1.06%	1.06%
Transportation equipment	1.06%	1.06%	1.06%
Buildings	1.06%	1.06%	1.06%

c. Other lease information

	From April 1 to June 30, 2024	From April 1 to June 30, 2023	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Expenses relating to short-term leases	<u>\$ 1,042</u>	<u>\$ 996</u>	<u>\$ 2,062</u>	<u>\$ 2,050</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 317</u>	<u>\$ 120</u>	<u>\$ 518</u>	<u>\$ 242</u>
Total cash outflow for leases			<u>( \$ 6,046 )</u>	<u>( \$ 5,716 )</u>

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
<u>Cost</u>				
Balance on January 1, 2024	\$ 370,202	\$ 262,786	\$ 34,585	\$ 667,573
Effect of foreign currency exchange differences	<u>-</u>	<u>7,400</u>	<u>-</u>	<u>7,400</u>
Balance on June 30, 2024	<u>\$ 370,202</u>	<u>\$ 270,186</u>	<u>\$ 34,585</u>	<u>\$ 674,973</u>
<u>Accumulated depreciation</u>				
Balance on January 1, 2024	\$ -	\$ 139,506	\$ 27,303	\$ 166,809
Depreciation expenses	-	2,407	2,731	5,138
Effect of foreign currency exchange differences	<u>-</u>	<u>3,318</u>	<u>-</u>	<u>3,318</u>
Balance on June 30, 2024	<u>\$ -</u>	<u>\$ 145,231</u>	<u>\$ 30,034</u>	<u>\$ 175,265</u>
Net amount as of June 30, 2024	<u>\$ 370,202</u>	<u>\$ 124,955</u>	<u>\$ 4,551</u>	<u>\$ 499,708</u>
<u>Cost</u>				
Balance on January 1, 2023	\$ 370,202	\$ 262,807	\$ 34,585	\$ 667,594
Effect of foreign currency exchange differences	<u>-</u>	<u>1,824</u>	<u>-</u>	<u>1,824</u>
Balance on June 30, 2023	<u>\$ 370,202</u>	<u>\$ 264,631</u>	<u>\$ 34,585</u>	<u>\$ 669,418</u>
<u>Accumulated depreciation</u>				
Balance on January 1, 2023	\$ -	\$ 134,797	\$ 21,842	\$ 156,639
Depreciation expenses	-	2,352	2,731	5,083
Effect of foreign currency exchange differences	<u>-</u>	<u>802</u>	<u>-</u>	<u>802</u>
Balance on June 30, 2023	<u>\$ -</u>	<u>\$ 137,951</u>	<u>\$ 24,573</u>	<u>\$ 162,524</u>
Net amount as of June 30, 2023	<u>\$ 370,202</u>	<u>\$ 126,680</u>	<u>\$ 10,012</u>	<u>\$ 506,894</u>

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

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

The maturity analysis of lease payments receivable under operating leases of investment properties from June 30, 2024 and December 31, 2023 and June 30, 2023 was as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Year 1	\$ 20,420	\$ 18,893	\$ 20,157
Year 2	10,322	9,332	8,630
Year 3	5,632	7,607	3,889
Year 4	-	972	2,917
	<u>\$ 36,374</u>	<u>\$ 36,804</u>	<u>\$ 35,593</u>

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

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

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

The fair values of the proceeds as of June 30, 2024 and December 31 and June 30, 2023, are as follows

	June 30, 2024	December 31, 2023	June 30, 2023
Fair value	<u>\$ 2,043,830</u>	<u>\$ 1,975,542</u>	<u>\$ 2,019,860</u>

## 17. BORROWINGS

- a. Short-term borrowings (As of December 31 and June 30, 2023: None)

	<u>June 30, 2024</u>
<u>Unsecured borrowings</u>	
Bank loans	<u>\$ 300,000</u>

The range of interest rates on bank loans was 1.86% per annum as of June 30, 2024.

- b. Long-term borrowings

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Unsecured borrowings	\$ 622,955	\$ 546,094	\$ 544,743
Less: Current portion due within one year	( <u>225,000</u> )	( <u>65,880</u> )	<u>-</u>
Long-term borrowings	<u>\$ 397,955</u>	<u>\$ 480,214</u>	<u>\$ 544,743</u>
Range of interest rates	1.18%	1.05%	1.05%

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 NT\$3,350,000 thousand. The loan agreements will subsequently expire before October 2026 and these lines of credit are on a revolving basis. Unused as of June 30, 2024.

Through the “Action Plan for Accelerated Investment by Domestic Corporations”, the Group obtained a low-interest bank loan of NT\$1,419,000 thousand. The difference between the market interest rate recognized and measured for the bank loan and the actual interest paid at preferential rate was recognized as government grants. As of June 30, 2024, NT\$625,000 thousand has been utilized.

## 18. ACCOUNTS PAYABLE (INCLUDING RELATED PARTIES)

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

## 19. OTHER PAYABLES

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Payables for dividends	\$ 182,897	\$ 15,417	\$ 453,857
Payables for equipment	80,397	39,784	54,953
Payables for utilities	58,596	46,063	59,986
Payables for surrogate shopping	48,261	-	-
Payables for salaries or bonuses	31,187	94,855	72,022
Payables for freight fees	9,109	8,462	6,673
Payables for insurance	2,116	2,422	2,529
Others	<u>22,697</u>	<u>24,343</u>	<u>24,827</u>
	<u>\$ 435,260</u>	<u>\$ 231,346</u>	<u>\$ 674,847</u>

## 20. RETIREMENT BENEFIT PLANS

Pension expense related to defined benefit plans recognized from April 1 to June 30, 2024 and 2023, and from January 1 to June 30, 2024 and 2023 was recognized in each period using the actuarially determined pension cost rates as of December 31, 2023 and 2022, respectively, as follows:

	From April 1 to June 30, 2024	From April 1 to June 30, 2023	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Operating cost	\$ 571	\$ 725	\$ 1,147	\$ 1,462
Selling and marketing expenses	59	62	115	124
General and administrative expenses	16	17	32	23
Research and development expenses	14	15	27	30
	<u>\$ 660</u>	<u>\$ 819</u>	<u>\$ 1,321</u>	<u>\$ 1,639</u>

## 21. EQUITY

### a. Ordinary shares

	June 30, 2024	December 31, 2023	June 30, 2023
Number of shares authorized (in thousands)	<u>620,000</u>	<u>620,000</u>	<u>620,000</u>
Shares authorized	<u>\$ 6,200,000</u>	<u>\$ 6,200,000</u>	<u>\$ 6,200,000</u>
Number of shares issued and fully paid (in thousands)	<u>593,743</u>	<u>593,743</u>	<u>593,743</u>
Shares issued	<u>\$ 5,937,438</u>	<u>\$ 5,937,438</u>	<u>\$ 5,937,438</u>

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

### b. Capital surplus

	June 30, 2024	December 31, 2023	June 30, 2023
Unpaid dividends	\$ 26,247	\$ 26,247	\$ 25,720
Share of changes in capital surplus of associates accounted for using the equity method	<u>11,310</u>	<u>11,312</u>	<u>11,169</u>
	<u>\$ 37,557</u>	<u>\$ 37,559</u>	<u>\$ 36,889</u>

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 NT\$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.

The appropriations of earnings for 2023 and 2022 approved in the shareholders' meetings on May 30, 2024 and 2023, respectively, were as follows:

	2023	2022
Legal reserve	<u>\$ 11,994</u>	<u>\$ 147,008</u>
Cash dividends	<u>\$ 267,185</u>	<u>\$ 712,493</u>
Cash dividends per share (NT\$)	\$ 0.45	\$ 1.20

d. Other Equity

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

	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Beginning balance	( <u>\$145,105</u> )	( <u>\$109,403</u> )
Generated for the period		
Exchange differences on translating the financial statements of foreign operations	155,770	( 59,640 )
Share of exchange differences of associates accounted for using the equity method	13,326	321
Related income tax	( <u>31,154</u> )	<u>11,927</u>
Other comprehensive income for the period	<u>137,942</u>	( <u>47,392</u> )
Ending Balance	( <u><u>\$ 7,163</u></u> )	( <u><u>\$156,795</u></u> )

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

	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Beginning balance	<u>\$ 813,423</u>	<u>\$ 1,052,184</u>
Generated for the period		
Unrealized (Gain) Loss		
Equity Instruments	( 289,135 )	65,876
Share from associates accounted for using the equity method	( 17,849 )	( 10,329 )
Related income tax	( <u>6,833</u> )	( <u>973</u> )
Other comprehensive income for the period	( <u>313,817</u> )	<u>54,574</u>
Ending Balance	<u><u>\$ 499,606</u></u>	<u><u>\$ 1,106,758</u></u>

## 22. REVENUE

a. Revenue from contracts with customers

	From April 1 to June 30, 2024	From April 1 to June 30, 2023	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Revenue from contracts with customers				
Revenue from sale of goods	<u>\$ 1,494,815</u>	<u>\$ 1,659,326</u>	<u>\$ 3,056,168</u>	<u>\$ 3,228,503</u>

b. Contract balances

	June 30, 2024	December 31, 2023	June 30, 2023	January 1, 2023
Accounts receivable (Note 10)	<u>\$ 449,468</u>	<u>\$ 404,551</u>	<u>\$ 568,328</u>	<u>\$ 1,070,835</u>
Contract liabilities (presented in other current liabilities)	<u>\$ 48,280</u>	<u>\$ 53,244</u>	<u>\$ 43,804</u>	<u>\$ 47,067</u>

## 23. NET (LOSS) INCOME FOR THE PERIOD

a. Interest income

	From April 1 to June 30, 2024	From April 1 to June 30, 2023	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Interest income				
Bank deposits	\$ 3,851	\$ 4,396	\$ 6,238	\$ 6,525
Financial assets at amortized cost	650	-	1,125	-
Financial assets at FVTPL	1,753	1,532	1,753	1,532
Reverse repurchase agreements collateralized by bonds	<u>2,525</u>	<u>1,996</u>	<u>3,768</u>	<u>3,672</u>
	<u>\$ 8,779</u>	<u>\$ 7,924</u>	<u>\$ 12,884</u>	<u>\$ 11,729</u>

b. Other income

	From April 1 to June 30, 2024	From April 1 to June 30, 2023	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Lease income	\$ 13,383	\$ 11,876	\$ 26,595	\$ 24,052
Dividend income				
Financial assets at FVTPL	16	858	16	1,274
Investments in equity instruments at FVTOCI	35,474	70,949	35,474	75,233
Others	<u>2,302</u>	<u>4,091</u>	<u>4,162</u>	<u>7,121</u>
	<u>\$ 51,175</u>	<u>\$ 87,774</u>	<u>\$ 66,247</u>	<u>\$ 107,680</u>

c. Other gains and losses

	From April 1 to June 30, 2024	From April 1 to June 30, 2023	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Gain on financial assets and financial liabilities				
Financial assets at FVTPL	\$ 8,331	\$ 5,206	\$ 8,416	\$ 8,856
Financial liabilities at FVTPL	-	6,500	536	4,567
Disposal losses of property, plant and equipment	( 9,787 )	-	( 9,787 )	-
Net gain (loss) on foreign currency exchange	6,206	( 3,787 )	24,753	( 9,259 )
Others	<u>( 6,687 )</u>	<u>( 3,534 )</u>	<u>( 12,542 )</u>	<u>( 7,492 )</u>
	<u>( \$ 1,937 )</u>	<u>\$ 4,385</u>	<u>\$ 11,376</u>	<u>( \$ 3,328 )</u>

d. Interest expense

	From April 1 to June 30, 2024	From April 1 to June 30, 2023	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Interest on bank loans	\$ 2,402	\$ 2,296	\$ 4,577	\$ 4,475
Interest on lease liabilities	<u>41</u>	<u>58</u>	<u>86</u>	<u>120</u>
	<u>\$ 2,443</u>	<u>\$ 2,354</u>	<u>\$ 4,663</u>	<u>\$ 4,595</u>

The Group did not capitalize interest for the period from January 1 to June 30, 2024 and 2023.

e. Depreciation and amortization

	From April 1 to June 30, 2024	From April 1 to June 30, 2023	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Property, plant and equipment	\$ 81,608	\$ 76,374	\$ 163,154	\$ 151,336
Investment properties	2,578	2,544	5,138	5,083
Right-of-use Assets	166	219	366	439
Intangible assets	<u>239</u>	<u>133</u>	<u>322</u>	<u>239</u>
Total	<u>\$ 84,591</u>	<u>\$ 79,270</u>	<u>\$ 168,980</u>	<u>\$ 157,097</u>
An analysis of depreciation by function				
Operating cost	\$ 81,726	\$ 76,535	\$ 163,425	\$ 151,627
Operating expenses	48	58	95	148
Other gains and losses	<u>2,578</u>	<u>2,544</u>	<u>5,138</u>	<u>5,083</u>
	<u>\$ 84,352</u>	<u>\$ 79,137</u>	<u>\$ 168,658</u>	<u>\$ 156,858</u>
An analysis of amortization by function				
Operating expenses	<u>\$ 239</u>	<u>\$ 133</u>	<u>\$ 322</u>	<u>\$ 239</u>

f. Employee benefits expense

	From April 1 to June 30, 2024	From April 1 to June 30, 2023	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Post-employment benefits (Note 20)				
Defined contribution plans	\$ 2,369	\$ 2,264	\$ 4,724	\$ 4,499
Defined benefit plans	<u>660</u>	<u>819</u>	<u>1,321</u>	<u>1,639</u>
	3,029	3,083	6,045	6,138
Other employee benefits	<u>70,626</u>	<u>92,037</u>	<u>146,411</u>	<u>188,695</u>
Total employee benefits expense	<u>\$ 73,655</u>	<u>\$ 95,120</u>	<u>\$ 152,456</u>	<u>\$ 194,833</u>
An analysis of employee benefits expense by function				
Operating cost	\$ 63,358	\$ 82,547	\$ 131,087	\$ 168,761
Operating expenses	<u>10,297</u>	<u>12,573</u>	<u>21,369</u>	<u>26,072</u>
	<u>\$ 73,655</u>	<u>\$ 95,120</u>	<u>\$ 152,456</u>	<u>\$ 194,833</u>

g. Employees' compensation and remuneration of directors

The Company accrued employees' compensation and remuneration of directors 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. From January 1 to June 30, 2024, due to losses, employee and director remuneration were not estimated. The estimated remuneration of employees and directors for the period from April 1 to June 30, 2023, as well as from January 1 to June 30, 2023 is as follows:

Accrual rate

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

Amount

	From April 1 to June 30, 2023	From January 1 to June 30, 2023
Employees' compensation	\$ 1,490	\$ 1,490
Directors' remuneration	\$ -	\$ -

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate. The employees' compensation and remuneration of directors for the years 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:

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

There is no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years 2023 and 2022.

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

	From April 1 to June 30, 2024	From April 1 to June 30, 2023	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Foreign exchange gains	\$ 9,098	\$ 10,735	\$ 38,785	\$ 18,031
Foreign exchange losses	( 2,892 )	( 14,522 )	( 14,032 )	( 27,290 )
Net gain (loss)	<u>\$ 6,206</u>	<u>( \$ 3,787 )</u>	<u>\$ 24,753</u>	<u>( \$ 9,259 )</u>

## 24. INCOME TAX

a. Income tax recognized in profit or loss

Major components of income tax (benefits) expenses are as follows:

	From April 1 to June 30, 2024	From April 1 to June 30, 2023	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Current tax				
In respect of the current period	\$ 5,692	\$ 72,580	\$ 7,071	\$ 125,923
Income tax on unappropriated earnings	-	27,029	-	27,029
Adjustments for prior years	<u>2,602</u>	<u>4,032</u>	<u>2,522</u>	<u>4,033</u>
	8,294	103,641	9,593	156,985
Deferred income tax				
In respect of the current period	( 37,230 )	( 47,895 )	( 82,842 )	( 109,469 )
Income tax (benefits) expenses recognized in profit or loss	<u>( \$ 28,936 )</u>	<u>\$ 55,746</u>	<u>( \$ 73,249 )</u>	<u>\$ 47,516</u>

b. Income tax recognized in other comprehensive income

	From April 1 to June 30, 2024	From April 1 to June 30, 2023	From January 1 to June 30, 2024	From January 1 to June 30, 2023
<u>Deferred income tax</u>				
Generated for the period				
— Translation of foreign operations	\$ 6,307	( \$ 14,203 )	\$ 31,154	( \$ 11,927 )
— Unrealized gain (loss) on financial assets at fair value through other comprehensive income	<u>6,336</u>	<u>219</u>	<u>6,833</u>	<u>973</u>
Total income tax expense benefit recognized in other comprehensive income	<u>\$ 12,643</u>	<u>( \$ 13,984 )</u>	<u>\$ 37,987</u>	<u>( \$ 10,954 )</u>

c. Income tax assessments

The Company and APCIC's income tax returns through 2022 have been assessed by the tax authorities.

## 25. EARNINGS (LOSSES) PER SHARE

Unit: NT\$ Per Share

	From April 1 to June 30, 2024	From April 1 to June 30, 2023	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Basic earnings (losses) per share	( \$ <u>0.12</u> )	\$ <u>0.22</u>	( \$ <u>0.44</u> )	\$ <u>0.17</u>
Diluted earnings (losses) per share	( \$ <u>0.12</u> )	\$ <u>0.22</u>	( \$ <u>0.44</u> )	\$ <u>0.17</u>

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

### Net (loss) income for the period

	From April 1 to June 30, 2024	From April 1 to June 30, 2023	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Net profit (loss) used in the computation of basic and diluted earnings (losses) per share	( \$ <u>71,939</u> )	\$ <u>128,323</u>	( \$ <u>259,647</u> )	\$ <u>103,196</u>

Unit: In Thousand Shares

	From April 1 to June 30, 2024	From April 1 to June 30, 2023	From January 1 to June 30, 2024	From January 1 to June 30, 2023
<u>Number of shares</u>				
Weighted average number of ordinary shares used in the computation of basic earnings (losses) per share	<u>593,743</u>	593,743	<u>593,743</u>	593,743
Effect of potentially dilutive ordinary shares:				
Employees' compensation		<u>59</u>		<u>280</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share		<u>593,802</u>		<u>594,023</u>

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.

The Group recorded a loss from April 1 to June 30, 2024 and January 1 to June 30, 2024. However, due to its anti-dilutive effect, this loss was not included in the calculation of diluted loss per share.

## 26. CAPITAL MANAGEMENT

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

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

## 27. FINANCIAL INSTRUMENTS

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

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

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

#### 1) Fair value hierarchy

##### June 30, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Domestic listed shares	\$ 135,484	\$ -	\$ -	\$ 135,484
Foreign listed shares	26,479	-	-	26,479
Mutual funds	306,842	-	-	306,842
Beneficiary securities	68,617	-	-	68,617
	<u>\$ 537,422</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 537,422</u>
<u>Financial Assets at FVTOCI</u>				
Investments in equity instruments				
Domestic listed shares	\$ 2,469,471	\$ -	\$ -	\$ 2,469,471
Foreign listed shares	8,041	-	-	8,041
Domestic unlisted shares	-	-	120,960	120,960
Foreign unlisted shares	-	-	125,044	125,044
	<u>\$ 2,477,512</u>	<u>\$ -</u>	<u>\$ 246,004</u>	<u>\$ 2,723,516</u>

##### December 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivative instruments	\$ -	\$ 955	\$ -	\$ 955
Domestic listed shares	141,502	-	-	141,502
Mutual funds	572,257	-	-	572,257
Beneficiary securities	68,820	-	-	68,820
	<u>\$ 782,579</u>	<u>\$ 955</u>	<u>\$ -</u>	<u>\$ 783,534</u>
<u>Financial Assets at FVTOCI</u>				
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
	<u>\$ 2,782,208</u>	<u>\$ -</u>	<u>\$ 224,960</u>	<u>\$ 3,007,168</u>



### June 30, 2023

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

There were no transfers between Levels 1 and 2 from January 1 to June 30, 2024 and 2023.

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

##### From January 1 to June 30, 2024

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Beginning Balance	\$ 224,960
Transfer out of the Level 3	( 19,975 )
Recognized in other comprehensive income (included in unrealized gain on financial assets at FVTOCI)	41,019
Ending Balance	<u>\$ 246,004</u>

##### From January 1 to June 30, 2023

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

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

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

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

The Group's financial department used valuation techniques in measuring Level 3 fair value of financial instruments. The assumptions of and the inputs to the measurement are based on information from independent resources. The results of the measurement are evaluated against the market state and reviewed periodically to ensure that they are reasonable. The fair values of domestic and foreign unlisted equity securities were determined using the asset-based approach. In this approach, the fair value is determined by the latest net value of the investee company and the financial and business conditions of an observable company. If the discount for the lack of marketability decreases, the fair value of investments will increase. When the net asset value of the investee company increased/decreased by 1%, it increased/decreased the fair value by NT\$2,460 thousand and NT\$2,167 from January 1 to June 30, 2024 and 2023.

c. Categories of financial instruments

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Financial Assets</u>			
Measured at FVTPL			
Mandatorily classified as at FVTPL	\$ 537,422	\$ 783,534	\$ 742,524
Financial assets at amortized cost (Note 1)	2,146,454	1,690,607	1,857,426
Financial Assets at FVTOCI			
Investments in equity instruments	2,723,516	3,007,168	3,278,333
<u>Financial liabilities</u>			
Measured at FVTPL			
Held for trading	-	-	29
Financial liabilities at amortized cost (Note 2)	1,822,236	1,129,007	1,776,332

Note 1: The balances include financial assets at amortized cost, which comprise cash and cash equivalents, time deposits and RS with original maturities exceeding three months, 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), current portion of long-term liabilities, long-term borrowings, 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 31. See Note 7 for the carrying value of derivative instruments with additional exposure to foreign exchange rate risk.

#### Sensitivity analysis

The Group was mainly affected by fluctuations in the currency rates of USD and RMB.

The sensitivity analysis of foreign currency rate risk mainly focused on the calculation of foreign currency monetary items as of the end of the financial reporting period. The table below provides a detailed explanation of the sensitivity analysis of the Group when the NTD (the functional currency of the Group) appreciates/depreciates by 3% against various relevant foreign currencies. The amounts in the table represent the increase/decrease in net loss before tax for the period from January 1 to June 30, 2024, when the NTD appreciated/depreciated by 3% against the respective currencies, and the decrease/increase in net profit before tax for the period from January 1 to June 30, 2023.

	Impact of USD		Impact of RMB	
	From January 1 to June 30, 2024	From January 1 to June 30, 2023	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Income	\$ 10,037	\$ 6,206	\$ 2,782	\$ 10,983

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

#### b) Interest rate risk

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

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

	June 30, 2024	December 31, 2023	June 30, 2023
Fair value interest rate risk			
— Financial Assets	\$1,403,546	\$1,068,038	\$ 986,926
— Financial liabilities	314,368	17,748	20,929
Cash flow interest rate risk			
— Financial Assets	180,562	210,244	205,321
— Financial liabilities	622,955	546,094	544,743

#### 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 0.5% increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. With all other variables held constant, a 0.5% increase/decrease in market interest rates, financial assets and liabilities exposed to cash flow interest rate risk would increase/decrease the Group's net loss before income tax by NT\$1,106 thousand from January 1 to June 30, 2024 and increase/decrease the Group's net profit before income tax by NT\$849 thousand from January 1 to June 30, 2023.

#### c) Other price risk

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

#### Sensitivity analysis

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

If the marketable securities price increased/decreased by 5%, the fair value of financial assets measured at fair value through profit or loss (excluding investment in money market funds) increased/decreased by NT\$12,831 thousand and NT\$6,472 thousand for the period from January 1 to June 30, 2024 and 2023. Other comprehensive income before tax from January 1 to June 30, 2024 and 2023 increased/decreased by NT\$136,176 thousand and NT\$163,917

thousand due to the increase/decrease in fair value of financial assets measured at fair value through other comprehensive income.

2) Credit risk

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

- a) The carrying amount of the respective recognized financial assets as stated in 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.

June 30, 2024

	Weighted Average Interest Rate (%)	On Demand or Less than 1 Year	1 to 5 Years	5+ Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing liabilities		\$ 892,359	\$ -	\$ -
Lease liabilities	1.06%	5,577	3,019	6,615
Floating interest rate instruments	1.18%	232,140	402,495	-
Fixed interest rate liabilities	1.86%	302,760	-	-
		<u>\$ 1,432,835</u>	<u>\$ 405,514</u>	<u>\$ 6,615</u>

December 31, 2023

	Weighted Average Interest Rate (%)	On Demand or Less than 1 Year	1 to 5 Years	5+ Years
<u>Non-derivative financial liabilities</u>				
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	-
		<u>\$ 654,919</u>	<u>\$ 494,425</u>	<u>\$ 7,151</u>

June 30, 2023

	Weighted Average Interest Rate (%)	On Demand or Less than 1 Year	1 to 5 Years	5+ Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing liabilities		\$ 1,226,000	\$ -	\$ -
Lease liabilities	1.06%	6,678	7,832	7,337
Floating interest rate instruments	1.05%	5,780	558,816	-
		<u>\$ 1,238,458</u>	<u>\$ 566,648</u>	<u>\$ 7,337</u>

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 (as of June 30, 2024: none).

December 31, 2023

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

June 30, 2023

	On Demand or Less than 1 Month	1 to 3 Months
<u>Gross settled</u>		
Foreign exchange forward contracts		
— Inflows	\$ -	\$ 240,865
— Outflows	-	( 238,752 )
	<u>\$ -</u>	<u>\$ 2,113</u>

c) Financing facilities

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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Bank loan facilities			
— Amount used	\$ 925,000	\$ 549,000	\$ 549,000
— Amount unused	<u>7,872,421</u>	<u>9,750,000</u>	<u>10,389,646</u>
	<u>\$ 8,797,421</u>	<u>\$10,299,000</u>	<u>\$10,938,646</u>

**28. TRANSACTIONS WITH RELATED PARTIES**

The Company's ultimate parent is USI Corporation, which held 36.08% of the ordinary shares of the Company as of June 30, 2024 and December 31 and June 30, 2023.

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
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
Xiamen USI Trading Co., Ltd. (XUL)	Associate
Swanson Plastics (Malaysia) Sdn. Bhd.	Associate
Taita Chemical Company, Limited (TTC)	Fellow subsidiary
Taiwan United Venture Management Corporation (TUVN)	Fellow subsidiary
USI Management Consulting Corporation (UM)	Fellow subsidiary
USIFE Investment Co., Ltd. (USII)	Fellow subsidiary
INOMA Corporation	Fellow subsidiary
Chong Loong Trading Co., Ltd.	Fellow subsidiary
USI ( Hong Kong ) ( USI (HK) )	Fellow subsidiary
USI Green Energy Corporation	Fellow subsidiary
USIG (Shanghai) Co., Ltd.	Fellow subsidiary
USI Education Foundation (USIF)	Essential related party

b. Sales of goods

Related Party Category/Name	From April 1 to June 30, 2024	From April 1 to June 30, 2023	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Ultimate parent company				
USI Corporation	\$ 126,563	\$ 220,606	\$ 238,186	\$ 427,939
Associate	14,609	9,269	23,320	20,741
Fellow subsidiary	<u>12,038</u>	<u>-</u>	<u>33,440</u>	<u>3,530</u>
	<u>\$ 153,210</u>	<u>\$ 229,875</u>	<u>\$ 294,946</u>	<u>\$ 452,210</u>

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

c. Purchases of goods

Related Party Category/Name	From April 1 to June 30, 2024	From April 1 to June 30, 2023	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Ultimate parent company				
USI Corporation	\$ 72,679	\$ 88,327	\$ 158,431	\$ 156,273
Associate				
GL	135,248	232,155	247,369	429,740
Others	8,596	9,487	17,727	20,978
	<u>143,844</u>	<u>241,642</u>	<u>265,096</u>	<u>450,718</u>
	<u>\$ 216,523</u>	<u>\$ 329,969</u>	<u>\$ 423,527</u>	<u>\$ 606,991</u>

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

d. Management fee (under general and administrative expenses)

Related Party Category/Name	From April 1 to June 30, 2024	From April 1 to June 30, 2023	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Ultimate parent company				
USI Corporation	\$ 2,904	\$ 2,167	\$ 5,878	\$ 4,306
Fellow subsidiary				
UM	14,606	13,460	30,740	27,830
	<u>\$ 17,510</u>	<u>\$ 15,627</u>	<u>\$ 36,618</u>	<u>\$ 32,136</u>

e. Lease arrangements - Company is lessee

Lease expense

Related Party Category/Name	From April 1 to June 30, 2024	From April 1 to June 30, 2023	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Ultimate parent company				
USI Corporation	\$ 581	\$ 599	\$ 1,162	\$ 1,198

f. Lease arrangement - Group is lessor

Lease income

Related Party Category/Name	From April 1 to June 30, 2024	From April 1 to June 30, 2023	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Ultimate parent company				
USI Corporation	\$ 1,044	\$ 771	\$ 1,802	\$ 1,586
Parent entity				
Union Polymer	-	5	1	11
Associate				
TVCM	3,090	3,219	6,286	6,532
Others	1,610	1,546	3,221	3,262
	<u>4,700</u>	<u>4,765</u>	<u>9,507</u>	<u>9,794</u>
Fellow subsidiary				
TTC	1,895	1,664	3,818	3,325
Others	512	687	1,023	1,378
	<u>2,407</u>	<u>2,351</u>	<u>4,841</u>	<u>4,703</u>
	<u>\$ 8,151</u>	<u>\$ 7,892</u>	<u>\$ 16,151</u>	<u>\$ 16,094</u>

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

g. Donation expenses (under general and administrative expenses)

Related Party Category/Name	From April 1 to June 30, 2024	From April 1 to June 30, 2023	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Essential related party				
– USIF	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,000</u>	<u>\$ 5,000</u>

h. Management income (under other income)

Related Party Category/Name	From April 1 to June 30, 2024	From April 1 to June 30, 2023	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Associate	<u>\$ 662</u>	<u>\$ 1,486</u>	<u>\$ 1,325</u>	<u>\$ 2,346</u>

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

Related Party Category/Name	From April 1 to June 30, 2024	From April 1 to June 30, 2023	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Fellow subsidiary				
TUVM	<u>\$ 422</u>	<u>\$ 321</u>	<u>\$ 843</u>	<u>\$ 643</u>

j. Accounts receivable

Related Party Category/Name	June 30, 2024	December 31, 2023	June 30, 2023
Ultimate parent company			
USI Corporation	\$ 62,867	\$ 98,763	\$ 147,360
Associate	12,497	7,045	5,138
Fellow subsidiary	<u>1,887</u>	<u>5,618</u>	<u>-</u>
	<u>\$ 77,251</u>	<u>\$ 111,426</u>	<u>\$ 152,498</u>

k. Other receivables

Related Party Category/Name	June 30, 2024	December 31, 2023	June 30, 2023
Ultimate parent company			
USI Corporation	<u>\$ 86,634</u>	<u>\$ 578</u>	<u>\$ 73,707</u>
Associate			
CGPC	16,410	186	14,245
Dynamic Ever Investments Limited	696	696	657
Others	<u>333</u>	<u>142</u>	<u>1,985</u>
	<u>17,439</u>	<u>1,024</u>	<u>16,887</u>
Fellow subsidiary			
TTC	828	672	593
Others	<u>80</u>	<u>88</u>	<u>71</u>
	<u>908</u>	<u>760</u>	<u>664</u>
	<u>\$ 104,981</u>	<u>\$ 2,362</u>	<u>\$ 91,258</u>

Other receivables - related party receivables mainly include the allocation of ethylene by the ultimate parent company, affiliated enterprises, and brother companies to the Company for renting offices and cash dividends receivable.

l. Accounts payable

<u>Related Party Category/Name</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Ultimate parent company			
USI Corporation	\$ 40,451	\$ 48,657	\$ 45,529
Associate	<u>2,763</u>	<u>1,847</u>	<u>3,718</u>
	<u>\$ 43,214</u>	<u>\$ 50,504</u>	<u>\$ 49,247</u>

m. Other payables

<u>Related Party Category/Name</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Ultimate parent company			
USI Corporation	\$ 3,229	\$ 218,104	\$ 139,894
Parent entity			
Union Polymer	<u>96,411</u>	<u>-</u>	<u>257,095</u>
Associate			
CGTD	3,920	5,566	11,481
Others	<u>159</u>	<u>96</u>	<u>265</u>
	<u>4,079</u>	<u>5,662</u>	<u>11,746</u>
Fellow subsidiary	<u>1,715</u>	<u>771</u>	<u>2,500</u>
	<u>\$ 105,434</u>	<u>\$ 224,537</u>	<u>\$ 411,235</u>

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

n. Compensation and bonus of key management personnel

	<u>From April 1 to June 30, 2024</u>	<u>From April 1 to June 30, 2023</u>	<u>From January 1 to June 30, 2024</u>	<u>From January 1 to June 30, 2023</u>
Short-term employee benefits	<u>\$ 3,636</u>	<u>\$ 3,598</u>	<u>\$ 6,876</u>	<u>\$ 6,814</u>

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 June 30, 2024 was NT\$501,579 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 NT\$232,304 thousand, interest 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 (“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 NT\$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 July 29, 2024, the provisionally attached property of CGTD was worth NT\$6,401 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 NT\$12,000 thousand, and the total compensation was NT\$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 NT\$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 July 29, 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 NT\$46,677 thousand, and the amount of the compensation was NT\$4,519 thousand. Along with the case still in litigation and the above-mentioned compensation, the accumulated amount of compensation is approximately NT\$3,831,212 thousand. The first instance judgments of some of the above-mentioned civil cases (the amount of compensation requested is approximately NT\$1,467,830 thousand) have been gradually announced, starting from June 22, 2018. The proportion of fault liability of the Kaohsiung City Government, LCY Chemical Corp. and CGTD is 4:3:3 in most judgments. The total amount of compensation that CGTD, LCY Chemical Corp. and the other defendants should pay is about NT\$401,979 thousand, of which CGTD was exempted to pay NT\$6,194 thousand. For the civil cases that have been adjudicated in the first instance and have not been settled, CGTD has filed an appeal for the second instance. Starting from July 10, 2024, the second instance has been adjudicated continuously. As of July 29, 2024, in the compensation case filed by the Kaohsiung City Government (claiming the amount of NT\$400,930 thousand), CGTD and LCY Chemical Corp. were found jointly liable for 10%, and the joint compensation amount is approximately NT\$19,789 thousand. In the compensation case filed by Taiwan Power Company for the second instance (claiming the amount of NT\$99,544 thousand), CGTD and LCY Chemical Corp. were found jointly liable for a compensation amount of NT\$85,601 thousand. CGTD is still considering whether to appeal for the third instance. The remaining cases are still being heard in the court of first instance (claiming compensation amount of approximately NT\$1,860,557 thousand). CGTD signed a claim agreement with an insurance company, according to the negligence liability ratio 4:3:3 determined by the judgment of the 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 NT\$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. OTHER MATTER**

On February 15, 2023, President Tsai Ing-Wen announced the amendment of the Climate Change Response Act, which included provisions for carbon fee collection. Subsequently, on April 29, 2024, the Ministry of Environment released drafts of the “Regulations Governing the Collection of Carbon Fees,” “Regulations for Administration of Self-Determined Reduction Plan,” and “Designated Greenhouse Gas Reduction Goal for Entities Subject to Carbon Fees.” According to the draft of “Regulations Governing the Collection of Carbon Fees,” the carbon fee is levied on emission sources that meet the requirements for investigation, registration, and inspection announced by the Ministry of Environment, and the total annual greenhouse gas emissions from direct emissions and indirect emissions from electricity use in the entire plant or site reach 25,000 metric tons of carbon dioxide equivalent for the power generation and large-scale manufacturing industries.

As of the date of approval of the consolidated financial statements, the specific implementation methods for the collection of carbon fees, including the initial fee rate and the commencement date, as stipulated in the relevant main subsidiary laws, have not yet been clarified. The Group continues to evaluate the impact of the aforementioned regulations.

### **31. 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  
June 30, 2024

	Foreign Currency	Exchange Rate	Functional Currency	Carrying Amount
<u>Financial Assets</u>				
<u>Monetary items</u>				
USD	\$ 11,866	32.450 (USD:NTD)	\$ 385,051	\$ 385,051
USD	426	7.1269 (USD:RMB)	3,037	13,828
RMB	3,100	0.1403 (RMB:USD)	435	14,114
RMB	17,629	4.5532 (RMB:NTD)	80,267	80,267
				<u>\$ 493,260</u>
<u>Non-monetary items</u>				
Associates accounted for using the equity method				
USD	68,895	32.450 (USD:NTD)	2,235,636	\$ 2,235,636
RMB	9,441	0.1403 (RMB:USD)	1,325	42,987
				<u>\$ 2,278,623</u>
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	1,982	32.450 (USD:NTD)	64,328	\$ 64,328
RMB	362	0.1403 (RMB:USD)	51	1,647
				<u>\$ 65,975</u>

December 31, 2023

	Foreign Currency	Exchange Rate	Functional Currency	Carrying Amount
<u>Financial Assets</u>				
<u>Monetary items</u>				
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
				<u>\$ 683,650</u>
<u>Non-monetary items</u>				
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
				<u>\$ 2,574,354</u>
Derivative instruments				
RMB	15,100	4.3352 (RMB:NTD)	955	<u>\$ 955</u>
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	\$ 5,944	30.705 (USD:NTD)	\$ 182,506	\$ 182,506
RMB	758	0.1412 (RMB:USD)	107	3,288
				<u>\$ 185,794</u>



## June 30, 2023

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

From April 1 to June 30, 2024 and 2023, and from January 1 to June 30, 2024 and 2023, realized and unrealized net foreign exchange (losses) gains were \$6,206 thousand (gain), \$3,787 thousand (loss), and \$24,753 thousand (gain), and \$9,259 thousand (loss) respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of foreign currency transactions and functional currencies of the group entities.

## 32. 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. (None)
  - 9) Trading in derivative instruments: Note 7.
  - 10) Others: Intercompany relationships and significant intercompany transactions. (Table 3)
- b. Information about investees. (Table 4)
  - c. Information on investments in mainland China
    - 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 5)
    - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (Table 6)
      - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year.
      - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year.
      - c) The amount of property transactions and the amount of the resultant gains or losses.
      - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes.
      - e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to financing of funds.
      - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.
  - d. Information about substantial shareholders: Names of shareholders with a holding ratio of 5% or more and the amount and proportion of shares held. (Table 7)

Besides Tables 1 to 7 as disclosed, there was no other information about significant transactions, investees and investments in mainland China which should be disclosed.

### **33. SEGMENT INFORMATION**

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

ASIA POLYMER CORPORATION AND SUBSIDIARIES  
MARKETABLE SECURITIES HELD

June 30, 2024

Table 1

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	Ending				Note
				Number of Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Asia Polymer Corporation	<u>Shares</u>							
	Harbinger Venture Capital Corp.	None	Financial assets at fair value through other comprehensive income - non-current	2,377	\$ 13	1.20%	\$ 13	
	KHL IB Venture Capital Co., Ltd.	"	"	13,132,193	120,947	11.90%	120,947	
	USI Corporation	Ultimate parent company	"	101,355,673	1,515,267	8.53%	1,515,267	
	CTCI Corporation	None	"	14,446,107	765,644	1.80%	765,644	
	AUO Corporation	"	"	7,694,812	136,968	0.10%	136,968	
	PELL Bio-Med Technology Co. Ltd.	"	"	235,000	31,960	0.44%	31,960	
	Wafer Works Corporation	"	Financial assets at fair value through other comprehensive income - current	518,668	19,632	0.10%	19,632	
	Taiwan Cement Corporation	"	Financial assets at fair value through profit or loss - current	2,000,000	68,400	0.03%	68,400	
	Cathay Financial Holdings Co., Ltd.	"	"	368,000	21,712	-	21,712	
	Zeon Corp.	"	"	39,500	10,636	0.02%	10,636	
	Kyushu Electric Power Co., Inc.	"	"	20,000	6,685	-	6,685	
	<u>Beneficiary securities</u>							
	Cathay No. 1 Real Estate Investment Trust Fund	"	"	4,053,000	68,617	-	68,617	
	<u>Beneficiary certificates</u>							
	Taishin 1699 Money Market Fund	"	"	9,529,051	133,770	-	133,770	
	Fubon Chi-Hsiang Money Market Fund	"	"	1,850,824	30,001	-	30,001	
	Jih Sun Money Market Fund	"	"	3,255,993	50,002	-	50,002	
	Taishin Ta-Chong Money Market Fund	"	"	3,400,112	50,002	-	50,002	
	Yuanta US Treasury 20+ Year Bond ETF	"	"	580,000	17,360	-	17,360	

(Continued)

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	Ending				Note
				Number of Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
APC (BVI) Holding Co., Ltd.	<u>Shares</u>							
	Budworth Investment Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	40,467	\$ -	4.45%	\$ -	(Note 1)
	Silicon Technology Investment (Cayman) Corp. - preference shares	"	"	1,139,776	125,044	2.21%	125,044	
	NeuroSky, Inc. - series D preference shares	"	"	2,397,364	-	0.37%	-	(Note 1)
	Solargiga Energy Holdings Ltd.	"	"	15,863,333	8,041	0.48%	8,041	
	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)
APC Investment Corporation	Boldworks, Inc. - preference shares	"	"	689,266	-	-	-	(Note 1)
	<u>Shares</u>							
	USI Corporation	Ultimate parent company	Financial assets at fair value through profit or loss - current	44,808	670	-	670	
	Taiwan Cement Corporation	None	"	1,000,000	34,200	0.01%	34,200	
	Cathay Financial Holdings Co., Ltd.	"	"	178,000	10,502	-	10,502	
	Zeon Corp.	"	"	21,600	5,816	0.01%	5,816	
	Kyushu Electric Power Co., Inc.	"	"	10,000	3,342	-	3,342	
	<u>Beneficiary certificates</u>							
	Cathay Taiwan Money Market Fund	"	"	1,325,774	17,027	-	17,027	
	Yuanta US Treasury 20+ Year Bond ETF	"	"	290,000	8,680	-	8,680	

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

Note 2: Please refer to Tables 4 and 5 for information on investments in subsidiaries and associates.

ASIA POLYMER CORPORATION AND SUBSIDIARIES

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

From January 1 to June 30, 2024

Table 2

Unit: 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	( \$ 237,810 )	( 8.22% )	60 days	No significant difference	No significant difference	Accounts receivable from related parties	\$ 62,867	13.46%	—
	USI Trading (Shanghai) Co., Ltd.	Subsidiary	Sales of goods	( 145,401 )	( 5.03% )	90 days	No significant difference	No significant difference	Accounts receivable from related parties	17,703	3.79%	Note
	Fujian Gulei Petrochemical Co., Ltd.	Associate	Purchases of goods	205,487	10.36%	Letters of credit	No significant difference	No significant difference	—	-	-	—

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

ASIA POLYMER CORPORATION AND SUBSIDIARIES  
INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS

From January 1 to June 30, 2024

Table 3

Unit: 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	\$ 71	No significant difference	-
0	Asia Polymer Corporation	USI Trading (Shanghai) Co., Ltd.	(1)	Accounts receivable from related parties	17,703	No significant difference	0.12%
				Commission expenses	563	No significant difference	0.02%
				Sales of goods	145,401	No significant difference	4.76%
				Other payables from related parties	625	No significant difference	-
1	USI International Corp.	USI Trading (Shanghai) Co., Ltd.	(3)	Other receivables from related parties	3,860	No significant difference	0.03%
				Other payables from related parties	1,647	No significant difference	0.01%
				Non-operating income and expenses - rental income	707	No significant difference	0.02%
				Management fees	61	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.

ASIA POLYMER CORPORATION AND SUBSIDIARIES  
RELATED INFORMATION AND LOCATIONS ON INVESTEES  
From January 1 to June 30, 2024

Table 4

Unit: 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	\$ 446,992 ( USD 13,775 thousand )	\$ 446,992 ( USD 13,775 thousand )	11,342,594	100.00%	\$ 675,854	\$ 17,123	\$ 17,123	Subsidiary (Note 1)
	APC Investment Corporation	Taipei City	Investment	200,000	200,000	20,000,000	100.00%	144,001	1,425	1,425	Subsidiary (Note 1)
	USI International Corp.	British Virgin Islands	Reinvestment	68,145 ( USD 2,100 thousand )	68,145 ( USD 2,100 thousand )	2,100,000	70.00%	69,029	( 2,001 )	( 1,401 )	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%	762,348	62,729	5,062	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%	318,813	15,269	5,090	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%	205,527	( 19,376 )	( 1,540 )	Investments accounted for using the equity method
	Acme Electronics Corporation	Taipei City	Manufacture and marketing of manganese-zinc and ferrite core	76,241	76,241	6,801,315	3.20%	62,904	139,065	4,440	Investments accounted for using the equity method
	Taiwan United Venture Capital Corp.	Taipei City	Investment in high technology businesses	30,309	38,636	832,666	8.33%	2,794	( 198 )	( 17 )	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%	3,922	( 10,905 )	( 1,004 )	Investments accounted for using the equity method
	Ever Conquest Global Ltd.	British Virgin Islands	Reinvestment	5,531,914 ( USD 170,475 thousand )	5,531,914 ( USD 170,475 thousand )	170,475,000	40.87%	2,235,636	( 1,051,292 )	( 429,632 )	Investments accounted for using the equity method
APC (BVI) Holding Co., Ltd.	ACME Electronics (Cayman) Corp.	British Cayman Islands	Reinvestment	196,731 ( USD 6,063 thousand )	170,197 ( USD 5,245 thousand )	9,134,135	13.63%	222,591	9,170		APC (BVI) Holding Co., Ltd. Investments accounted for using the equity method
	USI International Corp.	British Virgin Islands	Reinvestment	29,205 ( USD 900 thousand )	29,205 ( USD 900 thousand )	3,000,000	30.00%	29,584	( 2,001 )		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	39,523	3,116,262	1.46%	28,821	139,065		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%	( 7,806 )	( 14,368 )		APC Investment Corporation Investments accounted for using the equity method
Ever Conquest Global Ltd.	Ever Victory Global Ltd.	British Virgin Islands	Reinvestment	13,536,355 ( USD 417,145 thousand )	13,536,355 ( USD 417,145 thousand )	417,145,000	67.40%	5,470,505 ( USD 168,583 thousand )	( 1,559,719 ) ( USD 48,875 thousand )		Ever Conquest Global Ltd. Investments accounted for using the equity method

(Continued)

(Continued)

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			
Ever Victory Global Ltd.	Dynamic Ever Investments Ltd.	Hong Kong	Reinvestment	19,108,183 ( USD 588,850 thousand )	19,108,183 ( USD 588,850 thousand )	588,850,000	85.00%	7,049,267 ( USD 217,235 thousand )	( 1,867,758 ) ( USD 58,528 thousand )		Ever Victory Global Ltd. 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 5 for information on investee companies in mainland China.



ASIA POLYMER CORPORATION AND SUBSIDIARIES  
INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
From January 1 to June 30, 2024

Table 5

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

Mainland 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 the Beginning of the Period	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of the End of the Period	Net Income (Loss) of Investee (Note 3)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 3)	Carrying Amount of Investment as of June 30, 2024 (Note 4)	Accumulated Repatriation of Investment Income as of the End of the Period
					Outflow	Inflow						
ACME Electronics (Kunshan) Co., Ltd.	Manufacture and marketing of manganese-zinc soft ferrite core	\$ 997,026 (USD 30,725 thousand)	(2) ACME Electronics (Cayman) Corp.	\$ 135,556 (USD 4,177 thousand)	\$ -	\$ -	\$ 135,556 (USD 4,177 thousand)	B 13,010 ( \$ )	13.63%	( \$ 1,773 )	\$ 95,226	\$ -
USI Trading (Shanghai) Co., Ltd.	Sale of chemical products and equipment	81,125 (USD 2,500 thousand)	(2) APC (BVI) Holding Co., Ltd.	98,505 (USD 3,036 thousand)	-	-	98,505 (USD 3,036 thousand)	C 6,673	100.00%	6,673	177,426	-
Fujian Gulei Petrochemical Co., Ltd.	Processing of crude oil and manufacture of petroleum products	42,410,326 (RMB 9,314,400 thousand)	(2) Dynamic Ever Investments Ltd., (Note 2)	5,123,299 (USD 157,883 thousand )	-	-	5,123,299 (USD 157,883 thousand )	C 3,734,785 (	11.71%	437,225 )	1,835,779	-
Zhangzhou Taiju Trading Co., Ltd.	Sales of chemical products	45,532 (RMB 10,000 thousand)	(2) APC (BVI) Holding Co., Ltd.	13,660 (RMB 3,000 thousand)	-	-	13,660 (RMB 3,000 thousand)	C 3,572	30.00%	1,072	22,392	-
Xiamen USI Trading Co., Ltd.	Sales of chemical products	45,532 (RMB 10,000 thousand)	(2) APC (BVI) Holding Co., Ltd.	13,660 (RMB 3,000 thousand)	-	-	13,660 (RMB 3,000 thousand)	C 22,828	30.00%	6,848	20,595	-
Zhangzhou Dynamic Ever Property Co., Ltd.	Property management	95,617 (RMB 21,000 thousand)	(2) Dynamic Ever Investments Ltd., (Note 2)	22,387 (RMB 4,917 thousand)	-	-	22,387 (RMB 4,917 thousand)	C 42 (	23.41%	10 )	22,384	-

Accumulated Outward Remittance for Investment from Taiwan to Mainland China as of the End of the Period	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$5,563,656 (Note 5) (USD 171,453 thousand)	\$ 7,431,409 (USD 229,011 thousand)	\$ - - (Note 6)

- Note 1: Method and medium of investments are divided into three categories as follows:
- (1) Direct investment in mainland China.
  - (2) Investments through a holding company registered in a third region (Please specify the investment company in the third region).
  - (3) Others.
- Note 2: The Company indirectly reinvested in 50% of the outstanding shares of Fujian Gulei Petrochemical Co., Ltd. via Ever Conquest Global Ltd. (40.87%) in the third region, then via Ever Victory Global Limited (67.40%), and finally via Dynamic Ever Investments Ltd. (85.00%).
- Note 3: For the column of investment gain (loss):
- (1) If there is no investment gain (loss) during the preparation, it should be noted.
  - (2) If the basis for the recognition of investment gain (loss) is classified into the following three types, it should be noted as follows:
    - A. Financial statements audited by international accounting firms which have a cooperation relationship with an accounting firm in the Republic of China.
    - B. Financial statements audited by the parent company's CPA.
    - C. Others.
- Note 4: The calculation was based on the exchange rate as of June 30, 2024.
- Note 5: The Company includes investments in China through Silicon Technology Investment (Cayman) Corp. (STIC) and Solargiga Energy Holdings Ltd., which are invested through APC (BVI) Holding Co., 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.

ASIA POLYMER CORPORATION AND SUBSIDIARIES

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

From January 1 to June 30, 2024

Table 6

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

Trading Company	Mainland Investee Company	Transaction Type	Amount	Price	Transaction Terms		Notes/Accounts Receivable (Payable) Amount	Unrealized (Gain) Loss	Note
					Payment Terms	Comparison with Normal Transactions			
Asia Polymer Corporation	USI Trading (Shanghai) Co., Ltd.	Sales of goods	\$ 145,401	No significant difference	T/T 90 days	No significant difference	\$ 17,703	\$ -	Note
Asia Polymer Corporation	Fujian Gulei Petrochemical Co., Ltd.	Purchases of goods	205,487	No significant difference	Letters of credit	No significant difference	-	-	—
USI Trading (Shanghai) Co., Ltd.	Fujian Gulei Petrochemical Co., Ltd.	Purchases of goods	41,882	No significant difference	Prepayment	No significant difference	-	-	—

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

ASIA POLYMER CORPORATION  
INFORMATION ABOUT SUBSTANTIAL SHAREHOLDERS

June 30, 2024

Table 7

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 has 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.