

**Notice to Readers:**

The consolidated financial statement (Chinese version) of our company is reviewed 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  
Q3 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 September 30, 2024 and 2023, and the consolidated statements of comprehensive income from July 1 to September 30, 2024 and 2023, and from January 1 to September 30, 2024 and 2023, the consolidated statements of changes in equity and the consolidated statements of cash flows from January 1 to September 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 September 30, 2024 and September 30, 2023 were NT\$3,479,790 thousand and NT\$4,681,732 thousand, respectively, accounting for 25% and 31% of the total consolidated assets. The total liabilities were NT\$27,506 thousand and NT\$54,759 thousand, respectively, accounting for 2% and 3% of the total consolidated liabilities. The unreviewed comprehensive income for the non-significant subsidiaries and certain equity method investments for the period from July 1 to September 30, 2024 and 2023 as well as from January 1 to September 30, 2024 and 2023 were (NT\$219,070) thousand, NT\$32,133 thousand, (NT\$446,120) thousand, and (NT\$578,841) thousand, respectively, representing 107%, 52%, 70%, and (336%) 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 September 30, 2024 and 2023, and the consolidated financial performance from July 1 to September 30, 2024 and 2023, as well as the consolidated financial performance and consolidated cash flows from January 1 to September 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  
November 6, 2024

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ASIA POLYMER CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

September 30, 2024 and December 31 and September 30, 2023  
(In Thousands of New Taiwan Dollars)

| Code | Assets   | September 30, 2024   |            | December 31, 2023    |            | September 30, 2023   |            |
|------|--|----------------------|------------|----------------------|------------|----------------------|------------|
|      |  | Amount               | %          | Amount               | %          | Amount               | %          |
|      | Current assets   |                      |            |                      |            |                      |            |
| 1100 | Cash and cash equivalents (Note 6)   | \$ 534,086           | 4          | \$ 1,152,991         | 8          | \$ 913,764           | 6          |
| 1110 | Financial assets at fair value through profit and loss - current (Note 7)                | 492,708              | 3          | 783,534              | 5          | 775,553              | 5          |
| 1120 | Financial assets at fair value through other comprehensive income - current (Note 8)     | 16,468               | -          | 22,458               | -          | 22,821               | -          |
| 1136 | Financial assets at amortized cost - current (Notes 4 and 9)                             | 634,326              | 4          | 127,425              | 1          | -                    | -          |
| 1170 | Accounts receivable (Notes 10 and 22)  | 270,330              | 2          | 293,125              | 2          | 534,655              | 3          |
| 1180 | Accounts receivable from related parties (Notes 10, 22 and 28)                           | 99,394               | 1          | 111,426              | 1          | 158,586              | 1          |
| 1200 | Other receivables  | 4,585                | -          | 1,091                | -          | 828                  | -          |
| 1210 | Other receivables from related parties (Note 28)   | 24,669               | -          | 2,362                | -          | 2,126                | -          |
| 1220 | Current tax assets (Notes 4 and 24)  | 2,211                | -          | -                    | -          | 21                   | -          |
| 130X | Inventories (Note 11)  | 741,527              | 5          | 634,725              | 4          | 596,525              | 4          |
| 1410 | Prepayments  | 211,626              | 2          | 205,944              | 1          | 268,641              | 2          |
| 1470 | Other current assets   | 116                  | -          | 116                  | -          | 110                  | -          |
| 11XX | Total current assets   | <u>3,032,046</u>     | <u>21</u>  | <u>3,335,197</u>     | <u>22</u>  | <u>3,273,630</u>     | <u>21</u>  |
|      | Non-current assets   |                      |            |                      |            |                      |            |
| 1517 | Financial assets at fair value through other comprehensive income - non-current (Note 8) | 2,717,057            | 19         | 2,984,710            | 20         | 3,026,063            | 20         |
| 1535 | Financial assets at amortized cost - non-current (Note 9)                                | 51,942               | -          | -                    | -          | -                    | -          |
| 1550 | Investments accounted for using the equity method (Notes 13 and 29)                      | 3,654,006            | 26         | 4,163,948            | 28         | 4,593,412            | 30         |
| 1600 | Property, plant and equipment (Note 14)  | 3,556,343            | 25         | 3,456,731            | 23         | 3,392,450            | 22         |
| 1755 | Right-of-use assets (Note 15)  | 8,870                | -          | 9,402                | -          | 9,619                | -          |
| 1760 | Investment properties (Note 16)  | 495,295              | 4          | 500,764              | 3          | 507,022              | 4          |
| 1840 | Deferred tax assets (Notes 4 and 24)   | 665,208              | 5          | 558,060              | 4          | 465,564              | 3          |
| 1900 | Other non-current assets   | 2,529                | -          | 2,877                | -          | 2,968                | -          |
| 15XX | Total non-current assets   | <u>11,151,250</u>    | <u>79</u>  | <u>11,676,492</u>    | <u>78</u>  | <u>11,997,098</u>    | <u>79</u>  |
| 1XXX | TOTAL ASSETS   | <u>\$ 14,183,296</u> | <u>100</u> | <u>\$ 15,011,689</u> | <u>100</u> | <u>\$ 15,270,728</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)            | -                    | -          | -                    | -          | 1,442                | -          |
| 2170 | Accounts payable (Note 18)   | 229,857              | 2          | 166,694              | 1          | 166,899              | 1          |
| 2180 | Accounts payable to related parties (Notes 18 and 28)                                    | 23,896               | -          | 50,504               | -          | 32,441               | -          |
| 2200 | Other payables (Note 19)   | 208,699              | 2          | 231,346              | 2          | 251,982              | 2          |
| 2220 | Other payables to related parties (Note 28)  | 154,385              | 1          | 224,537              | 2          | 153,133              | 1          |
| 2230 | Current tax liabilities (Notes 4 and 24)   | 798                  | -          | 223,276              | 2          | 195,265              | 1          |
| 2280 | Lease liabilities - current (Note 15)  | 4,023                | -          | 6,422                | -          | 6,402                | -          |
| 2320 | Current portion of long-term liabilities (Note 17)                                       | 298,917              | 2          | 65,880               | -          | -                    | -          |
| 2365 | Refund liabilities - current   | 5,899                | -          | 5,899                | -          | 5,899                | -          |
| 2399 | Other current liabilities (Note 22)  | 39,525               | -          | 54,103               | -          | 72,113               | 1          |
| 21XX | Total current liabilities  | <u>1,265,999</u>     | <u>9</u>   | <u>1,028,661</u>     | <u>7</u>   | <u>885,576</u>       | <u>6</u>   |
|      | NON-CURRENT LIABILITIES  |                      |            |                      |            |                      |            |
| 2540 | Long-term borrowings (Note 17)   | 324,806              | 2          | 480,214              | 3          | 545,415              | 3          |
| 2570 | Deferred income tax liabilities (Notes 4 and 24)   | 39,269               | -          | 29,822               | -          | 33,788               | -          |
| 2580 | Lease liabilities - non-current (Note 15)  | 8,826                | -          | 11,326               | -          | 12,849               | -          |
| 2640 | Net defined benefit liabilities - non-current (Notes 4 and 20)                           | 97,225               | 1          | 102,364              | 1          | 104,153              | 1          |
| 2650 | Credit balance of investments accounted for using the equity method (Note 13)            | -                    | -          | 5,651                | -          | 4,413                | -          |
| 2670 | Other non-current liabilities  | 16,235               | -          | 14,567               | -          | 14,573               | -          |
| 25XX | Total non-current liabilities  | <u>486,361</u>       | <u>3</u>   | <u>643,944</u>       | <u>4</u>   | <u>715,191</u>       | <u>4</u>   |
| 2XXX | Total liabilities  | <u>1,752,360</u>     | <u>12</u>  | <u>1,672,605</u>     | <u>11</u>  | <u>1,600,767</u>     | <u>10</u>  |
|      | Equity attributable to owners of the Company (Notes 8, 21 and 24)                        |                      |            |                      |            |                      |            |
|      | Share capital  |                      |            |                      |            |                      |            |
| 3110 | Ordinary shares  | 5,937,438            | 42         | 5,937,438            | 40         | 5,937,438            | 39         |
| 3200 | Capital surplus  | 37,538               | -          | 37,559               | -          | 36,898               | -          |
|      | Retained earnings  |                      |            |                      |            |                      |            |
| 3310 | Legal reserve  | 2,382,202            | 17         | 2,370,208            | 16         | 2,370,208            | 15         |
| 3320 | Special Reserve  | 554,105              | 4          | 554,105              | 4          | 554,981              | 4          |
| 3350 | Unappropriated earnings  | 3,017,962            | 21         | 3,771,456            | 25         | 3,922,680            | 26         |
| 3300 | Total retained earnings  | 5,954,269            | 42         | 6,695,769            | 45         | 6,847,869            | 45         |
| 3400 | Other equity   | 501,691              | 4          | 668,318              | 4          | 847,756              | 6          |
| 3XXX | Total equity   | <u>12,430,936</u>    | <u>88</u>  | <u>13,339,084</u>    | <u>89</u>  | <u>13,669,961</u>    | <u>90</u>  |
|      | TOTAL LIABILITIES AND EQUITY   | <u>\$ 14,183,296</u> | <u>100</u> | <u>\$ 15,011,689</u> | <u>100</u> | <u>\$ 15,270,728</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 & Touche on November 6, 2024)

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ASIA POLYMER CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

From July 1 to September 30, 2024 and 2023, and from January 1 to September 30, 2024 and 2023

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

| Code |  | From July 1 to September 30, 2024 |               | From July 1 to September 30, 2023 |               | From January 1 to September 30, 2024 |               | From January 1 to September 30, 2023 |               |
|------|--|-----------------------------------|---------------|-----------------------------------|---------------|--------------------------------------|---------------|--------------------------------------|---------------|
|      |  | Amount                            | %             | Amount                            | %             | Amount                               | %             | Amount                               | %             |
| 4100 | Net revenue (Notes 22 and 28)  | \$ 1,422,227                      | 100           | \$ 1,811,511                      | 100           | \$ 4,478,395                         | 100           | \$ 5,040,014                         | 100           |
| 5110 | Operating costs (Notes 11, 20, 23 and 28)  | <u>1,414,730</u>                  | <u>100</u>    | <u>1,543,140</u>                  | <u>85</u>     | <u>4,363,480</u>                     | <u>97</u>     | <u>4,064,791</u>                     | <u>81</u>     |
| 5900 | Gross profit   | <u>7,497</u>                      | <u>-</u>      | <u>268,371</u>                    | <u>15</u>     | <u>114,915</u>                       | <u>3</u>      | <u>975,223</u>                       | <u>19</u>     |
|      | OPERATING EXPENSES<br>(Notes 20, 23 and 28)  |                                   |               |                                   |               |                                      |               |                                      |               |
| 6100 | Selling and marketing expenses   | 34,270                            | 2             | 26,864                            | 1             | 88,025                               | 2             | 75,658                               | 1             |
| 6200 | General and administrative expenses  | 26,864                            | 2             | 27,228                            | 2             | 87,802                               | 2             | 84,852                               | 2             |
| 6300 | Research and development expenses  | <u>1,193</u>                      | <u>-</u>      | <u>1,807</u>                      | <u>-</u>      | <u>4,107</u>                         | <u>-</u>      | <u>4,979</u>                         | <u>-</u>      |
| 6000 | Total operating expenses   | <u>62,327</u>                     | <u>4</u>      | <u>55,899</u>                     | <u>3</u>      | <u>179,934</u>                       | <u>4</u>      | <u>165,489</u>                       | <u>3</u>      |
| 6900 | PROFIT (LOSS) FROM OPERATIONS  | ( <u>54,830</u> )                 | ( <u>4</u> )  | <u>212,472</u>                    | <u>12</u>     | ( <u>65,019</u> )                    | ( <u>1</u> )  | <u>809,734</u>                       | <u>16</u>     |
|      | Non-operating income and expenses (Notes 13, 23 and 28)  |                                   |               |                                   |               |                                      |               |                                      |               |
| 7100 | Interest income  | 6,408                             | -             | 4,139                             | -             | 19,292                               | -             | 15,868                               | 1             |
| 7010 | Other income   | 66,518                            | 5             | 51,348                            | 3             | 132,765                              | 3             | 159,028                              | 3             |
| 7020 | Other gains and losses   | ( 21,555 )                        | ( 1 )         | 18,964                            | 1             | ( 10,179 )                           | -             | 15,636                               | -             |
| 7510 | Interest expense   | ( 4,250 )                         | -             | ( 2,334 )                         | -             | ( 8,913 )                            | -             | ( 6,929 )                            | -             |
| 7060 | Share of profit or loss of associates  | ( <u>255,676</u> )                | ( <u>18</u> ) | ( <u>86,486</u> )                 | ( <u>5</u> )  | ( <u>664,227</u> )                   | ( <u>15</u> ) | ( <u>644,522</u> )                   | ( <u>13</u> ) |
| 7000 | Total non-operating income and expenses  | ( <u>208,555</u> )                | ( <u>14</u> ) | ( <u>14,369</u> )                 | ( <u>1</u> )  | ( <u>531,262</u> )                   | ( <u>12</u> ) | ( <u>460,919</u> )                   | ( <u>9</u> )  |
| 7900 | Profit (loss) before income tax  | ( 263,385 )                       | ( 18 )        | 198,103                           | 11            | ( 596,281 )                          | ( 13 )        | 348,815                              | 7             |
| 7950 | Income tax (benefits) expenses (Notes 4 and 24)  | ( <u>48,717</u> )                 | ( <u>3</u> )  | <u>33,600</u>                     | <u>2</u>      | ( <u>121,966</u> )                   | ( <u>3</u> )  | <u>81,116</u>                        | <u>2</u>      |
| 8200 | Net (loss) income for the period   | ( <u>214,668</u> )                | ( <u>15</u> ) | <u>164,503</u>                    | <u>9</u>      | ( <u>474,315</u> )                   | ( <u>10</u> ) | <u>267,699</u>                       | <u>5</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 | 13,263                            | 1             | ( 233,000 )                       | ( 13 )        | ( 275,872 )                          | ( 6 )         | ( 167,124 )                          | ( 4 )         |
| 8320 | Share of the other comprehensive income of associates accounted for using the equity method                  | 8,628                             | 1             | 939                               | -             | ( 9,221 )                            | ( 1 )         | ( 9,390 )                            | -             |
| 8349 | Income tax relating to items that will not be reclassified subsequently to profit or loss                    | <u>270</u>                        | <u>-</u>      | <u>1,190</u>                      | <u>-</u>      | ( <u>6,563</u> )                     | <u>-</u>      | <u>217</u>                           | <u>-</u>      |
| 8310 |  | <u>22,161</u>                     | <u>2</u>      | ( <u>230,871</u> )                | ( <u>13</u> ) | ( <u>291,656</u> )                   | ( <u>7</u> )  | ( <u>176,297</u> )                   | ( <u>4</u> )  |

(Continued)

(Continued)

| Code |   | From July 1 to September 30, 2024 |        | From July 1 to September 30, 2023 |       | From January 1 to September 30, 2024 |        | From January 1 to September 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          | (\$ 17,901)                       | ( 1 )  | \$ 146,533                        | 8     | \$ 137,869                           | 3      | \$ 86,893                            | 2     |
| 8370 | Share of the other comprehensive income of associates accounted for using the equity method | 1,408                             | -      | 10,853                            | 1     | 14,734                               | -      | 11,174                               | -     |
| 8399 | Income tax relating to items that may be reclassified subsequently to profit or loss        | 3,580                             | -      | ( 29,306 )                        | ( 2 ) | ( 27,574 )                           | -      | ( 17,379 )                           | -     |
| 8360 |   | ( 12,913 )                        | ( 1 )  | 128,080                           | 7     | 125,029                              | 3      | 80,688                               | 2     |
| 8300 | Other comprehensive income for the period, net of income tax                                | 9,248                             | 1      | ( 102,791 )                       | ( 6 ) | ( 166,627 )                          | ( 4 )  | ( 95,609 )                           | ( 2 ) |
| 8500 | Total comprehensive income for the period   | (\$ 205,420)                      | ( 14 ) | \$ 61,712                         | 3     | (\$ 640,942)                         | ( 14 ) | \$ 172,090                           | 3     |
|      | Earnings (losses) per share (Note 25)   |                                   |        |                                   |       |                                      |        |                                      |       |
| 9710 | Basic   | (\$ 0.36)                         |        | \$ 0.28                           |       | (\$ 0.80)                            |        | \$ 0.45                              |       |
| 9810 | Diluted   | (\$ 0.36)                         |        | \$ 0.28                           |       | (\$ 0.80)                            |        | \$ 0.45                              |       |

The accompanying notes are an integral part of the consolidated financial statements.  
(Please refer to the review report issued by Deloitte & Touche on November 6, 2024)

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

|      |  | Equity attributable to owners of the Company (Notes 8, 21 and 24) |              |                 |                   |                 |                         |  | Other Equity  |               |
|------|--|---|--------------|-----------------|-------------------|-----------------|-------------------------|--|---|---------------|
|      |  | Share Capital   |              |                 | Retained 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  |
| Code |  | Shares (In Thousands)   | Amount       | Capital Surplus | Legal Reserve     | Special Reserve | Unappropriated Earnings |  |   |               |
| 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              | -   | -            | ( 244 )         | -                 | -               | ( 6,350 )               | -  | -   | ( 6,594 )     |
| B17  | Reversal for special reserve   | -   | -            | -               | -                 | ( 10,398 )      | 10,398                  | -  | -   | -             |
| D1   | Net profit from January 1 to September 30, 2023  | -   | -            | -               | -                 | -               | 267,699                 | -  | -   | 267,699       |
| D3   | Other comprehensive income after tax for the period from January 1 to September 30, 2023                     | -   | -            | -               | -                 | -               | -                       | 80,688   | ( 176,297 )   | ( 95,609 )    |
| D5   | Total comprehensive income from January 1 to September 30, 2023  | -   | -            | -               | -                 | -               | 267,699                 | 80,688   | ( 176,297 )   | 172,090       |
| Q1   | Disposal of investments in equity instruments designated as at fair value through other comprehensive income | -   | -            | -               | -                 | -               | ( 584 )                 | -  | 584   | -             |
| Z1   | Balance on September 30, 2023  | 593,743   | \$ 5,937,438 | \$ 36,898       | \$ 2,370,208      | \$ 554,981      | \$ 3,922,680            | ( \$ 28,715 )  | \$ 876,471  | \$ 13,669,961 |
| 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 112 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              | -   | -            | ( 21 )          | -                 | -               | -                       | -  | -   | ( 21 )        |
| D1   | Net losses from January 1 to September 30, 2024  | -   | -            | -               | -                 | -               | ( 474,315 )             | -  | -   | ( 474,315 )   |
| D3   | Other comprehensive income after tax for the period from January 1 to September 30, 2024                     | -   | -            | -               | -                 | -               | -                       | 125,029  | ( 291,656 )   | ( 166,627 )   |
| D5   | Total comprehensive income from January 1 to September 30, 2024  | -   | -            | -               | -                 | -               | ( 474,315 )             | 125,029  | ( 291,656 )   | ( 640,942 )   |
| Z1   | Balance on September 30, 2024  | 593,743   | \$ 5,937,438 | \$ 37,538       | \$ 2,382,202      | \$ 554,105      | \$ 3,017,962            | ( \$ 20,076 )  | \$ 521,767  | \$ 12,430,936 |

The accompanying notes are an integral part of the consolidated financial statements.  
(Please refer to the review report issued by Deloitte & Touche on November 6, 2024)

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**ASIA POLYMER CORPORATION AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

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

**(In Thousands of New Taiwan Dollars)**

| <u>Code</u> |  | <u>From January 1 to<br/>September 30, 2024</u> | <u>From January 1 to<br/>September 30, 2023</u> |
|-------------|--|---|---|
|             | <b>CASH FLOWS FROM OPERATING<br/>ACTIVITIES</b>  |   |   |
| A10000      | Net profit (loss) before tax for the period  | ( \$ 596,281 )                                  | \$ 348,815                                      |
| A20010      | Adjustments for  |   |   |
| A20100      | Depreciation expenses  | 253,290   | 237,219   |
| A20200      | Amortization expenses  | 414   | 326   |
| A20400      | Net profit on financial instruments at<br>fair value through profit or loss<br>(FVTPL)   | ( 12,337 )                                      | ( 4,824 )                                       |
| A20900      | Interest expense   | 8,913   | 6,929   |
| A21200      | Interest income  | ( 19,292 )                                      | ( 15,868 )                                      |
| A21300      | Dividend income  | ( 85,336 )                                      | ( 112,742 )                                     |
| A22300      | Share of profit or loss of associates  | 664,227   | 644,522   |
| A22500      | Scrapping losses of property, plant and<br>equipment                                     | 9,787   | -   |
| A23800      | Allowance for inventory valuation and<br>obsolescence loss (reversal)                    | 37,127  | ( 569 )   |
| A24100      | Non-reliable net loss (gain) on foreign<br>currency exchange                             | 5,050   | ( 19,571 )                                      |
| A30000      | Changes in operating assets and liabilities  |   |   |
| A31115      | Financial instruments mandatory<br>classified as at fair value through<br>profit or loss | 303,163   | ( 272,523 )                                     |
| A31150      | Accounts receivable  | 16,168  | 353,389   |
| A31160      | Accounts receivable from related<br>parties  | 10,848  | 45,837  |
| A31180      | Other receivables  | 7   | -   |
| A31190      | Other receivables from related parties   | ( 22,289 )                                      | 1,476   |
| A31200      | Inventories  | ( 142,157 )                                     | ( 55,113 )                                      |
| A31230      | Prepayments  | ( 5,602 )                                       | ( 103,157 )                                     |
| A32150      | Accounts payable   | 63,858  | ( 91,611 )                                      |
| A32160      | Accounts payable from related parties  | ( 27,899 )                                      | ( 21,336 )                                      |
| A32180      | Other payables   | ( 16,226 )                                      | 41,118  |
| A32190      | Other payables to related parties  | ( 68,168 )                                      | ( 26,804 )                                      |
| A32230      | Other current liabilities  | ( 14,950 )                                      | 23,729  |
| A32240      | Net defined benefit liabilities - non-<br>current  | ( 5,139 )                                       | ( 7,953 )                                       |
| A33000      | Incoming cash generated from operations  | 357,176   | 971,289   |
| A33100      | Interest received  | 15,798  | 15,990  |
| A33300      | Interest paid  | ( 6,598 )                                       | ( 6,937 )                                       |
| A33500      | Income tax paid  | ( 234,615 )                                     | ( 664,588 )                                     |
| AAAA        | Net cash generated from operating<br>activities  | <u>131,761</u>                                  | <u>315,754</u>                                  |

(Continued)

(Continued)

| Code   |  | From January 1 to<br>September 30, 2024 | From January 1 to<br>September 30, 2023 |
|--------|--|---|---|
|        | NET CASH FLOWS FROM INVESTING<br>ACTIVITIES  |   |   |
| B00040 | Purchase of financial assets at amortized cost   | ( \$ 689,973 )                          | \$ -                                    |
| B00060 | Financial assets at amortized cost repayment<br>of principal at maturity   | 134,946                                 | -                                       |
| B01800 | Acquisition of long-term equity investments<br>accounted for using the equity method                             | ( 55,823 )                              | ( 39,528 )                              |
| B02400 | Proceeds from capital reduction of investee<br>companies accounted for using equity<br>method                    | 8,327                                   | 14,155                                  |
| B02700 | Payments for property, plant and equipment   | ( 357,780 )                             | ( 264,867 )                             |
| B03700 | Increase in refundable deposits  | ( 189 )                                 | ( 141 )                                 |
| B03800 | Decrease in refundable deposits  | 188                                     | 141                                     |
| B04500 | Acquisition of intangible assets   | ( 62 )                                  | ( 660 )                                 |
| B07600 | Dividends received   | 101,746                                 | 126,808                                 |
| B09900 | Decrease in other non-current assets   | -                                       | 4,991                                   |
| BBBB   | Net cash used in investing activities  | ( <u>858,620</u> )                      | ( <u>159,101</u> )                      |
|        | NET CASH FLOWS FROM FINANCING<br>ACTIVITIES  |   |   |
| C00100 | Increase in short-term borrowings  | 600,000                                 | 200,000                                 |
| C00200 | Repayments of short-term borrowings  | ( 300,000 )                             | ( 320,000 )                             |
| C01600 | Proceeds from long-term borrowings   | 76,000                                  | 104,000                                 |
| C01700 | Repayments of long-term borrowings   | -                                       | ( 10,000 )                              |
| C03000 | Increase in guarantee deposits received  | 1,071                                   | 1,215                                   |
| C03100 | Decrease in guarantee deposits received  | -                                       | ( 458 )                                 |
| C04020 | Repayment of the principal portion of lease<br>liabilities   | ( 4,899 )                               | ( 4,806 )                               |
| C04300 | Other non-current liabilities (decrease)<br>increase   | ( 11 )                                  | 2                                       |
| C04500 | Dividends paid to owners of the Group  | ( <u>270,393</u> )                      | ( <u>712,579</u> )                      |
| CCCC   | Net cash generated from (used in)<br>financing activities  | <u>101,768</u>                          | ( <u>742,626</u> )                      |
| DDDD   | EFFECTS OF EXCHANGE RATE CHANGES<br>ON THE BALANCE OF CASH AND CASH<br>EQUIVALENTS HELD IN FOREIGN<br>CURRENCIES | <u>6,186</u>                            | <u>9,417</u>                            |
| EEEE   | Current decrease in cash and cash equivalents for<br>the period  | ( 618,905 )                             | ( 576,556 )                             |
| E00100 | CASH AND CASH EQUIVALENTS AT THE<br>BEGINNING OF THE PERIOD  | <u>1,152,991</u>                        | <u>1,490,320</u>                        |
| E00200 | CASH AND CASH EQUIVALENTS AT THE<br>ENDING OF THE PERIOD   | <u>\$ 534,086</u>                       | <u>\$ 913,764</u>                       |

The accompanying notes are an integral part of the consolidated financial statements.  
(Please refer to the review report issued by Deloitte & Touche on November 6, 2024)

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**ASIA POLYMER CORPORATION AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**From January 1 to September 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 September 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 November 6, 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<br/>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<br/>by IASB (Note 1)</u> |
|--|--|
| “Annual Improvements to IFRS Accounting Standards<br>— Volume 11”  | January 1, 2026                                      |
| Amendments to IFRS 9 and IFRS 7 for the<br>Classification and Measurement of Financial<br>Instruments                          | January 1, 2026                                      |
| Amendments to IFRS 10 and IAS 28 “Sale or<br>Contribution of Assets between an Investor and its<br>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<br>and IFRS 9 - Comparative Information”                                 | January 1, 2023                                      |
| IFRS 18 “Expression and Disclosure of Financial<br>Statements”   | January 1, 2027                                      |
| IFRS 19 “Subsidiaries without Public Accountability:<br>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 pre-tax income, as well as subtotals and totals of income.
- Provide guidance to strengthen the consolidation and subdivision provisions: Merging companies 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 merged company cannot find a more informative name, it will label such items as ‘Other’.
- Disclosure of performance measures defining management levels: When the consolidated company engages in public communication outside of financial statements and communicates the perspective of management levels on the overall financial performance of the consolidated company, 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 September 30 and January 1, 2023 and were NT\$4,026 thousand and NT\$8,350 thousand, respectively. The impact of cash flow items for the period from January 1 to September 30, 2023 is as follows:

|  | <u>Adjustment</u> |
|--|-------------------|
| Net cash generated from operating activities | \$ 214            |
| Net cash used in investing activities        | ( 4,538 )         |
| Net decrease in cash and cash equivalents    | ( \$ 4,324 )      |

#### **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**

|   | September 30,<br>2024 | December 31,<br>2023 | September 30,<br>2023 |
|---|-----------------------|----------------------|-----------------------|
| Cash on hand and petty cash                           | \$ 270                | \$ 197               | \$ 229                |
| Checking accounts and demand deposits                 | 186,682               | 212,181              | 252,840               |
| Cash equivalents                                      |                       |                      |                       |
| Time deposits   | 207,307               | 421,460              | 590,962               |
| Reverse repurchase agreements collateralized by bonds | <u>139,827</u>        | <u>519,153</u>       | <u>69,733</u>         |
|   | <u>\$ 534,086</u>     | <u>\$ 1,152,991</u>  | <u>\$ 913,764</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:

|  | September 30,<br>2024 | December 31,<br>2023 | September 30,<br>2023 |
|--|-----------------------|----------------------|-----------------------|
| Time deposits  | 4.72%~4.88%           | 1.25%~5.55%          | 1.25%~5.65%           |
| Reverse repurchase agreements<br>collateralized by bonds | 1.70%                 | 1.49%~1.55%          | 1.55%                 |

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

|  | September 30,<br>2024 | December 31,<br>2023 | September 30,<br>2023 |
|--|-----------------------|----------------------|-----------------------|
| <u>Financial assets - current</u>                      |                       |                      |                       |
| Mandatorily classified as at<br>FVTPL                  |                       |                      |                       |
| Derivative instruments (not<br>under hedge accounting) |                       |                      |                       |
| — Foreign exchange<br>forward contracts                | \$ -                  | \$ 955               | \$ -                  |
| Non-derivative financial<br>assets                     |                       |                      |                       |
| — Domestic listed<br>shares                            | 138,433               | 141,502              | 66,407                |
| — Foreign listed shares                                | 28,886                | -                    | -                     |
| — Mutual funds   | 260,379               | 572,257              | 640,423               |
| — Beneficiary<br>securities                            | 65,010                | 68,820               | 68,723                |
| Subtotal   | 492,708               | 782,579              | 775,553               |
|  | <u>\$ 492,708</u>     | <u>\$ 783,534</u>    | <u>\$ 775,553</u>     |
| <u>Financial liabilities - current</u>                 |                       |                      |                       |
| Held for trading                                       |                       |                      |                       |
| Derivative instruments (not<br>under hedge accounting) |                       |                      |                       |
| — Foreign exchange<br>forward contracts                | \$ -                  | \$ -                 | \$ 1,442              |

The Group generated net income of NT\$18,928 thousand and NT\$9,025 thousand for the period from January 1 to September 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 (September 30, 2024: None):

December 31, 2023

|      | Currency | Maturity Date                      | Notional Amount (thousand) |
|------|----------|------------------------------------|----------------------------|
| Sell | RMB/NT\$ | January 3, 2024 to January 9, 2024 | RMB 15,100/NTD 66,336      |

September 30, 2023

|      | Currency | Maturity Date                         | Notional Amount (thousand) |
|------|----------|---------------------------------------|----------------------------|
| Sell | RMB/NT\$ | October 12, 2023 to December 22, 2023 | RMB 31,200/NTD 135,853     |

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

|                           | September 30,<br>2024 | December 31,<br>2023 | September 30,<br>2023 |
|---------------------------|-----------------------|----------------------|-----------------------|
| <u>Current</u>            |                       |                      |                       |
| Domestic investments      |                       |                      |                       |
| Listed shares             | <u>\$ 16,468</u>      | <u>\$ 22,458</u>     | <u>\$ 22,821</u>      |
| <u>Non-current</u>        |                       |                      |                       |
| Domestic investments      |                       |                      |                       |
| Listed shares             | \$ 2,470,379          | \$ 2,750,339         | \$ 2,799,224          |
| Unlisted shares           | <u>118,202</u>        | <u>140,936</u>       | <u>128,334</u>        |
| Subtotal                  | <u>2,588,581</u>      | <u>2,891,275</u>     | <u>2,927,558</u>      |
| Foreign investments       |                       |                      |                       |
| Listed shares             | 6,206                 | 9,411                | 11,708                |
| Unlisted ordinary shares  | -                     | 2                    | 2                     |
| Unlisted preferred shares | <u>122,270</u>        | <u>84,022</u>        | <u>86,795</u>         |
| Subtotal                  | <u>128,476</u>        | <u>93,435</u>        | <u>98,505</u>         |
|                           | <u>\$ 2,717,057</u>   | <u>\$ 2,984,710</u>  | <u>\$ 3,026,063</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** (September 30, 2023: None)

|  | September 30,<br>2024               | December 31,<br>2023          |
|--|-------------------------------------|-------------------------------|
| <u>Current</u>   |                                     |                               |
| Time deposits with original maturities of more than 3 months   | \$ 89,337                           | \$ 127,425                    |
| Reverse repurchase agreements collateralized by bonds with original maturities of more than 3 months | <u>544,989</u><br><u>\$ 634,326</u> | <u>-</u><br><u>\$ 127,425</u> |
| <u>Non-current</u>   |                                     |                               |
| Time deposits with original maturities of more than 12 months  | <u>\$ 51,942</u>                    | <u>\$ -</u>                   |
| <u>Range of interest rates</u>   |                                     |                               |
| Time deposits with original maturities of more than 3 months   | 1.35%~4.50%                         | 1.25%~4.50%                   |
| Reverse repurchase agreements collateralized by bonds with original maturities of more than 3 months | 1.77%~1.95%                         | -                             |
| Time deposits with original maturities of more than 12 months  | 3.00%~3.05%                         | -                             |

**10. ACCOUNTS RECEIVABLE**

|  | September 30,<br>2024 | December 31,<br>2023 | September 30,<br>2023 |
|--|-----------------------|----------------------|-----------------------|
| <u>Accounts receivable</u>                         |                       |                      |                       |
| At amortized cost                                  |                       |                      |                       |
| Gross carrying amount                              | \$ 272,330            | \$ 295,125           | \$ 536,655            |
| Less: Loss allowance                               | ( <u>2,000</u> )      | ( <u>2,000</u> )     | ( <u>2,000</u> )      |
|  | <u>\$ 270,330</u>     | <u>\$ 293,125</u>    | <u>\$ 534,655</u>     |
| Accounts receivable from related parties (Note 28) | <u>\$ 99,394</u>      | <u>\$ 111,426</u>    | <u>\$ 158,586</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:

September 30, 2024

|                               | Not Past Due      | 1 to 60 Days | 61 to 90 Days | Total             |
|-------------------------------|-------------------|--------------|---------------|-------------------|
| Gross carrying amount         | \$ 371,724        | \$ -         | \$ -          | \$ 371,724        |
| Loss allowance (Lifetime ECL) | ( 2,000 )         | -            | -             | ( 2,000 )         |
| Amortized cost                | <u>\$ 369,724</u> | <u>\$ -</u>  | <u>\$ -</u>   | <u>\$ 369,724</u> |

December 31, 2023

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

September 30, 2023

|                               | Not Past Due      | 1 to 60 Days | 61 to 90 Days | Total             |
|-------------------------------|-------------------|--------------|---------------|-------------------|
| Gross carrying amount         | \$ 695,241        | \$ -         | \$ -          | \$ 695,241        |
| Loss allowance (Lifetime ECL) | ( 2,000 )         | -            | -             | ( 2,000 )         |
| Amortized cost                | <u>\$ 693,241</u> | <u>\$ -</u>  | <u>\$ -</u>   | <u>\$ 693,241</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:

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

## 11. INVENTORIES

|                     | September 30,<br>2024 | December 31,<br>2023 | September 30,<br>2023 |
|---------------------|-----------------------|----------------------|-----------------------|
| Finished goods      | \$ 557,547            | \$ 483,642           | \$ 475,990            |
| Work in process     | 21,897                | 22,627               | 21,095                |
| Raw materials       | 110,381               | 78,150               | 41,108                |
| Production supplies | <u>51,702</u>         | <u>50,306</u>        | <u>58,332</u>         |
|                     | <u>\$ 741,527</u>     | <u>\$ 634,725</u>    | <u>\$ 596,525</u>     |

The cost of goods sold from July 1 to September 30, 2024 and 2023, as well as the profit from inventory decline and recovery from January 1 to September 30, 2024 and 2023, were NT\$29,907 thousand, NT\$248 thousand, NT\$37,127 thousand, and (NT\$569) 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<br>Company | Name of Subsidiary                      | Nature of<br>Activities                          | % of Ownership        |                      |                       | Remark |
|---------------------|---|--|-----------------------|----------------------|-----------------------|--------|
|                     |   |  | September<br>30, 2024 | December<br>31, 2023 | September<br>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<br>chemical<br>products and<br>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

|  | September 30,<br>2024 | December 31,<br>2023 | September 30,<br>2023 |
|--|-----------------------|----------------------|-----------------------|
| <u>Material associates</u>   |                       |                      |                       |
| Ever Conquest Global Ltd.  | \$ 1,999,580          | \$ 2,541,084         | \$ 2,956,588          |
| <u>Associates that are not individually material</u>   |                       |                      |                       |
| <u>Listed company</u>  |                       |                      |                       |
| China General Plastics Corporation (CGPC)  | 729,115               | 773,150              | 779,218               |
| Acme Electronics Corporation (ACME)  | 96,119                | 82,391               | 85,349                |
| <u>Unlisted company</u>  |                       |                      |                       |
| China General Terminal & Distribution Corporation (CGTD)   | 319,414               | 329,972              | 334,844               |
| ACME Electronics (Cayman) Corp. ( ACME (Cayman) )  | 233,637               | 189,269              | 197,569               |
| Swanson Plastics Corporation (SPC)   | 203,898               | 198,518              | 206,429               |
| Taiwan United Venture Capital Corp. (TUVVC)  | 2,790                 | 11,369               | 11,380                |
| USI Optronics Corporation (USIO)   | 3,362                 | 4,925                | 5,084                 |
| Zhangzhou Taiju Trading Co., Ltd. (GUL)  | 22,074                | 20,266               | 16,951                |
| Xiamen USI Trading Co., Ltd. (XUL)   | 23,230                | 13,004               | -                     |
| Swanson Technologies Corporation (STC)   | <u>20,787</u>         | <u>( 5,651 )</u>     | <u>( 4,413 )</u>      |
|  | 3,654,006             | 4,158,297            | 4,588,999             |
| Add: Credit balance of investments accounted for using the equity method reclassified as liabilities | <u>-</u>              | <u>5,651</u>         | <u>4,413</u>          |
|  | <u>\$ 3,654,006</u>   | <u>\$ 4,163,948</u>  | <u>\$ 4,593,412</u>   |

#### a. Material associates

| Name of Associates        | Nature of Activities | Principal Place of Business | Proportion of Ownership and Voting Rights |                   |                    |
|---------------------------|----------------------|-----------------------------|---|-------------------|--------------------|
|                           |                      |                             | September 30, 2024                        | December 31, 2023 | September 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 IFRS Accounting Standard and adjusted by the Group for equity accounting purposes.

Ever Conquest Global Ltd.

|                                     | September 30,<br>2024 | December 31,<br>2023 | September 30,<br>2023 |
|-------------------------------------|-----------------------|----------------------|-----------------------|
| Current assets                      | \$ 1                  | \$ 1                 | \$ 1                  |
| Non-current assets                  | <u>4,892,885</u>      | <u>6,217,923</u>     | <u>\$ 7,234,643</u>   |
| EQUITY                              | <u>\$ 4,892,886</u>   | <u>\$ 6,217,924</u>  | <u>\$ 7,234,644</u>   |
| Proportion of the Group's ownership | 40.87%                | 40.87%               | 40.87%                |
| Equity attributable to the Group    | <u>\$ 1,999,580</u>   | <u>\$ 2,541,084</u>  | <u>\$ 2,956,588</u>   |
| Carrying amount of investments      | <u>\$ 1,999,580</u>   | <u>\$ 2,541,084</u>  | <u>\$ 2,956,588</u>   |

  

|   | From July 1 to<br>September 30,<br>2024 | From July 1 to<br>September 30,<br>2023 | From January 1<br>to September 30,<br>2024 | From January 1<br>to September 30,<br>2023 |
|---|---|---|--|--|
| The Group's share of                    |   |   |  |  |
| Net loss for the period                 | ( \$ 212,852 )                          | ( \$ 88,844 )                           | ( \$ 642,484 )                             | ( \$ 638,072 )                             |
| Other comprehensive income              | ( <u>23,204</u> )                       | <u>121,512</u>                          | <u>100,980</u>                             | <u>68,114</u>                              |
| Total comprehensive income for the year | ( <u>\$ 236,056</u> )                   | <u>\$ 32,668</u>                        | ( <u>\$ 541,504</u> )                      | ( <u>\$ 569,958</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 September 30, 2024, DOR PO had invested USD103,915 thousand and acquired 15% ownership interest in DEIL.

As of September 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 July 1 to<br>September 30,<br>2024 | From July 1 to<br>September 30,<br>2023 | From January 1<br>to September 30,<br>2024 | From January 1<br>to September 30,<br>2023 |
|---|---|---|--|--|
| The Group’s share of<br>Net (loss) income for<br>the period | ( \$ 42,824 )                           | \$ 2,358                                | ( \$ 21,743 )                              | ( \$ 6,450 )                               |
| Other comprehensive<br>income                               | <u>31,324</u>                           | <u>11,909</u>                           | <u>21,457</u>                              | ( <u>7,730</u> )                           |
| Total comprehensive<br>income for the year                  | ( <u>\$ 11,500</u> )                    | <u>\$ 14,267</u>                        | ( <u>\$ 286</u> )                          | ( <u>\$ 14,180</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 | September 30,<br>2024 | December 31,<br>2023 | September 30,<br>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 2024.

STC held a shareholders' extraordinary general meeting and board meeting on August 14, 2024, where it was resolved to carry out a capital reduction to offset losses and a cash capital increase. The record dates for the capital reduction and capital increase are August 20, 2024, and August 28, 2024, respectively. The Group's outstanding shares will be

reduced by 2,250 thousand shares, and a cash capital increase of NT\$30,000 thousand will be subscribed, maintaining the same ownership percentage.

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, TUVIC, 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 | September 30,<br>2024 | December 31,<br>2023 | September 30,<br>2023 |
|--------------------|-----------------------|----------------------|-----------------------|
| CGPC               | <u>\$ 834,574</u>     | <u>\$ 1,045,562</u>  | <u>\$ 1,167,466</u>   |
| ACME               | <u>\$ 356,537</u>     | <u>\$ 248,931</u>    | <u>\$ 249,427</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                                       | -                 | -                          | 39,650                  | -                        | -                | 314,784  | 354,434             |
| Disposals                                       | -                 | -                          | ( 30,534 )              | -                        | ( 2,765 )        | -  | ( 33,299 )          |
| Internal transfer                               | -                 | -                          | 41,986                  | -                        | 1,974            | ( 43,960 )   | -                   |
| Effect of foreign currency exchange differences | -                 | -                          | -                       | 44                       | 99               | -  | 143                 |
| Balance on September 30, 2024                   | <u>\$ 228,229</u> | <u>\$ 781,248</u>          | <u>\$ 6,714,168</u>     | <u>\$ 9,426</u>          | <u>\$ 91,274</u> | <u>\$ 1,224,638</u>                                    | <u>\$ 9,048,983</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                           | -                 | 13,493                     | 229,888                 | 195                      | 1,467            | -  | 245,043             |
| Disposals                                       | -                 | -                          | ( 20,747 )              | -                        | ( 2,765 )        | -  | ( 23,512 )          |
| Effect of foreign currency exchange differences | -                 | -                          | -                       | 44                       | 91               | -  | 135                 |
| Balance on September 30, 2024                   | <u>\$ -</u>       | <u>\$ 375,787</u>          | <u>\$ 5,024,818</u>     | <u>\$ 8,105</u>          | <u>\$ 83,930</u> | <u>\$ -</u>  | <u>\$ 5,492,640</u> |
| Net amount as of September 30, 2024             | <u>\$ 228,229</u> | <u>\$ 405,461</u>          | <u>\$ 1,689,350</u>     | <u>\$ 1,321</u>          | <u>\$ 7,344</u>  | <u>\$ 1,224,638</u>                                    | <u>\$ 3,556,343</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                                       | -                 | -                          | 46,326                  | -                        | 70               | 211,488  | 257,884             |
| Disposals                                       | -                 | -                          | ( 39,365 )              | ( 630 )                  | ( 1,294 )        | -  | ( 41,289 )          |
| Internal transfer                               | -                 | 911                        | 86,842                  | -                        | 2,558            | ( 90,311 )   | -                   |
| Effect of foreign currency exchange differences | -                 | -                          | -                       | 21                       | 121              | -  | 142                 |
| Balance on September 30, 2023                   | <u>\$ 228,229</u> | <u>\$ 780,667</u>          | <u>\$ 6,593,345</u>     | <u>\$ 9,421</u>          | <u>\$ 90,293</u> | <u>\$ 914,165</u>                                      | <u>\$ 8,616,120</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                           | -                 | 14,104                     | 212,363                 | 284                      | 2,165            | -  | 228,916             |
| Disposals                                       | -                 | -                          | ( 39,365 )              | ( 630 )                  | ( 1,294 )        | -  | ( 41,289 )          |
| Effect of foreign currency exchange differences | -                 | -                          | -                       | 21                       | 117              | -  | 138                 |
| Balance on September 30, 2023                   | <u>\$ -</u>       | <u>\$ 357,643</u>          | <u>\$ 4,773,639</u>     | <u>\$ 7,840</u>          | <u>\$ 84,548</u> | <u>\$ -</u>  | <u>\$ 5,223,670</u> |
| Net amount as of September 30, 2023             | <u>\$ 228,229</u> | <u>\$ 423,024</u>          | <u>\$ 1,819,706</u>     | <u>\$ 1,581</u>          | <u>\$ 5,745</u>  | <u>\$ 914,165</u>                                      | <u>\$ 3,392,450</u> |

No impairment loss was recognized or reversed from January 1 to September 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 September 30, 2024, the Group has made construction payment of NT\$838,190 thousand, which was booked under the construction in progress.

## 15. LEASE ARRANGEMENTS

### a. Right-of-use Assets

|   | September 30,<br>2024                   | December 31,<br>2023                    | September 30,<br>2023                      |  |
|---|---|---|--|--|
| Carrying amounts of right-of-use assets     |   |   |  |  |
| Land  | \$ 8,870                                | \$ 9,368                                | \$ 9,534                                   |  |
| Transportation equipment                    | <u>-</u>                                | <u>34</u>                               | <u>85</u>                                  |  |
|   | <u>\$ 8,870</u>                         | <u>\$ 9,402</u>                         | <u>\$ 9,619</u>                            |  |
|   |   |   |  |  |
|   | From July 1 to<br>September 30,<br>2024 | From July 1 to<br>September 30,<br>2023 | From January 1<br>to September 30,<br>2024 | From January 1<br>to September 30,<br>2023 |
| Depreciation charge for right-of-use assets |   |   |  |  |
| Land  | \$ 166                                  | \$ 166                                  | \$ 498                                     | \$ 503                                     |
| Transportation equipment                    | <u>-</u>                                | <u>51</u>                               | <u>34</u>                                  | <u>153</u>                                 |
|   | \$ 166                                  | \$ 217                                  | \$ 532                                     | \$ 656                                     |

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 September 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:

|                          | September 30,<br>2024 | December 31,<br>2023 | September 30,<br>2023 |
|--------------------------|-----------------------|----------------------|-----------------------|
| Land                     | 1.06%                 | 1.06%                | 1.06%                 |
| Transportation equipment | -                     | 1.06%                | 1.06%                 |
| Buildings                | 1.06%                 | 1.06%                | 1.06%                 |

c. Other lease information

|   | From July 1 to<br>September 30,<br>2024 | From July 1 to<br>September 30,<br>2023 | From January 1<br>to September 30,<br>2024 | From January 1<br>to September 30,<br>2023 |
|---|---|---|--|--|
| Expenses relating to short-term leases  | <u>\$ 1,046</u>                         | <u>\$ 1,185</u>                         | <u>\$ 3,108</u>                            | <u>\$ 3,235</u>                            |
| Expenses relating to variable lease payments not included in the measurement of lease liabilities | <u>\$ 202</u>                           | <u>\$ 149</u>                           | <u>\$ 720</u>                              | <u>\$ 391</u>                              |
| Total cash outflow for leases   |   |   | <u>( \$ 8,849 )</u>                        | <u>( \$ 8,605 )</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<br>Improvements | Right-of-use<br>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>4,007</u>                  | <u>-</u>               | <u>4,007</u>      |
| Balance on September 30, 2024                   | <u>\$ 370,202</u> | <u>\$ 266,793</u>             | <u>\$ 34,585</u>       | <u>\$ 671,580</u> |
| <u>Accumulated depreciation</u>                 |                   |                               |                        |                   |
| Balance on January 1, 2024                      | \$ -              | \$ 139,506                    | \$ 27,303              | \$ 166,809        |
| Depreciation expenses                           | -                 | 3,619                         | 4,096                  | 7,715             |
| Effect of foreign currency exchange differences | <u>-</u>          | <u>1,761</u>                  | <u>-</u>               | <u>1,761</u>      |
| Balance on September 30, 2024                   | <u>\$ -</u>       | <u>\$ 144,886</u>             | <u>\$ 31,399</u>       | <u>\$ 176,285</u> |
| Net amount as of September 30, 2024             | <u>\$ 370,202</u> | <u>\$ 121,907</u>             | <u>\$ 3,186</u>        | <u>\$ 495,295</u> |

(Continued)

(Continued)

|   | Land              | Buildings and Improvements | Right-of-use Assets | Total             |
|---|-------------------|----------------------------|---------------------|-------------------|
| <u>Cost</u>                                     |                   |                            |                     |                   |
| Balance on January 1, 2023                      | \$ 370,202        | \$ 262,807                 | \$ 34,585           | \$ 667,594        |
| Effect of foreign currency exchange differences | -                 | 6,616                      | -                   | 6,616             |
| Balance on September 30, 2023                   | <u>\$ 370,202</u> | <u>\$ 269,423</u>          | <u>\$ 34,585</u>    | <u>\$ 674,210</u> |
| <u>Accumulated depreciation</u>                 |                   |                            |                     |                   |
| Balance on January 1, 2023                      | \$ -              | \$ 134,797                 | \$ 21,842           | \$ 156,639        |
| Depreciation expenses                           | -                 | 3,551                      | 4,096               | 7,647             |
| Effect of foreign currency exchange differences | -                 | 2,902                      | -                   | 2,902             |
| Balance on September 30, 2023                   | <u>\$ -</u>       | <u>\$ 141,250</u>          | <u>\$ 25,938</u>    | <u>\$ 167,188</u> |
| Net amount as of September 30, 2023             | <u>\$ 370,202</u> | <u>\$ 128,173</u>          | <u>\$ 8,647</u>     | <u>\$ 507,022</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 September 30, 2024 and December 31, 2023 and September 30, 2023 was as follows:

|        | September 30,<br>2024 | December 31,<br>2023 | September 30,<br>2023 |
|--------|-----------------------|----------------------|-----------------------|
| Year 1 | \$ 19,870             | \$ 18,893            | \$ 22,590             |
| Year 2 | 15,111                | 9,332                | 10,873                |
| Year 3 | 7,844                 | 7,607                | 8,846                 |
| Year 4 | -                     | 972                  | 1,944                 |
|        | <u>\$ 42,825</u>      | <u>\$ 36,804</u>     | <u>\$ 44,253</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 September 30, 2024 and December 31 and September 30, 2023, are as follows:

|            | September 30,<br>2024 | December 31,<br>2023 | September 30,<br>2023 |
|------------|-----------------------|----------------------|-----------------------|
| Fair Value | <u>\$ 2,146,191</u>   | <u>\$ 1,975,542</u>  | <u>\$ 1,987,907</u>   |

## 17. **BORROWINGS**

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

|                             | September 30, 2024 |
|-----------------------------|--------------------|
| <u>Unsecured borrowings</u> |                    |
| Bank loans                  | <u>\$300,000</u>   |

The range of interest rates on bank loans was 1.80% per annum as of September 30, 2024.

- b. Long-term borrowings

|   | September 30,<br>2024 | December 31,<br>2023 | September 30,<br>2023 |
|---|-----------------------|----------------------|-----------------------|
| Unsecured borrowings                      | \$ 623,723            | \$ 546,094           | \$ 545,415            |
| Less: Current portion due within one year | ( 298,917)            | ( 65,880)            | -                     |
| Long-term borrowings                      | <u>\$ 324,806</u>     | <u>\$ 480,214</u>    | <u>\$ 545,415</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\$2,350,000 thousand. The loan agreements will subsequently expire before August 2027 and these lines of credit are on a revolving basis. As of September 30, 2024, NT\$300,000 thousand has been utilized.

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 September 30, 2024, NT\$625,000 thousand has been utilized.

#### **18. ACCOUNTS PAYABLE (INCLUDING RELATED PARTIES)**

|                                  | September 30,<br>2024 | December 31,<br>2023 | September 30,<br>2023 |
|----------------------------------|-----------------------|----------------------|-----------------------|
| Arising from operation (Note 28) | <u>\$ 253,753</u>     | <u>\$ 217,198</u>    | <u>\$ 199,340</u>     |

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

#### **19. OTHER PAYABLES**

|                                  | September 30,<br>2024 | December 31,<br>2023 | September 30,<br>2023 |
|----------------------------------|-----------------------|----------------------|-----------------------|
| Payables for utilities           | \$ 61,967             | \$ 46,063            | \$ 55,026             |
| Payables for salaries or bonuses | 46,061                | 94,855               | 105,081               |
| Payables for equipment           | 36,438                | 39,784               | 32,912                |
| Payables for surrogate shopping  | 19,633                | -                    | -                     |
| Payables for dividends           | 12,209                | 15,417               | 16,024                |
| Others                           | <u>32,391</u>         | <u>35,227</u>        | <u>42,939</u>         |
|                                  | <u>\$ 208,699</u>     | <u>\$ 231,346</u>    | <u>\$ 251,982</u>     |

#### **20. RETIREMENT BENEFIT PLANS**

Pension expense related to defined benefit plans recognized from July 1 to September 30, 2024 and 2023, and from January 1 to September 30, 2024 and 2023, was calculated using the actuarially determined pension cost rates as of December 31, 2023 and 2022, respectively, and recognized in the following items:

|  | From July 1 to<br>September 30,<br>2024 | From July 1 to<br>September 30,<br>2023 | From January 1<br>to September 30,<br>2024 | From January 1<br>to September 30,<br>2023 |
|--|---|---|--|--|
| Operating cost                         | \$ 576                                  | \$ 717                                  | \$ 1,723                                   | \$ 2,179                                   |
| Selling and marketing expenses         | 59                                      | 69                                      | 174  | 193  |
| General and administrative<br>expenses | 17                                      | 17                                      | 49   | 40   |
| Research and development<br>expenses   | <u>9</u>                                | <u>16</u>                               | <u>36</u>                                  | <u>46</u>                                  |
|  | <u>\$ 661</u>                           | <u>\$ 819</u>                           | <u>\$ 1,982</u>                            | <u>\$ 2,458</u>                            |



## 21. EQUITY

### a. Ordinary shares

|  | September 30,<br>2024 | December 31,<br>2023 | September 30,<br>2023 |
|--|-----------------------|----------------------|-----------------------|
| Number of shares authorized<br>(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<br>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

|  | September 30,<br>2024 | December 31,<br>2023 | September 30,<br>2023 |
|--|-----------------------|----------------------|-----------------------|
| Unpaid dividends   | \$ 26,247             | \$ 26,247            | \$ 25,720             |
| Share of changes in capital<br>surplus of associates<br>accounted for using the<br>equity method | <u>11,291</u>         | <u>11,312</u>        | <u>11,178</u>         |
|  | <u>\$ 37,538</u>      | <u>\$ 37,559</u>     | <u>\$ 36,898</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:

|                                 | <u>2023</u>       | <u>2022</u>       |
|---------------------------------|-------------------|-------------------|
| 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 items

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

|   | <u>From January 1 to<br/>September 30, 2024</u> | <u>From January 1 to<br/>September 30, 2023</u> |
|---|---|---|
| Beginning Balance   | (\$ 145,105)                                    | (\$ 109,403)                                    |
| Generated for the period  |   |   |
| Exchange differences on<br>translating the financial<br>statements of foreign<br>operations | 137,869   | 86,893  |
| Share of exchange<br>differences of associates<br>accounted for using the<br>equity method  | 14,734  | 11,174  |
| Related income tax  | ( <u>27,574</u> )                               | ( <u>17,379</u> )                               |
| Ending Balance  | ( <u>\$ 20,076</u> )                            | ( <u>\$ 28,715</u> )                            |

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

|  | From January 1 to<br>September 30, 2024 | From January 1 to<br>September 30, 2023 |
|--|---|---|
| Beginning Balance  | \$ 813,423                              | \$ 1,052,184                            |
| Generated for the period   |   |   |
| Unrealized (Gain) Loss   |   |   |
| Equity Instruments   | ( 275,872 )                             | ( 167,124 )                             |
| Share from associates<br>accounted for using<br>the equity method  | ( 9,221 )                               | ( 9,390 )                               |
| Related income tax   | ( 6,563 )                               | 217                                     |
| Other comprehensive income<br>for the period   | ( 291,656 )                             | ( 176,297 )                             |
| Changes in capital surplus from<br>investments in associates<br>accounted for using the<br>equity method | -                                       | 584                                     |
| Ending Balance   | \$ 521,767                              | \$ 876,471                              |

## 22. REVENUE

- a. Revenue from contracts with customers

|  | From July 1 to<br>September 30,<br>2024 | From July 1 to<br>September 30,<br>2023 | From January 1<br>to September 30,<br>2024 | From January 1<br>to September 30,<br>2023 |
|--|---|---|--|--|
| Revenue from contracts with<br>customers |   |   |  |  |
| Revenue from sale of<br>goods            | \$ 1,422,227                            | \$ 1,811,511                            | \$ 4,478,395                               | \$ 5,040,014                               |

- b. Contract balances

|   | September 30,<br>2024 | December 31,<br>2023 | September 30,<br>2023 | January 1, 2023 |
|---|-----------------------|----------------------|-----------------------|-----------------|
| Accounts receivable<br>(including related parties)                  | \$ 369,724            | \$ 404,551           | \$ 693,241            | \$ 1,070,835    |
| Contract liabilities<br>(presented in other current<br>liabilities) | \$ 38,333             | \$ 53,244            | \$ 70,517             | \$ 47,067       |

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

### a. Interest income

|  | From July 1 to<br>September 30,<br>2024 | From July 1 to<br>September 30,<br>2023 | From January 1<br>to September 30,<br>2024 | From January 1<br>to September 30,<br>2023 |
|--|---|---|--|--|
| Interest income  |   |   |  |  |
| Bank deposits  | \$ 1,230                                | \$ 3,150                                | \$ 7,468                                   | \$ 9,675                                   |
| Financial assets at<br>amortized cost                          | 820                                     | -                                       | 1,945                                      | -  |
| Financial assets at<br>FVTPL                                   | 301                                     | -                                       | 2,054                                      | 1,532                                      |
| Reverse repurchase<br>agreements<br>collateralized by<br>bonds | <u>4,057</u>                            | <u>989</u>                              | <u>7,825</u>                               | <u>4,661</u>                               |
|  | <u>\$ 6,408</u>                         | <u>\$ 4,139</u>                         | <u>\$ 19,292</u>                           | <u>\$ 15,868</u>                           |

### b. Other income

|   | From July 1 to<br>September 30,<br>2024 | From July 1 to<br>September 30,<br>2023 | From January 1<br>to September 30,<br>2024 | From January 1<br>to September 30,<br>2023 |
|---|---|---|--|--|
| Lease income                                      | \$ 13,387                               | \$ 11,873                               | \$ 39,982                                  | \$ 35,925                                  |
| Dividend income                                   |   |   |  |  |
| Financial assets at<br>FVTPL                      | 4,521                                   | 1,395                                   | 4,537                                      | 2,669                                      |
| Investments in equity<br>instruments at<br>FVTOCI | 45,325                                  | 34,840                                  | 80,799                                     | 110,073                                    |
| Others  | <u>3,285</u>                            | <u>3,240</u>                            | <u>7,447</u>                               | <u>10,361</u>                              |
|   | <u>\$ 66,518</u>                        | <u>\$ 51,348</u>                        | <u>\$ 132,765</u>                          | <u>\$ 159,028</u>                          |

### c. Other gains and losses

|  | From July 1 to<br>September 30,<br>2024 | From July 1 to<br>September 30,<br>2023 | From January 1<br>to September 30,<br>2024 | From January 1<br>to September 30,<br>2023 |
|--|---|---|--|--|
| Fair value changes of<br>financial assets and<br>financial liabilities |   |   |  |  |
| Financial assets at<br>FVTPL   | \$ 3,385                                | ( \$ 2,298 )                            | \$ 11,801                                  | \$ 6,558                                   |
| Financial liabilities at<br>FVTPL                                      | -                                       | ( 6,301 )                               | 536  | ( 1,734 )                                  |
| Scrapping losses of property,<br>plant and equipment                   | -                                       | -                                       | ( 9,787 )                                  | -  |
| Net foreign exchange<br>(losses) gains                                 | ( 9,064 )                               | 31,551                                  | 15,689                                     | 22,292                                     |
| Others   | <u>( 15,876 )</u>                       | <u>( 3,988 )</u>                        | <u>( 28,418 )</u>                          | <u>( 11,480 )</u>                          |
|  | <u>( \$ 21,555 )</u>                    | <u>\$ 18,964</u>                        | <u>( \$ 10,179 )</u>                       | <u>\$ 15,636</u>                           |

d. Interest expense

|                               | From July 1 to<br>September 30,<br>2024 | From July 1 to<br>September 30,<br>2023 | From January 1<br>to September 30,<br>2024 | From January 1<br>to September 30,<br>2023 |
|-------------------------------|---|---|--|--|
| Interest on bank loans        | \$ 4,214                                | \$ 2,281                                | \$ 8,791                                   | \$ 6,756                                   |
| Interest on lease liabilities | <u>36</u>                               | <u>53</u>                               | <u>122</u>                                 | <u>173</u>                                 |
|                               | <u>\$ 4,250</u>                         | <u>\$ 2,334</u>                         | <u>\$ 8,913</u>                            | <u>\$ 6,929</u>                            |

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

e. Depreciation and amortization

|   | From July 1 to<br>September 30,<br>2024 | From July 1 to<br>September 30,<br>2023 | From January 1<br>to September 30,<br>2024 | From January 1<br>to September 30,<br>2023 |
|---|---|---|--|--|
| Property, plant and equipment           | \$ 81,889                               | \$ 77,580                               | \$ 245,043                                 | \$ 228,916                                 |
| Investment properties                   | 2,577                                   | 2,564                                   | 7,715                                      | 7,647                                      |
| Right-of-use Assets                     | 166                                     | 217                                     | 532  | 656  |
| Intangible assets                       | <u>92</u>                               | <u>87</u>                               | <u>414</u>                                 | <u>326</u>                                 |
| Total                                   | <u>\$ 84,724</u>                        | <u>\$ 80,448</u>                        | <u>\$ 253,704</u>                          | <u>\$ 237,545</u>                          |
| An analysis of depreciation by function |   |   |  |  |
| Operating cost                          | \$ 82,008                               | \$ 77,756                               | \$ 245,433                                 | \$ 229,383                                 |
| Operating expenses                      | 47                                      | 41                                      | 142  | 189  |
| Other gains and losses                  | <u>2,577</u>                            | <u>2,564</u>                            | <u>7,715</u>                               | <u>7,647</u>                               |
|   | <u>\$ 84,632</u>                        | <u>\$ 80,361</u>                        | <u>\$ 253,290</u>                          | <u>\$ 237,219</u>                          |
| An analysis of amortization by function |   |   |  |  |
| General and administrative expenses     | <u>\$ 92</u>                            | <u>\$ 87</u>                            | <u>\$ 414</u>                              | <u>\$ 326</u>                              |

f. Employee benefits expense

|  | From July 1 to<br>September 30,<br>2024 | From July 1 to<br>September 30,<br>2023 | From January 1<br>to September 30,<br>2024 | From January 1<br>to September 30,<br>2023 |
|--|---|---|--|--|
| Post-employment benefits (Note 20)                   |   |   |  |  |
| Defined contribution plans                           | \$ 2,391                                | \$ 2,302                                | \$ 7,115                                   | \$ 6,801                                   |
| Defined benefit plans                                | <u>661</u>                              | <u>819</u>                              | <u>1,982</u>                               | <u>2,458</u>                               |
|  | 3,052                                   | 3,121                                   | 9,097                                      | 9,259                                      |
| Other employee benefits                              | <u>74,186</u>                           | <u>92,435</u>                           | <u>220,597</u>                             | <u>281,130</u>                             |
| Total employee benefits expense                      | <u>\$ 77,238</u>                        | <u>\$ 95,556</u>                        | <u>\$ 229,694</u>                          | <u>\$ 290,389</u>                          |
| An analysis of employee benefits expense by function |   |   |  |  |
| Operating cost                                       | \$ 64,968                               | \$ 82,421                               | \$ 196,055                                 | \$ 251,182                                 |
| Operating expenses                                   | <u>12,270</u>                           | <u>13,135</u>                           | <u>33,639</u>                              | <u>39,207</u>                              |
|  | <u>\$ 77,238</u>                        | <u>\$ 95,556</u>                        | <u>\$ 229,694</u>                          | <u>\$ 290,389</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 September 30, 2024, due to losses, employee and director remuneration were not estimated. The estimated remuneration of employees and directors for the period from July 1 to September 30, 2023, as well as from January 1 to September 30, 2023 is as follows:

Accrual rate

|                         | From January 1 to<br>September 30, 2023 |
|-------------------------|---|
|                         | Cash                                    |
| Employees' compensation | 1%                                      |
| Directors' remuneration | -                                       |

Amount

|                         | From July 1 to<br>September 30, 2023 | From January 1 to<br>September 30, 2023 |
|-------------------------|--------------------------------------|---|
| Employees' compensation | \$ 1,989                             | \$ 3,479                                |
| 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 July 1 to<br>September 30,<br>2024 | From July 1 to<br>September 30,<br>2023 | From January 1<br>to September 30,<br>2024 | From January 1<br>to September 30,<br>2023 |
|-------------------------|---|---|--|--|
| Foreign exchange gains  | \$ 5,653                                | \$ 32,011                               | \$ 44,438                                  | \$ 50,042                                  |
| Foreign exchange losses | ( 14,717 )                              | ( 460 )                                 | ( 28,749 )                                 | ( 27,750 )                                 |
| Net gain                | ( \$ 9,064 )                            | \$ 31,551                               | \$ 15,689                                  | \$ 22,292                                  |

## 24. INCOME TAX

a. Income tax recognized in profit or loss

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

|   | From July 1 to<br>September 30,<br>2024 | From July 1 to<br>September 30,<br>2023 | From January 1<br>to September 30,<br>2024 | From January 1<br>to September 30,<br>2023 |
|---|---|---|--|--|
| <u>Current tax</u>  |   |   |  |  |
| In respect of the current period                            | \$ 262                                  | \$ 46,609                               | \$ 7,349                                   | \$ 172,532                                 |
| Income tax on unappropriated earnings                       | -                                       | -                                       | -  | 27,029                                     |
| Adjustments for prior years                                 | 17                                      | -                                       | 2,523                                      | 4,033                                      |
|   | <u>279</u>                              | <u>46,609</u>                           | <u>9,872</u>                               | <u>203,594</u>                             |
| <u>Deferred income tax</u>                                  |   |   |  |  |
| In respect of the current period                            | ( 48,996 )                              | ( 13,009 )                              | ( 131,838 )                                | ( 122,478 )                                |
| Income tax (benefits) expenses recognized in profit or loss | ( \$ 48,717 )                           | \$ 33,600                               | ( \$ 121,966 )                             | \$ 81,116                                  |

b. Income tax recognized in other comprehensive income

|   | From July 1 to<br>September 30,<br>2024 | From July 1 to<br>September 30,<br>2023 | From January 1<br>to September 30,<br>2024 | From January 1<br>to September 30,<br>2023 |
|---|---|---|--|--|
| <u>Deferred income tax</u>  |   |   |  |  |
| Generated for the period  |   |   |  |  |
| — Translation of foreign operations   | ( \$ 3,580 )                            | \$ 29,306                               | \$ 27,574                                  | \$ 17,379                                  |
| — Unrealized gain (loss) on financial assets at fair value through other comprehensive income | ( 270 )                                 | ( 1,190 )                               | 6,563                                      | ( 217 )                                    |
| Income tax (benefits) expense recognized in other comprehensive income                        | ( \$ 3,850 )                            | \$ 28,116                               | \$ 34,137                                  | \$ 17,162                                  |

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 July 1 to<br>September 30,<br>2024 | From July 1 to<br>September 30,<br>2023 | From January 1<br>to September 30,<br>2024 | From January 1<br>to September 30,<br>2023 |
| Basic earnings (losses) per share      | ( \$ 0.36 )                             | \$ 0.28                                 | ( \$ 0.80 )                                | \$ 0.45                                    |
| Diluted earnings (losses) per<br>share | ( \$ 0.36 )                             | \$ 0.28                                 | ( \$ 0.80 )                                | \$ 0.45                                    |

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 July 1 to<br>September 30,<br>2024 | From July 1 to<br>September 30,<br>2023 | From January 1<br>to September 30,<br>2024 | From January 1<br>to September 30,<br>2023 |
|---|---|---|--|--|
| Net profit (loss) used in the<br>computation of basic and<br>diluted earnings (losses) per<br>share | ( \$ 214,668 )                          | \$ 164,503                              | ( \$ 474,315 )                             | \$ 267,699                                 |

|  | Unit: In Thousand Shares                |   |  |  |
|--|---|---|--|--|
|  | From July 1 to<br>September 30,<br>2024 | From July 1 to<br>September 30,<br>2023 | From January 1<br>to September 30,<br>2024 | From January 1<br>to September 30,<br>2023 |
| <u>Number of Shares</u>  |   |   |  |  |
| Weighted average number of<br>ordinary shares used in the<br>computation of basic earnings<br>(losses) per share | <u>593,743</u>                          | 593,743                                 | <u>593,743</u>                             | 593,743                                    |
| Effect of potentially dilutive<br>ordinary shares:   |   |   |  |  |
| Employees' compensation  |   | <u>142</u>                              |  | <u>283</u>                                 |
| Weighted average number of<br>ordinary shares used in the<br>computation of diluted<br>earnings per share        |   | <u>593,885</u>                          |  | <u>594,026</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 July 1 to September 30, 2024 and January 1 to September 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**

##### **September 30, 2024**

|                                   | Level 1             | Level 2     | Level 3           | Total               |
|-----------------------------------|---------------------|-------------|-------------------|---------------------|
| <u>Financial assets at FVTPL</u>  |                     |             |                   |                     |
| Domestic listed shares            | \$ 138,433          | \$ -        | \$ -              | \$ 138,433          |
| Foreign listed shares             | 28,886              | -           | -                 | 28,886              |
| Mutual funds                      | 260,379             | -           | -                 | 260,379             |
| Beneficiary securities            | 65,010              | -           | -                 | 65,010              |
|                                   | <u>\$ 492,708</u>   | <u>\$ -</u> | <u>\$ -</u>       | <u>\$ 492,708</u>   |
| <u>Financial Assets at FVTOCI</u> |                     |             |                   |                     |
| Investments in equity instruments |                     |             |                   |                     |
| Domestic listed shares            | \$ 2,486,847        | \$ -        | \$ -              | \$ 2,486,847        |
| Foreign listed shares             | 6,206               | -           | -                 | 6,206               |
| Domestic unlisted shares          | -                   | -           | 118,202           | 118,202             |
| Foreign unlisted shares           | -                   | -           | 122,270           | 122,270             |
|                                   | <u>\$ 2,493,053</u> | <u>\$ -</u> | <u>\$ 240,472</u> | <u>\$ 2,733,525</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> |

### September 30, 2023

|                                       | Level 1             | Level 2     | Level 3           | Total               |
|---------------------------------------|---------------------|-------------|-------------------|---------------------|
| <u>Financial assets at FVTPL</u>      |                     |             |                   |                     |
| Domestic listed shares                | \$ 66,407           | \$ -        | \$ -              | \$ 66,407           |
| Mutual funds                          | 640,423             | -           | -                 | 640,423             |
| Beneficiary securities                | 68,723              | -           | -                 | 68,723              |
|                                       | <u>\$ 775,553</u>   | <u>\$ -</u> | <u>\$ -</u>       | <u>\$ 775,553</u>   |
| <u>Financial Assets at FVTOCI</u>     |                     |             |                   |                     |
| Investments in equity instruments     |                     |             |                   |                     |
| Domestic listed shares                | \$ 2,822,045        | \$ -        | \$ -              | \$ 2,822,045        |
| Foreign listed shares                 | 11,708              | -           | -                 | 11,708              |
| Domestic unlisted shares              | -                   | -           | 128,334           | 128,334             |
| Foreign unlisted shares               | -                   | -           | 86,797            | 86,797              |
|                                       | <u>\$ 2,833,753</u> | <u>\$ -</u> | <u>\$ 215,131</u> | <u>\$ 3,048,884</u> |
| <u>Financial liabilities at FVTPL</u> |                     |             |                   |                     |
| Derivative instruments                | \$ -                | \$ 1,442    | \$ -              | \$ 1,442            |

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

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

### From January 1 to September 30, 2024

| Financial Assets   | Financial Instruments at FVTOCI |
|--|---------------------------------|
| Beginning Balance  | \$ 224,960                      |
| Transfer out of Level 3  | ( 19,975 )                      |
| Recognized in other comprehensive income (included in unrealized gain on financial assets at FVTOCI) | 35,487                          |
| Ending Balance   | <u>\$ 240,472</u>               |

From January 1 to September 30, 2023

| Financial Assets  | Financial<br>Instruments at<br>FVTOCI |
|---|---------------------------------------|
| Beginning Balance   | \$ 212,732                            |
| Recognized in other comprehensive income (included<br>in unrealized gain on financial assets at FVTOCI) | <u>2,399</u>                          |
| Ending Balance  | <u><u>\$ 215,131</u></u>              |

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

| Type of Financial Instruments                       | Valuation Techniques and Inputs  |
|---|--|
| Derivatives - foreign exchange<br>forward contracts | Discounted cash flow: Future cash flows are<br>estimated based on observable forward<br>exchange rates at the end of the reporting<br>period and contract forward rates, discounted<br>at a rate that reflects the credit risk of various<br>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\$2,405 thousand and NT\$2,151 thousand from January 1 to September 30, 2024 and 2023.

c. Categories of financial instruments

|   | September 30,<br>2024 | December 31,<br>2023 | September 30,<br>2023 |
|---|-----------------------|----------------------|-----------------------|
| <u>Financial Assets</u>                             |                       |                      |                       |
| Measured at FVTPL                                   |                       |                      |                       |
| Mandatorily classified as<br>at FVTPL               | \$ 492,708            | \$ 783,534           | \$ 775,553            |
| Financial assets at amortized<br>cost (Note 1)      | 1,621,520             | 1,690,607            | 1,612,147             |
| <u>Financial Assets at FVTOCI</u>                   |                       |                      |                       |
| Investments in equity<br>instruments                | 2,733,525             | 3,007,168            | 3,048,884             |
| <u>Financial liabilities</u>                        |                       |                      |                       |
| Financial liabilities at FVTPL                      |                       |                      |                       |
| Held for trading                                    | -                     | -                    | 1,442                 |
| Financial liabilities at<br>amortized cost (Note 2) | 1,496,995             | 1,129,007            | 1,046,267             |

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 September 30, 2024, resulting from a 3% appreciation/depreciation of the NTD against the respective currencies, and the decrease/increase in net profit before tax for the period from January 1 to September 30, 2023.

|        | Impact of USD                        |                                      | Impact of RMB                        |                                      |
|--------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
|        | From January 1 to September 30, 2024 | From January 1 to September 30, 2023 | From January 1 to September 30, 2024 | From January 1 to September 30, 2023 |
| Income | \$ 10,982                            | \$ 10,511                            | \$ 881                               | \$ 9,874                             |

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:

|                               | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|-------------------------------|--------------------|-------------------|--------------------|
| Fair value interest rate risk |                    |                   |                    |
| — Financial Assets            | \$ 1,033,402       | \$ 1,068,038      | \$ 664,721         |
| — Financial liabilities       | 312,849            | 17,748            | 19,251             |
| Cash flow interest rate risk  |                    |                   |                    |
| — Financial Assets            | 181,357            | 210,244           | 247,518            |
| — Financial liabilities       | 632,117            | 553,928           | 553,249            |

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\$1,690 thousand from January 1 to September 30, 2024 and increase/decrease the Group's net

profit before income tax by NT\$1,146 thousand from January 1 to September 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\$12,955 thousand and NT\$6,757 thousand for the period from January 1 to September 30, 2024 and 2023. Other comprehensive income before tax from January 1 to September 30, 2024 and 2023 increased/decreased by NT\$136,676 thousand and NT\$152,444 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.

September 30, 2024

|   | Weighted<br>Average<br>Interest Rate<br>(%) | On Demand or<br>Less than 1<br>Year | 1 to 5 Years      | 5+ Years        |
|---|---|-------------------------------------|-------------------|-----------------|
| <u>Non-derivative financial liabilities</u> |   |                                     |                   |                 |
| Non-interest bearing liabilities            |   | \$ 565,551                          | \$ -              | \$ -            |
| Lease liabilities                           | 1.06%                                       | 4,130                               | 3,019             | 6,506           |
| Floating interest rate instruments          | 1.18%                                       | 304,412                             | 329,211           | -               |
| Fixed interest rate liabilities             | 1.80%                                       | 302,656                             | -                 | -               |
|   |   | <u>\$ 1,176,749</u>                 | <u>\$ 332,230</u> | <u>\$ 6,506</u> |



December 31, 2023

|   | Weighted<br>Average<br>Interest Rate<br>(%) | On Demand or<br>Less than 1<br>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> |

September 30, 2023

|   | Weighted<br>Average<br>Interest Rate<br>(%) | On Demand or<br>Less than 1<br>Year | 1 to 5 Years      | 5+ Years        |
|---|---|-------------------------------------|-------------------|-----------------|
| <u>Non-derivative financial liabilities</u> |   |                                     |                   |                 |
| Non-interest bearing liabilities            |   | \$ 494,158                          | \$ -              | \$ -            |
| Lease liabilities                           | 1.06%                                       | 6,574                               | 6,395             | 7,260           |
| Floating interest rate instruments          | 1.05%                                       | 5,780                               | 557,180           | -               |
|   |   | <u>\$ 506,512</u>                   | <u>\$ 563,575</u> | <u>\$ 7,260</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 September 30, 2024: none).

December 31, 2023

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

September 30, 2023

|                                    | On Demand or<br>Less than 1<br>Month | 1 to 3 Months |
|------------------------------------|--------------------------------------|---------------|
| <u>Gross settled</u>               |                                      |               |
| Foreign exchange forward contracts |                                      |               |
| — Inflows                          | \$ 64,101                            | \$ 71,752     |
| — Outflows                         | ( 66,519)                            | ( 73,712)     |
|                                    | ( \$ 2,418)                          | ( \$ 1,960)   |

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:

|                      | September 30,<br>2024 | December 31,<br>2023 | September 30,<br>2023 |
|----------------------|-----------------------|----------------------|-----------------------|
| Bank loan facilities |                       |                      |                       |
| — Amount used        | \$ 925,000            | \$ 549,000           | \$ 549,000            |
| — Amount unused      | 6,470,639             | 9,750,000            | 10,389,270            |
|                      | <u>\$ 7,395,639</u>   | <u>\$ 10,299,000</u> | <u>\$ 10,938,270</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 September 30, 2024 and December 31 and September 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                     |
| Swanson Plastics (India) Private Limited                           | 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 ) Company Limited ( USI (HK) )                     | Fellow subsidiary             |
| USI Green Energy Corporation                                       | Fellow subsidiary             |
| USIG (Shanghai) Co., Ltd.  | Fellow subsidiary             |
| USI Education Foundation (USIF)                                    | Essential related party       |

- b. Sales of goods

| Related Party<br>Category/Name | From July 1 to<br>September 30,<br>2024 | From July 1 to<br>September 30,<br>2023 | From January 1<br>to September 30,<br>2024 | From January 1<br>to September 30,<br>2023 |
|--------------------------------|---|---|--|--|
| Ultimate parent company        |   |   |  |  |
| USI Corporation                | \$ 72,640                               | \$ 219,051                              | \$ 310,826                                 | \$ 646,990                                 |
| Associate                      | 54,542                                  | 3,462                                   | 77,862                                     | 24,203                                     |
| Fellow subsidiary              | 2,818                                   | 9,739                                   | 36,258                                     | 13,269                                     |
|                                | <u>\$ 130,000</u>                       | <u>\$ 232,252</u>                       | <u>\$ 424,946</u>                          | <u>\$ 684,462</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<br>Category/Name | From July 1 to<br>September 30,<br>2024 | From July 1 to<br>September 30,<br>2023 | From January 1<br>to September 30,<br>2024 | From January 1<br>to September 30,<br>2023 |
|--------------------------------|---|---|--|--|
| Ultimate parent company        |   |   |  |  |
| USI Corporation                | \$ 42,647                               | \$ 70,938                               | \$ 201,078                                 | \$ 227,211                                 |
| Associate                      |   |   |  |  |
| GL                             | 125,095                                 | 114,979                                 | 372,464                                    | 544,719                                    |
| Others                         | 9,564                                   | 8,468                                   | 27,291                                     | 29,446                                     |
|                                | <u>134,659</u>                          | <u>123,447</u>                          | <u>399,755</u>                             | <u>574,165</u>                             |
|                                | <u>\$ 177,306</u>                       | <u>\$ 194,385</u>                       | <u>\$ 600,833</u>                          | <u>\$ 801,376</u>                          |

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

d. Management fee (under general and administrative expenses)

| Related Party<br>Category/Name | From July 1 to<br>September 30,<br>2024 | From July 1 to<br>September 30,<br>2023 | From January 1<br>to September 30,<br>2024 | From January 1<br>to September 30,<br>2023 |
|--------------------------------|---|---|--|--|
| Ultimate parent company        |   |   |  |  |
| USI Corporation                | \$ 2,945                                | \$ 2,297                                | \$ 8,823                                   | \$ 6,603                                   |
| Fellow subsidiary              |   |   |  |  |
| UM                             | 13,757                                  | 13,699                                  | 44,497                                     | 41,529                                     |
|                                | <u>\$ 16,702</u>                        | <u>\$ 15,996</u>                        | <u>\$ 53,320</u>                           | <u>\$ 48,132</u>                           |

e. Lease arrangements - Company is lessee

Lease expense

| Related Party<br>Category/Name | From July 1 to<br>September 30,<br>2024 | From July 1 to<br>September 30,<br>2023 | From January 1<br>to September 30,<br>2024 | From January 1<br>to September 30,<br>2023 |
|--------------------------------|---|---|--|--|
| Ultimate parent company        |   |   |  |  |
| USI Corporation                | \$ 581                                  | \$ 605                                  | \$ 1,743                                   | \$ 1,803                                   |

f. Lease arrangement - Group is lessor

Lease income

| Related Party<br>Category/Name | From July 1 to<br>September 30,<br>2024 | From July 1 to<br>September 30,<br>2023 | From January 1<br>to September 30,<br>2024 | From January 1<br>to September 30,<br>2023 |
|--------------------------------|---|---|--|--|
| Ultimate parent company        |   |   |  |  |
| USI Corporation                | \$ 921                                  | \$ 872                                  | \$ 2,723                                   | \$ 2,458                                   |
| Parent entity                  |   |   |  |  |
| Union Polymer                  | -                                       | 6                                       | 1  | 17   |
| Associate                      |   |   |  |  |
| TVCN                           | 3,080                                   | 3,219                                   | 9,366                                      | 9,751                                      |
| Others                         | 1,609                                   | 1,564                                   | 4,830                                      | 4,826                                      |
|                                | <u>4,689</u>                            | <u>4,783</u>                            | <u>14,196</u>                              | <u>14,577</u>                              |
| Fellow subsidiary              |   |   |  |  |
| TTC                            | 1,863                                   | 1,747                                   | 5,681                                      | 5,072                                      |
| Others                         | 525                                     | 494                                     | 1,548                                      | 1,872                                      |
|                                | <u>2,388</u>                            | <u>2,241</u>                            | <u>7,229</u>                               | <u>6,944</u>                               |
|                                | <u>\$ 7,998</u>                         | <u>\$ 7,902</u>                         | <u>\$ 24,149</u>                           | <u>\$ 23,996</u>                           |

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

g. Donation expenses (under general and administrative expenses)

| Related Party<br>Category/Name | From July 1 to<br>September 30,<br>2024 | From July 1 to<br>September 30,<br>2023 | From January 1<br>to September 30,<br>2024 | From January 1<br>to September 30,<br>2023 |
|--------------------------------|---|---|--|--|
| Essential related party        |   |   |  |  |
| — USIF                         | \$ -                                    | \$ -                                    | \$ 3,000                                   | \$ 5,000                                   |

h. Management income (under other income)

| Related Party<br>Category/Name | From July 1 to<br>September 30,<br>2024 | From July 1 to<br>September 30,<br>2023 | From January 1<br>to September 30,<br>2024 | From January 1<br>to September 30,<br>2023 |
|--------------------------------|---|---|--|--|
| Associate                      | \$ 663                                  | ( \$ 1,058 )                            | \$ 1,988                                   | \$ 1,288                                   |

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

| Related Party<br>Category/Name | From July 1 to<br>September 30,<br>2024 | From July 1 to<br>September 30,<br>2023 | From January 1<br>to September 30,<br>2024 | From January 1<br>to September 30,<br>2023 |
|--------------------------------|---|---|--|--|
| Fellow subsidiary              |   |   |  |  |
| TUVN                           | \$ 421                                  | \$ 322                                  | \$ 1,264                                   | \$ 965                                     |

j. Accounts receivable

| <u>Related Party Category/Name</u> | <u>September 30,<br/>2024</u> | <u>December 31,<br/>2023</u> | <u>September 30,<br/>2023</u> |
|------------------------------------|-------------------------------|------------------------------|-------------------------------|
| Ultimate parent company            |                               |                              |                               |
| USI Corporation                    | \$ 50,095                     | \$ 98,763                    | \$ 154,619                    |
| Associate                          | 48,304                        | 7,045                        | 3,967                         |
| Fellow subsidiary                  | 995                           | 5,618                        | -                             |
|                                    | <u>\$ 99,394</u>              | <u>\$ 111,426</u>            | <u>\$ 158,586</u>             |

k. Other receivables

| <u>Related Party Category/Name</u> | <u>September 30,<br/>2024</u> | <u>December 31,<br/>2023</u> | <u>September 30,<br/>2023</u> |
|------------------------------------|-------------------------------|------------------------------|-------------------------------|
| Ultimate parent company            |                               |                              |                               |
| USI Corporation                    | \$ 219                        | \$ 578                       | \$ 372                        |
| Associate                          |                               |                              |                               |
| TVCM                               | 22,721                        | 57                           | 126                           |
| Dynamic Ever                       |                               |                              |                               |
| Investments Limited                | 696                           | 696                          | 696                           |
| Others                             | 257                           | 271                          | 237                           |
|                                    | <u>23,674</u>                 | <u>1,024</u>                 | <u>1,059</u>                  |
| Fellow subsidiary                  |                               |                              |                               |
| TTC                                | \$ 776                        | \$ 672                       | \$ 683                        |
| Others                             | -                             | 88                           | 12                            |
|                                    | <u>776</u>                    | <u>760</u>                   | <u>695</u>                    |
|                                    | <u>\$ 24,669</u>              | <u>\$ 2,362</u>              | <u>\$ 2,126</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>September 30,<br/>2024</u> | <u>December 31,<br/>2023</u> | <u>September 30,<br/>2023</u> |
|------------------------------------|-------------------------------|------------------------------|-------------------------------|
| Ultimate parent company            |                               |                              |                               |
| USI Corporation                    | \$ 21,450                     | \$ 48,657                    | \$ 29,349                     |
| Associate                          | 2,446                         | 1,847                        | 3,092                         |
|                                    | <u>\$ 23,896</u>              | <u>\$ 50,504</u>             | <u>\$ 32,441</u>              |

m. Other payables

| Related Party Category/Name | September 30,<br>2024 | December 31,<br>2023 | September 30,<br>2023 |
|-----------------------------|-----------------------|----------------------|-----------------------|
| Ultimate parent company     |                       |                      |                       |
| USI Corporation             | \$ 145,938            | \$ 218,104           | \$ 147,215            |
| Associate                   | 7,910                 | 5,662                | 5,523                 |
| Fellow subsidiary           | 537                   | 771                  | 395                   |
|                             | <u>\$ 154,385</u>     | <u>\$ 224,537</u>    | <u>\$ 153,133</u>     |

Other payables - Related party funds mainly refer to amounts allocated and purchased by our company from the ultimate parent company and related enterprises.

n. Compensation and bonus of key management personnel

|                                 | From July 1 to<br>September 30,<br>2024 | From July 1 to<br>September 30,<br>2023 | From January 1<br>to September 30,<br>2024 | From January 1<br>to September 30,<br>2023 |
|---------------------------------|---|---|--|--|
| Short-term employee<br>benefits | <u>\$ 3,268</u>                         | <u>\$ 3,249</u>                         | <u>\$ 10,144</u>                           | <u>\$ 10,063</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 September 30, 2024 was NT\$364,970 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\$233,095 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 October 29, 2024, the provisionally attached bank deposits of CGTD amounted to 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 October 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\$3,831,211 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. For the second instance cases ruled by October 29, 2024, there are 9 cases involving the Kaohsiung City Government's claims for compensation (total claim amount of approximately NT\$1,137,677 thousand). Among these, 8 cases determined that CGTD, together with LCY Chemical Corp., should jointly bear 10% (5 cases) or 20% (3 cases) of the liability for negligence. CGTD's joint compensation amount with LCY Chemical Corp. totals NT\$79,726 thousand. In one case, CGTD was found to be solely responsible for 10% of the negligence and should compensate NT\$297 thousand on its own. Additionally, in the second-instance cases ruled regarding Taiwan Power Company's claim (claim amount NT\$265,822 thousand) and the National Health Insurance Administration's claim (claim amount NT\$35,688 thousand), it was determined that CGTD, together with LCY Chemical Corp., should jointly compensate NT\$108,835 thousand. The aforementioned second-instance cases have been adjudicated, and except for those that cannot be appealed to the third instance, CGTD has filed appeals to the third instance for all other cases. The rest of the cases are still under trial in the Court of First Instance (the amount of compensation requested is approximately NT\$1,860,557 thousand).

Based on the negligence liability ratios determined in the relevant judgments for the gas explosion incident, the estimated settlement amounts for the 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 has been recorded in the accounts. 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 August 29, 2024, the Ministry of Environment announced 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.” The carbon fee rates were announced on October 21, 2024, and would take effect on January 1, 2025. Based on the emission assessment for 2023, the Group will be subject to carbon fee collection. Therefore, relevant liability provisions will be estimated starting from 2025 in accordance with 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:

Units: The foreign currency/carrying amount is in thousand dollars, except the exchange rate in dollars  
September 30, 2024

|  | Foreign<br>Currency | Exchange Rate    | Functional<br>Currency | Carrying<br>Amount  |
|--|---------------------|------------------|------------------------|---------------------|
| <u>Financial Assets</u>                          |                     |                  |                        |                     |
| <u>Monetary items</u>                            |                     |                  |                        |                     |
| USD  | \$ 16,329           | 31.650 (USD:NTD) | \$ 516,821             | \$ 516,821          |
| USD  | 458                 | 7.0074 (USD:RMB) | 3,210                  | 14,498              |
| RMB  | 3,472               | 0.1427 (RMB:USD) | 495                    | 15,680              |
| RMB  | 3,529               | 4.5167 (RMB:NTD) | 15,938                 | 15,938              |
|  |                     |                  |                        | <u>\$ 562,937</u>   |
| <u>Non-monetary items</u>                        |                     |                  |                        |                     |
| Associates accounted for using the equity method |                     |                  |                        |                     |
| USD  | 63,178              | 31.650 (USD:NTD) | 1,999,580              | \$ 1,999,580        |
| RMB  | 10,031              | 0.1427 (RMB:USD) | 1,431                  | 45,304              |
|  |                     |                  |                        | <u>\$ 2,044,884</u> |
| <u>Financial liabilities</u>                     |                     |                  |                        |                     |
| <u>Monetary items</u>                            |                     |                  |                        |                     |
| USD  | 5,221               | 31.650 (USD:NTD) | 165,255                | \$ 165,255          |
| RMB  | 497                 | 0.1427 (RMB:USD) | 71                     | 2,245               |
|  |                     |                  |                        | <u>\$ 167,500</u>   |

December 31, 2023

|  | Foreign<br>Currency | Exchange Rate    | Functional<br>Currency | Carrying<br>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>   |

September 30, 2023

|  | Foreign<br>Currency | Exchange Rate    | Functional<br>Currency | Carrying<br>Amount  |
|--|---------------------|------------------|------------------------|---------------------|
| <u>Financial Assets</u>                          |                     |                  |                        |                     |
| <u>Monetary items</u>                            |                     |                  |                        |                     |
| USD  | \$ 16,146           | 32.270 (USD:NTD) | \$ 521,037             | \$ 521,037          |
| USD  | 387                 | 7.1797 (USD:RMB) | 2,775                  | 12,474              |
| RMB  | 3,597               | 0.1393 (RMB:USD) | 501                    | 16,167              |
| RMB  | 70,221              | 4.4946 (RMB:NTD) | 315,616                | 315,616             |
|  |                     |                  |                        | <u>\$ 865,294</u>   |
| <u>Non-monetary items</u>                        |                     |                  |                        |                     |
| Associates accounted for using the equity method |                     |                  |                        |                     |
| USD  | 91,620              | 32.270 (USD:NTD) | 2,956,588              | \$ 2,956,588        |
| RMB  | 3,771               | 0.1393 (RMB:USD) | 525                    | 16,951              |
|  |                     |                  |                        | <u>\$ 2,973,539</u> |
| <u>Financial liabilities</u>                     |                     |                  |                        |                     |
| <u>Monetary items</u>                            |                     |                  |                        |                     |
| USD  | 5,675               | 32.270 (USD:NTD) | 183,132                | \$ 183,132          |
| RMB  | 589                 | 0.1393 (RMB:USD) | 82                     | 2,645               |
|  |                     |                  |                        | <u>\$ 185,777</u>   |
| <u>Non-monetary items</u>                        |                     |                  |                        |                     |
| Derivative instruments                           |                     |                  |                        |                     |
| RMB  | 31,200              | 4.4946 (RMB:NTD) | 1,442                  | <u>\$ 1,442</u>     |

From July 1 to September 30, 2024 and 2023, and from January 1 to September 30, 2024 and 2023, realized and unrealized net foreign exchange (losses) gains were \$9,064 thousand (loss),

\$31,551 thousand (gain), and \$15,689 thousand (gain), and \$22,292 thousand (gain) 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

September 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                  | \$ 12           | 1.20%                       | \$ 12      |      |
|                          | KHL IB Venture Capital Co., Ltd.               | "                                     | "   | 13,132,193             | 118,190         | 11.90%                      | 118,190    |      |
|                          | USI Corporation                                | Ultimate parent company               | "   | 101,355,673            | 1,636,894       | 8.53%                       | 1,636,894  |      |
|                          | CTCI Corporation                               | None                                  | "   | 14,446,107             | 683,301         | 1.78%                       | 683,301    |      |
|                          | AUO Corporation                                | "                                     | "   | 7,694,812              | 131,196         | 0.10%                       | 131,196    |      |
|                          | PELL Bio-Med Technology Co. Ltd.               | "                                     | "   | 235,000                | 18,988          | 0.41%                       | 18,988     |      |
|                          | Wafer Works Corporation                        | "                                     | Financial assets at fair value through other comprehensive income - current     | 518,668                | 16,468          | 0.10%                       | 16,468     |      |
|                          | Taiwan Cement Corporation                      | "                                     | Financial assets at fair value through profit or loss - current                 | 2,000,000              | 67,600          | 0.03%                       | 67,600     |      |
|                          | Cathay Financial Holdings Co., Ltd.            | "                                     | "   | 368,000                | 24,472          | -                           | 24,472     |      |
|                          | Zeon Corp.                                     | "                                     | "   | 39,500                 | 11,938          | 0.02%                       | 11,938     |      |
|                          | Kyushu Electric Power Co., Inc.                | "                                     | "   | 20,000                 | 6,947           | -                           | 6,947      |      |
|                          | <u>Beneficiary securities</u>                  |                                       |   |                        |                 |                             |            |      |
|                          | Cathay No. 1 Real Estate Investment Trust Fund | "                                     | "   | 4,053,000              | 65,010          | -                           | 65,010     |      |
|                          | <u>Beneficiary certificates</u>                |                                       |   |                        |                 |                             |            |      |
|                          | Taishin Ta-Chong Money Market Fund             | "                                     | "   | 8,819,507              | 130,201         | -                           | 130,201    |      |
|                          | Taishin 1699 Money Market Fund                 | "                                     | "   | 3,575,848              | 50,394          | -                           | 50,394     |      |
|                          | UPAMC James Bond Money Market Fund             | "                                     | "   | 2,886,369              | 50,010          | -                           | 50,010     |      |
|                          | Yuanta US Treasury 20+ Year Bond ETF           | "                                     | "   | 580,000                | 17,847          | -                           | 17,847     |      |
|                          | Yuanta De-Li Money Market Fund                 | "                                     | "   | 177,362                | 3,005           | -                           | 3,004      |      |

(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><br>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              | 122,270         | 2.21%                       | 122,270    |          |
|                             | NeuroSky, Inc. - series D preference shares                             | "                                     | "   | 2,397,364              | -               | 0.37%                       | -          | (Note 1) |
|                             | Solargiga Energy Holdings Ltd.  | "                                     | "   | 15,863,333             | 6,206           | 0.48%                       | 6,206      |          |
|                             | Teratech Corp.  | "                                     | "   | 112,000                | -               | 0.67%                       | -          | (Note 1) |
|                             | TGF Linux Communication, Inc. - preference shares                       | "                                     | Financial assets at fair value through profit or loss - non-current             | 300,000                | -               | -                           | -          | (Note 1) |
|                             | Sohoware, Inc. - preference shares                                      | "                                     | "   | 450,000                | -               | -                           | -          | (Note 1) |
|                             | Boldworks, Inc. - preference shares                                     | "                                     | "   | 689,266                | -               | -                           | -          | (Note 1) |
| APC Investment Corporation  | <u>Shares</u><br>USI Corporation  | Ultimate parent company               | Financial assets at fair value through profit or loss - current                 | 44,808                 | 723             | -                           | 723        |          |
|                             | Taiwan Cement Corporation   | None                                  | "   | 1,000,000              | 33,800          | 0.01%                       | 33,800     |          |
|                             | Cathay Financial Holdings Co., Ltd.                                     | "                                     | "   | 178,000                | 11,837          | -                           | 11,837     |          |
|                             | Zeon Corp.  | "                                     | "   | 21,600                 | 6,528           | 0.01%                       | 6,528      |          |
|                             | Kyushu Electric Power Co., Inc.   | "                                     | "   | 10,000                 | 3,473           | -                           | 3,473      |          |
|                             | <u>Beneficiary certificates</u><br>Yuanta US Treasury 20+ Year Bond ETF | "                                     | "   | 290,000                | 8,923           | -                           | 8,923      |          |
|                             |   |                                       |   |                        |                 |                             |            |          |

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 September 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      | ( \$ 310,396 ) | ( 7.24% )                        | 60 days           | No significant difference | No significant difference | Accounts receivable from related parties       | \$ 50,095 | 12.99%   | —    |
|                          | USI Trading (Shanghai) Co., Ltd.     | Subsidiary              | Sales of goods      | ( 165,475 )    | ( 3.86% )                        | 90 days           | No significant difference | No significant difference | Accounts receivable from related parties       | 15,881    | 4.12%  | Note |
|                          | USI Corporation                      | Ultimate parent company | Purchases of goods  | 118,040        | 3.87%                            | 30 days           | No significant difference | No significant difference | Accounts payable from related parties          | ( 9,052 ) | 3.77%  | —    |
|                          | Fujian Gulei Petrochemical Co., Ltd. | Associate               | Purchases of goods  | 330,582        | 10.84%                           | 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 September 30, 2024

Table 3

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

| No.<br>(Note 1) | Trading Company          | Counterparty                     | Relationship with<br>Trader (Note 2) | Transactions Details                              |                 |                           |  |
|-----------------|--------------------------|----------------------------------|--------------------------------------|---|-----------------|---------------------------|--|
|                 |                          |                                  |                                      | Account   | Amount (Note 4) | Transaction Terms         | % of Total<br>Consolidated<br>Operating Revenue<br>or Total Assets<br>(Note 3) |
| 0               | Asia Polymer Corporation | USI Trading (Shanghai) Co., Ltd. | (1)                                  | Accounts receivable from related parties          | \$ 15,881       | No significant difference | 0.11%  |
|                 |                          |                                  |                                      | Commission expenses                               | 718             | No significant difference | 0.02%  |
|                 |                          |                                  |                                      | Sales of goods                                    | 165,475         | No significant difference | 3.69%  |
| 1               | USI International Corp.  | USI Trading (Shanghai) Co., Ltd. | (3)                                  | Other receivables from related parties            | 4,388           | No significant difference | 0.03%  |
|                 |                          |                                  |                                      | Other payables from related parties               | 2,245           | No significant difference | 0.02%  |
|                 |                          |                                  |                                      | Non-operating income and expenses - rental income | 1,064           | No significant difference | 0.02%  |

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 intercompany transactions have been eliminated on consolidation.

ASIA POLYMER CORPORATION AND SUBSIDIARIES  
RELATED INFORMATION AND LOCATIONS ON INVESTEEES  
From January 1 to September 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   | \$ 435,973<br>(USD 13,775 thousand)  | \$ 435,973<br>(USD 13,775 thousand)  | 11,342,594                 | 100.00%    | \$ 692,298                          | \$ 27,915                               | \$ 27,915                | Subsidiary (Note 1)  |
|                             | APC Investment Corporation                        | Taipei City            | Investment   | 200,000                              | 200,000                              | 20,000,000                 | 100.00%    | 147,661                             | 4,422                                   | 4,422                    | Subsidiary (Note 1)  |
|                             | USI International Corp.                           | British Virgin Islands | Reinvestment   | 66,465<br>(USD 2,100 thousand)       | 66,465<br>(USD 2,100 thousand)       | 2,100,000                  | 70.00%     | 67,503                              | ( 1,746 )                               | ( 1,222 )                | 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%      | 729,115                             | ( 348,757 )                             | ( 28,142 )               | 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%     | 319,414                             | ( 7,123 )                               | ( 2,374 )                | 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%      | 203,898                             | ( 38,180 )                              | ( 3,035 )                | 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                  | 3.19%      | 65,917                              | 188,118                                 | 6,007                    | 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%      | 2,790                               | ( 321 )                                 | ( 27 )                   | 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%      | 3,362                               | ( 16,985 )                              | ( 1,563 )                | Investments accounted for using the equity method                                      |
|                             | Ever Conquest Global Ltd.                         | British Virgin Islands | Reinvestment   | 5,395,534<br>(USD 170,475 thousand)  | 5,395,534<br>(USD 170,475 thousand)  | 170,475,000                | 40.87%     | 1,999,580                           | ( 1,572,132 )                           | ( 642,484 )              | Investments accounted for using the equity method                                      |
| APC (BVI) Holding Co., Ltd. | ACME Electronics (Cayman) Corp.                   | British Cayman Islands | Reinvestment   | 191,881<br>(USD 6,063 thousand)      | 166,001<br>(USD 5,245 thousand)      | 9,134,135                  | 13.63%     | 233,637                             | ( 17,569 )                              |                          | APC (BVI) Holding Co., Ltd. Investments accounted for using the equity method          |
|                             | USI International Corp.                           | British Virgin Islands | Reinvestment   | 28,485<br>(USD 900 thousand)         | 28,485<br>(USD 900 thousand)         | 900,000                    | 30.00%     | 28,930                              | ( 1,746 )                               |                          | 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%      | 30,202                              | 188,118                                 |                          | 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     | 52,500                               | 22,500                               | 3,000,015                  | 15.00%     | 20,787                              | ( 23,751 )                              |                          | APC Investment Corporation Investments accounted for using the equity method           |
| Ever Conquest Global Ltd.   | Ever Victory Global Ltd.                          | British Virgin Islands | Reinvestment   | 13,202,639<br>(USD 417,145 thousand) | 13,202,639<br>(USD 417,145 thousand) | 417,145,000                | 67.40%     | 4,892,885<br>(USD 154,594 thousand) | ( 2,332,447 )<br>(USD -72,798 thousand) |                          | Ever Conquest Global Ltd. Investments accounted for using the equity method            |
| Ever Victory Global Ltd.    | Dynamic Ever Investments Ltd.                     | Hong Kong              | Reinvestment   | 18,637,103<br>(USD 588,850 thousand) | 18,637,103<br>(USD 588,850 thousand) | 588,850,000                | 85.00%     | 6,205,381<br>(USD 196,063 thousand) | ( 2,792,722 )<br>(USD -87,164 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 September 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 July 1, 2024 | 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 | \$ 972,446<br>( USD 30,725 thousand )    | (2)<br>ACME Electronics (Cayman) Corp.         | \$ 132,214<br>( USD 4,177 thousand )   | \$ -             | \$ -   | \$ 132,214<br>( USD 4,177 thousand )  | B 28,355 )                             | 13.63%                                       | ( \$ 3,864 )                    | \$ 92,382  | \$ -  |
| USI Trading (Shanghai) Co., Ltd.          | Sale of chemical products and equipment                       | 79,125<br>( USD 2,500 thousand )         | (2)<br>APC (BVI) Holding Co., Ltd.             | 96,077<br>( USD 3,036 thousand )   | -                | -      | 96,077<br>( USD 3,036 thousand )  | C 9,065                                | 100.00%                                      | 9,065                           | 178,399  | -   |
| Fujian Gulei Petrochemical Co., Ltd.      | Processing of crude oil and manufacture of petroleum products | 42,070,350<br>( RMB 9,314,400 thousand ) | (2)<br>Dynamic Ever Investments Ltd., (Note 2) | 4,996,993<br>( USD 157,883 thousand )  | -                | -      | 4,996,993<br>( USD 157,883 thousand )   | C 5,585,407 )                          | 11.71%                                       | ( 653,875 )                     | 1,605,516  | -   |
| Zhangzhou Taiju Trading Co., Ltd.         | Sales of chemical products                                    | 45,167<br>( RMB 10,000 thousand )        | (2)<br>APC (BVI) Holding Co., Ltd.             | 13,550<br>( RMB 3,000 thousand )   | -                | -      | 13,550<br>( RMB 3,000 thousand )  | C 3,109                                | 30.00%                                       | 933                             | 22,074   | -   |
| Xiamen USI Trading Co., Ltd.              | Sales of chemical products                                    | 45,167<br>( RMB 10,000 thousand )        | (2)<br>APC (BVI) Holding Co., Ltd.             | 13,550<br>( RMB 3,000 thousand )   | -                | -      | 13,550<br>( RMB 3,000 thousand )  | C 32,212                               | 30.00%                                       | 9,664                           | 23,230   | -   |
| Zhangzhou Dynamic Ever Property Co., Ltd. | Property management   | 94,851<br>( RMB 21,000 thousand )        | (2)<br>Dynamic Ever Investments Ltd., (Note 2) | 22,208<br>( RMB 4,917 thousand )   | -                | -      | 22,208<br>( RMB 4,917 thousand )  | C 48 )                                 | 23.41%                                       | ( 11 )                          | 22,203   | -   |

| 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 |
|---|--|---|
| \$5,426,494 (Note 5)<br>(USD 171,453 thousand)  | \$7,248,200<br>(USD 229,011 thousand)                        | \$ -<br>- (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 Ltd. (67.40%), and finally via Dynamic Ever Investments Ltd. (85.00%).
- Note 3: For the column of investment gain (loss):
- (1) If there is no investment gain (loss) during the preparation, it should be noted.
  - (2) If the basis for the recognition of investment gain (loss) is classified into the following three types, it should be noted as follows:
    - A. Financial statements reviewed by international accounting firms which have a cooperation relationship with an accounting firm in the Republic of China.
    - B. Financial statements reviewed by the parent company's CPA.
    - C. Others.
- Note 4: The calculation was based on the exchange rate as of September 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 September 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     | \$ 165,475 | No significant difference | T/T 90 days       | No significant difference           | \$ 15,881                                  | \$ -                   | Note |
| Asia Polymer Corporation         | Fujian Gulei Petrochemical Co., Ltd. | Purchases of goods | 330,582    | 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

September 30, 2024

Table 7

| Name of Substantial Shareholders                   | Shares                         |        |
|--|--------------------------------|--------|
|  | Number of shares held (shares) | %      |
| 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.