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**炎洲集團**  
**YC GROUP**

YEM CHIO CO., LTD.  
2023 Annual Report

Taiwan Stock Exchange Market Observation Post System:  
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2023 Annual Report is available at: <http://www.ycgroup.tw/>

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### 1.Spokesperson

Name: Shufen Fang

Title: General Manager

Tel: 886-2-8170-6199

E-mail: [gina@ycgroup.tw](mailto:gina@ycgroup.tw)

### Acting Spokesperson

Name: Lee, Shu-Wei

Title: CEO

Tel: 886-2-8170-6199

E-mail: [peterlee@woc.ycgroup.tw](mailto:peterlee@woc.ycgroup.tw)

### Acting Spokesperson

Name: Chang, Yung-Chieh

Title: Director of Finance Department

Tel: 886-2-8170-6199

E-mail: [eddie@ycgroup.tw](mailto:eddie@ycgroup.tw)

### 2.Headquarters, Branches and Plant

#### Headquarters

Address: 7F., No. 397, Xingshan Rd., Neihu Dist., Taipei City 114521Taiwan (R.O.C.)

Tel: 886-2-8170-6199

Fax:886-2-8792-1311

(For Subsidiary and factory information, please refer to the back cover for details)

### 3.Stock Transfer Agent

Taishin International Commercial Bank Co., Ltd. Stock Agency Department

Address: No. 96, Sec. 1, Jianguo N. Rd., Zhongshan Dist., Taipei City 104496, Taiwan (R.O.C.)

Tel: 886-2-2504-8125

Website: <https://www.tssco.com.tw/stocktransfer/>

### 4.Auditors

CPAs: Liu Rong-Jin and Hsieh Sheng-An

Firm: Ernst & Young Global Limited, Taiwan

Address: 9F, No. 333, Section 1, Keelung Road, Xinyi District, Taipei City

Tel.: (02)2757-8888

Website: [https://www.ey.com/zh\\_tw](https://www.ey.com/zh_tw)

### 5.Overseas Securities Exchange

None

### 6.Corporate Website

<http://www.ycgroup.tw>

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# One. Letter To Shareholders

Dear shareholders,

Due to factors such as high uncertainty in the overall economic environment and continued inventory adjustment on the side of the customer, the tape business of the Company in 2023 resulted in a consolidated revenue of NT\$13.224 billion with a decrease of approximately 10% compared to 2022. The final EPS in 2023 was NT\$1.30 compared with 2022. Looking forward to 2024 in terms of tape and packaging material business, as the inventory adjustment period of downstream customers is coming to an end, it is estimated that packaging demand will rebound steadily. As for the construction business, the total sales amount of the construction projects “Wangchiao Yipin” in Linkou and “The One” in Xinzhuang was approximately NT\$4.65 billion. The handover of houses will begin in the period from Q2 to Q4 of 2024, and this will make a contribution to the revenue. As for real estate development business, we will focus on the rezoning area of Wenzai zhen in New Taipei City. The development benefit is expectable after the rezoning is completed.

In today's highly competitive business environment, companies must establish strong competitive advantages to protect their market position. This is the so-called corporate moat, a comprehensive protection system composed of various elements designed to protect companies from the threats that competitors bring about. Secondly, the concept of “decisive human effort” emphasizes the key role of the management team in the process of corporate growth and transformation. Although the importance of technologies and resources cannot be ignored, it is the people who truly drive the development of a company. As the helmsman of Yem Chio, it is my duty to deepen and widen the corporate moat of the Company. In terms of deepening, the new plant in Huwei Science Park for the specialty chemistry business, which has the highest profit margin within the group, is developed in line with the trend of the circular economy. In the future, it will provide better products and services for the semiconductor industry to boost the group's revenue. In terms of broadening, under the 2050 net-zero emissions target, countries around the world are accelerating their energy transformation and climate change adaptation plans and are working hard on saving energy, diversifying energy supply, and accelerating the promotion of renewable energy. For these, they are accelerating the construction of new energy infrastructure facilities of solar energy, wind energy, power grids, and energy storage. These have become the goals of all countries. In response to this opportunity, Yam Chio officially entered the green energy industry through mergers and acquisitions in 2024.

Sustainable corporate development does not rely solely on chances or external and lucky factors but requires planned strategies and resolute decisions. This is exactly what the old adage "as the tree, so the fruit" reveals. If we plant the seeds of diligence, integrity and appropriateness, we will reap the fruits of success, achievement and happiness. Only in this way can a company achieve continuous growth and development and ensure long-term success. Finally, I would like to once again sincerely show my appreciation to shareholders for your support and trust. All the business teams of the Company will continue to work hard and live up to your expectations. We will jointly witness the vigorous development of our company!

Chairman



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## Business report

### I. Operating Performance in 2023

#### (I) Business plan implementation results

(1) Sales: The net consolidated sales revenue in 2023 was NT\$13,223,736 thousand, a 9.9% decrease from 2022. The contribution of the tape manufacturing department was NT\$10,539,047 thousand at a rate of 79.7%.

(2) Production: In 2023, about 1.23839 billion m<sup>2</sup> of glue was used for tapes and the production volume of the films was 82,027 tons.

#### (II) Consolidated business results summary (Unit: NT\$thousand)

Item	2023	2022	Percent Change
Operating Revenue	13,223,736	14,671,393	-9.9%
Operating Costs	11,045,427	12,079,984	-8.6%
Operating Margin	2,178,309	2,591,409	-15.9%
Operating Expenses	1,505,783	1,541,144	-2.3%
Operating Profit	672,526	1,050,265	-36.0%
Net Non-operating Income	322,859	314,539	2.6%
Income before Tax	995,385	1,364,804	-27.1%
Income tax expense	139,847	235,976	-40.7%
Income from continuing operations	855,538	1,128,828	-24.2%
Loss on discontinued operations	-	577	-100.0%
Net income	855,538	1,128,251	-24.2%

#### (III) Financial Revenue and Expenditure and Profitability analysis

The Consolidated income and expenditure I 2023 overview comparison is illustrated as follows:

##### Income: (Unit: NT\$ thousand)

Item	2023	2022	Percent Change
Operating Income	13,223,736	14,671,393	-9.9%
Non-Operating Income	574,282	652,856	-12.0%
Total	13,798,018	15,324,249	-10.0%

##### Expenditure: (Unit: NT\$ thousand)

Item	2023	2022	Percent Change
Operating Cost	11,045,427	12,079,984	-8.6%
Operating Expense	1,505,783	1,541,144	-2.3%
Non-Operating Expense	251,423	338,317	-25.7%
Total	12,802,633	13,959,445	-8.3%

(IV) Revenue structure analysis: The company's consolidated net revenue in 2023 was

NT\$13.22 billion. The total net revenue of each department of the company is illustrated as follows:

(Unit: NT\$ thousand)

Item	Amount	Percentage
Tape Manufacturing Department	10,539,047	79.7%
Distribution Business Group	1,405,497	10.6%
Real Estate Business Group	889,490	6.7%
Special Chemistry Department	389,702	3.0%
Total	13,223,736	100%

(V) Research development status:

The company's short-term R&D direction is to meet the needs of the market and customers, develop or adjust adhesive formulation and add different coating technologies to produce products that can be commodified and in line with future trends.

In the mid-term, it will be vertically integrated upwards by organizational adjustments, recruitment of R&D personnel, and increasing our own development abilities for various films year by year to make products that are differentiated from the market.

Person in Charge: Lee, Chih-Hsieh

Manager: Fang, Shu-Fen

Accountant in charge: Chou, Yun-Ting

## II. Implementation status of budgets:

According to the applicable laws, the Company did not disclose financial forecasting data in 2023. The overall actual operating status and performance were considerably the same as the internal operating budgets.

## III. Overview of the 2024 business plan:

### (I) Business policies

The Group's 2023 consolidated revenue decreased in comparison with the previous year, mainly due to uncertain factors such as global inflation, unstable shipping prices, geopolitics, and insufficient supply of raw materials. The Company will continue making unremitting efforts to promote the development of new green and environment-friendly products, gradually update manufacturing equipment to improve automation efficiency, and thus steadily increase the production efficiency of each factory.

In addition, the special chemistry business focuses on chemicals used in the production process of semiconductor and panel products, such as developing agents, cleaning agents, PR strippers, silane-based electronic-grade materials, and customized formula products, with wafer fabs and assembly houses in the semiconductor industry as well as panel manufacturers as the end customers. These materials are currently steadily being shipped from the Yangmei Plant. The application of the Company for the investment in the Huwei Science Park, a branch under the Central Taiwan Science Park, has been approved, and the Company has invested about NT\$1.13 billion to set up a factory. In addition to increasing existing capacity to meet customer's needs, we enhance the R&D momentum, improve the product development and customer service capabilities, expand the capacity in line with the needs of the customers, and increase our gross margin.

### (II) Expected sales volume and basis of estimate

We produce more than 220 million m<sup>2</sup> of BOPP, double-sided and PVC tapes every year. The annual production volume of the BOPP film reaches up to about 60,000 tons. Tapes and films are the major business items of the Company and the growth of the Group's business is expected in the future in consideration of the reduced inventories of customers and the reopening of China in the post-pandemic era.

### (III) Important production and sales policies:

The Group produces and sells a variety of products for different industries, including BOPP films, different adhesive tapes, finished glue, specialty chemicals and raw materials, packaging materials of different kinds, construction/development, and hotels. We also make investments in the fields of IT, optoelectronics and electronics. We will continue to maximize the production of various adhesive tapes, BOPP and PVC films, specialty chemicals for the semiconductor industry, and finished glues based on the core techniques of the Group.

## IV. Future development strategies of the Company:

In addition to focusing on the existing products and techniques, we will enhance the development of customized products to meet different market demands based on our core products and techniques. Increasing the competitiveness of the products is another goal to be achieved with the support of the digital optimization and training of the

talents in the aspects of energy-saving and carbon-reduction, in order to develop the Company as a benchmark enterprise that has the completest vertical integration in the production and sale of packaging materials. The Company will be dedicated to the implementation of the business transformation policy to eliminate non-operating investments and assets, including idle factory buildings or equipment that is not favorable to the benefit, create the best ROE and ROA for the Company, become a benchmark and a happy enterprise with humans as the core based on our commitment to ethics, innovation, stability, and sustainable operations, and fulfill our social responsibilities in the achievement of the mission to create a multi-win situation for our employees, customers, shareholders, suppliers, and the Company.

#### V. Impacts of external competition environment, regulatory environment and overall business environment:

As for the external competition environment, the Company still faces the threat of oversupply from Mainland China and the developing countries in Southeast Asia. Nevertheless, since films and tapes are upgraded continuously and applied to more industries, the demands remain growing every year. With the support of the experiences and techniques that have been accumulated for more than 45 years, we continue taking the leading position in the tape industry in Taiwan and investing in specialty chemicals to increase the gross margin, enhance the competitive strength, and maintain our competitive advantages. As for the regulatory environment, the Company has started the carbon management project team in response to energy saving and carbon reduction and acquired the ISO 50001 Energy Management Systems certificate. We will continue performing greenhouse gas inventory as required by ISO 14064. As for the overall business environment, the global inflation and rising interest rate, the geopolitical effect that is affecting the supply chain, the high inventory, and other factors worsen the uncertainty of the overall economic activities. Even though the Company has developed different countermeasures and these adverse elements will expectedly bring about an insubstantial impact on the business of the Company. The Group will create higher value for the customers and shareholders.

## Two. Company Profile

## I. Establishment date: 1978/3/7

## II. Company history:

- 1977: The preparatory office of YEM CHIO Company was established, and the company mainly engaged in the sales of packaging tape.
- 1978: The company was formally established, focusing on the trading business, and its business includes various packaging materials such as cover packaging tape, double-sided tape, packing tape, baler, plastic bag, and paper processing.
- 1984: With the implementation of internal entrepreneurship measures, the province's first sales office "Taoyuan Sales Office" was formally established.
- 1986: Established Banqiao and Neihu sales offices.
- 1987: Established Zhonghe and Zhongli sales offices, and invested in plastic bag production plants in the same year.
- 1988: Established Linkou and Sanchong sales offices.
- 1989: Established the Taichung sales office, and the packing tape manufacturing plant was put into production in the same year.
- 1990: Established business offices in Hsinchu, Chiayi, Tainan.
- 1991: Shulin, Wugu, Yunlin, Kaohsiung, Yangmei, Changhua and other business offices have been established one after another, and each business office has grown extensively. In the same year, the tape production and the construction of factories in Changhua Fangyuan Industrial Zone have been started, and the business network across the province has been roughly completed.
- 1992: The first production line of Changhua No. 1 Plant was officially put into operation, producing various self-adhesive tapes.
- 1993: Added second production line to produce OPP tape.
- 1994: Invested in resin factory to produce adhesives such as acrylic water glue, rubber and color paste. At the same time, adding the third tape production line.
- 1995: The Yilan sales office was established, and the fourth glue spreading machine was added.
- 1996: The construction of the Taishan office building in Taipei officially started. In the same year, Changhua Fangyuan No. 1 Plant added the fifth glue machine to expand production. In June, Changhua No. 2 Plant started construction, it will be used for the sixth, seventh, and eighth production lines of adhesive tape and the No. 2 resin plant after completion of building.
- 1997: The Changhua Changbin Plant No. 6 machine was officially put into production, and the automatic slitting machine imported from Italy started production in the same year.
- 1998: In April, the Securities and Futures Commission of the Ministry of Finance approved the Company's public offering of shares.  
In June, Changhua Plant No. 2 added its seventh production line.  
In October, the Company obtained the international ISO 9002 quality assurance system certification.  
In November, the second resin factory and the second set of fully automatic slitting machine were added.
- 1999: The Taishan Office Building of the Taipei Headquarters was officially completed and put into formal use.  
In October, was granted the 4th Golden Peak Award for Outstanding Enterprise Leaders.  
The second plant in Changhua added an eighth production line and a fifth set of water glue reactor.  
The amount of capital increased to NT\$45 million.
- 2000: Since April, stocks were listed on OTC as Class II stocks for trading.  
In June, Changhua No. 1 Plant added the first PVC tape production line.  
In July, Changhua Plant No. 2 added a warehouse building to be completed as a distribution center.  
In September, won the first National Outstanding Enterprise Gold Award.  
In October, was elected as a model of the 23rd ROC Youth Entrepreneurship.  
In December, PVC products passed UL certification.  
The amount of capital was increased to NT\$362.25 million.
- 2001: In January, the 9th OPP production line and the first set of oil glue reaction equipment were added.  
In April, officially switched to general stocks for listing.  
In September, the expansion of Changhua Plant No. 2 was completed.  
The amount of capital was increased to NT\$440.3625 million.
- 2002: In January, the enterprise management resource integration (ERP) system was introduced and officially launched.  
In February, invested in Ningbo, China and set up a factory.  
The amount of capital was increased to NT\$557.3862 million.
- 2003: In March, Changhua No. 2 Plant added two sets of water glue reactors.

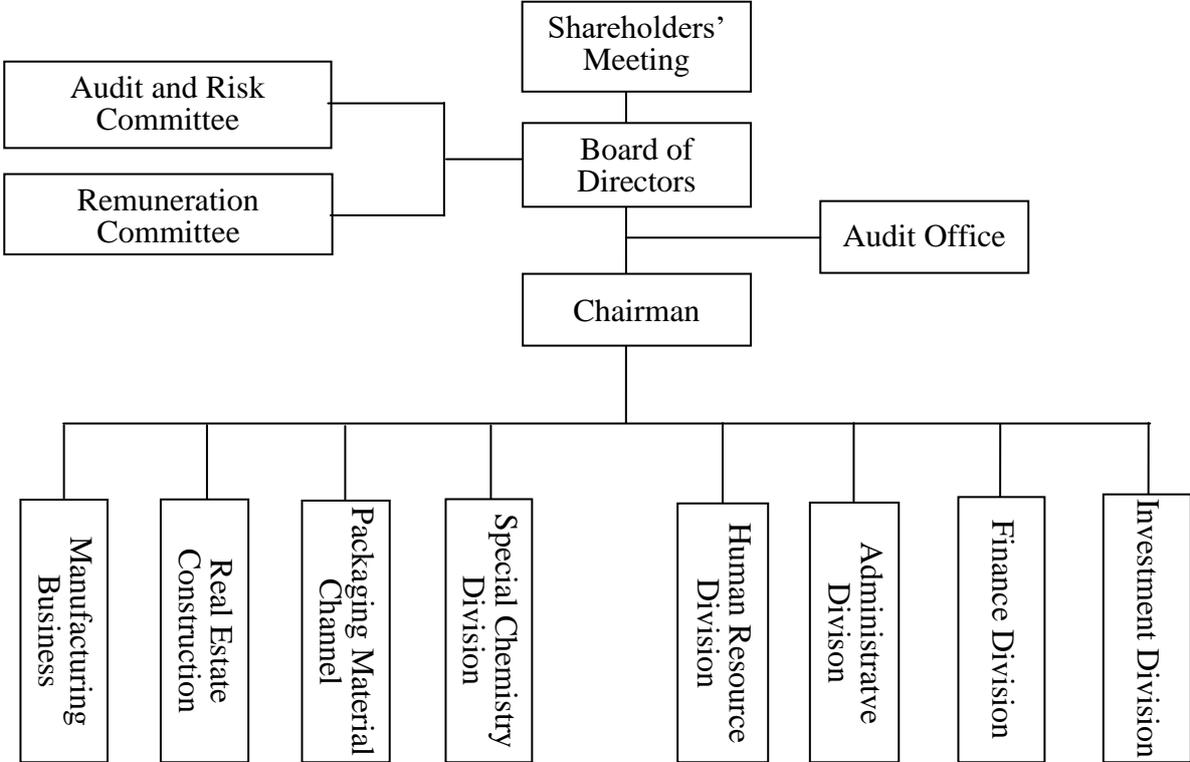
- In April, Changhua No. 2 Plant added an OPP production line.  
 In July, Changhua Plant 3 started construction of the BOPA Film.  
 The amount of capital was increased to NT\$721,606,640.
- 2004: In March, the Ningbo plant in mainland China added its second BOPP film production line.  
 In April, the BOPA Film production line of Changhua Plant 3 was set up.  
 The amount of capital was increased to NT\$726,605,630.
- 2005: The amount of capital was increased to NT\$916,676,530.
- 2006: In February, Wongchio Construction Co., Ltd. was established to expand the business to multinational enterprise groups such as manufacturing, service and construction.  
 In August, the fourth BOPP film production line was added at Zhangbin Film No. 3 Plant.  
 In December, the first hotel-"Youguan Top Business Hotel" broke ground in Linkou.  
 The amount of capital was increased to NT\$1,121,958,010
- 2007: In July, its subsidiary, Wongchio Construction, officially launched the "World Continent" construction project in Linkou.  
 In October, the sale of the "Continent of the World" project was completed.  
 In November, applied for transfer of listing with the Taiwan Stock Exchange.  
 The amount of capital was increased to NT\$1,461,795,620.
- 2008: Listed on the OTC in January.  
 In March, its subsidiary, Wongchio Construction, officially launched the "Urban Continent" project in Linkou.  
 In June, the subsidiary Youguan Boutique Hotel was opened.  
 The amount of capital was increased to NT\$1,623,194,500.
- 2009: In January, the related company, Ningbo YEM CHIO (formerly known as Ningbo Yashuo Technology Co., Ltd.) added a third BOPP Film production line.  
 In October, Changhua No. 2 Plant was awarded the National Excellent Bonded Factory by the State Taxation Bureau.  
 In December, acquired the Achem Technology Corporation (formerly known as Asia Chemical Co., Ltd.).  
 The amount of capital was increased to NT\$2,126,886,960.
- 2010: In April, the sixth BOPP film production line was added at Zhangbin Film No. 3 Plant.  
 In May, Morgan Stanley included YEM CHIO as a constituent stock of the MSCI Global Small and Medium Index.  
 In October, its subsidiary, Wongchio Construction, launched the "Fenghuayuan" and Linkou "Yunpin" projects in Zhongshan District, and established Xinchio Global Co., Ltd.  
 In November, Changhua No. 2 Plant was awarded the title of Excellent Bonded Factory by the Directorate General of Customs, Ministry of Finance.
- 2011: In March, signed a BOPP film supply contract with 3M Lipeng International.  
 In May, acquired Tianchi Technology Co., Ltd.  
 In June, the seventh BOPP film production line was added at Zhangbin Film No. 3 Plant.  
 In July, the affiliated company Wongchio Construction disposed the land in Neihu District, Taipei City.  
 In December, sold Xinchio Global Co., Ltd. to its affiliate Tianchi Technology Co., Ltd.  
 The amount of capital increased to NT\$2,965,690,370.
- 2012: Joint venture investment with subsidiary Achem Technology Corporation (formerly known as Asia Chemical), invested in Achem Petrochemical, an upstream raw material, with an estimated annual output of 80,000 tons of acrylic acid.  
 The amount of capital was increased to NT\$3,944,169,250.
- 2013: In August, its subsidiary, Wongchio Construction, publicly launched the Xinzhuang "Wongchio MORE" and Linkou "Wongchio Premium" projects.  
 In December, sold packaging materials business unit to its subsidiary, XinChio Global, in December.  
 The amount of capital was increased to NT\$ 3,959,698,600.
- 2014: In February, an office building on Chengde Road was purchased from Shin Kong Group.  
 In June, its subsidiary, Wongchio Construction, purchased an office building on Chongqing South Road from the Pacific Cultural Foundation.  
 In June, its subsidiary, Achem Adhesive Products (Jiangsu) Co., Ltd. (Haian Factory) started constructing.  
 The amount of capital was increased to NT\$4,649,609,430.

- 2015: In March, the company disposed of land and buildings in the Jianglin section of Linkou.  
 In April, its subsidiary, Wongchio Construction, acquired the land of Beitou Sanhe Section.  
 In August, the group headquarters moved to Neihu District, Taipei City, and a housewarming inauguration ceremony was held in November.  
 In September, its subsidiary, WongChio Construction, that is a main shareholder was merged into the company, and another subsidiary, Yuzhou Construction, was renamed WongChio Development.  
 In November, the company sold the Taishan factory and office building to its subsidiary, XinChio Global, as a distribution center.
- 2016: In January, the amount of capital decreased to NT\$4,512,842,260 after buying treasury stocks and capital reduction.  
 In February, its subsidiary, Uinn Travel (Zhongzheng Pavilion), officially opened.
- 2017: In January, its subsidiary, Uinn Business Hotel (Shilin Pavilion), officially opened.  
 In October, Achem Technology Corporation, a subsidiary of the company, became a wholly-owned subsidiary of the company by way of share conversion, and ceased stock trading and public offering since October 25, 2017 on the basis of share conversion date. After the share conversion, the amount of capital increased to NT\$5,348,213,370.
- 2018: In January, the amount of capital was NT\$5,300,622,690 after buying treasury stocks.  
 In March, its subsidiary Wongchio Development publicly launched the "Wongchio Yipin" project in Linkou.  
 In October, its subsidiary in the US, Asian Chemical Industry Corporation, sold the plant in CA 90703 with a building area of 127,634 square feet (approximately 3,587 pings) and the total transaction amount was approximately US\$29.1 million.  
 In November, the Asian Chemical Industry Corporation acquired the plant in Fullerton, with a building area of 105,322 square feet (approximately 2,960 square feet), and the total transaction amount was approximately US\$20.96 million.
- 2019: In June, an audit committee was established in accordance with the law, and all independent directors set up an audit committee to replace the supervisory authority.  
 In August, the shares obtained from the share conversion were used for reducing capital, the amount of capital was changed to \$NT5,718,341,730.
- 2020: In March, the lease-repurchase of land number 490 and 491 in the Shanglin Section of Changhua covers an area of 41,964.98 square meters (approximately 12,694 square meters), and the total transaction amount is approximately NT\$378 million.  
 In March, the amount of capital was 5,700,041,730 after the registration of retirement in the 11th treasury stock and capital reduction completed.
- 2021: In April, the amount of capital was 5,756,677,290 after the conversion of convertible bonds into shares and the cancellation of treasury shares.  
 In July, it applied to increase the amount of Authorized capital and amend the company's articles of association.  
 In December, the amount of capital was 6,380,540,180 after the conversion of convertible bonds.
- 2022: In July, directors were reelected (term of office: 6.17.2022 to 6.16.2025), the Articles of Incorporation were amended and the change registration was completed, and the capital was NT\$6,382,873,490.  
 In September, the change registration for the conversion of convertible corporate bonds to issue new stocks was completed and the capital was NT\$6,382,290,150.  
 In December, the change registration for the conversion of convertible corporate bonds to issue new stocks was completed and the capital was NT\$6,404,896,970.
- 2023: In January, the Company was the surviving company after merging with Chuang-Yi Investment Co., Ltd. and reported the changes in the shareholding of the directors. The capital was NT\$6,404,896,970.  
 The change registration for the conversion of convertible corporate bonds to issue new stocks was completed in April and the capital was NT\$6,414,896,840.  
 The change registration for the conversion of convertible corporate bonds to issue new stocks was completed in May and the capital was NT\$6,487,307,040.  
 The change registration for by-election of directors was completed in June and the capital was NT\$6,487,307,040.  
 The change registration for the conversion of convertible corporate bonds to issue new stocks was completed in August and the capital was NT\$6,549,896,050.  
 The change registration for the conversion of convertible corporate bonds to issue new stocks was completed in December and the capital was NT\$6,582,467,040.

## Three. Corporate Governance Report

I. Organization

(I) Organizational Structure



(II) Main Business Operations

Department	Functions
Audit and Risk Committee	The main purpose is to supervise the following matters: 1. Appropriate expression of the company's financial statements. 2. The selection (dismissal) and independence and performance of certified accountants. 3. Effective implementation of the company's internal control. 4. The company complies with relevant laws and regulations. 5. The management and control of the company's existing or potential risks.
Compensation Committee	Formulate and regularly review the policies, systems, standards and structure of chairman and managers' performance evaluation and remuneration, as well as regular evaluations and determine their remuneration.
Chairman	The formulation of the company's long-term business development strategy. Comprehensive management of the entire company. Comprehensively manage the coordination of the organization and business of each unit. Shaping the company's corporate image and establishing external relations.
Audit Office	The establishment, revision and implementation of the internal audit system.
Manufacturing Business	Comprehensive management of the production and marketing operations of the Group's tape and film manufacturing businesses. Planning and management of operational strategies. Establishment of operating bases, customer development and management.
Real Estate Construction	Comprehensively managing the operation and management of group construction, hotel and other real estate businesses. Planning and management of operational strategies. Real estate development and management.
Packaging Material	Comprehensive management of the development and operation management of the packaging material channel of the Group. Planning and management of operational strategies. Establishment of operating bases, customer development and management.
Special Chemistry Division	Conduct operation and management related to production and distribution for the special chemistry business of the Group. Conduct planning and management of operational strategies.
Administrative Division	Responsible for risk control, administration, legal affairs, information technology, human resources and other related businesses, and provide support and assistance for overseas related affairs.
Human Resource Division	Be responsible for the matters of personnel selection, training, employment, and retention, and provide support and assistance for overseas business.
Finance Division	Responsible for finance, accounting and other related businesses, and directly governs the financial and accounting units domestic and abroad.
Investment Division	Responsible for group investment evaluation and execution of related business

## II. Directors, Supervisors, General Manager, Deputy General Manager, Associates, Departments and Branch Officers Information

### (I) Directors

#### 1. Information about Directors

3 31,2023

Title	Nationality/ Place of Incorporation	Name	Gender / Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience ( Education )	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remarks	
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation		
Chairman	ROC	Ings Chyung International Co., Ltd.	-	06.17, 2022	3	06.28, 2016	42,748,839	6.43%	42,748,839	6.43%	-	-	-	-	-	-	-	-	-	-	-
		Representative: Lee, Chih-Hsieh	M 61-70	-	-	-	-	-	-	5,000,000	0.75%	4,479,704	0.67%	-	-	23rd ROC Youth Entrepreneurship, Chairman and General Manager of YEMCHIO Company, Master of Business Administration from Bellington University, USA	The company: President Other companies: Chairman of ENCHUAN International Director of YING CHUNG CO., LTD.	Director Special Assistant of the President	Lee, Shu-Wei Lee, Chi-Cheng	Father and Son/ Father and Son	-
Director	ROC	Ings Chyung International Co., Ltd.	-	06.16, 2023	3	06.28, 2016	42,748,839	6.43%	42,748,839	6.43%	-	-	-	-	-	-	-	-	-	-	-
		Representative: Lee, Su-Wei	M 41-50	-	-	-	-	-	-	2,760,436	0.42%	-	-	-	-	President, Ningbo Asia Plastics Technology Co., Ltd.; President, Wong Chio Development, Ltd.; President, Yem Chio Co., Ltd.; Chairman, Wong Chio Development, Ltd.; CEO, Real Estate Business Group, Yem Chio Co., Ltd.	The company: CEO Other companies: Director of Wangzhou Development Co., Ltd., UINN Hotel limited company and Achem Technology Corporation	Chairman Special Assistant of the President	Lee, Chih-Hsieh Lee, Chi-Cheng	Father and Son/ Brothers	-
Director	ROC	Asia Plastics Co., Ltd.	-	06.17, 2022	3	06.28, 2013	44,466,552	6.69%	52,974,405	7.97%	-	-	-	-	-	-	-	-	-	-	-
		Representative: Sishan Lin	M 61-70	-	-	-	-	-	-	2,955,946	0.44%	2,113,693	0.32%	-	-	General Manager of Haojun Construction Co., Ltd., Chairman and General Manager of Hausen Construction Company, Mingdao Middle School	The company: None Other companies: Chairman and General Manager of Hausen Construction Company	-	-	-	-
Director	ROC	Asia Plastics Co., Ltd.	-	06.16, 2023	3	06.28, 2013	44,466,552	6.69%	52,974,405	7.97%	-	-	-	-	-	-	-	-	-	-	-
		Representative: Fang, Shu-Fen	F 51-60	-	-	-	-	-	-	319,000	0.05%	-	-	-	-	Accounting manager, ACHEM Opto-Electronic Corporation; Deputy Director, Administration Division of ACHEM Opto-Electronic Corporation Director of Administration Division and Special Assistant of President, Yem Chio Co., Ltd.	The company: General Manager Other companies: Director of Chuangfu Investment Company and ACHEM OPTO-ELECTRONIC CORPORATION.	-	-	-	-
Independent Director	ROC	Chen, Yan-jun	M 61-70	06.17, 2022	3	06.20, 2019	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Independent Director	ROC	Chen, Shun-Fa	M 51-60	06.17, 2022	3	06.20, 2019	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Independent Director	ROC	Wang, Jian-Chuan	M 61-70	06.17, 2022	3	06.20, 2019	-	-	-	-	10,593	0.00%	-	-	Advisor of the Ministry of Economic Affairs, member of the Industry Advisory Committee of the Ministry of Economic Affairs, PhD in Economics, Purdue University	The Company: None Other Companies: Vice President of the China Economic Research Institute/Director of the Third Research Institute, Supervisor of ECSY Network Co., Ltd., the Corporate Director of the Asia Pacific Emerging Industry Management Co., Ltd. and FAR EASTONE TELECOMMUNICATIONS CO., LTD.	-	-	-	-	-

Note 1: Please refer to pages 140 to 149 for information on those concurrently serving as directors and supervisors of various affiliated companies of the company.

Note : If the Chairman of the company and the General Manager or the person with equivalent position (the top manager) are the same person, each other's spouse or relatives, the reason, rationality, necessity and corresponding measures (such as increasing the number of independent directors) should be explained. Moreover, there should be more than half of the directors not serving as employees or managers, etc.

Related information: The Chairman of the company is also serving as the General Manager in order to improve operating efficiency and decision-making execution. At present, more than half of the directors of the Board of Directors do not serve as employees or Managers, however, in order to strengthen

corporate governance, the company has actively trained suitable candidates. When the company held a re-election at the 2019 shareholders meeting, the number of independent directors that were elected was higher than that of ordinary directors in order to enhance the functions of the Board of Directors and strengthen the supervisory function. The Company's Board of Directors approved the re-assignment of the general manager on March 25, 2022, and the above situation no longer exists.

## 2. Corporate Shareholders

### Major shareholders of corporate shareholders

04/23/2024

Name of corporate shareholder	Major shareholders of corporate shareholders	Shareholding ratio%
Ings Chyung International Co., Ltd.	Lee, Shu-Wei(14.75%), Chi-Cheng, Lee(12.5%), Yujuan Wang(1.3%), Asia Plastics Co., Ltd.(4.75%) Trust property account in custody of Hua Nan Commercial Bank, Ltd. - Lee, Chih-Hsieh (62.35%); Trust property account in custody of Hua Nan Commercial Bank, Ltd. - Wang, Yu-Chuan (4.35%)	100%
Asia Plastics Co., Ltd.	Ings Chyung International Co., Ltd.(6%), Yujuan Wang(3%), Ying Chung Co., Ltd. (6%), Lee, Shu-Wei(9%), Chi-Cheng, Lee(9%), Trust property account in custody of Hua Nan Commercial Bank, Ltd. - Lee, Chih-Hsieh (67%)	100%

### Major shareholders of the Company's major institutional shareholders

04/23/2024

Name of corporate shareholder	Major shareholders of corporate shareholders	Shareholding ratio%
Asia Plastics Co., Ltd.	Ings Chyung International Co., Ltd.(6%), Yujuan Wang(3%), Ying Chung Co., Ltd. (6%), Lee, Shu-Wei(9%), Chi-Cheng, Lee(9%), Trust property account in custody of Hua Nan Commercial Bank, Ltd. - Lee, Chih-Hsieh (67%)	100%
Ings Chyung International Co., Ltd.	Lee, Shu-Wei(14.75%), Chi-Cheng, Lee(12.5%), Yujuan Wang(1.3%), Asia Plastics Co., Ltd.(4.75%) Trust property account in custody of Hua Nan Commercial Bank, Ltd. - Lee, Chih-Hsieh (62.35%); Trust property account in custody of Hua Nan Commercial Bank, Ltd. - Wang, Yu-Chuan (4.35%)	100%
YING CHUNG CO., LTD.	Lee, Shu-Wei(12.8%), Chi-Cheng, Lee(14%), Yujuan Wang(6.5%), Trust property account in custody of Hua Nan Commercial Bank, Ltd. - Lee, Chih-Hsieh (43.4%); Trust property account in custody of Hua Nan Commercial Bank, Ltd. - Wang, Yu-Chuan (23.3%)	100%

### 3. Director's Information II

#### (1) The Disclosure of Directors' Professional Qualifications and Independent Directors' Independence Status:

Criteria Name	Qualifications and Experience	Independence of independent directors	Number of other listed companies where he/she serves as an independent director
Director Ings Chyuang International Co., Ltd. Representative: Lee, Chih-Hsieh	Master of Business Administration from Bellington University, USA The Founder of the Company, Chairman of YEMCHIO Company, 13th Chairman of TAAI, 23rd ROC Youth Entrepreneurship, has work experience in the areas of commerce, or otherwise necessary for the business of the company.	N/A	None
Director Asia Plastics Co., Ltd. Representative: Lin, Si-Shan	Mingdao Middle School, Chairman and General Manager of Hausen Construction Company, General Manager of Hausen Construction Company, has work experience in the areas of commerce, or otherwise necessary for the business of the company.		None
Director Representative of NGS Chyuang International Co., Ltd., Li, Shu-Wei	Graduated with a Master's degree from Department of International Business, Ming Chuan University He is currently the CEO of the Company's real estate business. Before that, he has served as the general manager of Asia Plastics in Ningbo, the general manager of Wangzhou Construction, the general manager of the Company, and the Chairman of Wangzhou Construction. He has more than 5 years of work experience in business, finance, accounting and other areas required for the operation of the Company.		None
Director Representative of Asia Plastics Co., Ltd., Fang, Shu-Fen	Graduated with a master's degree in accounting from Northern Illinois University, USA. She is a qualified CPA and currently the general manager of the Company. Before that, she has served as the accounting manager and deputy director of the Administration Division of AICHEM Opto-Electronic Corporation, the director of the Company's Administration Division, and the special assistant of the president. She is specialized in accounting and finance and has more than 5 years of work experience in business, finance, accounting and other areas required for the operation of the Company.		None
Independent Director Chen, Yan-Jun	National Taiwan University Institute of International Enterprise, the convener of the Audit and Risk Committee and member of the Remuneration Committee of the company, qualified as an accountant; Chairman of Junlin Co., Ltd., Independent Director of Universal Vision Biotechnology Co., Ltd., Supervisor of Auras Technology Co., Ltd., Independent Director of Teco Electro Device Co., Ltd., Chairman, General Manager, Chief Investment Strategy Officer of Can Star Netcom (Stock) Company, Chairman, Chief Executive Officer, Chief Risk Control Officer, General Manager of Group Finance of Tsann Kuen Enterprise Co., Ltd., Chairman of Can Star International Travel Service (Stock) Company, Special Force Vice Chairman and Chief Strategic Officer of Hele (Stock) Company, Chief Financial Officer of Tellus (Stock) Company Group, Deputy General Manager of the Business and Marketing Development Center, has accounting and finance abilities, has work experience in the area of commerce, finance, accounting, or otherwise necessary for the business of the company.	During the two years before being elected or during the term of office, each of the following independence assessment criteria were met: (1) Not an employee of the Company or any of its affiliates. (2) Not a director or supervisor of the Company or any of its affiliates (Does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country and concurrently serving as such at a public company and its parent or subsidiary or a subsidiary of the same parent company). (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in holdings. (4) Does not have a spouse, relative within the second degree of consanguinity in the position of third level managers listed in (1) or personnel listed in (2), (3). (5) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the	2

Independent Director Chen, Shun-Fa	Department of Accounting, National Chung Hsing University, member of the Remuneration Committee and Audit and Risk Committee of the Company, qualified as CPA, Partner Accountant of PwC Taiwan, Head of Lucheng Management Consulting Co., Ltd., Independent Director of Solidwizard Technology Co., Ltd., and Xin Chio Global Co., Ltd., has work experience in the areas of commerce, finance, accounting or otherwise necessary for the business of the company.	company under Article 27, paragraph 1 or 2 of the Company Act. (Does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country and concurrently serving as such at a public company and its parent or subsidiary or a subsidiary of the same parent company). (6) Not a director, supervisor, or employer of another company where more than half of the company's director seats or voting shares are controlled by the same person. (Does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country and concurrently serving as such at a public company and its parent or subsidiary or a subsidiary of the same parent company).	2
Independent Director Wang, Jian-Chuan	PhD in Economics, Purdue University, the convener and member of the Remuneration Committee and Audit and Risk Committee of the company, Vice President of the China Economic Research Institute/Director of the Third Research Institute, Supervisor of ECSY Network Co., Ltd., representative of the Corporate Director of the Asia Pacific Emerging Industry Management Co., Ltd., Director, Far Eastone Telecommunications Co., Ltd., Advisor of the Ministry of Economic Affairs, member of the Industry Advisory Committee of the Ministry of Economic Affairs, the 9th Chairman of the Taiwan Asia-Pacific Industrial Analysis Professional Association, has work experience in the areas of commerce, or otherwise necessary for the business of the company.	(7) Not a chairperson, general manager, or person holding an equivalent position in the company and a person in any of those positions at another company or institution or a spouse thereof. (Does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country and concurrently serving as such at a public company and its parent or subsidiary or a subsidiary of the same parent company). (8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the company. (Does not apply to the specified company or institution which holds 20% or more and no more than 50% of the total number of issued shares of the public company, and the independent directors appointed in accordance with the Act or the laws and regulations of the local country and concurrently serving as such at a public company and its parent or subsidiary or a subsidiary of the same parent company). (9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations. (10) Does not have a spouse, or a relative within the second degree of kinship as any other director of the Company. (11) Does not fall under any of the conditions defined in Article 30 of the Company Act. (12) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.	None

## (2) Diversification and Independence of the Board of Directors:

### Diversification of the Board of Directors:

There were originally five directors. At the shareholders' meeting on June 16, 2023, two more directors were elected to a total of seven directors (including three independent directors) after the election. Among the board members, six are male and one is female. The directors are aged between 40 and 60 years old and have extensive industry expertise and business background, which greatly enhances the independence and diversification of the Board of Directors allowing them to fully implement strategies and guidance. The board meetings are held at least once a quarter, and a total of 5 board meetings were held in 2023 with 100% attendance. Under the leadership of the Chairman of the Board, Mr. Li makes management decisions with his extensive expertise to enhance operational performance and lead the Board of Directors.

In accordance with the company's regulations and the "Regulations Governing the Appointment of Independent Directors and Compliance Matters for Public Companies", the appointments of directors should take into consideration the entire configuration of the Board of Directors, including abilities in

terms of operational judgment, operations management, accounting and financial analysis, crisis handling, knowledge of the industry, international market perspective, leadership, and decision-making. At the same time, the Board of Directors also complies with the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies", arranging for the directors to attend external trainings, such as the operation of the Board of Directors and supervisors and healthy corporate governance course, in order to strengthen their governance capabilities.

#### The Specific Management Objectives

of The Board of Directors' Diversity Policy and their Status of Achievement are as Follows:

Objective	Status
Independent Directors exceeded one-third of the board seats	Achieved
Independent directors have not served more than 3 terms	Achieved
The number of directors serving as managers of the Company shall not exceed one-third of the total number of directors	Achieved
Sufficient and diversified professional knowledge and skills	Achieved

The implementation status of the diversity policy on the formation of the Board of Directors are described below:

Name	Core of diversity	Basic formation					Professional background			Professional knowledge and skills						
		Nationality	Gender	Serving as employee	Age		Seniority of independent director (less than 6 years)	Accounting	Industry	Finance	Operational judgment ability	Operational management ability	Leadership	Crisis management ability	Knowledge of industry	Understanding of international markets
					51-60 years old	61-70 years old										
Director	Lee, Chih-Hsieh	R.O.C.	Male	√			√		√		√	√	√	√	√	√
	Lee, Su-Wei		Male				√		√		√	√	√	√	√	√
	Lin, Ssu-Shan		Male	√	√				√	√	√	√	√	√	√	√
	Fang, Shu-Fen		Female	√		√			√	√	√	√	√	√	√	√
Independent Director	Chen, Yen-Chun		Male				√	√	√	√	√	√	√	√	√	√
	Chen, Shun-Fa		Male			√		√	√	√	√	√	√	√	√	√
	Wang, Chien-Chuan		Male				√	√		√		√	√	√	√	√

#### The Independence Status of the Board of Directors:

Independence of the Board of Directors: The Board of Directors of the company consists of seven directors, three of which are independent directors, accounting for 43% of all, four of the general directors, one is an external director, except for two directors who are relatives within the second degree of kinship, there is no relationship of spouse or a relative within the second degree of kinship among the other directors, so the Board of Directors is independent in the administration of its responsibilities.

## (II) General Manager, Deputy General Manager, Associate, Heads of Departments and Branches

03 31, 2024

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shares Held in the Names of Others		Experience (Education)	Other Position (Note 3)	Managers who are Spouses or Within Two Degrees of Kinship			Remarks
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
President	ROC	Lee, Chih-Hsieh	M	05 01,2023	5,000,000	0.75%	4,479,704	0.67%	-	-	23rd ROC Youth Entrepreneurship, Chairman of Yanzhou Company, Master of Business Administration from Bellington University, USA	Other companies: Chairman of Ings Chyung International Co., Ltd and Director of Behavior Tech Computer Corp.	Real estate business group CEO Special Assistant of the President	Lee, Shu-Wei Lee, Chi-Cheng	Father Son	Note 1
General Manager <sup>1</sup>	ROC	Fang, Shu-Fen	F	03 25,2022	319,000	0.05%	-	-	-	-	Master of Accounting, Northern Illinois University Pass the CPA Exam Passed the Taiwan Accountant Exam	Director of Chuangfu Investment Company and ACHEM OPTO-ELECTRONIC CORPORATION.				Note 2
Special Assistant of the President	ROC	Lee, Chi-Cheng	M	05 01,2023	2,529,236	0.38%	-	-	-	-	Chairman of ACHEM Technology Corporation and Xin Chio Global Co., Ltd, CEO of ACHEM Technology Corporation Chief Operating Officer and Deputy Chief Executive Officer of Achem Technology Corporation in China, Master of Mechanical Engineering, National Taiwan University	Vice Chairman of Achem Technology Corporation	President Real estate business group CEO	Lee, Chih-Hsieh Lee, Shu-Wei	Father and son Brothers	
Manufacturing Business Co-Chief Operating Officer	R.O.C.	Chao, Po-Yang	Male	03.01.2024	5	0.00%-	-	-	-	-	Co-CEO of Mfg. Business, ACHEM Technology Corporation Deputy CEO of ACHEM Technology Corporation Chairman of Foshan Plant, ACHEM Technology Corporation		-	-	-	Note 3
Manufacturing Business Co-Chief Operating Officer	China	Sun, Ni-Ying	Female	03.01.2024	-	-	-	-	-	-	Co-CEO of Mfg. Business, ACHEM Technology Corporation Deputy CEO of ACHEM Technology Corporation General Manager of Ningbo Plant, ACHEM Technology Corporation		-	-	-	Note 3
Distribution Business Group CEO	ROC	Jiang, Wen-Rong	M	07 01,2018	417,347	0.06%	7,767	0.00%	-	-	General Manager of Packaging Materials Division and Director of YemChio Company, National Chengchi University Business Management-Master of Global Taiwanese Business Class	Chairman of XinChio Global, Director of Master Bao (Shanghai) Company and Achem (Wuhan) Company	-	-	-	
Real estate business group CEO	ROC	Lee, Shu-Wei	M	04.01,2020	2,760,436	0.42%	-	-	-	-	General Manager of Ningbo YemChio; Master of International Business, Ming Chuan University	Director of Wangzhou Development Co., Ltd., UiNN Hotel limited company and Achem Technology Corporation	President Special Assistant of the President	Lee, Chih-Hsieh Lee, Chi-Cheng	Father and son Brothers	
Corporate Governance Officer <sup>6</sup>	ROC	Zheng, Yan-zhong,	F	05 13,2021	334,451	0.05%	39,111	0.01%	-	-	Fu Jen Catholic University, Department of Accounting, National Taiwan University of Science and Technology, Graduate School of Management, EMBA Head of Audit Department of Zicheng United Certified Public Accountants	Supervisor of WH Group (Vietnam) Company, Director of Chuangfu Investment Company	-	-	-	

Financial Officer <sup>4</sup>	ROC	Chang, Yung-Chieh	M	05.13.2021	8,474	0.00%	-	-	-	-	Deputy Audit Manager of Anhou Jianye United Certified Public Accountants, Manager of Finance Department of China Vehicle Division of Liuhe Enterprise Group Department of Accounting, Tamkang University	Director of Foshan Yida Adhesive Products Co., Ltd., Wangzhou Development Co., Ltd. and AICHEM OPTO-ELECTRONIC CORPORATION. Supervisor of ASIACHEM Shanghai Company. Master Bao (Shanghai) Material Technology Co., Ltd., ASIACHEM (Wuhan) Co., Ltd., Wanzhou Technology (Supervisor of Chengdu) Company, Wanzhou Adhesive Products (Jiangsu) Company. Financial Officer of Xinzhou Global	-	-	-	-
Accounting Officer <sup>5</sup>	ROC	Chou, Yun-Tin,	F	03.25.2022	6,000	0.00%	-	-	-	-	Deputy Audit Manager of Qinye Zhongxin United Certified Public Accountants Department of Accounting, Soochow University	Director of Wangzhou Development Company	-	-	-	-

Note 1: Chairman Lee, Chih-Hsien was relieved of his duties as the General Manager on March 25, 2022, and took over the position of President on May 1, 2023.

Note 2: CEO of the Manufacturing Business Lee, Chi-Cheng, took over the position as the special assistant of the president on May 1, 2023.

Note 3: Deputy CEO of the Manufacturing Business Chao, Po-Yang and Deputy CEO Sun, Ni-Ying were promoted to Co-CEO of the Manufacturing Business on May 1, 2023. Both were transferred to the position of Co-COOs of the Manufacturing Business on March 1, 2024.

Note 4: Please refer to pages 140 to 149 for information on those concurrently serving as directors and supervisors of various affiliated companies.

Note 4: If the Chairman of the company and the General Manager or the person with equivalent position (the top manager) are the same person, each other's spouse or relatives, the reason, rationality, necessity and corresponding measures (such as increasing the number of independent directors) should be explained. Moreover, there should be more than half of the directors not serving as employees or managers, etc. Related information: The Chairman of the company is also serving as the General Manager in order to improve operating efficiency and decision-making execution. At present, more than half of the directors of the Board of Directors do not serve as employees or Managers, however, in order to strengthen corporate governance, the company has actively trained suitable candidates. When the company held a re-election at the 2019 shareholders meeting, the number of independent directors that were elected was higher than that of ordinary directors in order to enhance the functions of the Board of Directors and strengthen the supervisory function. The Company's Board of Directors approved the re-assignment of the general manager on March 25, 2022, and the above situation no longer exists.

## (III) Remuneration of Directors (Including Independent Directors), Supervisors, President, and Vice Presidents

## Remuneration of Directors (Including Independent Directors)

Unit: NT\$ thousands

Title	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) and to Net Income (%) <sup>8</sup>		Relevant Remuneration Received by Directors who are Also Employees						Ratio of Total Compensation (A+B+C+D+E+F+G) And to Net Income (%) <sup>8</sup>		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary <sup>9</sup>
		Base Compensation (A) <sup>2</sup>		Severance Pay (B)		Directors Compensation(C) <sup>3</sup>		Allowances (D) <sup>4</sup>				Salary, Bonuses, and Allowances (E) <sup>5</sup>		Severance Pay (F)		Employee Compensation (G) <sup>6</sup>				
		The company	All companies in the consolidated financial statements <sup>7</sup>	The company	Companies in the consolidated financial statements <sup>7</sup>	The company	Companies in the consolidated financial statements <sup>7</sup>	The company	Companies in the consolidated financial statements <sup>7</sup>	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements <sup>7</sup>	The company	Companies in the consolidated financial statements <sup>7</sup>	Cash	Stock	Cash	Stock	
Chairman	Ings Chyung International Co., Ltd Representative : Lee, Chih-Hsieh	60	60	-	-	-	-	-	--	60/ 0.0075%	60/ 0.0075%	2,212	2,212	-	-	107	107	2,379/ 0.297%	2,379 0.297%	None
Director	Ings Chyung International Co., Ltd Representative : Lee, Shu-Wei	60	60	-	-	-	-	-	-	60/ 0.0075%	60/ 0.0075%	2,144	2,144	108	108	200	200	2,512/ 0.314%	2,512/ 0.314%	None
Director	Asia Plastics Co., Ltd. Representative : Sishan Lin	60	60	-	-	-	-	36	36	96/ 0.012%	96/ 0.012%	-	-	-	-	-	-	96/ 0.012%	96/ 0.012%	None
Director	Asia Plastics Co., Ltd. Representative : Fang, Shu-Fen	60	60	-	-	-	-	-	-	60/ 0.0075%	60/ 0.0075%	2,868	2,868	108	108	221	221	3,257/ 0.407%	3,257/ 0.407%	None
Independent Director	Yan Jun Chen	60	60	-	-	-	-	36	36	96/ 0.012%	96/ 0.012%	-	-	-	-	-	-	96/ 0.012%	96/ 0.012%	None
Independent Director	Jian Chuan Wang	60	60	-	-	-	-	30	30	90/ 0.011%	90/ 0.011%	-	-	-	-	-	-	90/ 0.011%	90/ 0.011%	None
Independent Director	Shun Fa Chen	60	120	-	-	-	-	30	60	90/ 0.011%	180/ 0.022%	-	-	-	-	-	-	90/ 0.011%	180/ 0.022%	None

1. Please state the policy, system, standard and structure of the remuneration payment for independent directors, and state the relevance to the amount of remuneration based on the responsibilities, risks, investment time and other factors: the company's directors' remuneration currently adopts a fixed amount.

2. Except as disclosed in the above table, the remuneration received by the directors of the company for providing services to all companies in the financial report (such as serving as a consultant for parent company/ all company in financial statements/ non-employees of the reinvestment business, etc.) in the most recent year: 0 thousands NTD dollars.

Note 1: The names of directors should be listed separately (corporate shareholders should list the names of corporate shareholders and their representatives separately), and general directors and independent directors should be listed separately, and the payment amounts should be disclosed in a summary. If the director is also the general manager or deputy general manager, please fill in this form and the following table (3-1), or the following table (3-2-1) and (3-2-2).

Note 2: Refers to the remuneration of directors in the most recent year (including directors' salary, post bonus, severance payment, various bonuses, incentives, etc.).

Note 3: It is to fill in the amount of directors' remuneration approved by the Board of Directors in the most recent year.

Note 4: Refers to the director's relevant business execution expenses in the most recent year (including transportation allowance, special expenses, various allowances, dormitories, car allocation, etc.). When providing housing, cars and other means of transportation or exclusive personal expenses, the nature and cost of the assets provided as well as the actual or fair market price, rent, fuel and other payments should be disclosed. In addition, if there is a driver, please note the relevant remuneration paid by the company to the driver, but it will not be included in the remuneration list.

Note 5: Refers to the recent year for concurrent directors and employees, (including general manager, deputy general manager, other managers and employees) received including salary, job bonus, severance payment, various bonuses, incentives, transportation allowance, special expenses, various allowances, dormitories, car distribution and other physical provisions and so on. When providing housing, cars and other means of transportation or exclusive personal expenses, the nature and cost of the assets provided, the actual or fair market price, rent, fuel and other payments should be disclosed. In addition, if there is a driver, please note the relevant remuneration paid by the company to the driver, but it will not be included in the remuneration. In addition, salary expenses recognized in accordance with IFRS 2 "Share Based Payment", including obtaining employee stock options, restricting employee rights, new shares, and participating in cash capital increase subscription for shares, should also be included in the remuneration list.

Note 6: Refers to those who have received employee remuneration (including stocks and cash) for concurrent directors and employees (including concurrently serving as general manager, deputy general manager, other managers and employees) in the most recent year, the amount of employee remuneration distributed by the Board of Directors in the most recent year shall be disclosed. If it can't be estimated, the proposed distribution amount for this year shall be calculated based on the actual distribution amount last year and filled in Appendix Table 1-3.

Note 7: The total amount of remuneration paid to the directors of the company by all companies (including the company) in the consolidated report shall be disclosed.

Note 8: Net profit after tax refers to the net profit after tax of the individual or individual financial report in the most recent year.

Note 9: a. This column should clearly state the amount of relevant remuneration received by the directors of the company from the non-subsiary transfer investment business or the parent company (if none, please fill in "none").

b. If the directors of the company receive relevant remuneration from non-subsiary investment business or the parent company, the remuneration received by the company's directors from the non-subsiary investment business or the parent company shall be included in column I of the remuneration scale table. And change the field name to "Parent company and all reinvested businesses."

c. Remuneration refers to the remuneration of employees, directors and supervisors and business execution expenses received by the directors of the company as directors, supervisors or managers of non-subsiary investment enterprises or parent companies' remuneration.

\*The content of the remuneration disclosed in this table is different from the income concept of the income tax law, so the purpose of this table is for information disclosure and not for taxation.

Remuneration of the President and Vice Presidents

Unit: NT\$ thousands

12.31.2024

Title	Name	Salary (A) <sup>2</sup>		Severance Pay (B)		Bonuses and Allowances (C) <sup>3</sup>		Employee Compensation (D) <sup>4</sup>				Ratio of total compensation (A+B+C+D) and to net income (%) <sup>8</sup>		Compensation Paid to the President and Vice Presidents from an Invested Company Other than the Company's Subsidiary <sup>9</sup>
		The company	Companies in the consolidated financial statements <sup>5</sup>	The company	Companies in the consolidated financial statements <sup>5</sup>	The company	Companies in the consolidated financial statements <sup>5</sup>	The company		Companies in the consolidated financial statements <sup>5</sup>		The company	Companies in the consolidated financial statements <sup>5</sup>	
								Cash	Stock	Cash	Stock			
President	Lee, Chih-Hsieh	2,100	2,100	-	-	112	112	107	-	107	-	2,319/ 0.29%	2,319/ 0.29%	NONE
General Manager	Fang, Shu-Fen	2,640	2,640	108	108	228	228	221	-	221	-	3,197/ 0.40%	3,197/ 0.40%	
Special Assistant of the President	Lee, Chi-Cheng	-	2,916	-	108	-	367	-	-	-	-	0	3,391/ 0.42%	
Manufacturing Business Co-Chief Operating Officer	Chao, Po-Yang	-	2,130	-	108	-	312	-	-	-	-	0	2,550/ 0.32%	
Manufacturing Business Co-Chief Operating Officer	Sun, Ni-Ying	-	1,765	-	-	-	460	-	-	-	-	0	2,225/ 0.28%	
Distribution Business Group CEO	Jiang, Wen-Rong	-	1,398	-	42	-	7,036	-	-	-	-	0	8,476/ 1.06%	
Real estate business group CEO	Lee, Shu-Wei	1,938	1,938	108	108	206	206	200	-	200	-	2,452/ 0.31%	2,452/ 0.31%	

\*Regardless of job title, anyone whose position is equivalent to general manager or deputy general manager (for example: president, chief executive officer, director... etc.) should be disclosed.

## \* Table of Range of Remuneration

Range of Remuneration	Name of President and Vice Presidents	
	Companies in the consolidated financial statements <sup>5</sup>	Companies in the consolidated financial statements <sup>7,E</sup>
Under NT\$ 2,000,000		
NT\$2,000,000~NT\$4,999,999	Lee, Chih-Hsieh, Fang, Shu-Fen, Lee, Shu-Wei	Lee, Chih-Hsieh, Lee, Shu-Wei, Fang, Shu-Fen, Lee, Chi-Cheng, Chao, Po-Yang, Sun, Ni-Ying
NT\$5,000,000~NT\$9,999,999		Jiang, Wen-Rong
NT\$10,000,000~NT\$14,999,999		
NT\$15,000,000~NT\$29,999,999		
NT\$30,000,000~NT\$49,999,999		
NT\$50,000,000~NT\$99,999,999		
Over NT\$100,000,000		
Total	3	7

Note 1: The names of the general manager and deputy general managers shall be listed separately, and the payment amounts shall be disclosed in a summary. If the director is also the general manager or deputy general manager, please fill out this form and the above form (1-1), or (1-2-1) and (1-2-2).

Note 2: It is to fill in the salary of the most recent annual general manager and deputy general managers, position additions, and severance pay.

Note 3: It is to fill in the amount of various bonuses, incentives, transportation allowance, special expenses, various allowances, dormitories, car distribution and other remunerations provided by the general manager and deputy general managers in the recent year. When providing housing, cars and other means of transportation or exclusive personal expenses, the nature and cost of the assets provided, the actual or fair market price, rent, fuel and other payments should be disclosed. In addition, if there is a driver, please note the relevant remuneration paid by the company to the driver, but it will not be included in the remuneration. In addition, salary expenses recognized in accordance with IFRS 2 "Share Based Payment", including obtaining employee stock options, restricting employee rights, new shares, and participating in cash capital increase subscription for shares, should also be included in the remuneration list.

Note 4: It is to fill in the amount of employee compensation (including stocks and cash) approved by the Board of Directors to distribute to the general manager and deputy general managers in the most recent year. If it can't be estimated, the proposed distribution amount for this year shall be calculated based on the actual distribution amount last year and filled in Appendix Table 1-3.

Note 5: The total amount of remuneration paid by all companies (including the company) to the general manager and deputy general managers of the company in the consolidated report shall be disclosed.

Note 6: The name of the general manager and deputy general managers should be revealed in the attribution level in the total amount of remuneration paid by company to each general manager and deputy general manager.

Note 7: The total amount of remuneration paid to every general manager and deputy general managers of the company by all companies (including the company) in the consolidated report shall be disclosed.

Note 8: Net profit after tax refers to the net profit after tax of the individual or individual financial report in the most recent year.

Note 9: a. This column should clearly state the amount of relevant remuneration received by the general manager and deputy general managers of the company from the non-subsiary transfer investment business or the parent company (if none, please fill in "none").

b. If the general manager and deputy general managers of the company receive relevant remuneration from non-subsiary investment business or the parent company, the remuneration received by the company's general manager and deputy general managers from the non-subsiary investment business or the parent company shall be included in column I of the remuneration scale table. And change the field name to "Parent company and all reinvested businesses".

c. Remuneration refers to the remuneration of employees, directors and supervisors and business execution expenses received by the directors of the company as directors, supervisors or managers of non-subsiary investment enterprises or parent companies remuneration.

\*The content of the remuneration disclosed in this table is different from the income concept of the income tax law, so the purpose of this table is for information disclosure and not for taxation.

#### 4. Name of managers who distribute employee compensation and the distribution status

Unit: NT\$ thousands

	Title <sup>1</sup>	Name <sup>1</sup>	Employee Compensation - in Stock (Fair Market Value)	Employee Compensation - in Cash	Total	Ratio of Total Amount to Net Income (%)
Executive Officers	President	Lee, Chih-Hsieh	0	789	789	0.098%
	General Manager	Fang, Shu-Fen				
	Special Assistant of the President	Lee, Chi-Cheng				
	Manufacturing Business Co-Chief Operating Officer	Chao, Po-Yang				
	Manufacturing Business Co-Chief Operating Officer	Sun, Ni-Ying				
	Distribution Business Group CEO	Jiang, Wen-rong				
	Real estate business group CEO	Lee, Shu-Wei				
	Financial Officer	Chang, Yung-Chieh				
	Accounting manager	Chou, Yun-Tin				
	Corporate Governance Officer	Zheng, Yan-Zhong				

Note 1: Individual names and titles should be disclosed, but the profit distribution can be disclosed in a summary.

Note 2: It is to fill in the amount of employee compensation (including stocks and cash) approved by the Board of Directors for the distribution of managers in the most recent year. If it cannot be estimated, the proposed distribution amount for this year will be calculated based on the actual distribution amount last year. Net profit after tax refers to the net profit after tax in the most recent year; if IFRS has been adopted, net profit after tax refers to the net profit after tax of the individual or individual financial report in the most recent year.

Note 3: The scope of application of managers according to Taiwan-Financial-Securities-III- No.0920001301

is as follows:

- (1) General manager and equivalent position
- (2) Deputy general manager and equivalent position
- (3) Associate and equivalent position
- (4) Financial Officer
- (5) Accounting Officer
- (6) Others who have the right to manage affairs and sign for the company

Note 4: If the director, general manager and deputy general manager receive employee compensation (including stocks and cash), in addition to filling in the Appendix Table 1-2, they should also fill out this form.

5. Comparison of Remuneration for Directors, Supervisors, General Manager and Deputy General Managers in the Most Recent Two Fiscal Years and Remuneration Policy for Directors, Supervisors, General Manager and Deputy General Managers

(1) The ratio of total remuneration to the net income

Title	Ratio of total remuneration to the net income in 2022		Ratio of total remuneration to the net income in 2023	
	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements
Director	0.61%	1.64%	1.04%	3.09%
General Manager and Deputy General Manager				

Note 1: No analysis is made in the event that the variation is less than 20% or the change of the amount is less than NT\$10,000 thousand.

Note 2: The increase in the ratio of the total remuneration in the current period to the net profit after tax of all the companies in the consolidated statements compared with the previous period is primarily a result of the decline in profit in the current period and the promotion to professional managers.

- (2) The remuneration to the Chairman and the directors is subject to the “Director Remuneration Management Regulations”, and the Board of Directors is authorized to determine it by resolution with reference to their involvement in and the value of their contribution to the operations of the Company; in addition, the remuneration to the President is comprised of salary and year-end bonus without stock dividends from retained earnings as a remuneration to the employees. The standard or structure and system applicable to the remuneration to the directors and the President will be adjusted in consideration of the risk in the future. Since a fixed compensation system is currently adopted and the pay is at the lowest level in both domestic and global industries, the association between the operating performance and the future risk in the pursuit of remuneration is relatively low.
- (3) The Articles of Incorporation and the Administrative Measures for Directors' Remuneration, whereby:
1. The Company may pay remuneration to all directors for their service, provided that such remuneration shall not exceed 1% of the Company's profit after tax for the year.
  2. Each person is entitled to a fixed amount of remuneration every year up to the limits set in the Articles of Incorporation.
  3. All directors except for those who have a part in the daily management of the Company may receive attendance fees for their presence at shareholders' meetings, meetings of the board of directors or the audit committee and the remuneration committee once a day.
  4. Travel expenses paid for the Company will be verified and reimbursed after the trip as per the Company's rules.
  5. The Chairman's remuneration will be determined by the board of directors due to his or her part in the management of the Company's daily operations.

6. If an independent director is also a member of the audit committee, then in addition to the second payment, the Company will pay each person an additional job allowance every year. Directors also serving as members of the remuneration committee will not receive a job allowance.

### III. Implementation of Corporate Governance

#### 1. Board of Directors

The Board of Directors held 5 meetings in 2023. The presence and attendance of the directors are described below:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks
Chairman	Ings Chyung International Co., Ltd Representative: Lee, Chih-Hsieh	5	—	100%	Re-elected on 2022/6/17
Director	Asia Plastics Co., Ltd. Representative: Sishan Lin	5	—	100%	Re-elected on 2022/6/17
Director	Ings Chyung International Co., Ltd. Representative: Lee, Su-Wei	3	—	100%	Co-optation on June 16, 2023
Director	Asia Plastics Co., Ltd. Representative: Fang, Shu-Fen	3	—	100%	Co-optation on June 16, 2023
Independent Director	Yen-Chun, Chen	5	—	100%	Re-elected on 2022/6/17
Independent Director	Jian Chuan Wang	5	—	100%	Re-elected on 2022/6/17
Independent Director	Shun Fa Chen	5	—	100%	Re-elected on 2022/6/17

Other items worth noting:

#### I.(1) Matters referred to in Article 14-3 of the Securities and Exchange Act.

Meeting Date (Session)	Resolution	Opinions of the Audit Committee and the company's handling of the opinions of the Audit Committee
03.15.2023 (1 <sup>st</sup> meeting in 2023)	Proposal for the appointment of CPAs for 2023 and the assessment of their independence and competency	The proposals were approved by all the independent directors.
05.12.2023 (2 <sup>nd</sup> meeting in 2023)	<ol style="list-style-type: none"> <li>Proposal for loaning funds to subsidiaries</li> <li>Proposal for provision of endorsement and guarantee for subsidiaries to apply for (cancellation of) loan facilities to (from) financial institutions.</li> <li>Proposal that ACHEM Technology China, a company in which the Company holds 100% of shares indirectly, plans to assign its equity of 62.3% in Foshan Inder Adhesive Product Co., Ltd. to ACHEM (Jiangsu) Adhesive Product Co., Ltd. as an exchange for its newly issued shares, and for amending the net equity transfer value.</li> </ol>	The proposals were approved by all the independent directors.
08.11.2023 (3 <sup>th</sup> meeting in 2023)	<ol style="list-style-type: none"> <li>Proposal for provision of endorsement and guarantee for subsidiaries to apply to financial institutions for loan facilities.</li> <li>The Company plans to purchase the 5th floor and 24 parking spaces of the</li> </ol>	<p>The proposals were approved by all the independent directors.</p> <p>Committee member Chen, Shun-Fa was an independent director of the</p>

	<p>office building in Neihu District from Xin Chio Global.</p> <p>3. The Company plans to purchase a total of one land lot No. 92, Xinzhoumei Section in Beitou District of Taipei City</p> <p>4. Proposal for ratifying the Company's disposal of Quanta Computer stocks</p>	<p>transaction counterparty Xin Chio Global. Since he had an interest in the case, he withdrew from participating in the discussion and voting of this case. The other two independent directors approved the proposal.</p> <p>The proposals were approved by all the independent directors.</p> <p>The proposals were approved by all the independent directors.</p>
11.30.2023 (5 <sup>th</sup> meeting in 2023)	The Company plans to purchase a total of 22 land lots including Land No. 584, Section 2, Taishan Section in Taishan District of New Taipei City	The proposals were approved by all the independent directors.

(II) Any resolution of the Board of Directors for which dissent or reservation is expressed by any independent director, and recorded in the minutes or a written statement: None.

II. Regarding the situation of a director's recusal of conflict of interest, the name of the director, proposal, reasons for the recusal, and participation in the voting shall be described:

2023.08.11 The fifth agenda item of the board meeting was to discuss the purchase the 5th floor and 24 parking spaces of the office building in Neihu District from Xin Chio Global. The Chairman Lee, Chih-Hsien and the Director Li, Shu-Wei were relatives within the second degree of kinship with the Chairman of the transaction counterparty, Xin Chio Global, and Independent Director Chen, Shun-Fa was also an independent director of Xin Chio Global. Since they had personal interests in this case, they withdrew from participating in the discussion and voting of this case.

III. The implementation of the Board of Directors evaluation:

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Execute once a year	2023/1/1~2023/12/31	Overall performance evaluation of the Board of Directors, individual directors and functional committees	Internal self-evaluation of the Board of Directors, self-evaluation of directors, and self-evaluation of functional committees and performance evaluation of the Board of Directors outsourced at least every three years.	<p>The measurement items for the performance evaluation of the Board of Directors include the following aspects:</p> <p>The measurement items for the performance evaluation of the Board of Directors include the following aspects:</p> <p>(1) Participation in company operations, (2) Improvement of the quality of board decisions, (3) Board of Directors composition and structure, (4) Director selection and continuous education, (5) Internal control.</p> <p>The functional committee's self-performance evaluation measures include the following aspects:</p> <p>(1) Participation in company operations, (2) Awareness of the responsibilities of the</p>

				functional committee, (3) Improvement of the decision-making quality of the functional committee, (4) Composition of the functional committee, and member selection, (5) Internal control.
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The Company has carried out the 2023 self-evaluation and external evaluation of the Board of Directors. The result will be reported to the Board meeting in Q1 2024 and used as a reference for the remuneration to the directors and their nomination for re-election.

The result of the self-evaluation of the Board or Directors showed 4.87 points on average (perfect score = 5 points). The self-evaluation of individual directors showed 4.95 points on average (perfect score = 5 points). These scores indicate that the Board of Directors operated well and effectively. It is recommended that more necessary information be provided to directors.

The external evaluation unit "Taiwan Institute of Ethical Management" conducted a board performance evaluation. A perfect score is 5 points and the overall average score received was 4.83 points; professional functions: 4.76 points ; decision-making effectiveness: 4.89 points; internal control: 4.86 points; sustainable development: 4.74 points. Overall, the report makes conclusions and recommendations in four major aspects: 1. strengthening the diversified composition of directors; 2. background composition and re-election suggestions of independent directors; 3. strengthening the recording of directors' speeches in the board meeting minutes; 4. continuing to promote sustainable corporate operations.

The result of the self-evaluation of the Audit and risk Committee showed 4.98 points on average (perfect score = 5 points). The Committee operated effectively.

The result of the self-evaluation of the Remuneration Committee showed 4.95 points on average (perfect score = 5 points). The Committee operated effectively and the Committee member suggested that investigation on the remuneration policy of other companies in the industry can be enhanced.

IV. Evaluation of the goals (e.g. establishment of the Audit Committee, improvement of information transparency, etc.) and implementation with respect to enhancement of the function of the Board of Directors in the current and most recent year: After the re-election of all the directors and supervisors at the annual general meeting of shareholders on June 20, 2019, the Company set up the Audit Committee in lieu of the supervisors to enhance the function of the Board of Directors. In order to promote the stable operation and sustainable development of the Company, establish a sound risk management mechanism, provide a basis for risk management, manage risk properly, and thus ensure achievement of the operational goals, the Audit Committee was renamed to Audit and Risk Committee in November 10, 2023 under the approval of the Board of Directors. The Board of Directors operates in accordance with the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" and important resolutions are announced on the MOPS in time after the Board meeting to ensure full disclosure of the information and protect the rights and interests of the shareholders.

Note: The actual attendance rate (%) is calculated based on the number of meetings of the Board of Directors and the actual number of attendance during the period of their employment.

2. Audit and Risk Committee (The company changed the name of the Audit Committee to the Audit and Risk Committee on 2023/11/10)

The audit and Risk committee of the company is composed of all independent directors. The operation of the audit and Risk committee is mainly for the supervision of the following matters:

- (1) Appropriate expression of the company's financial statements.
- (2) The selection (dismissal) and independence and performance of certified accountants.
- (3) Effective implementation of the company's internal control.
- (4) Company's compliance with relevant laws and regulations.
- (5) Management and control of the company's existence or potential risks; By integrating risk management into operational activities and daily management processes, the following goals are achieved:
  - (a) Achieve corporate goals.
  - (b) Improve management efficiency.
  - (c) Provide reliable information.
  - (d) Allocate resources efficiently.

The focus of the audit and Risk committee's annual auditing work:

- (1) Annual financial report.
- (2) Formulating or revising the internal control system.
- (3) Evaluation of the effectiveness of the internal control system.
- (4) Formulating or modifying the processing procedures for major financial business activities involving acquisition or disposal of assets, engaging in derivative commodity transactions, lending funds to others, endorsing or providing guarantees for others.

- (5) Matters involving the director's own interest.
- (6) Major asset or derivative commodity transactions, major capital loans, endorsements or guarantees.
- (7) Raising, issuing or private placement of equity securities.
- (8) Appointment, dismissal or remuneration of certified public accountants.
- (9) Appointment and dismissal of financial, accounting or internal audit supervisors.
- (10) Examine risk management policies, procedures, and structures, and regularly review their applicability and implementation effectiveness.
- (11) Review and determine risk tolerance and guide resource allocation.
- (12) Ensure that risk management mechanisms can fully deal with risks faced by the Company and integrate them into daily operational processes.
- (13) Review and determine the priority and risk level of risk control.
- (14) Examine the implementation of risk management, put forth necessary suggestions for improvement, and regularly report to the Board of Directors (at least once a year).
- (15) Implement the risk management decisions of the Board of Directors.

Information on Audit and risk Committee members:

December 31, 2023

Member Type	Name	Criteria	Professional qualification and experience	Independence	Number of other public companies where the person also serves in an Audit Committee
Independent director convener	Chen, Yen-Chun	Refer to the information on directors (2) on page 16	Refer to the information on directors (2) on page 16		2
Independent director	Wang, Chien-Chuan				0
Independent director	Chen, Shun-Fa				2

A total of 5 (A) meetings of the the Audit and risk Committee were held in 2023. The attendance of the independent directors were as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks
Independent Director	Chen , Yen-Chun,	5	0	100%	Set up the first audit committee in 2019/6/20
Independent Director	Wang, Jian-Chuan	5	0	100%	
Independent Director	Chen, Shun-Fa	5	0	100%	

Other items worth noting:

I. If the operation of the Audit and Risk Committee is in one of the following circumstances, the date, period, the content of the motion, the objections, reservations or significant recommendations of the independent directors, resolution of the Audit and Risk Committee, and the company's handling of the Audit and Risk Committee's opinions shall be stated.

(I) Matters referred to in Article 14-5 of the Securities and Exchange Act.

Date of meeting (Term)	Subject Matter	The dissent, reservation or major suggestion of any independent director, the Audit and Risk Committee resolution, and how the Company manage the Committee's opinions
03.15.2023 (The 3th meeting of the 2nd term)	<ol style="list-style-type: none"> <li>The Company's 2022 business report, financial reports and consolidated financial reports.</li> <li>Proposal for 2022 earnings distribution</li> <li>Proposal for the appointment of CPAs for 2023 and the assessment of their independence and competency</li> <li>Proposal for the 2022 "Effectiveness Evaluation of the Internal Control System" and the "Statement on Internal Control System"</li> </ol>	<p>Member Chen, Yen-Chun proposed that the opinions to be issued by CPAs on separate and consolidated financial statements should be listed separately. All members present unanimously approved the revised proposal unanimously.</p> <p>The proposal was approved by all the present directors unanimously.</p> <p>The proposal was approved by all the present members unanimously.</p> <p>The proposal was approved by all the present directors unanimously.</p>
05.12.2023 (The 4th meeting of the 2nd term)	<ol style="list-style-type: none"> <li>Proposal for the Company's 2023 Q1 consolidated financial reports</li> <li>Proposal for loaning funds to subsidiaries</li> <li>Proposal for provision of endorsement and guarantee for subsidiaries to apply for (cancellation of) loan facilities to (from) financial institutions.</li> </ol>	<p>The proposal was approved by all the present members unanimously.</p> <p>The proposal was approved by all the present directors unanimously.</p>

	<p>4. Proposal that ACHEM Technology China, a company in which the Company holds 100% of shares indirectly, plans to assign its equity of 62.3% in Foshan Inder Adhesive Product Co., Ltd. to ACHEM (Jiangsu) Adhesive Product Co., Ltd. as an exchange for its newly issued shares, and for amending the net equity transfer value.</p>	<p>Member Chen, Yen-Chun suggested that the text in Explanation Six “How to deal with this equity reorganization proposal shall be discussed further” should be changed to “This equity reorganization proposal is submitted to the Board of Directors for further discussion”. All members present approved the revised proposal unanimously.</p> <p>The proposal was approved by all the present directors unanimously.</p>
<p>08.11.2023 (The 5th meeting of the 2nd term)</p>	<p>1. Proposal for the Company’s 2023 Q2 consolidated financial reports</p> <p>2. Proposal for provision of endorsement and guarantee for subsidiaries to apply to financial institutions for loan facilities.</p> <p>3. The Company plans to purchase the 5th floor and 24 parking spaces of the office building in Neihu District from Xin Chio Global.</p> <p>4. The Company plans to purchase a total of one land lot No. 92, Xinzhoumei Section in Beitou District of Taipei City</p> <p>5. Proposal for ratifying the Company’s disposal of Quanta Computer stocks</p>	<p>The proposal was approved by all the present members unanimously.</p> <p>The proposal was approved by all the present directors unanimously.</p> <p>The proposal was approved by all the present members unanimously.</p> <p>The proposal was approved by all the present directors unanimously.</p> <p>Committee member Chen, Shun-Fa was an independent director of the transaction counterparty Xin Chio Global. Since he had an interest in the case, he withdrew from participating in the discussion and voting of this case. The proposal was approved with the consent of the rest members Chen, Yen-Chun and Wang, Chien-Chuan present at the meeting.</p> <p>In the Board of Directors, since Chairman Lee, Chih-Hsien, Director Li, Shu-Wei and Independent Director Chen, Shun-Fa had personal interests in this case, they withdrew from participating in the discussion and voting of this case. The proposal was approved with the consent of the Independent Director Chen, Yen-Chun, Independent Director Wang, Chien-Chuan, Director Lin, Ssu-Shan and Director Fang, Shu-Fen present at the meeting.</p> <p>The proposal was approved by all the present members unanimously.</p> <p>The proposal was approved by all the present directors unanimously.</p> <p>The ratification was approved by all the present members unanimously.</p> <p>The ratification was approved by all the present directors.</p>
<p>11.10.2023 (The 6th meeting of the 2nd term)</p>	<p>Proposal for the Company’s 2023 Q3 consolidated financial reports</p>	<p>The proposal was approved by all the present members unanimously.</p> <p>The proposal was approved by all the present directors unanimously.</p>

11.30.2023 (The 7th meeting of the 2nd term)	The Company plans to purchase a total of 22 land lots including Land No. 584, Section 2, Taishan Section in Taishan District of New Taipei City	The proposal was approved by all the present members unanimously. The proposal was approved by all the present directors unanimously.
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(II) Except for the previous matters, other matters that have not been approved by the audit and Risk committee but have been agreed to by more than two-thirds of all directors: None.

II. If there are independent directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified:

2023.08.11 The third meeting of the Audit Committee was to discuss the purchase of the 5th floor of the Neihu District office building and 24 parking spaces from Xinzhou Global. Independent director Chen, Shun-Fa is also an independent director of Xinzhou Global. Since he has his own interests in this case, the interests cannot be avoided. Participate in the discussion and voting on this case.

III. The communication status between independent directors and internal audit supervisors, accountants (should include major matters, methods and results of communication on the company's financial and business conditions, etc.):

(I) Independent directors and the internal audit officer can communicate with each other at any time by e-mail, telephone or meeting as needed. If there is a major abnormal event, a meeting can also be convened at any time, and the communication channels are diverse and smooth. The internal audit officer of the company delivers the previous month's audit report or follow-up report to independent directors for inspection every month, and the independent directors will give their responses or opinions depending on the necessity of the report.

(II) Besides the company's certified public accountants reporting to independent directors on the audit or review of financial reports, they should also hold a law promotion conference within the company at least once a year, to update new knowledge of fiscal and taxation laws and related measures to respond to related impacts. Normally, independent directors and accountants can communicate with each other by e-mail, telephone or meeting any time as needed. Independent directors and accountants of the company should have a close communication.

### 3 Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	✓		The company has formulated and disclosed the Corporate Governance Best-Practice Principles, and placed it on the company's website simultaneously.	None
2. Shareholding structure & shareholders' rights				
(1) Does the company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure?	✓		(1) The company has formulated and implemented it. There is an area in the website for interested parties to deal with shareholder suggestions, doubts, disputes and litigation matters, product and service issues and suggestions. These are addressed in accordance with relevant procedures.	(1) None
(2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	✓		(2) The company and the stock agency regularly keep track of the list of the company's major shareholders and their controllers.	(2) None
(3) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	✓		(3) The assets, finances, and accounting of the affiliated companies are all independent operations. The relevant departments of the company regularly and irregularly audit the affiliated companies that hold the control, so as to avoid the risks of the company from the abuses of the affiliated companies.	(3) None
(4) Does the company establish internal rules against insider trading with undisclosed information?	✓		(4) In August 2016, the company has formulated the "Administrative Measures for the Prevention of Insider Trading" that prohibits company insiders from using undisclosed information on the market to buy and sell securities and expose them on the company's website.	(4) None
3. Composition and Responsibilities of the Board of Directors				
(1) Has the Board of Directors established a diversity policy, set goals, and implemented them accordingly?		✓	(1) We have 5 directors and all of them are male and the citizens of the Republic of China. (Two additional members were appointed in June 2023 and the seats of directors were increased from 5 to 7) The age of the directors is between 50 to 60. They have extensive professional knowledge of industries and experiences in business operations. This background of the directors can substantially enhance the independence and	(1) None
(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?	✓			

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons								
	Yes	No	Abstract Illustration									
(3) Does the company establish a standard to measure the performance of the Board, and implement it annually?		✓	<p>diversity of the Board of Directors and enable the directors to fully play their strategic and guiding roles. The Board of Directors holds at least one meeting every season. 5 meetings were held in 2023. Chairman Lee, Chih-Hsieh is responsible for the establishment of the Company's operating strategies with his professional capabilities to improve the operating performance. He takes the chair of the Board meeting to ensure the normal operations of the Board of Directors. We follows the internal regulations and the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”. Directors are elected and appointed in consideration of the overall configuration of the Board of Directors. The overall considerations for the formation of the Board of Directors include operational judgment and management ability, accounting and financial analysis ability, crisis management ability, knowledge of industry, understanding of international markets, leadership, and decision-making ability. In addition, the Board of Directors arranges director to take part in external training appropriately in accordance with the “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies”, such as the courses in the practices of the Board of Directors and sound corporate governance, to strengthen the governance capability of the Company.</p> <p>The specific management goals and achievements of the diversity policy on the formation of the Board of Directors are described below</p> <table border="1"> <thead> <tr> <th>Management goal</th> <th>Achievement</th> </tr> </thead> <tbody> <tr> <td>The number of the independent directors exceed one-third of the total number of directors</td> <td>Achieved</td> </tr> <tr> <td>None of the independent directors is in office for more than 3 terms</td> <td>Achieved</td> </tr> <tr> <td>The number of the directors who concurrently serve as the managerial officers of the Company shall not exceed one-third of the total number of</td> <td>Achieved</td> </tr> </tbody> </table>	Management goal	Achievement	The number of the independent directors exceed one-third of the total number of directors	Achieved	None of the independent directors is in office for more than 3 terms	Achieved	The number of the directors who concurrently serve as the managerial officers of the Company shall not exceed one-third of the total number of	Achieved	
Management goal	Achievement											
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None of the independent directors is in office for more than 3 terms	Achieved											
The number of the directors who concurrently serve as the managerial officers of the Company shall not exceed one-third of the total number of	Achieved											
(4) Does the company regularly evaluate the independence of CPAs?	✓											

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons				
	Yes	No	Abstract Illustration					
			<table border="1"> <tr> <td>directors</td> <td></td> </tr> <tr> <td>Sufficient and diverse professional knowledge and skill</td> <td>Achieved</td> </tr> </table> <p>(2) The company set up a salary and remuneration committee in November 2011, and an audit committee in June 2019, but has not yet set up various other functional committees. In November 2023, the Board of Directors approved the renaming of the Audit Committee to Audit and Risk Committee. In order to promote the stable operation and sustainable development of the Company, establish a sound risk management mechanism, provide a basis for risk management, manage risk properly, and thus ensure achievement of the operational goals, the organization regulations of the Audit Committee were amended at the same time by adding the provisions related to risk management policies and procedures. Apart from this, no other functional committees have been set up.</p> <p>(3) The Company established the “Regulations Governing the Performance Evaluation of the Board of Directors” in November 2020 and conducts the evaluation every year. The results of the 2023 performance evaluation were submitted to the Board of Directors in March 2024. They will be used as a basis for the remuneration to and a nomination for re-election of individual directors. At the Board of Directors meeting held on August 11, 2023, it is resolved that the e “Regulations Governing the Performance Evaluation of the Board of Directors” shall be implemented once every three years. An external professional organization, Taiwan Institute of Ethical Business, was commissioned to perform the evaluation in November 2023 and the written evaluation report has been posted on the website of the Company.</p> <p>(4) The Audit and Risk Committee of the Company performs regular assessments of the CPAs’ independence and competency. In addition to requesting CPAs to provide the “Statement of Independence” and the “Audit Quality Indicators, AQIs”, the Audit Committee performs the assessment based on the five scopes (profession, independence, quality control, monitoring and creativity) and 13</p>	directors		Sufficient and diverse professional knowledge and skill	Achieved	<p>(2) None</p> <p>(3) None</p> <p>(4) None</p>
directors								
Sufficient and diverse professional knowledge and skill	Achieved							

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>indicators of the AQIs. As confirmed, except for the fees with respect to the certification, finance and taxation cases, the CPAs do not have any financial interest or business relationships with the Company. The family members of the CPAs have also not acted in violation of the independence requirements. The CPA firm will continue to introduce digital auditing tools to improve audit quality. The assessment result in the most recent year was discussed and adopted by the Audit and Risk Committee on March 14, 2024 and a report was submitted to the Board of Directors on March 14, 2024. The Board of Directors made a resolution to adopt the assessment of the CPAs’ independence and competency.</p>	
<p>4. Does the company set up a corporate governance unit or appoint personnel responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, handling work related to the meetings of the Board of Directors and the shareholders' meetings, filing company registration and changes to company registration, and producing minutes of the board meetings and shareholders’ meetings)?</p>	✓		<p>The Administration Office is a specific duty (concurrent) unit of corporate governance, responsible for corporate governance-related affairs. The Head of Corporate Governance was appointed on May 13, 2021 and the appointment was approved by the Board of Directors and reported to the competent authorities.</p> <p>The number of continuing education hours for the chief corporate governance officer has been reported to the competent authority  21 hours in 2023  16 hours in 2022  22 hours in 2021 (first term)</p> <p>1. Member composition and responsibilities:</p> <div style="text-align: center;"> <pre> graph TD     CO[Chairman's Office] --- FD[Finance Division Finance Staff]     CO --- AD[Administration Division Division Director Staff of the Administrative and Legal Department]     CO --- HRD[Human Resources Division] </pre> </div> <p>Director of the Administrative Division: Responsible for the overall planning of corporate governance-related affairs and regularly reports to the Board of Directors.</p>	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>Risk Management Administration Personnel: perform corporate governance-related affairs and formulate internal corporate governance-related regulations and systems.</p> <p>Commissioner of the Finance Department: Prepare written records of the Board of Directors and shareholders' meeting minutes.</p> <p>Human Resources Division Personnel: Provide records of employee welfare results, education and training, etc.</p> <p>2. Terms of reference: (1) Provide information required by the directors and supervisors to perform their business (2) Assisting directors and supervisors to comply with laws and regulations, and handle matters related to the Board of Directors and shareholders meeting in accordance with the law (3) Business execution situation in the current year</p> <p>3. Work plan: Implement and execute in accordance with the stipulated corporate governance-related affairs.</p> <p>4. Implementation frequency: Attend the Board of Directors meeting at least once a year to report corporate governance related matters.</p>	
5. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	✓		<p>The Company has established a stakeholder section on the website. There is dedicated personnel to respond to the issues that stakeholders are concerned about.</p> <p>The type of the channels and designated personnel: (1) Shareholder contact and spokesman: Fang, Shu-Fen (2) Contact for stakeholder complaints: Zheng, Yan-Zhong (3) Contact for sales and customer affairs: Lin, Chun-Hui (4) Contact for suppliers: Pan, Lin</p> <p>Communication with different stakeholders and reporting in 2023</p> <p><u>1. Competent authority:</u> -Reply to TWSE’s questionnaire on the greenhouse gas inventory and verification plan on a quarterly basis. -Reply to the questions of the tax bureau on tax declaration and verification.</p> <p><u>2. Employees:</u> -45th anniversary souvenir - a free power bank for each employee -Arrange corresponding courses for new employees, regular employees, mid-level and high-level managerial officers to achieve development of career capabilities.</p>	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>-Education and training implementation status in 2023:</p> <ol style="list-style-type: none"> <li>1. A cultural course on cultivation of talents and corporate innovation was provided on July 20, 2023 to establish the thinking and culture among supervisors on the Company's talent training and retention. The cause lasted for 1.5 hours with a total of 50 participants and a total of 75 training hours.</li> <li>2. A course on the development of future materials technology under the trend of net zero carbon emissions and circular economy was provided on July 20, 2023 to strengthen supervisors' understanding of international trends and the material technologies currently applied in the international community to the circular economy. The cause lasted for 2 hours with a total of 50 participants and a total of 100 training hours.</li> <li>3. A course on creation of influence under outstanding leadership was provided on July 22, 2023 to analyze the effect of leadership on the organization and strengthen the ability of the managerial officers to comprehend the importance and influence of leadership and management. The cause lasted for 3 hours with a total of 50 participants and a total of 150 training hours.</li> <li>4. A course under the continuing education, Development of Talents for Sustainable Operations, was provided for directors and supervisors on August 11, 2023 to cultivate directors as well as mid-level and high-level managerial officers with respect to the thinking model and direction for continuous training of talents. The cause lasted for 3 hours with a total of 27 participants and a total of 81 training hours.</li> </ol> <p>-Cultivation of key talents  “The Regulations on Cultivation of Successive Talents for Key Positions” of the Group took effect in April 2023. The Company held three Group-wide briefings (including domestic and overseas), actively discussed and checked with business unit managers about the key positions of the Group and the candidates of successors, and conduct full review of the performance based on management questionnaire feedback, while setting clear goals for the completion rate of key positions and the development rate of successors for the short and medium terms to cultivate talents continuously.</p> <p>-For key position successors, six review meetings for mid-level and high-level successor were held in September to confirm the list of</p>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>key position successor candidates through full horizontal and vertical communication and discussion.</p> <p>-The Child Care Subsidy Regulations came into effect in July 2023. The Company held four briefings in North, Central and South Taiwan. As of the end of December, 48 employees and 64 children received the subsidy.</p> <p>-Education scholarship as a subsidy for the employees and their children in Taiwan was launched. To encourage employees and their children to study continuously without concern, those with an average grade of A (80 points) and demonstrating outstanding conduct with a grade above A in an academic year can apply to the Company for this subsidy.</p> <p><u>3. Shareholders:</u></p> <ol style="list-style-type: none"> <li>1. At the shareholders’ meeting on June 16, 2023, the Company fully communicated with shareholders and included the opinions of shareholders who made a statement at the meeting in the minutes.</li> <li>2. Material information was announced within the time limit.</li> </ol> <p><u>4. Investors:</u></p> <ol style="list-style-type: none"> <li>1. Date of investor conference: 08/31/2023</li> </ol> <p>Question of Investor A: Please describe the future outlook.  Reply of the Company: Looking forward to the second half of 2023, as for the tape and packaging materials business, it is estimated that the demand for packaging will steadily increase in consideration that e-commerce shopping as well as Christmas and New Year festivals are coming one after another in European and American As for the real estate business, the Wangnianhui project of NT\$850 million will be completed in Q4 and revenue will be recognized when houses are handed over. This will expectedly be helpful for recovery of the overall revenue of the Group.</p> <p>The Yipin and THE ONE projects to the amount of NT\$4.65 billion will be completed from Q1 2024 and revenue will be recognized when houses are handed over. Therefore, it is estimated that the overall revenue in 2024 will be better than that in 2023. In addition, the new plant for specialty chemicals in Huwei Science Park will start mass production in 2025 and make a contribution to the revenue. As for the real estate business, there still be land lots available for development in Taipei City and New Taipei City In the future, the Company plans to maintain the momentum of profitable</p>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>growth by merging and acquiring companies in other industries or in the same industry.</p> <p>Question of Investor B: Please explain the future dividend policy. Reply of the Company There are still two convertible corporate bonds that have not yet been converted, so the share capital will continue to increase. In order not to dilute earnings per share, the overall direction of the cash-based dividend policy will not be changed in the future, but it will finally depend on the resolution of the Board of Directors made when the dividend policy is announced.</p> <p>Question of Investor C: Please explain the purpose of the two recent land purchases. Reply of the Company The two land lots purchased are the land in the rezoning area in Xinzhoumei of New Taipei City and land in Beitou District of Taipei City. Both pieces of land will be developed into construction projects for sale in the future, and the real estate business will continue to maintain its profitability.</p> <p>Question of Investor D: What is the current revenue share of the special chemistry business? Reply of the Company: Currently, the revenue of the special chemistry business from the AICHEM Technology’s Yangmei Plant is about NT\$400 million to NT\$500 million a year, accounting for less than 5% of the Group’s consolidated revenue. A significant increase of the revenue is only expected when the construction of the new plant for specialty chemicals in Huwei Science Park is completed in 2025.</p> <p>2. Date of investor conference: 12/26/2023</p> <p>Question of Investor A: Is the debt ratio of 60% in Q3 2023 too high? What is the future debt repayment plan? Reply of the Company: The consolidated debt ratio of 60% is the lowest debt ratio of YC Group in the past 10 years. There is a construction business within the Group, and the construction business itself has relatively high debt. The current financial structure of the Group is the most stable in the past 10 years. By the end of Q2 2024, the construction business will boom with the cash inflow from the three construction projects of Wangnianhui, Yipin and The One, and the debt ratio will continue to decline.</p> <p>Question of Investor B: The gross profit margin in Q3 was over 18%. What are the ways to increase the gross profit margin?</p>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>Reply of the Company: In the past, the gross profit margin was lower during the period when the loss-making unit, Wan Chio Petrochemical, existed. After the disposal of Wan Chio Petrochemical, the current gross profit margin is at the normal level. In addition, a pricing formula has been established for the transaction between the Group and large customers, and selling price determined based on the pricing formula in the contract is adjusted depending on the price fluctuation of the raw materials. Therefore, in the long run, regardless of the impact of the construction, other businesses and inventory devaluation, the gross profit margin will remain in the range of approximately 17% to 18%.</p> <p>Question of Investor C: Please explain the dividend policy of the next year.</p> <p>Reply of the Company: The company has distributed a cash dividend of NT\$1 for two consecutive years and will continue to move towards this goal next year, but it will finally depend on the resolution of the Board of Directors made when the dividend policy is announced.</p> <p>Question of Investor D: What is the production capacity contribution of the new plant for specialty chemicals in Huwei Science Park? Is it necessary to apply for a cash capital increase to finance the construction of the plant?</p> <p>Reply of the Company: There are many types of products to be produced at the new plant for specialty chemicals in Huwei Science Park, so no integrated data are available for the explanation. However, as the revenue data tells us, the annual revenue contribution will be approximately NT\$950 million after the initial production is completed. It will continue to grow in the future. The Group's own funds are sufficient to finance the construction of the factory, and no financing is required.</p> <p><u>5. Customer:</u></p> <p>(1). We hold video and online meetings with customers continuously. For example, we have a regular video conference with key customer M every Tuesday.</p> <p>(2). From January to August 2023, 80 customer complaints were filed to the Group with a decrease of 8 cases compared with the same period in 2022.</p> <p>(3). The annual customer satisfaction survey was completed in</p>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>October 2023.</p> <p>(4). Customers entrusted a third-party auditing company to conduct on-site audits at the factory. In 2023, the factory successively passed Sedex certification.</p> <p>(5). In July 2023, we started an electronic data exchange project with Customer A.</p> <p>(6). In September 2023, we collaborated with Customer A on information security protection, and the evaluation result reached more than 80 points with no key issues.</p> <p><u>6. Suppliers</u></p> <p>(1). In September 2023, the information security audit of outsourcing suppliers was implemented.</p> <p>(2) In 2023, agreements on information security, confidentiality, information security audit rights and intellectual property rights were signed for each information outsourcing service.</p>	
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		The company has appointed a professional stock agent to conduct related affairs of the shareholders meeting	None
<p>7. Information Disclosure</p> <p>(1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?</p> <p>(2) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?</p> <p>(3) Does the company announce and report the annual financial report within two months after the end of the fiscal year, and announce and report the financial report for the first, second and third quarters and the operating conditions of each month before the prescribed deadline?</p>	<p>✓</p> <p>✓</p>	<p>✓</p>	<p>(1) The company has set up a website and designated a person to be responsible for the collection and disclosure of company information, and disclose financial business and corporate governance information on the company's website.</p> <p>(2) The Company has set up the shareholder contact and spokesman sections on the website to implement the spokesman system and disclose the information related to the shareholders and stakeholders instantly and give replies thereabout. The questions of the investors and the replies of the Company at the investor conference have been posted on the website of the Company.</p> <p>(3) The company failed to announce and report the annual financial report within two months after the end of the fiscal year, and failed to announce and report the first, second, and third quarter financial reports and operating conditions of each month before the prescribed deadline.</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) Strive to announce and declare early</p>
8. Is there any other important information to facilitate a better understanding of the company’s corporate governance practices (e.g., including but not limited to	✓		1. The company has always treated employees with integrity and protected their legitimate rights and interests in accordance with relevant laws and regulations. It has established a complete employee	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors’ and supervisors’ training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?			<p>welfare system and a good education and training system to establish a good relationship with employees.</p> <p>2. In March 2019, a human rights policy was formulated to protect the rights and interests of employees.</p> <p>3. The Company sends an email in a timely manner when a new law or regulation is promulgated, or provides the regulations amended by the competent securities authority to the directors for reference at the board meeting to help them understand the latest regulations as soon as possible.</p> <p>4. The Company has taken out liability insurance for the directors since June 2019. The insurance for 2023 has been renewed.</p>	
<p>9. Please explain the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement measures.</p> <p>1. The result of the 9th corporate governance evaluation in 2022 and the ranking range: 36%~50%. The ranking of the 10th corporate governance evaluation in 2023 is in progress.</p> <p>2. We will continue paying attention to the ESG (Environmental, Social and Governance) issues and promote different energy-saving and carbon-reduction programs.</p>				

#### 4. Composition, Responsibilities and Operations of the Remuneration Committee

The company's Board of Directors approved the establishment of its salary and remuneration committee. Its members are appointed through the resolution of the Board of Directors. Its main responsibilities are to regularly review directors, supervisors and managers' performance evaluation and remuneration policies, systems, standards and structures, and submit their recommendations to the Board of Directors. Discuss.

##### (1) Information on the members of the Salary and Compensation Committee

2023.12.31

Title <sup>1</sup>	Name	Criteria	Meets the Independence Criteria <sup>3</sup>	Number of Other Public Companies in Which the Individual is Concurrently Serving as a Remuneration Committee Member
		Qualifications and Experience <sup>2</sup>		
Independent Director	Jian Chuan Wang	Please refer to pages 16 Director's Information II	Please refer to pages 16 Director's Information II	0
Independent Director	Yan Jun Chen			2
Independent Director	Shun Fa Chen			3

##### 2. Information on the operation of the Salary and Compensation Committee

(1) There are 3 members in the Remuneration Committee.

(2) The term of office of the current members: From August 11, 2022 to June 16, 2025.

A total of 3 (A) Remuneration Committee meetings were held in 2023. The attendance record of the Remuneration Committee members is shown below:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks
Convener	Jian Chuan Wang	3	0	100	
Committee member	Yan Jun Chen	3	0	100	
Committee member	Shun Fa Chen	3	0	100	

Other items worth noting:

1. If the Board of Directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the Board of Directors, and the Company's response to the remuneration committee's opinion (eg., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None.

2. Resolutions of the remuneration committee objected to by members or reservations on such were voiced out and recorded or declared in writing, the date of the meeting, session, content of the motion, all the members' opinions and the response to the members' opinions should be specified:

1. The first annual meeting was held on March 5, 2023.

Proposal 1: Regular assessment of the remuneration to the managerial officers of the Company.

All the present members approved the proposal by clapping when the chairperson asked for

their opinions.

2. The second annual meeting was held on August 11, 2023.

Proposal 1: Partial amendment of the Regulations Governing the Performance Evaluation of the Board of Directors.

All the present members approved the proposal by clapping when the chairperson asked for their opinions.

3. The third annual meeting was held on November 10, 2023.

Proposal 1: Review of the performance evaluation of the decisive officers and the policy, system, standard and structure of their remuneration. All the present members approved the proposal unanimously when the Chairman asked for their opinions.

Note:

(1) If a member of the remuneration committee resigns before the end of the year, the date of resignation should be indicated in the remarks column. The actual attendance rate (%) is calculated based on the number of meetings of the remuneration committee during their employment and the actual number of attendances.

(2) Before the end of the year, if the remuneration committee is re-elected, the new and old remuneration committee members should be listed, and the remarks column should indicate whether the member is old, new or re-elected and the date of re-election. The actual attendance rate (%) is calculated based on the number of meetings of the remuneration committee during their employment and their actual attendance.

### 5. Sustainable Development Implementation Status as Required by the Taiwan Financial Supervisory Commission

Evaluation Item	Implementation Status <sup>1</sup>			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration <sup>2</sup>	
1. Does the Company have a governance structure for sustainable development, and establish a dedicated (or ad-hoc) sustainable development unit under the senior executive authorized by the Board of Directors, which is supervised by the Board of Directors?	✓		<p>Organizational chart of sustainable development promotion</p> <pre> graph TD     A[Board of Directors] --&gt; B[Chairman]     B --&gt; C[Sustainable Development Promotion Group]     C --&gt; D[Xin Chio Global]     C --&gt; E[ACHEM Technology]     C --&gt; F[Yem Chio]     C --&gt; G[Wong Chio Development]     C --&gt; H[UINN]     D --&gt; I[Corporate Governance and Operational Performance Team]     E --&gt; I     F --&gt; J[Environmental Protection Team]     G --&gt; K[Employee Care and Social Welfare Team]     H --&gt; K                     </pre> <p>The Board of Directors authorizes the senior management to handle the matter, and the Sustainable Development Promotion Group consists of 3 teams</p> <ol style="list-style-type: none"> <li>Corporate Governance and Operational Performance Team</li> <li>Environmental Protection Team</li> <li>Employee Care and Social Welfare Team</li> </ol> <p>The Environmental Protection Team has a sub-team responsible for energy conservation and carbon reduction.</p>	None

		<p>1. The ESG, Energy Conservation and Carbon Reduction Group was launched in June 2021, with the Chairman of the Board of Directors as the convener and all subsidiaries and plants of the group have energy managers who are responsible for implementing energy saving projects.</p> <p>2. Implementation status in 2023: (Continued from the implementation status in 2021)</p> <p>(1) The group's Energy Conservation and Carbon Reduction Group is the top unit for sustainability decisions.</p> <p>(2) Specific goal: A reduction of the energy consumption by 30% within 5 years from May 2021. The result at the level as of July 2022 showed a reduction of 7.8% in the first implementation year, indicating a reduction of power consumption by 13,178 MWh in comparison with the base year.</p> <p>(3) Responsibilities of each plant energy manager:</p> <ol style="list-style-type: none"> <li>1. To organize cross-departmental energy-saving teams in each plant.</li> <li>2. To plan and integrate various energy saving proposals (including energy information and energy efficiency evaluation).</li> <li>3. To implement various energy saving programs in each department.</li> <li>4. To track each energy saving proposal.</li> <li>5. To attend an energy saving meeting.</li> </ol> <p>6. Operation: To submit a monthly energy saving report and review the effectiveness of energy saving measures.</p> <p>(4) Since 2022 Q2, the energy-saving and carbon-reduction team of the Group has reported to the Board of Directors under its supervision.</p> <p>3. The Board of Directors periodically hears the report of the energy-saving and carbon-reduction team on its implementation and strategy, and reviews its work schedule to ensure the progress toward the strategic goals and make adjustment if necessary.</p>	
<p>2. Corporate Governance Implementation. Does the company declare its corporate social responsibility policy and examine the results of the implementation?</p>	<p>✓</p>	<p>1. Risk management policies and procedures were formulated and approved by the Board of Directors in August 2023, and the risk management policies and procedures and their operation status were simultaneously posted on the website of the Company.</p> <p>2. In order to promote the stable operation and sustainable development of the Company, establish a sound risk management mechanism, provide a basis for risk management, manage risk properly, and thus ensure achievement of the operational goals, the Audit Committee was renamed to Audit and Risk Committee in November 2023. The organization regulations</p>	<p>None</p>

			of the Audit Committee were amended by adding the provisions related to risk management policies and procedures, and the implementation status of the risk management for the year was reported to the directors.	
3. Sustainable Environment Development (1) Does the company establish proper environmental management systems based on the characteristics of their industries?	✓		<p>1. Abide by and cooperate with the implementation of the various systems and policies of the group in ESG.</p> <p>(1) Obtain ISO 14001 certification and validity period: Changhua Coastal Plant: 2023/08/30~2026/08/30 Yangmei Plant: 2021/01/10~2024/01/09</p> <p>(2) Acquisition of ISO50001 certification and effective period Changhua 2nd Film Plant 01/13/2023 - 01/12/2026 Yangmei 2nd Plant 01/18/2023 - 01/17/2026</p> <p>2. According to the different attributes of the business unit, an appropriate environmental protection management system has been formulated, and monthly 6S safety and sanitation inspection, scoring competition and improvement of deficiency in each area led by senior managers.</p>	None
(2) Is the Company committed to improving resource efficiency and to the use of renewable materials with low environmental impact??	✓		<p>1. In 2023, energy efficiency was implemented in three aspects of hardware, control and management. The implementation was extended to a total of 180 cases, including hardware equipment improvement/replacement: 90 cases; addition/adjustment of control operations: 65 cases; and improvement of management systems: 25 cases, resulting in a reduction of power consumption by 30,114 MWh in comparison with the base year (17.8% decrease).</p> <p>2. In 2023, Changhua Film Plant carried out an energy-saving performance guarantee plan for the process cooling system. With this plan, the Plant will replace the old engine with an energy-efficient Level 1 ice water main engine, conduct load regulation in line with the frequency conversion control of the existing ice water pump and cooling water pump, and combine with the optimized control system to improve the energy efficiency for the operation of the process cooling system.</p> <p>3. The company is committed to improving the efficiency of resource utilization, such as purchasing a PP particle reproducer at cost, and recycling the film by-products and waste during film production if it is still usable, in order to reduce the impact on the environment and resource usage.</p>	None
(3) Does the Company evaluate current and future climate change potential risks and opportunities and take measures related to climate related topics?	✓		1. The Company attaches much importance to the issue of carbon emissions. Since 2018, the Company has supported the government and	None

		<p>implemented the renewable energy policy accordingly. We collaborate with renewable energy companies to set up solar power equipment with an electricity generation capacity of 1,302.195 kW and 3,858.25 kW on the roof of the Yangmei Plant and Changhua Plant, respectively. The systems have been launched and run for years.</p> <p>2. In 2021, we took actions in line with the “Regulations for the Management of Setting up Renewable Energy Power Generation Equipment of Power Users above a Certain Contract Capacity” promulgated by the Bureau of Energy. In April 2023, the Yangmei Plant signed a project contract of solar power generation system for a planned capacity of 415.74 kilowatts. The Plant also completed Taipower meter-connected operation on October 31, 2023. In June 2023, the Changhua Plant signed a trading agreement for renewable energy power and certificates with a transfer capacity of no less than 368 kilowatts. It is estimated that the annual renewable energy transfer power supplied can reach 460,000 degrees. The transfer was officially started in July 2023. As of the end of 2023, the renewable energy transfer power will reach 542,942 degrees.</p> <p>3. The ISO 50001:2018 Energy Management Systems was introduced to Changhua 2nd Film Plant and Yangmei 2nd Plant in 2022 and the certificate was received on</p>																															
<p>(4) Does the company make statistics on greenhouse gas emissions, water consumption, and total waste volume in the past two years, and formulate policies for energy saving and carbon reduction, greenhouse gas reduction, water reduction, or other waste management measures?</p>	<p>✓</p>	<p>1.Greenhouse gas emissions, water consumption and total waste weight in the past two years</p> <p>Greenhouse gas emissions in each scope (Changhua Film Plant)</p> <table border="1" data-bbox="1016 1015 1666 1262"> <thead> <tr> <th rowspan="2">Year</th> <th colspan="2">2023</th> <th colspan="2">2022</th> </tr> <tr> <th>Scope 1</th> <th>Scope 2</th> <th>Scope 1</th> <th>Scope 2</th> </tr> </thead> <tbody> <tr> <td>GHG emissions in each scope</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>GHG emissions (tCO<sub>2</sub>e/year)</td> <td>6,214.99</td> <td>23,266.71</td> <td>6,904.49</td> <td>29,981.73</td> </tr> <tr> <td>Percentage in total emissions (%)</td> <td>21.1%</td> <td>78.9%</td> <td>18.7%</td> <td>81.3%</td> </tr> </tbody> </table> <p>Greenhouse gas emissions in each scope (Changhua Tape Plant)</p> <table border="1" data-bbox="1016 1390 1666 1442"> <thead> <tr> <th>Year</th> <th>2023</th> <th>2022</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Year	2023		2022		Scope 1	Scope 2	Scope 1	Scope 2	GHG emissions in each scope					GHG emissions (tCO <sub>2</sub> e/year)	6,214.99	23,266.71	6,904.49	29,981.73	Percentage in total emissions (%)	21.1%	78.9%	18.7%	81.3%	Year	2023	2022				
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GHG emissions in each scope	Scope 1	Scope 2	Scope 1	Scope 2
GHG emissions (tCO <sub>2</sub> e/year)	1,673.78	1,672.60	1,991.75	1,839.92
Percentage in total emissions (%)	50.0%	50.0%	51.9%	48.1 %

Waste disposal amount (Changhua Film Plant)

Year	2023		2022	
Disposal method	Incineration	Recycle	Incineration	Recycle
Disposal amount (ton/year)	45.15	7,815.843	54.85	10,681.12
Percentage disposal amount (%)	0.6%	99.4%	0.5%	99.5%

Waste disposal amount (Changhua Tape Plant)

Year	2023	2022
Disposal method	Incineration	Incineration
Disposal amount (ton/year)	20.50	15.20
Percentage disposal amount (%)	100%	100%

Water consumption (Changhua Film Plant)

Year	2023	2022
Water consumption (ton/year)	17,280	15,646
Percentage water consumption (%)	100%	100%

Water consumption (Changhua Tape Plant)

Year	2023	2022
Water consumption (ton/year)	17,474	18,532
Percentage water consumption (%)	100%	100%

2. The policies for reduction of greenhouse gas emissions and water consumption or other waste management policies?

		<p>(1) The Company adheres to the legal compliance spirit and take the best actionable control techniques in accordance with the Air Pollution Control Act. The factory has a complete recycling system of the solvents it uses. The solvents and waste gases generated during the coating process are recycled with this system. The improvement of the recycling efficiency is helpful for the reduction of the air pollution and the disposal amount of the waste gases.</p> <p>We implement energy saving, carbon reduction and stimulate the development of the green energy business by installing internal charging facilities, purchasing electrical bicycles, reducing (raw) materials, converting to clean fuel for gas boilers, cooperating with the environmental protection department of the government in the reduction of process loads and emissions, and upgrading and improving pollution discharging equipment, in order to achieve the goal of reduced air pollution impact.</p> <p>(2) We will make effort to recycle water resources within the factory to reduce consumption of groundwater and environmental load. In addition to implementing regular system maintenance and optimization on an ongoing basis as planned by the factory, we will conduct system improvement and reduce the pollution to the environment, and will continuously take water saving measures in the coming three years.</p> <p>(3) The waste generated during the manufacturing process is incinerated or buried or subjected to heat or physical treatment depending on its nature in order to deal with or dispose of the waste properly. The factory also actively improves its processes and internal procedures, continuously makes effort to increase the utilization efficiency of resources, use recycled materials that have low impact to the environment. We have outstanding performance in the recycling of resources inside and outside the factory and form an awareness within the factory.</p> <p>3. Non of the information has been verified by a third party.</p>	
<p>4. Preserving Public Welfare</p> <p>(1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?</p>	✓	<p>Regulations of employee service and ethics has been formulated and a human rights policy has been formulated in March 2019 to protect the rights and interests of employees.</p>	None

<p>(2) Does the company formulate and implement reasonable employee welfare measures (including remuneration, vacation and other benefits, etc.), and appropriately reflect operating performance or results in employee remuneration?</p>	<p>✓</p>	<p>1. Business bonus, production bonus, executive bonus, and research and development bonus have been introduced to recognize operating performance or results as appropriate on employee remuneration.</p> <p>2. And implement reasonable employee welfare measures (such as employee travel subsidies, festival gifts, birthday gifts, and child care subsidies).</p> <p>3. The Neihu Headquarters offers employees meals paid partially by them as an option at noon on workdays. The catering provider was changed regularly to provide different dishes.</p> <p>4. The Child Care Subsidy Regulations was established in July 2023 to take care of the employees of the Group in Taiwan and enable them to work without concern.</p>	<p>None</p>
<p>(3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?</p>	<p>✓</p>	<p>A safe and healthy working environment for employees has been provided, and safety and health education has been implemented for employees on a regular basis.</p> <p>1 Every summer, implement the prevention and eradication of pests (fleas, mosquitoes, cockroaches, etc.) in the work area.</p> <p>2 Conduct health checkups for all employees every two years, and conduct follow-up health management and promotion based on the results of the health checkups.</p> <p>Date of last employee health check: October 20, 2023.</p> <p>3 Promote the proposal improvement system to strengthen the improvement of the working environment and personnel safety.</p> <p>4. Describe the number of fires in the year, the number of casualties, the number of casualties as a percentage of the total number of employees, and related improvement measures in response to fires.</p> <p>There was no fire in 2023, and the number of fires was 0, so there were no casualties and the ratio of casualties to the total number of employees. After the occupational accidents occurred, related units have enhanced the dissemination on the reasons of the occupational accidents and improved the safety protection and upgrade of the mechanical equipment within the factory. In addition, safety education, training and dissemination were arranged unceasingly within the factory to significantly improve the safety awareness among the employees.</p>	<p>None</p>
<p>(4) Does the company provide its employees with career development and training sessions?</p>	<p>✓</p>	<p>Yes. Corresponding courses are arranged for new employees, regular employees, middle and top management to develop their career skills.</p> <p>2023:</p> <p>1. At the broadened monthly meeting on February 3, the manager in charge</p>	<p>None</p>

		<p>of the packing materials in Taiwan shares its experience of development from a newcomer to a manager as a training and inheritance of experience.</p> <p>2. At the strategic meeting on July 20, a course for mid-level and high-level managers was held to strengthen their leadership in talent cultivation and exploration of global trends (such as talent cultivation and innovation, net-zero carbon brands and circular economy trends, the development of material technology in the future, and creation of influence under outstanding leadership).</p> <p>3. On August 11, a course for continuing education of directors was provided with the title of Development of Talents for Sustainable Operations.</p> <p>4. A symposium was held on October 19 for new employees to build their awareness of corporate culture and provide opportunities to get closer to the President.</p> <p>2022:</p> <p>1. A symposium was held for new employees on June 30, 2022 to help them understand the corporate culture.</p> <p>2. General courses were provided, for regular employees on March 25, April 15, June 2, and June 23, 2022 to help them meet the basic requirements for their duties (e.g. analysis and solution of problems, oral expression and communication, improvement of ideation).</p> <p>3. Courses on professional competency were provided on March 19, August 26, October 14, and October 21, 2022 to enhance the competency of the employees for their duties (e.g. time management, business analysis capability and graphic communication, and skills for preparation of business presentation).</p> <p>4. Courses on management competency were provided for middle and top management on July 22, July 23, and November 9, 2022 to enhance their management capability (e.g. formation of a team, training of subordinates, new generation communication and management, and competitiveness in net zero carbon emissions).</p>	
(5) Does the Company's product and service comply with related regulations and international rules for customers' health and safety, privacy, sales, labelling and set policies to protect consumers' or customers' rights and consumer appeal procedures?	✓	Yes, the consumer complaint procedure and the window for complaint is listed on the website.	None

<p>(6) Does the company formulate supplier management policies that require suppliers to implement relevant regulations on environmental protection, occupational safety and health, or labor hazards, and how to implement them?</p>	✓	<p>For major suppliers, there is a requirement to sign a "Social Responsibility Declaration Commitment". If the manufacturer's raw materials are found to contain hazardous substances that violate the laws and regulations, the purchaser will be required to immediately send a letter to notify the manufacturer for improvement; if the manufacturer cannot cooperate with the improvement, the contract will be terminated immediately or a search for a non-harmful substitute will be conducted.</p>	None																																
<p>5. Does the company refer to internationally accepted standards or guidelines for preparing Sustainability Reports and other reports that expose the company's non-financial information? Has the pre-disclosure report obtained the assurance or verification of a third-party verification unit?</p>	✓	<p>The Company has used internationally accepted standards or guidelines as a reference for preparation of the corporate sustainability report and disclosed it on the website of the Company.  <a href="https://www.ycgroup.tw/upload/csr/csrbook_2022.pdf">https://www.ycgroup.tw/upload/csr/csrbook_2022.pdf</a>  The assurance of a third-party verifying agent has not been acquired for the sustainable reports.</p>	None																																
<p>6. If the Company has established its sustainable development code of practice according to the "Listed Companies Sustainable Development Code of Practice," please describe the operational status and differences:  No discrepancy.</p>																																			
<p>7. Other important information to facilitate a better understanding of the Company's implementation of sustainable development:</p> <ol style="list-style-type: none"> <li>The company has always treated employees with integrity and protected their legitimate rights and interests in accordance with relevant laws and regulations. The company has established a complete employee welfare system and a good education and training system to establish a good relationship with employees.</li> <li>In March 2019, a human rights policy was formulated to protect the rights and interests of employees.</li> <li>The company immediately provides the relevant laws and regulations revised by the securities authorities to the directors for reference, so that the directors can immediately understand the latest laws and regulations.</li> <li>Since June 2019, the company purchased liability insurance for directors every year, and the insurance has been renewed in 2023.</li> <li>Sustainable development and social responsibility were implemented in 2023 and the implementation status was incorporated in the report to the Board of Directors on November 10, 2023.</li> </ol> <p>Implementation item: Presentation of the ESG report, donations to Hondo Senior Citizen's Welfare Foundation, and formation of the Group's digital transformation project team.</p>																																			
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Note 1: If the "Yes" box is checked, please describe the important policies, strategies and measures adopted and the implementation status. If it is "No", then please describe the differences and reasons in the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" column, and explain the future implementation plans of the relevant policies, strategies and measures.

As for the implementation items 1 and 2, TWSE and TPEX listed companies shall describe the governance and supervision framework of sustainable development, including but not limited to establishment, review and other measures with respect to management policies, strategies and goals. They shall also describe the risk management policies and strategies of the Company for environmental, social and corporate governance issues related to the Company's operations, and the assessment status thereof.

Note 2: If the company has prepared a corporate social responsibility report, the operation situation may indicate the method of consulting the corporate social responsibility report and the index page to replace it.

Note 3: The principle of materiality refers to those who have a significant impact on the company's investors and other interested parties related to environmental, social and corporate governance issues.

## 6. Climate related information and implementation status

Item	Implementation status																					
1. Describe the board and management's supervision and governance of climate-related risks and opportunities.	<p>The Company formally established the "CSR Corporate Social Responsibility Committee" in the fourth quarter of 2017 (renamed to ESG Committee in 2021) with the Chairman of the board as the top person in charge, who instructs the head of each company in the Group to lead relevant subordinate departments to plan and implement various strategies and projects of corporate sustainable development. The Board of Directors hold regular meetings every year, and the performance, impact assessment, and the implementation progress of sustainability goals on ESG and climate change-related issues are reported at the meeting.</p> <ul style="list-style-type: none"> <li>● Establish a cross-departmental climate change risk working group responsible for identifying climate risks and assessing and responding to climate impacts within the scope of the responsibility.</li> <li>● The highest person in charge of climate issues at the management level is the Chairman, who leads first-level managers to implement climate change-related management work and reports to the Board of Directors.</li> <li>● The top executive of the business group serves as the convener to promote green operations, improve environmental management performance and environmental risk control, identify major risks, and then discuss relevant countermeasures with each business unit of the company.</li> </ul>																					
2. Describe how the identified climate risks and opportunities affect the company's business, strategy and finance (short-term, medium-term, long-term).	<p>The impact of climate risks and opportunities on the company's business and strategies:</p> <table border="1" data-bbox="1126 651 2040 855"> <thead> <tr> <th>Business</th> <th>risk</th> <th>Opportunity</th> </tr> </thead> <tbody> <tr> <td>Short term</td> <td>Marketing disruption, supply chain imbalance</td> <td rowspan="3">Develop green solutions, such as green manufacturing, green energy and green products, and increase the rate of material recycling and reuse.</td> </tr> <tr> <td>Medium term</td> <td>Changes in product standards, regulations, carbon pricing, etc.</td> </tr> <tr> <td>Long term</td> <td>Transform products and services towards low carbon and make required infrastructure conditions complete</td> </tr> </tbody> </table> <table border="1" data-bbox="1126 879 2040 1206"> <thead> <tr> <th>Strategy</th> <th>risk</th> <th>Opportunity</th> </tr> </thead> <tbody> <tr> <td>Short term</td> <td>Enterprise transformation to increase operational resilience through net-zero carbon reduction and application for relevant ESG certification</td> <td>Actively promote or jointly develop green products with customers</td> </tr> <tr> <td>Medium term</td> <td>Use renewable energy and increase low-carbon technologies, reduce water usage and consumption, and reduce solvent emissions</td> <td rowspan="2">Seize key net-zero strategic opportunities provided by governments or relevant domestic and foreign research institutions to develop and deepen ecosystem partnerships</td> </tr> <tr> <td>Long term</td> <td>Arrange solutions under transformation/physical risks</td> </tr> </tbody> </table> <p>Four strategic directions: energy saving and carbon reduction, environmental protection, customer service, and product innovation</p> <ol style="list-style-type: none"> <li>1. Focus on the following industries and products and develop differentiated applications Product: Power engineering, protection, wiring Harness Industry: Hardware, construction, automotive</li> <li>2. In response to industry development trends, accelerate the development of environment-friendly products and comply with ROHS/REACH related specifications</li> <li>3. Strengthen automation and supply chain integration and system integration to shorten delivery time, stabilize quality, reduce costs, and create product value</li> <li>4. Establish an excellent team, strengthen personnel training and external recruitment, and improve personnel's</li> </ol>	Business	risk	Opportunity	Short term	Marketing disruption, supply chain imbalance	Develop green solutions, such as green manufacturing, green energy and green products, and increase the rate of material recycling and reuse.	Medium term	Changes in product standards, regulations, carbon pricing, etc.	Long term	Transform products and services towards low carbon and make required infrastructure conditions complete	Strategy	risk	Opportunity	Short term	Enterprise transformation to increase operational resilience through net-zero carbon reduction and application for relevant ESG certification	Actively promote or jointly develop green products with customers	Medium term	Use renewable energy and increase low-carbon technologies, reduce water usage and consumption, and reduce solvent emissions	Seize key net-zero strategic opportunities provided by governments or relevant domestic and foreign research institutions to develop and deepen ecosystem partnerships	Long term	Arrange solutions under transformation/physical risks
Business	risk	Opportunity																				
Short term	Marketing disruption, supply chain imbalance	Develop green solutions, such as green manufacturing, green energy and green products, and increase the rate of material recycling and reuse.																				
Medium term	Changes in product standards, regulations, carbon pricing, etc.																					
Long term	Transform products and services towards low carbon and make required infrastructure conditions complete																					
Strategy	risk	Opportunity																				
Short term	Enterprise transformation to increase operational resilience through net-zero carbon reduction and application for relevant ESG certification	Actively promote or jointly develop green products with customers																				
Medium term	Use renewable energy and increase low-carbon technologies, reduce water usage and consumption, and reduce solvent emissions	Seize key net-zero strategic opportunities provided by governments or relevant domestic and foreign research institutions to develop and deepen ecosystem partnerships																				
Long term	Arrange solutions under transformation/physical risks																					

	<p>professional skills and enthusiasm</p> <p>5. Increase the quantity of sales to key customers</p> <p>Impact of climate risks and opportunities on the finance of the Company: The Company has formulated relevant response plans for the identified risks and opportunities. Taking carbon fees as an example, it is expected that operating costs will gradually increase due to price increase, resulting in a decline in profit. Therefore, the Company has set a net-zero emission target and actively promotes greenhouse gas reduction plans to reduce potential financial impact.</p>
3. Describe the financial impact of extreme climate events and transition actions.	<p>Due to extreme weather such as typhoons, heavy rains, and floods, business locations face problems such as power outages, traffic interruptions, and equipment damage, resulting in disconnections and affecting the Company's operations and customer rights. Assuming that the operation is interrupted for one day due to the extreme weather and taking into account future revenue growth, the potential financial impact that a one-day operation interruption may affect accounts for about 0.27% of the annual revenue.</p> <p>As for the cost of transition to low-carbon and green energy business, as assessed based on materiality, the investment of the Company in the green energy business and the construction of a cyclic ecological chain for green economy will lead to an increase in operating costs. Calculated based on the one-time investment amount, the potential financial impact is about 1.69% of the annual revenue.</p>
4. Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system.	<ul style="list-style-type: none"> <li>●The management team of the Company collects the data on the future climate development trends of external markets, regulations, technologies and entities, lists the climate risks and opportunities that the company may face, and identifies major climate risks and opportunities after considering the degree of the impact and the likelihood of occurrence. Then the management team converts relevant climate risks into financial numbers, consider the items that may cause financial impact as influential risks and opportunities, prioritize them according to their likelihood and severity, and formulate corresponding countermeasures. For the risks that are assessed as higher, additional climate scenario analysis is conducted and their potential financial impact is calculated in consideration of the current operational deployment.</li> <li>●After identifying the main risks, discussion of relevant countermeasures is made with the heads of the Company's business departments, and relevant risk assessments is reported to the Risk and Audit Committee for supervision. The convener of the Risk and Audit Committee regularly reports to the Board of Directors based on the risk management and assessment results.</li> <li>●The Company incorporates the impact of climate change into material issues and key risk items for corporate sustainable development, implements risk management plans, and plan various response measures for operations, products, and supply chain management.</li> </ul>
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions and analysis factors used as well as main financial impacts shall be stated.	The Company has not used scenario analysis to assess resilience to climate change risks.
6. If there is a transformation plan to manage climate-related risks, describe the contents of the plan and the indicators and goals used to identify and manage physical risks and transformation risks.	The Company has not yet established a transformation plan for climate-related risks.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price shall be stated.	The Company has not yet used carbon pricing as a planning tool.
8. If climate-related goals are set, information such as the activities covered, greenhouse gas emission scope, planning schedule, annual achievement progress, etc. shall be stated; if carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, the source and quantity of carbon reduction credit subject to the offset or the quantity of renewable energy certificates (RECs) shall be stated.	<p>The Company is committed to improving the energy resource efficiency for us and for customers, and has set a short-term goal to reduce energy consumption by 30% within five years starting from May 2021.</p> <p>Energy saving and carbon reduction management goals Taking 2020 as the base year, unit energy consumption will be reduced by 30% in 2025.</p>
9. Greenhouse gas inventory and assurance, reduction goals, strategies and specific action plans (to be provided in 1-1 and 1-2).	<p>Please refer to:</p> <p>1-1 Greenhouse gas inventory and assurance status in the most recent two years 1-21-2 Greenhouse gas reduction goals, strategies and specific action plans</p>

1-1 Greenhouse gas inventory and assurance status in the most recent two years

1-1-1 Information of greenhouse gas inventory

Describe the greenhouse gas emissions (tCO<sub>2</sub>e), intensity (tCO<sub>2</sub>e/NT\$1 million) and data coverage in the most recent two years

Changhua Film Plant

Item	2023	2022
GHG emissions (tCO <sub>2</sub> e)	29,481.70	36,886.22
Intensity	14.464 (tCO <sub>2</sub> e/NT\$1 million)	13.453 (tCO <sub>2</sub> e/NT\$1 million)
Data coverage	Scope 1 & Scope 2	Scope 1 & Scope 2

Changhua Tape Plant

Item	2023	2022
GHG emissions (tCO <sub>2</sub> e)	3,346.38	3,831.67
Intensity	5.400 (tCO <sub>2</sub> e/NT\$1 million)	4.254 (tCO <sub>2</sub> e/NT\$1 million)
Data coverage	Scope 1 & Scope 2	Scope 1 & Scope 2

Note 1: Direct emissions (Scope 1, that is, directly from emission sources owned or controlled by the company), indirect emissions from energy (Scope 2, that is, indirect greenhouse gas emissions from the input of electricity, heat or steam) and Other indirect emissions (Scope 3, that is, emissions generated by company activities; they are not indirect emissions from energy, but come from emission sources owned or controlled by other companies).

Note 2: The data coverage of the direct emissions and the indirect emissions from energy shall be handled in accordance with the schedule specified in the regulations referred to in Paragraph 2, Article 10 of these Guidelines. The information of other indirect emissions may be disclosed voluntarily.

Note 3: Greenhouse gas inventory standard: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).

Note 4: The intensity of greenhouse gas emissions can be calculated per unit of product/service or turnover, and at least the data calculated based on turnover (NT\$ million) shall be stated.

### 1-1-2 Information of greenhouse gas assurance

Describe the assurance status in the most recent two years and up to the publication date of this annual report, including the scope, institution, criteria and opinion of the assurance.

The Company has not yet appointed a third-party verification company to conduct the verification.

According to the “Roadmap for the Sustainable Development of Listed Companies” announced by the Financial Supervisory Commission on March 2022, the Company is subject to the Phase II greenhouse gas inventory (i.e. the inventory will be completed in 2025 and the verification will be completed in 2027).

Note 1: The schedule specified in the regulations referred to in Paragraph 2, Article 10 of these Guidelines shall apply. If the company fails to obtain a complete greenhouse gas assurance opinion as the publication date of this annual report, it shall indicate that “the complete assurance information will be disclosed in the sustainability report”. If the company does not prepare a sustainability report, it shall indicate that “the complete assurance information will be disclosed on the MOPS”, and shall disclose complete assurance information in the annual report of the next year.

Note 2: The assurance institution shall comply with the relevant requirements that TWSE and TPEX have established for sustainability report assurance institutions.

Note 3: For disclosure content, please refer to the best practice reference examples on the website of the TWSE Corporate Governance Center.

### 1-2 Greenhouse gas reduction goals, strategies and specific action plans

Describe the base year for reduction of greenhouse gases and reduction data, reduction goals, strategies and specific action plans, and achievement status of the reduction goals.

The Company is committed to improving the energy resource efficiency for us and for customers, and has set a short-term goal to reduce energy consumption by 30% within five years starting from May 2021

Energy saving and carbon reduction management goals

1. Taking 2020 as the base year, the goal is to reduce the emissions by 30% in five years.

(1) The intensity of Changhua Film Plant in 2020: 15.984 (tCO<sub>2</sub>e/NT\$1 million)

(2) The intensity of Changhua Tape Plant in 2020: 6.408 (tCO<sub>2</sub>e/NT\$1 million)

2. Intensity in 2023:

(1) The intensity of Changhua Film Plant in 2023 was 14.464 (tCO<sub>2</sub>/NT\$1 million), decreased by 7.0% compared with the base year

(2) The intensity of Changhua Tape Plant in 2023 was 5.400 (tCO<sub>2</sub>/NT\$1 million), decreased by 15.7% compared with the base year

Note 1: The schedule specified in the regulations referred to in Paragraph 2, Article 10 of these Guidelines shall apply.

Note 2: The base year shall be the year in which the inventory is completed based on the boundary of the consolidated financial reports. For example, in accordance with the regulation referred to in Paragraph 2, Article 10 of these Guidelines, companies with a capital of more than NT\$10 billion shall complete the inventory referred to in the 2024 consolidated financial report in 2025, and thus the base year is 2024. If the company has completed the inventory referred to in the consolidated financial report ahead of time, the earlier year concerned may be used as the base year. In addition, the data for the base year can be calculated as a single year or as the average of multiple years.

Note 3: For disclosure content, please refer to the best practice reference examples on the website of the TWSE Corporate Governance Center.

7. Situation of Ethical Corporate Management & Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons

The group to which the company belongs has clearly formulated the "Code of Integrity Management", and "Integrity" is even one of the four business concepts, which consists of integrity, stability, innovation and sustainability. Everyone who grows up in this corporate culture can look upon everything around with a sincere heart. Regardless of ourselves or others, products or customers, we all abide by this principle of good faith, and this is the company's greatest achievement in talent education, and it is the fundamental reason why the company has won the trust of customers.

In addition, the company also requires employees in the service code not to use their job relationships to request gifts and invitations from others, and employees should abide by the relevant laws and regulations applied in the execution of the business.

Evaluation Item	Implementation Status <sup>1</sup>			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Establishment of ethical corporate management policies and programs				
(1) Does the company declare its ethical corporate management policies and procedures in its guidelines and external documents, as well as the commitment from its Board to implement the policies?	✓		(1) The group to which the company belongs has clearly formulated the "Code of Integrity Management", which has been approved by the Board of Directors. Both the Board of Directors and senior management follow this code.	None
(2) Does the company establish policies to prevent unethical conduct with clear statements regarding relevant procedures, guidelines of conduct, punishment for violation, rules of appeal, and the commitment to implement the policies?	✓		(2) The group has established a code of conduct for employees, which serves as a guide for employees' operating procedures and conduct, and is used to prevent dishonest behavior. a. Offering and receiving bribes. b. Providing illegal political donations. c. Improper charitable donations or sponsorships. d. Providing or accepting unreasonable gifts, entertainment or other improper benefits. e. Infringement of trade secrets, trademark rights, patent rights, copyrights and other intellectual property rights. f. Engaging in acts of unfair competition. g. Products and services that directly or indirectly damage the rights, health and safety of consumers or other interested parties when they are researched and developed, purchased, manufactured, provided or sold.	None
(3) Does the company clearly define operating procedures, behavioral guidelines, punishment and appeal systems for violations in the plan for preventing dishonest behavior, and implement them, and regularly review the plan before revision?	✓		(3) The company has formulated the "Administrative Measures for the Prevention of Insider Trading" and affiliated group has formulated the "Key points for the implementation of the anti-corruption mechanism" to prevent from offering and receiving bribes and the provision of illegal political contributions, etc., and have been reviewed and revised regularly.	None
2. Fulfill operations integrity policy				
(1) Does the company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	✓		1. The Company performs credit checking on counterparties and controls the credit limits to them. Observance of ethical principles is indicated in the agreement.	None
(2) Does the company set up a dedicated unit under the Board of directors to promote	✓		2. The Administration Division is the unit responsible for the implementation of	None

Evaluation Item	Implementation Status <sup>1</sup>			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>corporate integrity management, and regularly (at least once a year) report to the Board of Directors regarding its integrity management policies, plans for preventing dishonest behavior, and supervision of implementation?</p> <p>(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?</p> <p>(4) Has the company established effective systems for both accounting and internal control to facilitate ethical corporate management, and are they audited by either internal auditors or CPAs on a regular basis?</p> <p>(5) Does the company regularly hold internal and external educational trainings on operational integrity?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>the ethical management. It reports to the Board of Directors about the supervision and implementation of the ethical management policies and the unethical conduct prevention plans on a regular basis (at least once a year). The Chief Auditor also attends the Board meeting for this purpose.</p> <p>3. When conflict of interest occurs, the headquarters of the Group may accept the statements and intervene for coordination. The Company established and announces the “Misconduct Investigation Regulations” in November 2018 for investigation of accepted reported matters.</p> <p>4. The Company has established the effective accounting and internal control systems and internal audit personnel have performed an audit in the form of a project on an irregular basis.</p> <p>5. The Company organizes education and training on ethical management every year on a regular basis.</p> <p>07/22/2022 (Fri.) 09:00 ~ 16:30</p> <p>1. Number of participants: A total of 63 directors and managers at the higher level in charge of packaging materials in Taiwan.</p> <p>2. Topic:</p> <p>(1) Chairperson speech - CEO: strategic guidelines, tactic plans</p> <p>(2) Way of proceeding (brainstorming): a total of 4 issues</p> <ul style="list-style-type: none"> <li>● Issues 1~4 - classification of ideas</li> <li>● Issues 1~4 - ideation and convergence</li> </ul> <p>Preparation of action plans for the four issues - CEO as the leader</p> <p>(3) Sales unit: Report on the introduction of digitization plans to logistics</p> <p>02/03/2023 (Fri.) 09:00 ~ 16:30</p> <p>1. Number of participants: A total of 58 directors and managers at higher level in charge of packaging materials in Taiwan.</p> <p>2. Topic:</p> <p>(1) CEO’s instructions on the execution of the 2023 budgets and promotion guidelines for 2023 operations</p> <p>(2) Share of manager’s experience (1) [From a Beginner to a Manager - The Key of Growth] Share of manager’s experience (2) [Short But Heart-shaking Stories in the Life of Sales Representatives]</p> <p>(3) Sales unit: Report on development of commodities, regular report on</p>	<p>None</p> <p>None</p> <p>None</p>

Evaluation Item	Implementation Status <sup>1</sup>			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			logistics Teamwork (1) [A Showdown of Lies] Teamwork (2) [A Great Question] Teamwork workshop Topic discussion - [What to Do When a Customer Haggles Down the Price?]	
3. Operation of the integrity channel (1) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up? (2) Does the company establish standard operating procedures for confidential reporting on investigating accusation cases? (3) Does the company provide proper whistleblower protection?	 ✓  ✓  ✓		(1) The group to which the company belongs has formulated the "Key points for the implementation of the anti-corruption mechanism", clearly specifying the audit office as the unit to accept reports, and expose it on the company's website. (2) The standard operating procedure for investigation of reported misconduct and related non-disclosure mechanisms is specified in the “Anti-Corruption Mechanism Implementation Guidelines.” The Company established and announced the “Misconduct Investigation Regulations” in November 2018 for investigation of accepted reported matters. The audit unit is responsible for the audit of accepted cases. (3) The "Key points for the implementation of the anti-corruption mechanism" and the "Report and Investigation Measures" have expressly emphasized the responsibility of protecting whistleblowers.	None  None  None
4. Strengthening information disclosure Does the company disclose its ethical corporate management policies and the results of its implementation on the company’s website and MOPS?	✓		1. The company’s code of integrity management has been disclosed on the company’s website. 2. The Human Resource Division conducts advocacy and requires newcomers to read during the quarterly education and training of newcomers, and regularly reviews the content compliance. New employee orientation was held on January 15 and September 11 in 2021. Outline: a. Meet with the Chairman The Chairman of the Board of Directors participated in the seminar to share the group's development, management philosophy (integrity, stability, innovation, and sustainable management) and corporate culture, and collected colleagues' questions via an electronic spreadsheet beforehand and provided them to the Chairman. b. The Group Approval Authority and Staff Code The description of the group's approval authority and staff codes, whistleblowers' terms and staff mailboxes to establish a basic awareness for staff. c. Staff Career Guidance	None

Evaluation Item	Implementation Status <sup>1</sup>			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			Introduction of each division executive through an organizational chart (with contact information for each unit) and guidance for personal development.	
5. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation: The company has formulated a code of integrity management and disclosed it on the company's website. There is no major difference between its operation and the established code.				
6. Other important information to facilitate a better understanding of the company's ethical corporate management policies (e.g., review and amend its policies): The company has formulated the key points for the implementation of the anti-corruption mechanism, staff code of conduct, and reporting and investigation methods to implement the determination to operate with integrity.				

Note: Regardless of whether the evaluation item is achieved or not, the company shall state an appropriate explanation.

#### 8. Corporate Governance Guidelines and Regulations

The company and its subsidiaries have formulated the corporate governance code and related regulations, which are regularly and irregularly scheduled to be disclosed on the company website according to the regulations. The company website: <http://www.ycgroup.tw/>

9. Other Important Information Regarding Corporate Governance: None.

## 10. Internal Control Systems

The implementation status of the internal control system shall disclose the following matters:

### (1) Declaration of the Internal Control System

Date: March 14, 2024

Based on the results of self-assessment, the company's internal control system in 2023 hereby declares as follows:

1. The company is ensured that the establishment, implementation and maintenance of the internal control system is the responsibility of the company's Board of Directors and managers, and the company has established this system. Its purpose is to achieve the objectives of operation effectiveness and efficiency (including profitability, performance, asset safety protection, etc.), reporting reliability, timeliness, transparency, and compliance with relevant regulations and compliance with relevant laws and regulations, and provide reasonable guarantee.
2. The internal control system has its inherent limitations. No matter how perfect the design is, an effective internal control system can only provide a reasonable guarantee for the achievement of the three objectives above. Moreover, due to changes in the environment and circumstances, the effectiveness of the internal control system may change accordingly. However, the company's internal control system has a self-monitoring mechanism. As long as the defect is identified, the company will take corrective action.
3. The company judges whether the design and implementation of the internal control system are effective in accordance with the judgment items on the effectiveness of the internal control system stipulated in the "Criteria for Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Criteria"). The internal control system judgment items adopted in the "Criteria for Internal Control" are based on the process of management control, which divides the internal control system into five components: (1) Environment Control (2) Risk Assessment (3) Operations Control, (4) Information and Communication, and (5) Supervisory Operation. Each component includes several items. For the items mentioned above, please refer to the "Criteria for Internal Control."
4. The company has adopted the internal control system judgment items mentioned above to evaluate the effectiveness of the design and implementation of the internal control system.
5. Based on the evaluation results of the preceding paragraph, the company believes that the company's internal control system (including supervision and management of subsidiaries) as of December 31, 2023, includes understanding the effectiveness of operations and the extent to which the efficiency objectives are achieved, and the design and implementation of the internal control system is reliable, timely, transparent and in compliance with relevant regulations and relevant laws and that the regulations are effective, which can reasonably ensure the achievement of the above objectives.
6. This statement will become the main content of the company's annual report and public prospectus, and will be made public. If there are false or concealed content in the above disclosure, it will involve legal liabilities under Article 20, Article 32, Article 171, and Article 174 of the Securities Exchange Law.
7. This statement was approved by the company's Board of Directors on March 14, 2024. All the seven directors present agreed with the content of this statement and made this statement.

YEM CHIO CO., LTD.

Chairman: Lee, Chih-Hsieh authorized

General Manager: Fang, Shu-Fen authorized

(2) Those who entrust an accountant to review the internal control system should disclose the accountant's review report: None.

11. Major Resolutions from the Shareholders' Meeting and Board Meetings

In the most recent year and as of the publication date of the annual report, if the company and its internal personnel have been punished in accordance with the law, or the company has imposed penalties on its internal personnel for violation of the internal control system, and if the result of the penalty may have a significant impact on the shareholders' rights or the price of securities, the content of the penalty, main deficiencies and improvements shall be specified: From January 2023 to the publication date of the annual report, the company was penalized for a total of 0 cases.

12. Important resolutions from the shareholders meeting and Board of Directors' meeting in the most recent year and as of the publication date of the annual report:

Important Resolutions from the General Meeting of Shareholders on June 16, 2023

(1) Recognition of the 2022 business report and financial statements. Implementation status: Resolution passed.

(2) Recognition of the 2022 earnings appropriation case. Implementation status: Issuance of Cash dividends on August 10, 2023.

(3) Two additional directors were elected.

Implementation status: Additional directors were elected in accordance with regulations.

(4) Approval of the proposal for lifting the restriction of competitive behavior of new directors and their representatives.

Implementation status: Lift the restriction of competitive behavior of new directors and their representatives regarding their concurrent duties in other companies.

Important resolutions of the Board of Directors for the year 2023 and as of April 23, 2024:

Date of Meeting	Important Resolutions
March 15, 2023	<ol style="list-style-type: none"> <li>1. Approval of the Company's 2022 business report, financial reports and consolidated financial reports.</li> <li>2. Approval of the proposal for 2022 earnings distribution.</li> <li>3. Approval of the proposal for the appointment of CPAs for 2023 and the assessment of their independence and competency.</li> <li>4. Approval of the proposal for the application to financial institutions for loan facilities.</li> <li>5. Approval of the proposal for the conversion of the 8th and 9th domestic secured convertible corporate bonds to issue new shares and determination of the reference date for the issuance.</li> <li>6. Approval of the proposal for the 2022 "effectiveness evaluation of the internal control system" and the "Statement on Internal Control System".</li> <li>7. Approval of the proposal for 2022 remuneration to employees.</li> <li>8. Approval of the proposal for the remuneration to managerial officers.</li> <li>9. Approval for Proposal for the addition of directors.</li> <li>10. Approval of the proposal for the list of director candidates.</li> <li>11. Approval of the proposal for lifting the restriction of competitive behavior of new directors.</li> <li>12. Approval of the proposal for the convention of the 2023 annual general meeting of shareholders.</li> <li>13. Approval of the establishment of the regulations governing the finance and business relationships between the related parties of the Company.</li> </ol>
May 12, 2023	<ol style="list-style-type: none"> <li>1. Approval of the Company's 2023 Q1 consolidated financial reports.</li> <li>2. Approval of the proposal for the application to financial institutions for loan facilities.</li> <li>3. Approval of the proposal for loaning funds to subsidiaries.</li> <li>4. Approval of the proposal for provision of endorsement and guarantee for subsidiaries to apply for (cancellation of) loan facilities to (from) financial institutions.</li> <li>5. Approval of the proposal for the conversion of the 8th and 9th domestic secured convertible corporate bonds to issue new shares and determination of the reference date for the issuance.</li> <li>6. Approval of the proposal that ACHEM Technology China (in short "ACHEM China"), a company in which the Company holds 100% of shares indirectly, plans to assign its equity of 62.3% in Foshan Inder Adhesive Product Co., Ltd. (in short "Foshan Inder") to ACHEM (Jiangsu) Adhesive Product Co., Ltd. (in short "ACHEM Adhesive") as an</li> </ol>

	exchange for its newly issued shares, and for amending the net equity transfer value..
August 11, 2023	<ol style="list-style-type: none"> <li>1. Approval of the Company's 2023 Q2 consolidated financial reports.</li> <li>2. Approval of the proposal for the application to financial institutions for loan facilities.</li> <li>3. Approval of the proposal for provision of endorsement and guarantee for subsidiaries to apply to financial institutions for loan facilities.</li> <li>4. Approval of the proposal for the conversion of the 8th and 9th domestic secured convertible corporate bonds to issue new shares and determination of the reference date for the issuance.</li> <li>5. Approval of the Company's plan to purchase the 5th floor and 24 parking spaces of the office building in Neihu District from Xin Chio Global..</li> <li>6. Approval of the Company's plan to purchase a total of one land lot at No. 92, Xinzhoumei Section in Beitou District of Taipei City.</li> <li>7. Approval of the proposal for partial amendment of the Company's "Articles of Incorporation".</li> <li>8. Approval of the proposal for establishment of risk management policies and procedures.</li> <li>9. Approval of the proposal for partial amendment of the Regulations Governing the Performance Evaluation of the Board of Directors.</li> <li>10. Approval of the proposal for ratifying the Company's disposal of Quanta Computer stocks.</li> </ol>
November 10, 2023	<ol style="list-style-type: none"> <li>1. Approval of the Company's 2023 Q3 consolidated financial reports.</li> <li>2. Approval of the proposal for the application to financial institutions for loan facilities.</li> <li>3. Approval of the proposal for the conversion of the 8th and 9th domestic secured convertible corporate bonds to issue new shares and determination of the reference date for the issuance.</li> <li>4. Approval of the proposal for the 2023 audit plan.</li> <li>5. Approval of the proposal for changing the name of the Audit Committee to the Audit and Risk Committee.</li> <li>6. Approval of the review of the policies, systems, standards and structures of the performance evaluation and remuneration of managerial officers.</li> </ol>
November 30, 2023	<ol style="list-style-type: none"> <li>1. Approval of the Company's plan to purchase a total of 22 land lots including No. 584, Section 2, Taishan Section in Taishan District of New Taipei City.</li> <li>2. Approval of the proposal for the application to financial institutions for loan facilities.</li> </ol>
March 14, 2024	<ol style="list-style-type: none"> <li>1. Approval of the Company's 2023 business report, financial reports and consolidated financial reports.</li> <li>2. Approval of the proposal for 2023 earnings distribution.</li> <li>3. Approval of the proposal for the appointment of CPAs for 2024 and the assessment of their independence and competency.</li> <li>4. Approval of the proposal for the application to financial institutions for loan facilities.</li> <li>5. Approval of the proposal for the conversion of the 8th and 9th domestic secured convertible corporate bonds to issue new shares and determination of the reference date for the issuance.</li> <li>6. Approval of the proposal for loaning of funds to ACHEM Petrochemical (Jiangsu) Co., Ltd. (in short "ACHEM Petrochemical") and cancellation of debts.</li> <li>7. Approval of the Company's plan to purchase a total of 13 land lots Nos. 114-2, 114-12, 114-33, 123, 123-4, 123-15, 123-17, 123-25, 123-26, 123-38, 123-39, 123-43 and 123-45, Zhonggangcuo Section in Xinzhuang District of New Taipei City</li> <li>8. Approval of the proposal for the 2023 "effectiveness evaluation of the internal control system" and the "Statement on Internal Control System".</li> <li>9. Approval of the proposal for 2023 remuneration to employees.</li> <li>10. Approval of the proposal for the convention of the 2023 annual general meeting of shareholders.</li> </ol>

13. The main content in which the directors or supervisors have different opinions on important resolutions passed by the Board of Directors in the most recent year and up to the date of publication of the annual report and have records or written statements: None.

14. A summary of the resignation and dismissal of the company's chairman, general manager, accounting supervisor, financial officer, internal audit officer, corporate governance officer, and R&D officer in the most recent year and as of the printing date of the annual report: None

#### IV. Information Regarding the Company's Audit Fee and Independence

##### 1. Audit Fee

(Unit: NT\$ thousands)

Accounting Firm	Name of CPA	CPA's Audit Period	Audit Fee	Non-audit Fee	Total	Remarks
EY Taiwan	Liu,Rong-Jin	2023.01.01	2,870	855	3,725	
	Hsieh, Sheng-An	-2023.12.31				

Note: Non-audit public expenses refer to the payment of 1. Tax visa 2. Tax service 3. Financial report translation.

2. Where the Company changes the CPA firm and the amount of the audit fees paid for auditing services during the year in which the change is made is lower than that for the previous year: The amount of public audit expenses in 2022 was NT\$3,820 thousand, and the amount of public audit expenses in 2023 was NT\$2,870 thousand, a decrease of NT\$950 thousand, with a reduction rate of 25%. The original accounting firm audited and approved the financial report contract after completing the 2022 audit certification work. During this period, the company re-selected accountants in 2023. In consideration of the operational development and internal management needs of the Group, the Company then chose to appoint an accounting firm other than Ernst & Young Global Limited, Taiwan. The change in audit fees was the result of negotiation by the selected firm in accordance with prescribed procedures.

3. Audit fee has been reduced by more than 10% compared with the previous year:

Audit public expenses of the previous year	Audit public expenses this year	Difference amount	Difference ratio	Reason
3,820	2,870	(950)	-25%	The CPA firm was changed in consideration of the operational development and internal management needs of the Group.

#### V. None Information on change of CPAs:

##### 1. About former CPAs

Date of replacement	March 15, 2023		
Reasons and description of change	Business operation, development and internal management requirements		
Whether the appointment is terminated or not accepted by the client or CPA	The client does not grant appointment any more		
Opinions and reasons for issuance of audit reports in the most recent two years, excluding unqualified opinions	None		
Any differences in	Yes		Accounting principle or practice

opinions between CPA and issuer			Disclosure of financial reports
			Audit scope or step
			Others
	None	V	
Description			
Other disclosures (To be disclosed in accordance with Article 10(6)(1)(d) to (1)(g) of these Guidelines)	None		

## 2. About Succeeding CPAs

Name of CPA firm	Ernst & Young Global Limited, Taiwan
Name of CPA	Liu Rong-Jin and Hsieh Sheng-An
Date of appointment	The appointment was reported to the Board of Directors for discussion and approval on March 15, 2023. The successively appointed CPA firm starts performing the certification from 2003 Q1.
Matters and results of the consultation on accounting treatment methods or accounting principles for specific transactions and possible issuance of financial reports prior to the appointment	None
Written opinions of the succeeding CPA on the matters regarding which the former CPA has expressed dissent	None

6. The former CPA's written response to the matters in Article 10(6)(1) and (2)(c) of these Guidelines: There is no dissent in the former CPAs' written response.

VI. The Employment of the Company's Chairman, General Manager, Financial or Accounting Manager with the Firm of the Auditing CPA or Its Affiliated Businesses in the Past Year: None.

VII. Changes in shareholding of Directors, supervisors, managers, and shareholders whose shareholding ratio exceeds 10%:

Title	Name	2023 (The number of turnovers as of the time of dismissal)		The current year as of March 31 (The number of turnovers as of the time of dismissal)	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman himself	Ings Chyung International Co., Ltd.	0	0	0	0
Chairman's legal representative	Lee, Chih-Hsieh	0	0	0	0
Director	Asia Plastics Co., Ltd.	0	0	0	0
Director representative	Lin, Si-shan (newly appointed on 2019.06.20)	0	0	0	0
Independent Director	Chen, Yen-Chun (newly appointed on 2019.06.20)	0	0	0	0
Independent Director	Wang, Jian-Chuan (newly appointed on 2019.06.20)	0	0	0	0
Independent Director	Chen, Shun-fa (newly appointed on 2019.06.20)	0	0	0	0
Director representative General Manager	Fang, Shu-Feng (co-opted on 2023.6.16) (newly appointed on 2022.3.25)	0	0	0	0
Director representative Deputy General Manager	Lee, Shu-Wei (co-opted on 2023.6.16)	0	0	0	0
Deputy General Manager	Jiang, Wen-Rong (newly appointed on 2019.06.20)	0	0	0	0
Deputy General Manager	Lee, Chi-Cheng (newly appointed on 2019.06.20)	0	0	0	0
Deputy General Manager	Chao, Po-Yang. (Newly appointed on 2024.03.01)	0	0	0	0
Deputy General Manager	Sun, Ni-Ying (Newly appointed on 2024.03.01)	0	0	0	0
Financial Officer	Chang, Yung-Chieh, (Newly appointed on 2021.05.13)	0	0	0	0
Accounting Officer	Chou, Yun-Tin, (Newly appointed on 2022.03.25)	0	0	0	0
Corporate Governance Officer	Zheng, Yan-zhong (Newly appointed on 2021.05.13)	0	0	0	0

Share Trading Information

Share pledge Information: Not applicable

### VIII. Relationship among the Top Ten Shareholders

Name	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees <sup>3</sup>		Remarks
	Shares	%	Shares	%	Shares	%	Shares	%	Shares
Asia Plastics Co., Ltd. Representative: Yujuan Wang	52,974,405	7.80%	—	—	—	—	note	note	
	4,479,704	0.66%	5,000,000	0.74%	—	—			
Ying Chung Co., Ltd. Representative: Yujuan Wang	51,698,666	7.61%	—	—	—	—	note	note	
	4,479,704	0.66%	5,000,000	0.74%	—	—			
Ings Chyuang International Co., Ltd. Representative: Lee, Chih-Hsieh	42,748,839	6.29%	—	—	—	—	note	note	
	5,000,000	0.74%	4,479,704	0.66%	—	—			
Trust property account in custody of Hua Nan Commercial Bank, Ltd. - Lee, Chih-Hsieh	27,711,344	4.08%	—	—	—	—	—	—	
Yangjun Zheng	17,835,613	2.63%	—	—	—	—	—	—	
Investment account of BVI YEM CHIO company entrusted to keep by Mega International Commercial Bank	16,822,281	2.48%	—	—	—	—	—	—	
Yong Chen International Limited Company Representative: Lee, Chi-Cheng	15,628,140	2.30%	—	—	—	—	—	—	
	2,529,236	0.37%	—	—	—	—			
Jhou Ji International Limited Company Representative: Lee, Shu-Wei	13,422,506	1.98%	—	—	—	—	—	—	
	2,760,436	0.41%	—	—	—	—			
Hong, Cing-Jhong	7,700,000	1.13%	—	—	—	—	—	—	
Liu, Hong-Run	7,073,011	1.04%	—	—	—	—	—	—	

Note: Ings Chyuang International Co., Ltd. and Ying Chung Co., Ltd. are shareholders of Asia Plastics Co., Ltd., and Asia Plastics Co., Ltd. is a shareholder of Ings Chyuang International Co., Ltd.,

## IX. Comprehensive shareholding ratio

Unit: shares/ %

Re-Invested Businesses (Note)	Ownership by the Company		Direct or Indirect Ownership by Directors/Supervisors/ Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
Yem Chio (Bvi) Co., Ltd.	47,117,523	100%	0	0	47,117,523	100%
<u>Achem Technology Corporation</u>	399,904,848	100%	0	0	399,904,848	100%
<u>Xin Chio Global Co., Ltd.</u>	25,740,120	38.86%	14,930,000	23.78%	40,670,120	62.64%
Wongchio CO., LTD.	34,507,664	100%	0	0	34,507,664	100%
UiNN Hotel limited company	-	100%	0	0	-	100%
Yanrun Development Co., Ltd.	800,000	40%	0	0	800,000	40%
King Sun New Technology Co., Ltd.	1,650,000	27.5%	0	0	1,650,000	27.5%

Note: Refers to the company's investment using the equity method on December 31, 2023.

## Four. Capital Overview

## I. Capital and Shares

### (I) Source of Capital

#### Source of Capital

Month/ Year	Par Value (NT\$)	Authorized Capital		Paid-in Capital		Sources of Capital	Remarks	Capital Increased by Assets Other than Cash	Other
		Shares	Amount (NT\$ thousands)	Shares	Amount (NT\$ thousands)				
2002.12	19.5	60,000	600,000	55,738	557,381	Capital increase by retained earnings of NT\$22,018,000 Capital increase by cash of NT\$95,000,000	None	1	
2003.12	10	95,000	950,000	62,427	624,266	Capital increase by retained earnings of NT\$66,885 thousands	None	2	
2003.12	—	95,000	950,000	72,161	721,607	The conversion of the first domestic convertible corporate bonds into common shares of NT\$9,734,035	None	3	
2004.03	—	95,000	950,000	72,661	726,606	The conversion of the first domestic convertible corporate bonds into common shares of NT 4,998,990	None	3	
2004.06	10	125,000	1,250,000	77,928	779,283	Capital increase by retained earnings of NT\$5,267,728,000	None	4	
2004.12	—	125,000	1,250,000	78,111	781,107	The conversion of the first domestic convertible corporate bonds into common shares of \$NT 1,824,300	None	5	
2005.08	10	125,000	1,250,000	84,845	848,446	Capital increase by retained earnings of NT\$67,339,000	None	6	
2005.12	—	125,000	1,250,000	91,668	916,677	The conversion of the first domestic convertible corporate bonds into common shares of \$NT 68,230,750	None	7	
2006.07	10	150,000	1,500,000	92,898	928,984	The conversion of the first domestic convertible corporate bonds into common shares of \$NT 12,307,000	None	8	
2006.08	10	150,000	1,500,000	95,584	955,844	Capital increase by retained earnings of NT\$37,000,000 and Employee bonus of NT\$4,000,000 Capital reduction of NT\$14,140,000	None	9	
2006.10	13.5	150,000	1,500,000	108,963	1,089,633	Capital increase by cash of NT\$100,000 and conversion of the first domestic convertible corporate bonds into common shares of NT\$33,789,000	None	10	
2006.12	10	150,000	1,500,000	112,195	1,121,958	The conversion of the first domestic convertible corporate bonds into common shares of \$NT 2,258,000 and conversion of the second domestic convertible corporate bonds into common shares of NT\$30,066,000	None	11	
2007.04	10	150,000	1,500,000	112,229	1,122,294	The conversion of second domestic convertible corporate bonds into common shares of NT\$336,000	None	12	
2007.08	10	150,000	1,500,000	114,920	1,149,206	The conversion of second domestic convertible corporate bonds into common shares of NT\$26,912,000	None	13	
2007.09	19	180,000	1,800,000	134,920	1,349,206	Capital increase by cash NT\$200,000 thousands	None	14	
2007.10	10	180,000	1,800,000	146,179	1,461,796	Capital increase by retained earnings of NT\$111,180,000 and conversion of second domestic convertible corporate bonds into common shares of NT\$1,409,000	None	15	
2008.04	10	180,000	1,800,000	143,953	1,439,534	The conversion of the second domestic convertible corporate bonds into common shares of NT\$8,623,000 conversion of third domestic convertible corporate bonds into common shares of NT\$31,005,000 // Retirement of 3,293,000 of the fourth treasury stocks and 2,896,000 shares of the fifth treasury stocks	None	16	
2008.08	10	300,000	3,000,000	146,919	1,469,199	The conversion of the second domestic convertible corporate bonds into common shares of NT\$434,000 and conversion of the third domestic convertible corporate bonds into common shares of NT\$29,230,000	None	17	
2008.11	10	300,000	3,000,000	142,506	1,425,065	The conversion of the third domestic convertible corporate bonds into common shares of NT\$295,000/Retirement of 4,443 thousand shares of the sixth treasury stocks	None	18	

2008.12	10	300,000	3,000,000	151,728	1,517,281	Distribution of stock dividends of NT\$92,215 thousands	None	19
2009.01	10	300,000	3,000,000	150,379	1,503,793	Retirement of 1,016,000 shares of the first and second treasury stocks and retirement of 333 thousand shares of the seventh treasury stocks	None	20
2009.02	10	300,000	3,000,000	162,319	1,623,195	The conversion of the fourth domestic convertible corporate bonds into common shares of NT\$ 119,401,000	None	21
2009.04	10	300,000	3,000,000	162,365	1,623,658	The conversion of the fourth domestic convertible corporate bonds into common shares of NT\$1,793,000 // retirement of 133 thousand shares of eighth treasury stocks	None	22
2009.07	10	300,000	3,000,000	162,365	1,623,658	Revision of articles	None	23
2009.08	10	300,000	3,000,000	175,861	1,758,616	The conversion of the third domestic convertible corporate bonds into common shares of NT\$774,000 and conversion of the fourth domestic convertible corporate bonds into common shares of NT\$134,184,000	None	24
2009.08	10	300,000	3,000,000	203,433	2,034,333	Capital increase by retained earnings of NT\$275,716 thousands	None	25
2009.10	10	300,000	3,000,000	212,688	2,126,886	The conversion of the third domestic convertible corporate bonds into common shares of NT\$820,000 and conversion of the fourth domestic convertible corporate bonds into common shares of NT\$91,732 ,000	None	26
2010.02	10	300,000	3,000,000	230,416	2,304,163	The conversion of the third domestic convertible corporate bonds into common shares of NT\$33,880,000 and conversion of the fourth domestic convertible corporate bonds into common shares of NT\$143,396,000	None	27
2010.04	10	300,000	3,000,000	230,932	2,309,320	The conversion of the fourth domestic convertible corporate bonds into common shares of NT\$5,157,000	None	28/
2010.07	10	300,000	3,000,000	231,265	2,312,654	The conversion of the fourth domestic convertible corporate bonds into common shares of NT\$3,333,000	None	29
2010.10	10	300,000	3,000,000	232,799	2,327,999	The conversion of the fourth domestic convertible corporate bonds into common shares of NT\$15,345,000	None	30
2010.11	10	400,000	4,000,000	267,799	2,677,999	Distribution of stock dividends of NT\$350,000,000	None	31
2011.01	10	400,000	4,000,000	273,863	2,738,635	The conversion of the fifth domestic convertible corporate bonds into common shares of NT\$60,635,000	None	32
2011.04	10	400,000	4,000,000	277,014	2,770,144	The conversion of the fifth domestic convertible corporate bonds into common shares of NT\$31,509,000	None	33
2011.07	10	400,000	4,000,000	279,185	2,791,856	The conversion of the fifth domestic convertible corporate bonds into common shares of NT\$21,712,000	None	34
2011.10	10	400,000	4,000,000	280,571	2,805,713	The conversion of the fifth domestic convertible corporate bonds into common shares of NT\$13,856,000	None	35
2011.11	10	400,000	4,000,000	294,302	2,943,024	Capital increase by retained earnings to issue new shares	None	36
2011.11	10	500,000	5,000,000	294,302	2,943,024	Revision of articles, increase authorized capital and adjust the number of convertible shares of retained corporate bonds	None	37
2011.12	10	500,000	5,000,000	296,569	2,965,690	The conversion of the fifth domestic convertible corporate bonds into common shares of NT\$22,666,000	None	38
2012.03	10	500,000	5,000,000	296,569	2,965,690	Dismissal of supervisor, Registration of shareholders changed to appoint a representative as the supervisor	None	39
2012.04	10	500,000	5,000,000	297,488	2,974,888	The conversion of the fifth domestic convertible corporate bonds into common shares of NT\$9,198,000	None	40
2012.07	10	500,000	5,000,000	297,725	2,977,259	The conversion of the fifth domestic convertible corporate bonds into common shares of NT\$2,370,000	None	41
2012.08	10	500,000	5,000,000	297,725	2,977,259	Dismissal of supervisor, Registration of shareholders changed to appoint a representative as the supervisor	None	42
2012.09	10	500,000	5,000,000	357,223	3,572,237	Capital increase by retained earnings to issue new shares	None	43
2012.10	10	500,000	5,000,000	361,416	3,614,169	The conversion of the fifth domestic convertible corporate bonds into common shares of NT\$41,931,000	None	44

2012.12	17	500,000	5,000,000	394,416	3,944,169	Capital increase by cash of NT\$330,000,000	None	45
2013.04	10	500,000	5,000,000	395,594	3,955,933	The conversion of the fifth domestic convertible corporate bonds into common shares of NT\$11,764,000	None	46
2013.05	10	500,000	5,000,000	395,969	3,959,698	The conversion of the fifth domestic convertible corporate bonds into common shares of NT\$3,764,000	None	47
2013.07	10	500,000	5,000,000	395,969	3,959,698	Re-election of directors and supervisors, registration of changing to amend articles	None	48
2013.09	10	500,000	5,000,000	396,122	3,961,227	The conversion of the fifth domestic convertible corporate bonds into common shares of NT\$1,529,000	None	49
2013.10	10	500,000	5,000,000	444,054	4,440,548	The conversion of the fifth, sixth and seventh domestic convertible corporate bonds into common shares of NT\$83,615,000 and capital increase by retained earnings to issue new shares	None	50
2014.01	10	500,000	5,000,000	450,677	4,506,770	The conversion of the fifth, sixth and seventh domestic convertible corporate bonds into common shares of NT\$66,221,000	None	51
2014.04	10	500,000	5,000,000	464,960	4,649,609	The conversion of the sixth and seventh domestic convertible corporate bonds into common shares of NT\$142,839,000 and registration of new manager	None	52
2014.07	10	500,000	5,000,000	466,406	4,664,063	The conversion of the sixth and seventh domestic convertible corporate bonds into common shares of NT\$14,453,000	None	53
2014.09	10	600,000	6,000,000	512,696	5,126,964	Capital increase by retained earnings to issue new shares and apply for increasing authorized capital	None	54
2014.12	10	600,000	6,000,000	512,724	5,127,245	The conversion of the sixth and seventh domestic convertible corporate bonds into common shares of NT\$281,000	None	55
2015.04	10	600,000	6,000,000	512,724	5,127,245	The conversion of the sixth and seventh domestic convertible corporate bonds into common shares, capital increase by retained earnings to issue new shares and registration of new manager	None	56
2015.07	10	600,000	6,000,000	510,274	5,102,745	Retirement of 2,450,000 shares of ninth treasury stocks.	None	57
2015.10	10	600,000	6,000,000	459,002	4,590,021	Cash capital reduction 51,272,000 shares	None	58
2016.01	10	600,000	6,000,000	451,284	4,512,842	Retirement of 7,717,000 shares of tenth treasury stocks	None	59
2017.12	10	600,000	6,000,000	534,821	5,348,213	The company converted and issued new shares with Wonchio Chemical Co. Ltd.	None	60
2018.03	10	600,000	6,000,000	530,062	5,300,623	Retirement of shares converted with Achem Chemical Co. Ltd. to obtain treasury stocks.	None	61
2019.07	10	660,000	6,600,000	530,062	5,300,623	Apply for increasing authorized capital	None	62
2019.08	10	660,000	6,600,000	571,834	5,718,341	Capital increase by cash of NT\$450,000,000, Retirement of shares converted with Achem Chemical Co. Ltd. to obtain treasury stocks	None	63
2020.03	10	660,000	6,600,000	570,040	5,700,401	Retirement of 1,794,000 shares of employees' untransferred eleventh treasury stocks	None	64
2021.04	10	660,000	6,600,000	585,047	5,850,477	The conversion of the eighth and ninth domestic convertible corporate bonds into common shares	None	65
				575,667	5,756,677	Retirement of 9,380,000 shares of employees' untransferred eleventh treasury stocks		
2021.06	10	660,000	6,600,000	575,904	5,759,043	The conversion of the eighth and ninth domestic convertible corporate bonds into common shares	None	66
2021.07	10	1,000,000	10,000,000	575,904	5,759,043	Change of registered capital	None	67
2021.10	10	1,000,000	10,000,000	629,947	6,299,472	The conversion of the eighth and ninth domestic convertible corporate bonds into common shares	None	68
2021.12	10	1,000,000	10,000,000	638,054	6,380,540	The conversion of the eighth and ninth domestic convertible corporate bonds into common shares	None	69
04.2022	10	1,000,000	10,000,000	638,287	6,382,873	Conversion of the 8th and 9th domestic convertible corporate bonds to common stock	None	70
09.2022	10	1,000,000	10,000,000	638,329	6,383,290	Conversion of the 8th and 9th domestic convertible corporate bonds to common stock	None	71
12.2022	10	1,000,000	10,000,000	640,489	6,404,896	Conversion of the 8th and 9th domestic convertible corporate bonds to common stock	None	72
04.2023	10	1,000,000	10,000,000	641,489	6,414,896	Conversion of the 8th and 9th domestic convertible corporate bonds to common stock	None	73

05.2023	10	1,000,000	10,000,000	648,730	6,487,307	Conversion of the 8th and 9th domestic convertible corporate bonds to common stock	None	74
08.2023	10	1,000,000	10,000,000	654,989	6,549,896	Conversion of the 8th and 9th domestic convertible corporate bonds to common stock	None	75
12.2023	10	1,000,000	10,000,000	658,246	6,582,467	Conversion of the 8th and 9th domestic convertible corporate bonds to common stock	None	76

Note:

- 1.Approved by Taiwan-Financials-Securities (1) No.0910148102 letter on September 10, 2002 and Taiwan-Financials-Securities (1) No.0910148101 letter on September 02, 2002.
2. Approved by Taiwan-Financials (1) No.129121 letter on July 01, 2003.
- 3.Approved by Taiwan-Financials (1) No.129630 letter on July 24, 2003.
- 4.Approved by Taiwan-Financials (1) No. 0930128021 letter on June 24, 2004.
- 5.Approved by Ministry of Economic Affairs-Letter No. 09401018430 on January 31, 2005.
- 6.Approved by Ministry of Economic Affairs-Letter No. 09401194970 on September 30, 2005.
- 7.Approved by Ministry of Economic Affairs-Letter No. 09501031750 on February 21, 2006.
- 8.Approved by Ministry of Economic Affairs-Letter No. 09501164630 on August 1, 2006.
- 9.Approved by Ministry of Economic Affairs-Letter No. 09501197240 on September 4, 2006.
- 10.Approved by Ministry of Economic Affairs-Letter No. 09501226150 on October 14, 2006.
- 11.Approved by Ministry of Economic Affairs-Letter No. 09601012030 on January 19, 2007.
- 12.Approved by Ministry of Economic Affairs-Letter No. 09600776330 on April 14,2007.
- 13.Approved by Ministry of Economic Affairs-Letter No. 09601185220 on August 2,2007.
- 14.Approved by Ministry of Economic Affairs-Letter No. 09601238680 on September 29,2007.
- 15.Approved by Ministry of Economic Affairs-Letter No. 09601261240 on October 24,2007.
- 16.Approved by Ministry of Economic Affairs-Letter No. 09701100570 on April 28,2008.
- 17.Approved by Ministry of Economic Affairs-Letter No. 09701197980 on August 11,2008.
- 18.Approved by Ministry of Economic Affairs-Letter No. 09701292890 on November 14,2008.
- 19.Approved by Ministry of Economic Affairs-Letter No. 09701306980 on December 03,2008.
- 20.Approved by Ministry of Economic Affairs-Letter No. 09701325220 on January 08,2009.
- 21.Approved by Ministry of Economic Affairs-Letter No. 0981025070 on February 16,2009.
- 22.Approved by Ministry of Economic Affairs-Letter No. 0980070960 on April 16,2009.
- 23.Approved by Ministry of Economic Affairs-Letter No. 09801157390 on July 17,2009.
- 24.Approved by Ministry of Economic Affairs-Letter No. 09801181510 on August 13,2009.
- 25.Approved by Ministry of Economic Affairs-Letter No. 09801193720 on August 26,2009.
- 26.Approved by Ministry of Economic Affairs-Letter No. 09801239650 on October 20,2009.
- 27.Approved by Ministry of Economic Affairs-Letter No. 0991027440 on February 06,2010.
- 28.Approved by Ministry of Economic Affairs-Letter No. 09901078010 on April 20,2010.
- 29.Approved by Ministry of Economic Affairs-Letter No. 09901149260 on July 15,2010.
- 30.Approved by Ministry of Economic Affairs- Letter No. 09901230210 on October 14,2010.
- 31.Approved by Ministry of Economic Affairs- Letter No. 09901264520 on November 26,2010.
- 32.Approved by Ministry of Economic Affairs-Letter No. 10001009480 on January 17,2011.
- 33.Approved by Ministry of Economic Affairs-Letter No. 10001078150 on April 19,2011.
- 34.Approved by Ministry of Economic Affairs-Letter No. 10001149320 on July 07,2011.
- 35.Approved by Ministry of Economic Affairs-Letter No. 10001233390 on October 12,2011.
- 36.Approved by Ministry of Economic Affairs-Letter No. 10001255420 on November 11,2011.
- 37.Approved by Ministry of Economic Affairs-Letter No. 10001271220 on November 28,2011.
- 38.Approved by Ministry of Economic Affairs-Letter No.10001292910 on December 30,2011.
- 39.Approved by Ministry of Economic Affairs-Letter No.10101050780 on March 23,2012.
- 40.Approved by Ministry of Economic Affairs-Letter No.10101062970 on April 10,2012.
- 41.Approved by Ministry of Economic Affairs-Letter No.10101140690 on July 16,2012.
- 42.Approved by Ministry of Economic Affairs-Letter No.10101164240 on August 09,2012.
- 43.Approved by Ministry of Economic Affairs-Letter No.10101192510 on September 19,2012.
- 44.Approved by Ministry of Economic Affairs-Letter No.10101208870 on October 9,2012.
- 45.Approved by Ministry of Economic Affairs- Letter No.10101258430 on December 19,2012.
- 46.Approved by Ministry of Economic Affairs-Letter No.10201062450 on April 10,2013.
- 47.Approved by Ministry of Economic Affairs- Letter No.10201096730 on May 23,2013.
- 48.Approved by Ministry of Economic Affairs-Letter No. 10201137350 on July 15, 2013.
- 49.Approved by Ministry of Economic Affairs-Letter No. 10201176240 on September 5, 2013.
- 50.Approved by Ministry of Economic Affairs-Letter No. 10201207670 letter on October 08, 2013.
- 51.Approved by Ministry of Economic Affairs-Letter No. 10301003380 on January 13, 2014.
- 52.Approved by Ministry of Economic Affairs-Letter No. 10301065560 on April 14, 2014.
- 53.Approved by Ministry of Economic Affairs-Letter No. 10301141160 on July 15, 2014.
- 54.Approved by Ministry of Economic Affairs-Letter No. 10301185380 on September 5, 2014.
- 55.Approved by Ministry of Economic Affairs-Letter No. 10301247640 on November 28, 2014.
- 56.Approved by Ministry of Economic Affairs-Letter No. 10401065780 on April 9, 2015.
- 57.Approved by Ministry of Economic Affairs-Letter No. 10401139460 on July 9, 2015.
- 58.Approved by Ministry of Economic Affairs-Letter No. 10401219330 on October 22, 2015.
- 59.Approved by Ministry of Economic Affairs-Letter No. 10401277240 on January 5, 2016.
- 60.Approved by Ministry of Economic Affairs-Letter No. 10601163590 on December 15, 2017.
- 61.Approved by Ministry of Economic Affairs-Letter No. 10701018660 on March 5, 2018.
- 62.Approved by Ministry of Economic Affairs-Letter No. 10801091560 on July 31, 2019.
- 63.Approved by Ministry of Economic Affairs-Letter No. 10801115020 on August 20, 2019.
- 64.Approved by Ministry of Economic Affairs-Letter No. 10901142860 on March 19, 2020.
- 65.Approved by Ministry of Economic Affairs-Letter No. 11001049720on April 13,2021.
- 66.Approved by Ministry of Economic Affairs-Letter No. 11001095020on June 09,2021.
- 67.Approved by Ministry of Economic Affairs-Letter No. 11001123090on July1 22,2021.
- 68.Approved by Ministry of Economic Affairs-Letter No. 11001179880on October 01,2021
- 69.Approved by Ministry of Economic Affairs-Letter No. 11001221390on December 09,2021.
- 70: Approved by Ministry of Economic Affairs-Letter No.11101062160 on April 25, 2022.
- 71: Approved by Ministry of Economic Affairs-Letter No.11101166860 on September 20, 2022.
- 72: Approved by Ministry of Economic Affairs-Letter No.11101227100 on December 5, 2022.
- 73: Approved by Ministry of Economic Affairs-Letter No. 11230055390 on April 16, 2023.
- 74 Approved by Ministry of Economic Affairs-Letter No. 11230092040 on May 31, 2023.
- 75 Approved by Ministry of Economic Affairs-Letter No. 11230163740 on August 22, 2023.
- 76: Approved by Ministry of Economic Affairs-Letter No. 11230222710 on December 7, 2023.

As of 4.23.2024

Share Type	Authorized Capital			Remarks
	Shares Outstanding (Note)	Un-issued Shares	Total Shares	
Registered common stock	679,208,467 股	320,791,533 股	1,000,000,000 股	

Note: Refers to listed stock

## (II) Status of Shareholders

As of 4.23.2024

Shareholders Numbers	Government Agencies	Financial Institutions	Other Juridical Persons	Domestic Natural Persons	Foreign Institutions & Natural Persons	Total
Number of Shareholders	1	10	305	72,704	126	73,146
Shareholding (shares)	4	35,124,099	212,471,425	373,047,890	58,565,049	679,208,467
Percentage	0.00%	5.17%	31.28%	54.93%	8.62%	100.00%

Shareholding ratio of investors from Mainland China: None

## (III) Shareholding Distribution Status (NT\$10 per share)

As of 4.23.2024

Class of Shareholding (Unit: Share)	Number of Shareholders	Shareholding (Shares)	Percentage (%)
1 ~ 999	45,974	3,996,721	0.59%
1,000 ~ 5,000	17,597	37,730,970	5.56%
5,001 ~ 10,000	4,110	29,707,590	4.37%
10,001 ~ 15,000	1,950	23,008,270	3.39%
15,001 ~ 20,000	824	14,692,683	2.16%
20,001 ~ 30,000	941	22,811,018	3.36%
30,001 ~ 40,000	429	14,913,478	2.20%
40,001 ~ 50,000	285	12,997,673	1.91%
50,001 ~ 100,000	527	37,344,299	5.50%
100,001 ~ 200,000	269	36,644,231	5.40%
200,001 ~ 400,000	117	31,534,794	4.64%
400,001 ~ 600,000	47	22,517,567	3.32%
600,001 ~ 800,000	13	8,843,358	1.30%
800,001~1,000,000	7	6,207,507	0.91%
1,000,001 or over	56	376,258,308	55.39%
Total	73,146	679,208,467	100.00%

The company does not issue preferred shares.

## (IV) List of Major Shareholders

As of 4.23.2024

Shareholder's Name	Shares	Percentage
Asia Plastics Co., Ltd.	52,974,405	7.80%
Ying Chung Co., Ltd.	51,698,666	7.61%
Ings Chyung International Co., Ltd.	42,748,839	6.29%
Trust property account in custody of Hua Nan Commercial Bank, Ltd. - Lee, Chih-Hsieh	27,711,344	4.08%
Yangjun Zheng	17,835,613	2.63%
Investment account of BVI YEM CHIO company entrusted to keep by Mega International Commercial Bank	16,822,281	2.48%
Yong Chen International Limited Company Representative: Lee, Chi-Cheng	15,628,140	2.30%
Jhou Ji International Limited Company Representative: Lee, Shu-Wei	13,422,506	1.98%
Hong, Cing-Jhong	7,700,000	1.13%
Liu, Hong-Run	7,073,011	1.04%

## (V) Market Price, Net Worth, Earnings, and Dividends per Share

Unit: NT\$

Year		2022	2023	Current year and as of March 31, 2024	
Market price per share <sup>1</sup>	Highest	16.35	18.65	19	
	Lowest	12.75	14.20	16.50	
	Average	14.86	16.36	17.95	
Net Worth per Share <sup>2</sup>	Before Distribution	18.37	19.22	-	
	After Distribution	17.34	18.18	-	
Earnings per Share	Weighted Average Shares (thousand shares)	605,119 thousand shares	618,614 thousand shares	-	
	Diluted Earnings (Loss) Per Share	1.72	1.30	-	
	Adjusted Diluted Earnings (Loss) Per Share	1.72	1.30	-	
Dividends per Share	Cash Dividends		0.97891017	1(note 9)	-
	Stock Dividends	-	-	-	-
		-	-	-	-
	Accumulated Undistributed Dividends		-	-	-
Return on Investment	Price / Earnings Ratio <sup>5</sup>		8.53	12.22	-
	Price / Dividend Ratio <sup>6</sup>		15	15.88	-
	Cash Dividend Yield Rate <sup>7</sup>		6.67%	6.30%	-

Note:

1. List the highest and lowest market prices of common stocks each year, and calculate the average market prices for each year based on the transaction value and volume of each year.
2. Please fill in the list based on the number of issued shares at the end of the year and the distribution based on the resolution of the shareholders meeting in the following year.
3. If retrospective adjustment is required due to circumstances such as bonus shares, the earnings per share before and after adjustment shall be shown.
4. If the equity securities issuance conditions stipulate that the dividends not paid in the current year will be accumulated to the year when there is a surplus, the dividends accumulated and not paid up to the current year shall be disclosed separately.
5. Price / Earnings Ratio = Average Market Price / Earnings per Share
6. Price / Dividend Ratio = Average Market Price / Cash Dividends per Share
7. Cash Dividend Yield Rate = Cash Dividends per Share / Average Market Price
8. The net value per share and earnings per share should be filled in with the information checked (reviewed) by an accountant as of the printing date of the annual report for the most recent quarter; the remaining fields should be filled in with the data of the current year as of the printing date of the annual report.
9. The company's Articles of Association authorized the Board of Directors to issue cash dividends by means of special resolutions.

## (VI) Dividend Policy and Implementation Status

### 1. Dividend Policy

The company has a matured industry development, stable profitability and sound financial structure, and is suitable for adopting a stable dividend policy. The proposed distribution of shareholder's retained earnings shall be the legal reserve and special reserve in accordance with the law for the current year's distributable surplus, and the balance shall be distributed by stocks and cash dividends, but the cash dividend shall not be less than 10% of the current distribution.

### 2. Proposed Distribution of Dividend

Year \ Item	Cash Dividends	Stock Dividends
2023	NT\$1	NT\$0

Note: The year 2023 is based on the distribution plan according to the resolution of the Board of Directors on March 14, 2024. The retained earnings are used to distribute cash dividends of NT\$ 1.

(VII) The impact of the bonus shares proposed by the shareholders' meeting on the company's operating performance and earnings per share: The company has not disclosed individual financial forecasts, so there is no need to disclose the estimated information for the year 2024.

## (VIII) Compensation of Employees, Directors and Supervisors

### 1. Information Relating to Compensation of Employees, Directors and Supervisors in the Articles of Incorporation:

According to the company's articles of incorporation, after deducting accumulated losses from the company's profit for the year, if there is still a balance, the employee's remuneration shall be allocated first, the remuneration shall not be less than 0.5%, and no more than 1%, and the Board of Directors will be authorized to negotiate the remuneration of directors and supervisors in accordance with the usual standards of the industry.

2. The basis for estimating the amount of employee, director, and supervisor compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:

On March 14, 2024, the Board of Directors resolved to allocate

remuneration to employees, directors and supervisors. If there is a difference between the actual allotment amount and the estimated amount, the accounting treatment is that after the end of the year, if there is a major change in the amount of the disbursement of the Board of Directors' resolutions, original annual expenses will be adjusted in the alteration. On the date of the resolution of the shareholders' meeting, if the amount still changes, it shall be handled according to the alteration in accounting estimates and adjusted and recorded in the accounts during the year of the resolution of the shareholders' meeting.

3. Proposed employee compensation and other information approved by the Board of Directors:

- (1) Remuneration for employees, directors and supervisors distributed in cash or stocks: NT\$4,104,875 for cash remuneration for employees; no remuneration for directors and supervisors.
- (2) The amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company-only financial reports or individual financial reports for the current period and total employee compensation: None.
- (3) If the amount of remuneration of employees, directors and supervisors approved by the Board of Directors differs from the annual estimated amount of recognized expenses, the difference, reason and the processing method should be disclosed:

The remuneration of directors and supervisors is the same as the accounts in 2023, and the remuneration of employees is NT\$1,348 thousands dollars more than the estimated number in the accounts of 2023. After the shareholders' meeting decides on the actual allotment amount, the difference is regarded as a change in accounting estimates and is listed as year profit and loss of 2024.

4. If there's a difference between the actual distribution of employee dividends, the remuneration of directors, supervisors in the previous year (including the number of allotted shares, amount and stock price) and the remuneration of recognized employees, directors and supervisors, then the reasons and handling circumstances and the number of differences should be stated:

The director's remuneration in 2022 is NT\$0 and the actual distribution is not different from the proposed distribution approved by the original board of directors. The actual distribution of employee remuneration for the surplus is NT\$51 thousands dollars less than the estimated amount in the 2022 account. The difference is The figure will be treated as a change in estimate as a profit and loss adjustment item in 2023.

## (IX) Buyback of Treasury Stock

As of 4.23.2024

Treasury stocks: Batch Order	13 <sup>th</sup> Batch	14 <sup>th</sup> Batch
Purpose of buy-back	Transfer shares to employees	Transfer shares to employees
Timeframe of buy-back	2020/03/12-2020/04/27	2020/05/22-2020/07/13
Price range	NT\$9~ NT\$16	NT\$9~ NT\$16.2
Class, quantity of shares bought back	8,699,000 common shares	7,022,000 common shares
Value of shares bought-back (in NT\$)	NT\$85,553,642	NT\$84,796,395
Shares sold/transferred	0 shares	0 shares
Accumulated number of company shares held	8,699,000 shares	15,721,000 shares
Percentage of total company shares held (%)	1.29%	2.34%

## II. Bonds

### (I) Corporate Bonds

Corporate Bond Type <sup>2</sup>	8 <sup>th</sup> secured convertible corporate bond <sup>5</sup>	9 <sup>th</sup> secured convertible corporate bond <sup>5</sup>
Issue date	2019/06/14	2019/06/14
Denomination	NT\$100,000	NT\$100,000
Issuing and transaction location <sup>3</sup>	Not applicable	Not applicable
Issue price	Issued at 100% of par value	Issued at 100% of par value
Total price	NT\$500 million	NT\$500 million
Coupon rate	0%	0%
Tenor	5 years Expiry date: 2024/06/14	5 years Expiry date: 2024/06/14
Guarantee agency	Mega International Commercial Bank Co., Ltd.	First Commercial Bank Co., Ltd.
Consignee	Jih Sun International Bank Co., Ltd.	Jih Sun International Bank Co., Ltd.
Underwriting institution	Taipei Fubon Commercial Bank Co., Ltd.	Taipei Fubon Commercial Bank Co., Ltd.
Certified lawyer	Not applicable	Not applicable
CPA	Not applicable	Not applicable
Repayment method	Except for conversion or redemption according to the terms of conversion, the balance shall be paid back in cash at maturity.	Except for conversion or redemption according to the terms of conversion, the balance shall be paid back in cash at maturity.
Outstanding principal	NT\$38,700,000	NT\$26,300,000
Terms of redemption or advance repayment	<p>(1) From the day following three months after the issuance period of the convertible corporate bonds to 40 days before the expiry of the issuance period, if the closing price of the company's common shares exceeds the current conversion price by 30% (including ), the company may send a one-month expiry "Bond Callback Notice" by registered post to the bondholder within 30 business days thereafter, (subject to the list of bondholders on the fifth business day prior to the issuance of the "Bond Callback Notice". For bondholders who subsequently obtain the converted corporate bonds due to trading or other reasons, they shall be announced.) and shall write to the Taipei Exchange for the announcement.</p> <p>(2) From the day following three months after the issuance period of the convertible corporate bonds to 40 days before the expiry of the issuance period, if the outstanding balance of the converted corporate bonds is less than 10% of the original issuance total, the company may send a one-month expiry "Bond Callback Notice" by registered post to the bondholder within 30 business days thereafter, (subject to the list of bondholders on the fifth business day prior to the issuance of the "Bond Callback Notice". For bondholders who subsequently obtain the convertible corporate bonds due to trading or other reasons, they shall be announced.) and shall write to the Taipei Exchange for announcements.</p> <p>3) If the bondholder fails to reply in writing to the company's stock brokerage before the bond collection date set forth in the "Bond Receipt Notice" (it will be effective at the time of delivery, for those who mailed by post, postmark serves as a proof). The bond will be redeemed in cash at the face value of the bond within five business days after the bond call date.</p>	<p>(1) From the day following three months after the issuance period of the convertible corporate bonds to 40 days before the expiry of the issuance period, if the closing price of the company's common shares exceeds the current conversion price by 30% (including ), the company may send a one-month expiry "Bond Callback Notice" by registered post to the bondholder within 30 business days thereafter, (subject to the list of bondholders on the fifth business day prior to the issuance of the "Bond Callback Notice". For bondholders who subsequently obtain the converted corporate bonds due to trading or other reasons, they shall be announced.) and shall write to the Taipei Exchange for announcements.</p> <p>(2) From the day following three months after the issuance period of the convertible corporate bonds to 40 days before the expiry of the issuance period, if the outstanding balance of the converted corporate bonds is less than 10% of the original issuance total, the company may send a one-month expiry "Bond Callback Notice" by registered post to the bondholder within 30 business days thereafter, (subject to the list of bondholders on the fifth business day prior to the issuance of the "Bond Callback Notice". For bondholders who subsequently obtain the convertible corporate bonds due to trading or other reasons, they shall be announced.) and shall write to the Taipei Exchange for announcements.</p> <p>3) If the bondholder fails to reply in writing to the company's stock brokerage before the bond collection date set forth in the "Bond Receipt Notice" (it will be effective at the time of delivery, for those who mailed by post, postmark serves as a proof). The bond will be redeemed in cash at the face value of the bond within five business days after the bond call date.</p>
Restrictive clause <sup>4</sup>	After the issuance of the converted corporate bonds, if the ratio of the cash dividends of common shares issued by the company to the current price per share exceeds 1.5%, the conversion price shall be lowered on the ex-dividend base date according to the ratio of the current price per share.	After the issuance of the converted corporate bonds, if the ratio of the cash dividends of common shares issued by the company to the current price per share exceeds 1.5%, the conversion price shall be lowered on the ex-dividend base date according to the ratio of the current price per share.
Name of credit rating agency, rating date, rating of corporate bonds	None	None

Other rights attached	As of the printing date of this annual report, converted amount of (exchanged or subscribed) ordinary shares, GDRs or other securities	As of March 31, 2024, the amount converted into ordinary shares was NT\$382,035,850.	As of March 31, 2024, the amount converted into ordinary shares was NT\$393,478,770.
	Issuance and conversion (exchange or subscription) method	For details, please refer to the Eighth Domestic Secured Convertible Corporate Bond Issuance and Terms of Conversion	For details, please refer to the Ninth Domestic Secured Convertible Corporate Bond Issuance and Terms of Conversion
Issuance and conversion, exchange or subscription method, issuing condition dilution, and impact on existing shareholders' equity		Estimated based on the current conversion price, the number of reconvertible shares is expected to account for approximately 0.55% of the total number of shares outstanding, and the impact on existing shareholders' equity is still limited.	Estimated based on the current conversion price, the number of reconvertible shares is expected to account for approximately 0.37% of the total number of shares outstanding, and the impact on existing shareholders' equity is still limited.
Corporate Bond Type		Not applicable	Not applicable

Note:

1. The handling of corporate bonds includes public and private corporate bonds in the process of handling. Public company bonds in process refer to those that have become effective (approved) by the council; private company bonds in process refer to those that have been approved by the Board of Directors.
2. The number of columns will be adjusted according to the actual number of transactions.
3. For those who belong to overseas corporate bonds to fill in.
4. Such as restricting the distribution of cash dividends, foreign investment or requiring the maintenance of a certain proportion of assets, etc.
5. If there is private placement, it should be marked in a significant way.
6. In the case of convertible corporate bonds, exchangeable corporate bonds, shelf Registration for Issuing Bonds and corporate bond with warrant, the format should be listed in the table according to the nature then disclose their information.

## (II) Convertible Bonds

Corporate bond type <sup>1</sup>		8 <sup>th</sup> Secured Convertible Corporate Bond	
Year		2023	The current year as of March 31, 2024 <sup>4</sup>
Market price of the convertible bond <sup>2</sup>	Highest	176.00	180.00
	Lowest	129.75	160.00
	Average	146.45	171.46
Convertible Price		10.5	10.5
Issue date and conversion price at issuance		June 14, 2019 Conversion price: 14	
Conversion methods <sup>3</sup>		Issue new shares	
Corporate bond type <sup>1</sup>		9 <sup>th</sup> Secured Convertible Corporate Bond	
Year		2023	The current year as of March 31, 2024 <sup>4</sup>
Market price of the convertible bond <sup>2</sup>	Highest	174.00	176.00
	Lowest	128.15	156.00
	Average	145.97	171.17
Convertible Price		10.5	10.5

Issue date and conversion price at issuance	June 14, 2019 Conversion price: 14
Conversion methods <sup>3</sup>	Issue new shares

Note:

1. The number of columns will be adjusted according to the actual number of transactions.
2. If there are multiple trading locations for overseas corporate bonds, they shall be listed separately according to the trading locations.
3. Delivery of issued shares or issuance of new shares.
4. The data for the current year as of the publication date of the annual report should be filled in.

(III) Exchangeable Bonds: None.

(IV) Shelf Registration for Issuing Bonds: None.

(V) Corporate Bonds with Warrants: None.

III. Preferred Shares: None.

IV. Status of global Depository Receipts: None.

V. Status of employee Stock Options: None.

VI. Status of new shares that restrict employees' rights: None.

VII. Status of New Shares Issuance in Connection with Mergers and Acquisitions

(I) Those who have completed mergers and acquisitions in the most recent year and as of the date of publication of the annual report or have transferred shares of other companies to issue new shares: Not applicable.

(II) In the most recent year and as of the publication date of the annual report, the Board of Directors has passed a resolution to acquire or transfer shares of other companies to issue new shares. The execution status and basic information of the acquired company or the transferee company should be disclosed: None.

VIII. Financing Plans and Implementation

1. Financing Plans: None.

2. Implementation: None.

## Five. Operations Profile

## I. Business Activities

### (I) Business Scope

#### (1) Main areas of business operations

- (A) Manufacture, processing and trading of various tapes (packaging tape, PVC electrical insulation pipe tape, vehicle harness tape, stationery tape, protective tape, double-sided tape, special tape, electronic PCB tape, printing tape, trademark-specific paper tape, tape for protective clothing).
- (B) Manufacturing, processing and buying and selling operations of hardware equipment such as strapping, strapping machine, packaging machine, box sealing machine, iron buckle, box sealing needle, etc.
- (C) Manufacturing, processing and buying and selling operations of hardware equipment such as strapping, strapping machine, packaging machine, box sealing machine, iron buckle, box sealing needle, etc.
- (D) Manufacturing, processing and buying and selling operations of cardboard, paper bags, cartons, paper cups, and paper tubes.
- (E) Manufacturing, processing and buying and selling operations of BOPP film, PVC soft film, PE film.
- (F) Import and export business of the previous products.
- (G) Chemicals, high-purity electronic-grade solvents, customized formulas, and fully recycled electronic-grade solvents used in semiconductor production processes.
- (H) Residential and building development and sales and real estate buying and selling business.

#### (2) Revenue distribution

Major Divisions	Total Sales for 2023 (NT\$thousands)	(%) of Total Sales
Tape	9,150,103	69%
Package	1,405,497	11%
Thin film	1,388,944	11%
Build	829,871	6%
Other	449,321	3%
Total	13,223,736	100%

#### (3) Main products

- (A) BOPP film, PVC soft film, PE film.
- (B) Packaging tape category, Environment-friendly carbon-reduced tape, PVC electrical insulation pipe tape category, vehicle harness tape category, stationery tape category, protective tape category, double-sided tape category, foam tape category, category of other tapes, water-based binder (resin).
- (C) Plastic bags, packing belts, various packaging materials.
- (D) OEM production of electronic-grade high-purity chemicals; recycling, purification and reuse of waste solvents; purification of high-purity special solvents, and development of chemical formulas for photolithography processes.

#### (4) New product development

Electronic film, medical film, food packaging anti-bacteria film, green environment-friendly material (biodegradable tape), low-temperature resistant low-odour hot-melt packaging tape, low-VOC environment-friendly vehicle harness tape, PVC hot-melt tape, and related new applications of glues.

## (II) Industry Overview

### (1) Current status and development of the industry

The current status and development of the company's main products into upstream, midstream and downstream industries are explained as follows:

The BOPP film, PVC soft film, and PE film industries belong to the upstream industry. BOPP film is a very important flexible packaging material with a wide range of applications. It has high stretch, impact strength, rigidity, strong bristles and good transparency. After corona treatment, it can adapt well to printing and can be printed with color to obtain an exquisite appearance, so it is often used as the material of composite film. In recent years, with the increasing requirements for application materials in various industries, the demand for films has increased year by year, and the application industries have become more extensive. YemChio is committed to increase additional value and invest in research and development such as on pearl films used in facial masks and labels, films that maintain freshness for fresh vegetables and fruit packaging, antibacterial and anti-fog multifunctional films, glazed laminated films for posters and printing, and bag-making films used in the packaging of various consumer goods.

PVC is one of the earliest industrialized resins, due to its mature processing technology and low price, PVC is widely used in the automotive industry, electronics industry, machinery manufacturing industry, building materials industry, and people's livelihood applications. The development of PVC tapes tends to be product functional applications including thin, low-cost, low-cost products, good operability, environmental protection, and safety. With the rapid upgrading and progress of the global industry and technological advancement, Yemchio's self-made PVC flexible film is vertically integrated, especially for bulk products, PVC insulation tape, products tailored to specific industries, and customers' special needs, which are more likely to be favored by the market. With the strengthening of global environmental awareness, Yemchio's products have obtained the hazardous restricted substances (RoHS) certification, the European Union regulations (REACH) certification, and the non-toxic, easy-to-recycle products have a stronger market acceptance. We are currently developing a solvent-free coating production process.

The full name of PE is polyethylene, which is the simplest polymer organic compound and the most widely used polymer material in the world today. PE protective film uses special polyethylene (PE) plastic film as the base material, and the biggest advantage is that the protected product can be prevented from being stained, corroded, cut and scratched during production, transportation, storage and use, and can keep the original smooth and shiny surface. From PE film making to gluing, Yemchio uses a completely self-made and consistent operation mode to ensure product quality and maintain product market competitiveness. Such products are widely used in the hardware industry, photoelectric industry, plastic industry, wire and cable industry, and electronics, which makes it a very common protective film product with environmental protection concepts.

Adhesive tape belongs to the midstream industry. It refers to a product that is coated with adhesive on a substrate, and the flow of the adhesive is combined with adherend to produce an adhesive effect. There are many types of adhesive tapes, which can be divided into three types: solvent-activated, heat-activated, and pressure-sensitive adhesive tapes. At present, there are more than 10,000 types of commercialized tapes, and their convenient use, superior functions and low price are of irreplaceable importance in daily life and work.

Currently, the raw materials for the production of BOPP film, PE film and adhesive tape domestic are mainly concentrated in several large plasticization plants such as Formosa Plastics and Formosa Chemicals. Therefore, in order to maintain a competitive advantage in the industry, in addition to the use of automatic production equipment to produce a large amount of production to reach an economic scale, the cooperation of upstream raw material suppliers is also a key factor. In terms of downstream manufacturers, due to different characteristics of films and tapes required by various downstream industries, manufacturers need to have mature production technology and diverse production specifications in order to provide customers with a complete product portfolio immediately to meet customers' one-time purchase needs.

In response to the rapid growth of the domestic electronic information industry, tape products are in demand for various tapes such as transformer coil insulation, stainless steel plate protection, printed circuit board electroplating protection, semiconductor wafer cutting, grinding, and

demagnetization coils. Among them, the OPP tape series remains mainstream on the global market. Besides, tape products have the characteristics of convenience, superior functions and low prices, and due to continuous development and completion of new products and technologies, there is currently no other product that can completely replace its auxiliary position in various industries, since film and tape products will not be affected by the prosperity and decline of a single industry. There is a certain demand for the overall economic growth.

The Special Chemistry Division is mainly engaged in the semiconductor and optoelectronic related markets. It has many years of experience in OEM of high-purity electronic-grade solvents and related products. The operation of the plant is stable. In addition, the recent self-owned brand promotion and global sales deployment have improved the overall production and sales status with high expansion potential. In response to the trends such as the increased reliance on automation in the world, rising technological demands for consumer electronics and automotive communications, and the revolutionary application of AI in our daily life, the demand for computing chips has exploded and the demand for supply of chemical raw materials to wafer fabs in Taiwan has also increased. Considering the risk of excessive concentration of global supply in Taiwan, wafer fabs are also actively expanding production bases in Japan, India, the United States, Germany and other countries, and the supply of chips will become globalized. Mainland China has independently developed wafer manufacturing due to U.S. trade sanctions. Supported by huge domestic demand and abundant national resources, although technology and experience are still far behind, the wafer production capacity of mature processes combined with packaging technology for large amounts of demand is achievable. As for sales of special chemical products, the Company is actively conducting deployment in Japan, Southeast Asia and Mainland China. Expansion of capacity is performed in the Huawei Science Park to meet market demand and increase R&D energy for semiconductor customer services. The Company is also actively promoting electronic-grade raw material recycling technology to meet the needs of the market with respect to environment and sustainability issues.

(2) The relevance of the industry's upstream, midstream and downstream industries:

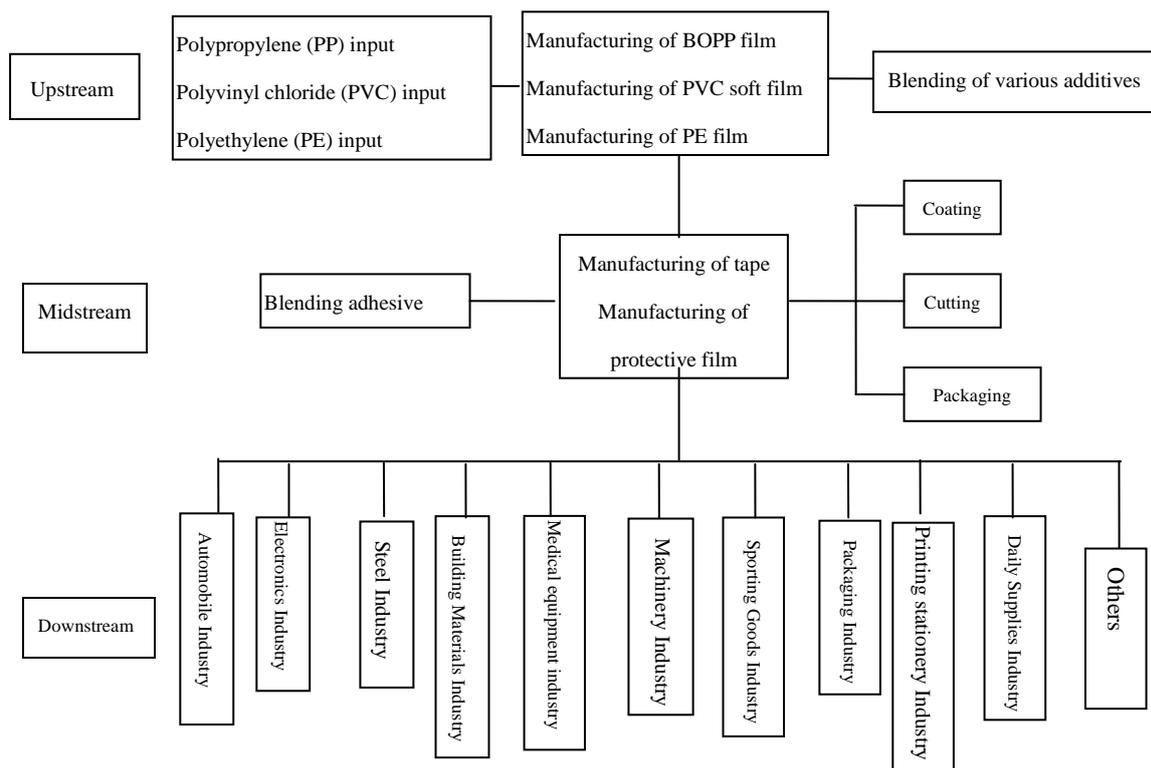
The upstream raw materials of the BOPP film industry include polypropylene (PP) and various additives, and the downstream are various tape processing manufacturers, color printing and food packaging factories. The film can be widely used in food ingredients, agricultural products, food packaging, staple merchandise packaging, electronic release film, varnish glass laminate film, etc.

The upstream raw materials of the PE film industry include the mining and supply of PE resin and natural rubber. PE resin is closely related to the petrochemical industry, and its price fluctuations are also closely integrated with the supply and demand of the crude oil market. Natural rubber is mainly mined in Southeast Asian countries such as Thailand, where it is mined at a specific time, and its natural rubber is also widely used for tires and rubber gloves for example.

The adhesive tape industry belongs to the upstream raw material manufacturers including paper, cloth, rubber, plastic film or metal foil and other substrate manufacturers, as well as the resin factory that manufactures various adhesives. The midstream is a manufacturer of various tape processing manufacturers, wherein the main tasks consists of mixes and coats, fabrication, drying, cutting, slitting, packaging and other operations. The finished tape can be used in a wide range of industries, such as the automobile industry, electronics industry, machinery manufacturing, building materials industry, hardware industry, printing stationery. It is used in industry, medical equipment industry and even general household consumption, and because adhesive tape is widely used for packaging purposes, it covers almost all industries.

The company is a film and tape processing manufacturer in the upstream and midstream reaches of the industry. Its upstream, middle and downstream structure is shown in the figure below.

### The correlation diagram of the upstream, midstream and downstream of the industry



### (3) Product Development Trend

The development trend of film products tends to develop toward the direction of product environmental protection, diversification and differentiation. As long as BOPP film is environmentally friendly and non-toxic, BOPP film is highly suitable to replace other types of packaging materials, and its application in new fields and industries is gradually expanding. In addition to the differentiation, the film products are also developing towards carbon reduction, plastic reduction and thickness reduction, and the eco-trend of recycling as well, which can effectively reduce the downstream cost and also establish the threshold of the industry.

The global market share of the PVC tape factory in China has increased every year. Now, the demands for the PVC tape remain optimistic thanks to the market niches of preferential customs duties required by the Regional Comprehensive Economic Partnership (RCEP) and Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the comprehensive plans for stimulation of a prosperous real estate industry in China. Also, the global production dynamics and business opportunities in the post-pandemic era have started. The PVC production capacity that we have deployed can meet the needs of the supply chains of our factories in Taiwan, Mainland China and Vietnam at the same time. For the future of PVC tape, we will enhance production variety, speed up the development of new products, avoid production of homogeneous products, be dedicated to tapes of diversity and high quality and those that can be produced quickly, create high profit, and used for the automobile industry and other industries.

The market share of Chinese manufacturers of PVC tapes in the global market is also growing year by year. Currently, the market niche of trade agreements such as the Regional Comprehensive Economic Partnership (RCEP) / CPTPP (Comprehensive Partnership for Trans-Pacific Progress) tariff preferences and China's 14th Five-Year Plan are still optimistic about the demand for PVC tapes, coupled with the global production momentum opportunities after Covid-19.

### (4) Product competitor

The adhesive tape industry has been developed in Taiwan for more than 40 years. In the past, there was only one BOPP film manufacturer, Nanya Plastics. At present, there are three companies namely Yemchio, Nanya Plastics and Baoyan, and there are about 70 tape manufacturers. As a large-scale industry, OPP and SPVC tape have the most mature technology development and are

extremely competitive for export, accounting for about 80% of the total tape output. The main manufacturers of various tape products are as follows:

Product Category	Manufacturer
BOPP film	Yemchio, Nan Ya Plastics, Pao Yan Tsae Yih
OPP tape	Yemchio, Achem Technology, Symbio, Chin Tung, Globetape, Rainbow Tape, Kikusui Tape, Sharktape, Solarplus-Tape, Imptapes
SPVC tape	Symbio, Achem Technology, Chin Tung, Globetape, Nitto
Cellophane tape	Symbio, Globetape
Water-based kraft paper tape	Fuda tape, Symbio
Pressure sensitive kraft paper tape	Yemchio, Kikusui Tape, Symbio
Double-sided tape	Yemchio, Symbio, Achem Technology, KK Enterprise, Globetape, Captaintek, Sharktape, Uee Zee Enterprise, Kikusui Tape, Rainbow Tape, Seal King, Solarplus-Tape, Fortunetape, Metagalaxy, King Arrow, V. Himark, Celadon, Sun-Good
PET tape	Symbio, Sharktape, KK Enterprise, Globetape, Pantechtape, Nitto, 3M, Solarplus-Tape, Celadon
PE tape	Symbio, Achem Technology, Seal King, Metagalaxy, KK Enterprise
Crepe paper tape	Symbio, Achem Technology, KK Enterprise, Globetape, Sharktape, Captaintek, Fortunetape
Medicine, medical tape	Symbio, Chenshin, Full Bond
Green silicone tape	KK Enterprise, Solarplus-Tape, Metagalaxy
Polyimide film tape	KK Enterprise, Symbio, Solarplus-Tape, Metagalaxy, Sharktape, Pantechtape, Avatack
Trademark tape	KK Enterprise, Symbio, Hezong, Solarplus-Tape, Fortunetape, Bestak
Other special tapes	Symbio, Seal King, Captaintek, Pantechtape, Uee Zee Enterprise, Hopax, V. Himark, Swantape, Solarplus-Tape, Sharktape, King Arrow, House-well, Kikusui Tape, Full Bond, Sun-Good

Source: Taiwanese Adhesive Tape Industry Association

### (III) Overview of Technology and R&D

R&D expenses invested and technologies or products developed successfully in 2023 and up to the publication date of the annual report

(Unit: NT\$thousands)

Year	Consolidated research and development expenses (thousand NT dollars)	Successfully developed technology or product
2023	35,593	<ol style="list-style-type: none"> <li>Environment-friendly grafting tape.</li> <li>Low-odor, easy-to-tear and environment-friendly PVC tape for semiconductors.</li> <li>Biosourced eco-friendly hot melt kraft paper tape.</li> </ol>

### R&D investment plan and progress

The most recent annual plan	Current progress	R&D expenses that should be reinvested	Time to complete mass production	The main factors influencing the success of future R&D
Research on the application of environment-friendly glue to PVC electrical and harness tapes	Small orders have been received for some products	NT\$8 million	2024-2025	Market acceptance
Traditional solvent-based glue replaced with solvent-free glue for PVC electrical tapes.	Raw material search, laboratory analysis and basic data establishment, arrangement of trial run for related machines	NT\$4 million	2024-2025	Validation of related certification; market acceptance
Research on the application of electron beam bridging (EB) technology in the fields of glue and film	Analysis of raw material characteristics, analysis of irradiation conditions and establishment of laboratory equipment	NT\$16 million	2024-2026	Market acceptance
Development of ultraviolet curable pressure-sensitive adhesive (UV PSA)	Set up of laboratory synthesis equipment, raw material analysis, and irradiation condition analysis	NT\$6 million	2024-2025	Market acceptance

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

#### (1) Short-term business development plan

In the circumstances where the cost of (raw) materials soared up and the COVID-19 pandemic remained serious in 2022, the short-term goal was the development of Film 2.0

including the environment-friendly film with reduced carbon and plastics, food preserving anti-bacteria fil, and highly isolating food packaging film.

- (A) The additional coating lines to be set up in the product bases in Vietnam and Mainland China are in progress.
- (B) Automation and digital optimization of the production lines for improvement of management efficiency and reduction of dependence on the labor force.
- (C) Promotion of food preserving anti-bacterial film series.
- (D) Promotion of highly isolating food film series.
- (E) Promotion of saran wrap series for packaging agricultural products.
- (F) Promotion of pre-coated co-extrusion film and lamination film series.
- (G) Promotion of anti-bacterial and pandemic-preventive material heat-sealing packaging film series.
- (H) Promotion of high/low temperature and extreme climate resistant products.
- (I) Promotion of glues.
- (J) Promotion of degradable environment-friendly packaging tape products.

(2) Mid-term and long-term business development plan

- (A) Increase environmental protection products and develop environmental protection materials.
- (B) The 2.0 film plan will continue to expand, by developing multi-functional films (e.g. high barrier film and food anti-bacterial wrap, etc.).
- (C) Develop new uses of glue.
- (D) The product has obtained the national standard certification.

## II. Market and Sales Overview

### 1. Market Analysis

#### (I) Sales area of main products

The main products of the company and its subsidiaries are various tape and film products. The market distribution is mainly for export. In 2023, the export accounted for about 72% of total sales, and the Americas and Asia were among the largest markets. The current internal and external sales ratios of the main products of the company and its subsidiaries are estimated as follows:

Products	Sales Figure (NT\$thousands)	Proportion of domestic sales	Proportion of Export
Tape	9,150,103	5%	95%
Packaging	1,405,497	98%	2%
Material Film	1,388,944	40%	60%
Construction	829,871	100%	-
Others	449,321	100%	-
Total	13,223,736	28%	72%

#### (II) Market share, supply and demand condition, and growth of the market in the future

Although the tape industry is facing competition and threat in the capacity and supply volume of the tape industries in Mainland China and the developing countries in Southeast Asia, the demands for tape products remain growing steadily thanks to the continuous upgrade and their wide application ranges.

The new product examination equipment CCD, slitter, strengthening quality management of plant compartments in which Changhua Coastal film plant invested, has obtained ISO 22000 food safety certification, and has enhanced the production of high value-added food packaging films to create product differentiation. Since 2011, BOPP has been sold to major international tape brand manufacturers. In 2016, the product mix was adjusted to increase the sales of consumer packaging films. As stated above, the demand for films is expected to continue growing, and the market growth can be expected.

#### (III) Competitive Niche

- (1) In terms of Sales:
  - (A) The Film Division and Tape Division regularly plan international exhibitions every year and deploy to the global market.
  - (B) Adjust product mix and pursue maximization of profits.
  - (C) With “Master Package” as the brand in the distribution channels, we enhance the Packaging Business Division to increase the percentage of its retail business and proceed to implement the channel transformation deployment. (Currently, the revenue mainly comes from the packaging departments in charge of respective industries.)
- (2) In terms of production:
  - (A) Vertically integrate the upstream, midstream and downstream industries of the tape.
  - (B) We coordinate the integration of the purchase, production and sale of (raw) materials between Yem Chio and ACHEM Technology Corporation to increase the gross margin.
- (3) In terms of Research and Development:
  - (A) Continue to develop films with higher additional value.
  - (B) Increase environmental protection products and develop environmental protection materials.
  - (C) Develop new uses of glue.
- (4) In terms of Management:
  - (A) Integrate global resources and establish a structure with Taiwan as the operating center.
  - (B) Integrate the enterprise management resource integration (ERP) system within the group to improve performance of management and decision-making.
- (IV) Advantages and disadvantages of the development prospects and countermeasures
  - (1) Favorable factors
    - (A) The shift in the business model under the pandemic has led to increased demand for tape and packaging materials from various industries, and due to the continuous development of its various purposes, the growth in demand is still solid.
    - (B) Film products have a wide application industry, and are environmentally friendly and non-toxic, and the application level will continue to expand in the future.
    - (C) Vietnam and Indonesia implement anti-dumping policies against China’s BOPP, and the market turns to Taiwan to make a purchase.
    - (D) Thailand initiated an anti-dumping investigation against BOPP in Mainland China.
  - (2) Unfavorable factors:
    - (A) Due to the large supply of film manufacturers in China and Southeast Asia, and tariff barriers since Taiwan is not a member of the Association of Southeast Asian Nations, reasons mentioned above have caused fierce competition in the international market and reduced profits.
    - (B) The price of raw materials fluctuates abnormally, and the supply of upstream raw materials tends to be a seller's market.
    - (C) The severe outflow of labor-intensive industries affects domestic market demand.
  - (3) Countermeasures:
    - (A) Develop new products and improve quality to increase added value.
    - (B) Analyze the overall economic situation and improve inventory management.
    - (C) Cooperate with the film 2.0 development plan to increase the proportion of consumer films.
2. Important use and production process of main products
  - (1) Biaxially stretched film (BOPP): Widely used in packaging applications such as tape, food, cosmeceuticals, textiles, refrigerated preservation products and stationery.
  - (2) OPP packaging tape: Suitable for sealing and fixing, carton packaging, and

packaging requiring tensile strength.

- (3) PVC tapes: Suitable for electrical insulation, automotive wiring harnesses, floor warnings and pipeline coatings to resist corrosion.
- (4) Stationery tapes: All kinds of tapes used in art, crafts, gifts, hair accessories, venue layout and factories or offices.
- (5) Protective tapes: Used for aluminum door and window frames, plastic window frames, stainless steel plates, cosmetic plywood and house wall pipeline paint repair and other purposes, mobile phone screens, surface protection of painted parts, shaft-mounted copper wires, semi-finished products/finished products, and to effectively prevent dust pollution and oxidation.
- (6) Double-sided adhesive tape: In response to various uses, tissue paper, foam, polyester film and other different substrates are used, which are suitable for bonding and fixing in the electronics industry and for specific purposes.
- (7) Laminating tapes: Suitable for specific purposes such as adhesive labels and trademarks.

### 3. Supply status of the main source

The main products of the company and its subsidiaries are adhesive products. Its main suppliers in the last two years are as follows:

Raw material name	Year	2023	2022
		Main supplier	Main supplier
Polypropylene (PP)		Sabic Asia Pacific Pte, Sumitomo, Formosa Plastics, Formosa Chemicals, Hyosung, Petrochemical, China Petrochemicals, Mingpeng, Mitsui, Gide	Sabic Asia Pacific Pte, Sumitomo, Formosa Plastics, Formosa Chemicals, Zhongjing Petrochemical, China Petrochemicals, Nan Shing
Polypropylene film Original BOPP		Nan Ya Plastics, Fulong, Shuangliang, Kaiwei, Jiayue	Nan Ya Plastics, Shuangliang, Kai Cheng, Lan Tian, Jiayue
PVC film SPVC original cloth		Nan Ya Plastics, Shih-Kuen Plastics, Yingtai	Nan Ya Plastics, Shih-Kuen Plastics, Yingtai
Vinyl acetate		Chemfront, Everest, Bigo, Ping Chen, Bingding, Long Yi	Chemfront, Everest, Bigo, Ping Chen, Bingding, Long Yi
Isooctyl acrylate		Formosa Plastics, Guojiao, BASF, Bingding, Long Yi	Formosa Plastics, Guojiao, BASF, Bingding, Long Yi
Ethyl acetate		Wintak, Chemfront, Methyl, Young Sun, Pin Cheng, Chi Mei, Hong-Chuan,	Wintak, Chemfront, Methyl, Young Sun, Pin Cheng, Chi Mei, Hong-Chuan,

### 4. Information on major suppliers in the last two years

The company and its subsidiaries haven't had an individual supplier's purchase amount exceeding 10% of the combined purchase amount in the last two years and 2024 first quarter. Main reasons for the increase or decrease of the difference: None.

### 5. Information on major clients in the last two years

In the past two years and 2024 first quarter, the company and its subsidiaries did not have individual sales clients whose sales amount reached more than 10% of the combined sales. Main reasons for the increase or decrease of the difference: None.

### 6. Production value in the last two years

Year	2023			2022		
	Capacity	Quantity	Amount	Capacity	Quantity	Amount
Main Products	(Thousand m <sup>2</sup> /tons)	(Thousand m <sup>2</sup> /tons)	(NT\$ thousands)	(Thousand m <sup>2</sup> /tons)	(Thousand m <sup>2</sup> /tons)	(NT\$ thousands)
Tape	2,050,839	1,239,445	6,672,050	2,073,665	1,547,112	7,103,262
Thin film	106,800	89,988	3,850,558	107,000	90,111	3,907,126
Acrylic Acid	-	-	-	-	-	-
Total	2,157,639	1,329,433	10,522,608	2,180,665	1,637,223	11,010,388

### 5.2.7 Sales in the last two years

Year	2023				2022			
	Local		Export		Local		Export	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Main Products	(Thousand m <sup>2</sup> /tons)	(NT\$ thousands)						
Tape	63,682	476,227	1,085,849	8,673,876	79,847	545,022	1,262,487	9,773,391
Packaging Material	-	1,382,565	-	22,932	-	1,635,309	-	24,719
Film	12,227	553,479	17,738	835,465	5,464	276,861	32,972	1,980,043
Construction	-	829,871	-	-	-	-	-	-
Others	-	449,321	-	-	-	436,047	-	-
Total	75,674	3,691,463	1,103,483	9,532,273	85,311	2,893,238	1,295,458	11,778,154

III. Information on the employees of the company and its subsidiaries in the last two years and as of the publication date of the annual report:

(I) Number of employees:

Year		2022	2023	2024 as of 3/31
Number of Employees	Direct Labor	1,318	1,367	1,397
	Indirect Labor	862	891	920
	Total	2,180	2,258	2,317
Average Age		40.7	40.7	40.51
Average Years of Service		10.3	10.3	9.27
Education	Ph.D.	0.14%	0.2%	0.2%
	Masters	2.50%	2.7%	2.9%
	Bachelor's Degree	33.09%	30%	30.7%
	Senior High School	37.52%	39.2%	38.1%
	Below Senior High School	26.75%	27.8%	28.2%

(II) Policies of diversification and gender equality at the workplace, and the implementation status:

In line with the labor-related regulations established by the government and in compliance with the basic principles specified in the UN Sustainable Development Goal 5 (i.e. Achieve gender equality and empower all women and girls), the UN Universal Declaration of Human Rights, the Convention for the Protection of Human Rights and Fundamental Freedoms, the Charter of Fundamental Rights of the European Union, and the ILO Declaration on Fundamental Principles and Rights at Work, the Company has developed a human rights policy to actively create an equal and fair work environment free from discrimination and harassment. No discriminatory treatment shall be imposed due to the factors of race, nationality, age, gender, marriage, political position, or religion. Meanwhile, we make sure that every employee is in the right position where their skills are useful.

The Company had 1213 employees in 2023 (including Yem Chio, Achem, Wong Chio, Xin Chio, and UINN Hotel; the same below), with male and female employees accounting for 72% and 28%, respectively. The Company focuses on manufacturing and the factories are engaged in labor-intensive business. Hence, the male and female employees differ significantly in the labor structure. The following table shows the diversification indicators of the Company in 2022 and 2023:

Diversification indicator of females	Number of female employees in 2022	Total number of employees in 2022	Percentage in 2022	Number of female employees in 2023	Total number of employees in 2023	Percentage in 2023
Female employees	323	1182	27%	335	1213	28%
Female managers	13	96	14%	30	121	25%

Nationality indicator	Number of employees by nationality in 2022	Total number of employees in 2022	Percentage in 2022	Number of employees by nationality in 2023	Total number of employees in 2023	Percentage in 2023
Taiwanese	916	1182	77.5%	909	1213	75%
Foreigner	266	1182	22.5%	304	1213	25%

Other diversification indicators	Number of employees by item in 2022	Total number of employees in 2022	Percentage in 2022	Number of employees by item in 2023	Total number of employees in 2023	Percentage in 2023
People with disabilities	16	1182	1.4%	16	1213	1.3%
Under 30 years old	197	1182	16.7%	196	1213	16.2%
31–50 years old	773	1182	65.4%	794	1213	65.5%
Over 50 years old	212	1182	17.9%	223	1213	18.4%

#### IV. Environmental Protection Expenditure

Losses due to environmental pollution in the most recent year and up to the date of publication of the annual report and countermeasures

(I) Losses of the Company and subsidiaries arising as a result of environmental pollution in 2022 and 2023 and up to the publication date of the annual report: None

(II) The key pollution prevention measures in 2023 are described below. The expenses amounted to NT\$190,698 thousand.

Item	2023
Operation and maintenance of pollution prevention equipment	About NT\$34,834 thousand
Environmental testing, calibration	About NT\$3,853 thousand
Payment of pollution prevention (control) fee	About NT\$45,159 thousand
Other environmental improvement costs	About NT\$106,852 thousand

(III) Estimated environmental capital expenditures in the next three years and the impact of improvements:

	2024	2025 - 2026
Pollution prevention (control) equipment to be purchased and expense	1. Steam pipe insulation project for air pollution control equipment	1. Connection of operating parameters for air pollution control equipment
	2. Addition of new air pollution control equipment and adsorption and desorption carbon beds	2. Purchase of activated carbon
	3. Addition of a new steam boiler	3. Addition of new wastewater treatment facilities
	4. Environmental protection related testing costs.	4. Environmental protection related testing costs.
	5. Prevention and control equipment maintenance costs, license changes and extensions, addition of new control equipment for the tape manufacturing process.	5. Prevention and control equipment maintenance costs, license changes and extensions.
	6. Maintenance of resource recovery facilities and changes to license documents.	6. Maintenance of resource recovery facilities and changes to license documents.
	7. Sewage treatment fee expense.	7. Sewage treatment fee expense.
Expected improvement status	1. Reduction of steam loss and natural gas usage	1. Maintenance of normal operation of air pollution control equipment
	2. Reduction of volatile organic compound emissions	2. Increase and maintenance of the treatment efficiency of air pollution control equipment
	3. Increase of steam supply and reduction of volatile organic compound emissions	3. Treatment of the wastewater generated by the new control equipment to comply with regulations.
	4. Compliance with environmental protection laws and regulations.	4. Compliance with environmental protection laws and regulations.
	5. Reduction of pollution emissions.	5. Reduction of pollution emissions.
	6. Carrying out resource recycling and sustainable recirculation.	6. Carrying out resource recycling and sustainable recirculation.
Amount of capital expenditure	NT\$110,940 thousand	NT\$53,500 thousand
Effect on net profit after improvement	1. Reduction of solvent usage and manufacturing costs	1. Reduction of solvent usage and manufacturing costs
	2. Reduction of pollution emissions and costs to avoid fines.	2. Reduction of pollution emissions and costs to avoid fines.
Effect on competitive position after improvement	1. Corporate sustainable operations and conformity of products to the trend of environmental protection.	1. Corporate sustainable operations and conformity of products to the trend of environmental protection.
	2. Improvement of corporate image and increase of the confidence among shareholders and customers	2. Improvement of corporate image and increase of the confidence among shareholders and customers
	3. Compliance with environmental protection regulations for sustainable operations	3. Compliance with environmental protection regulations for sustainable operations
	4. Maintenance of market competitiveness	4. Fulfillment of corporate social responsibilities

V. Labor Relations

The company's various employee welfare measures, further education, training, retirement systems and their implementation, as well as agreements between labor and management and various employee rights protection measures:

(1) Employee welfare measures

A. Welfare measures handled by the company:

1. Employee stock option: Employees participate in the subscription, based on the employee's position, performance and seniority considerations.
2. Group insurance: Apply group insurance for employees from the day they arrive to increase employee protection.
3. Training courses: In order to effectively assist employees to improve their work knowledge and complete the tasks assigned by the company, various training and seminars are held regularly.
4. Year-end bonus: Issue year-end bonuses based on employee performance and company operating conditions.

B. Welfare measures handled by the company's employee welfare committee:

The source of welfare funds is mainly from 0.05% of the company's revenue, 20% of the leftover income and 0.5% of the employee's self-paid salary. The main welfare measures are as follows:

1. Domestic/foreign travel: Handled every year.
2. Gift certificates for Dragon Boat Festival, Mid-Autumn Festival and Labor Day.
3. For weddings and funerals, employees can apply for gifts or ceremonies in accordance with regulations.

(2) Staff training and situation

The company regularly arranges employee education and training, and conducts skills verification for production line employees to improve employee quality and product quality.

(3) Retirement system and its implementation

The company formulates a retirement system in accordance with the Labor Standards Act and related measures, and establishes a labor retirement reserve supervision committee. Meanwhile, the company commissions an actuary to make calculations and draw up retirement reserve liabilities on a monthly basis, and draws 2% of the total salary on a monthly basis to the Central Trust Bureau retirement fund special account. In addition, since July 1, 2005, the new pension funds that have been allocated in accordance with the Labor Pension Regulations will be deposited in the individual pension account of the Labor Insurance Bureau.

(4) The status of agreements between labor and management and the protection of various employees' rights and interests

The company regularly convenes labor-management meetings and sets up an employee welfare committee to fully discuss employee welfare measures to enhance a harmonious atmosphere between labor and management.

(5) Losses incurred due to labor disputes in the most recent year and as of the publication date of the annual report (including labor inspection results that violate the Labor Standards Act, the date of punishment, the font size, the violation of laws and regulations, the content of violations, and the content of punishment should be specified), and disclose the estimated amount and corresponding measures that may occur at present and in the future. If it cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be explained: There were no major labor-management quarrels or disputes in the most recent year and as of the publication date of the annual report.

(6) Company human rights policy

Yem Chio Co., Ltd.  
Human rights policy

Established date: March 21, 2021

- I. The company is committed to the goal of “A people-oriented happy enterprise, building a benchmark for the industry” and abides by the labor laws and regulations formulated by the government of the Republic of China, including but not limited to the: “Labor Standards Act”, “Trade Union Act”, “Group Agreement Act”, “Labor-Management Dispute Resolution Law”, “Occupational Safety and Health Law” and “Gender Work Equality Law” and other basic human rights laws.
- II. In addition, the company’s global operations sites also comply with United Nations’ “Universal Declaration of Human Rights”, “Convention for the Protection of Human Rights and Fundamental Freedoms”, “Charter of Fundamental Rights of the European Union”, the basic principles of the ILO Declaration on Fundamental Principles and Rights at Work and the laws and regulations of the countries where they are located.
- III. We have formulated "Personnel Management Measures", to maintain a fair, just and open working environment, providing fair, just, open and reasonable employment opportunities and training and development plans, and also require employees to be committed to maintaining a safe and dignified working environment. We take the initiative to communicate; besides, the company has established an employee complaint system to handle complaints from employees about regarding disciplinary measures, improper management, suggestions, and violations of relevant labor laws and regulations. An employee suggestion box is also set up: chairmanoffice@ycgroup.tw, to gather suggestions from employees and maintain a smooth communication channel.
- IV. We protect the rights and interests of employees (including contract, hired and temporary personnel) and abide by the following principles:
  - (1) Comply with local labor and environmental laws and regulations at the place of operation to ensure that employees have reasonable working conditions and a safe and healthy working environment.
  - (2) Strive to create a working environment that is equal and fair, free from discrimination and harassment, and does not discriminate based on factors such as race, nationality, age, gender, marital status, political position, religious belief, etc.
  - (3) It is forbidden to force employees to work and child labor is prohibited.
  - (4) Protect employees' personal privacy rights and respect employees' right to associate freely.
  - (5) Create an environment wherein employees are willing to communicate, provide a complaint and reporting mechanism (reporting mailbox: ryanwu@ycgroup.tw), respect employees’ opinions, and promote labor-management cooperation; if there is a violation of human rights, relevant units will carry out investigation procedures and implement remedial and improvement measures.
  - (6) Help employees to maintain physical and mental health and work-life balance through health talks and medical professionals.
  - (7) Regularly review and evaluate relevant systems and human rights policies, revise company norms in a timely manner; and maintain basic human rights through repeated education, training and publicity every year.

(7) Protective measures for personal safety and working environment of employees and their implementation status

Factories: The information of Achem's Yangmei Factory

Date	Regular/irregular	Frequency	Specific safety measures	Remarks
01.04.2023	Irregular		Taoyuan citizens receive free flu vaccination (dissemination on the free vaccination provided by the department of health)	
01.05.2023	Regular	Once a year	SDS (Safety Data Sheet) Table of Contents (update)	At least updated once every 3 years
01.05.2023	Regular	Once a month	Occupational health service (Dr. Du: Occupational medicine specialist)	
01.05.2023	Regular	Once a month	Statistical number of persons who declare in the occupational accident monthly report in 12/2022	
01.05.2023	Regular	Once every quarter	Regulation checking in 12/2022 and regulation list update	
01.06.2023	Irregular		List of migrant workers reentering Taiwan in January - infirmary management measures (0+7 independent prevention measures for migrant workers during COVID-19 epidemic)	
01.09~11.2023	Regular	Once/quarter	Replenishment of medicines in the factory's medical box	
01.11.2023	Regular	Once/six months	Monitoring of operating environment	First half of 2023
01.11.2023	Regular	Once/quarter	Occupational Safety and Health Committee (2022 Q4)	Yangmei 1st Plant
01.12.2023	Regular	Once a month	Psychological counselor (Ms. Chang, Tsui-Hua: Director of Taoyuan Lifeline)	
01.16.2023	Regular	Once/quarter	Occupational Safety and Health Committee (2022 Q4)	Yangmei 3rd Plant (including PE Plant)
01.16.2023	Regular	Once a month	Canteen safety and health inspection	
01.16~17.2023	Regular	Once a year	Infrared inspection of electrical equipment	Yangmei Plant
01.17.2023	Regular	Once a year	Factory boundary patrol (before annual leave of the Chinese Lunar New Year)	
01.18.2023	Regular	Once/quarter	Occupational Safety and Health Committee (2022 Q4)	Yangmei 2nd Plant
01.18.2023	Irregular		Deregulation of pandemic prevention restrictions in line with the consecutive holidays from 1/20 to 1/29 and application of foreign workers to HR for sleep-out; provision of control plans and regulations (e.g. preparation of rapid test agent and return to factory for rapid test confirmation QR Code)	
01.19.2023	Regular	Once a month	Occupational health service (Dr. He: Occupational safety physician)	
01.30.2023	Regular	Once/quarter	Occupational Safety and Health Committee (2022 Q4)	Special Chemistry Plant
01.30.2023	Irregular		Notification of visit for maternity protection during pregnancy (female employees who are pregnant, in the period within 1 year after delivery, or breastfeeding) (after 3 months of pregnancy, the department head or employee must proactively notify the infirmary)	
01.30.2023	Regular	Every year	Reporting annual release amount of toxic chemicals at Yangmei Plant	
01.31.2023	Regular	Once/six months	Report on the usage of dangerous goods in 1st Plant in the second half of 2022	
01.31.2023	Regular	Every six months	Completion of a report on public dangerous goods and taking out public accident liability insurance within the factory. (The Administration Division of Taipei company assists in renewal of the insurance.)	
02.01~02.2023	Regular	Every month	Management of sick leave and working hours in January	
02.01~02.2023	Regular	Every year	Revision of Ergonomic Hazards Regulations (Yangmei Plant)	
02.03.2023	Regular	Once a month	Psychological counselor (Ms. Chang, Tsui-Hua: Director of Taoyuan Lifeline)	
02.04.2023	Irregular		Dissemination of influenza vaccination information in Taoyuan (2/4~2/12 evening time)	
02.04.2023	Irregular		Re-entry health management and tracking (3 people in total)	
02.06.2023	Regular	Once every quarter	Review of laws and regulations in January and update of the list of laws and regulations.	
02.08.2023	Regular	Once every quarter	Occupational health service (Dr. Hsiao, orthopedics: Bone and muscle)	
02.09.2023	Regular	Once/six months	Monitoring of operating environment (retesting)	Gluing at 1st Plant and Jia Jun Machinery Consulting Company)
02.09.2023	Regular	Once/six months	Cooperation with the fire department to perform fire	All Yangmei Plants

			safety inspection and public dangerous goods inspection	
02.10.2023	Regular	Once a month	Statistical number of persons who declare in the occupational accident monthly report in 01/2023	
02.10~16.2023	Irregular		Re-entry health management and tracking (4 people in total)	
02.13.2023	Regular	Once a month	Canteen safety and health inspection	
02.13.2023	Irregular		Contractor punishment certification document (an employee reported that Yonghua Civil Engineering did not wear safety helmets and belts when working on a glued roof of the 1st Plant, and thus violated the safety regulations of the plant.)	
02.14.2023	Irregular		Assessment of pregnancy and maternity protection (1 person)	Quality Control Division
02.15.2023	Regular	Once/six months	Monitoring of operating environment (retesting)	PE Plant
02.17.2023	Regular	Every year	Employee's inquiry about Letter of Intent for Choice of Hospice and Palliative Care (public health center)	
02.18.2023	Regular	Once a month	Occupational health service (Dr. Du: Occupational medicine specialist)	
02.18.2023	Irregular		Holding Taoyuan City Sports i Taiwan 2.0 "Non-Normal Sports-Related Course" (Health Promotion Event: a total of 6 classes on the 3F of the living area every Monday and Wednesday at 15:00~16:00)	4/10, 4/12, 4/17, 4/19, 4/24, 4/26
02.20.2023	Irregular		Dissemination on relaxation of indoor mask wearing rules	From 2/20
02.22.2023	Irregular		Factory safety and health inspection	Yangmei 2nd Plant
02.23.2023	Regular	Once a month	Occupational health service (Dr. He: Occupational safety physician)	
02.24.2023	Regular	Once a year	Maternal workplace environment and operation hazard risk assessment	
02.24.2023	Irregular		Planning of education and training for new employees	
03.02.2023	Regular	Once a month	Occupational health service (Dr. Du: Occupational medicine specialist)	
03.03.2023	Irregular		Factory safety and health inspection	3rd Plant & PE Plant
03.03.2023	Regular	Once every six months	AED equipment maintenance and function inspection (Xingchang, the AED supplier, came to maintain 9 sets of AED equipment in different plants)	Maintenance of equipment at a certified AED safe place
03.03.2023	Irregular		Information on lung cancer testing extension notice in Taoyuan City (25,000 free LDCT lung examinations provided for people who have their household registration in Taoyuan and are at high risk of lung cancer over the age of 40)	
03.06.2023	Irregular		Re-entry health management and tracking (3 people in total)	
03.09.2023	Regular	Once a month	Psychological counselor (Ms. Chang, Tsui-Hua: Director of Taoyuan Lifeline)	
03.13.2023	Regular	Once a month	Canteen safety and health inspection	
03.15.2023	Regular	Once or twice a year	Holding a blood donation event	
03.16.2023	Regular	Once a month	Occupational health service (Dr. He: Occupational safety physician)	
03.20.2023	Regular	Once a month	Statistical number of persons who declare in the occupational accident monthly report in 02/2023	
03.20~24.2023	Regular	Once/six months	Internal audit of ISO system (first half of the year)	
03.22.2023	Regular	Once a year	Dissemination of Indonesian Ramadan (3/23~4/20) (No food and no drink for tens of hours; employers shall respect the religious belief of different ethnic groups; department heads are requested to remind foremen to pay attention to the physical conditions of migrant workers during the Ramadan)	
03.27.2023	Irregular		Education and training on occupational safety and health	New employee
03.31.2023	Irregular		Factory safety and health inspection (09:00)	Yangmei 3rd Plant
03.31.2023	Irregular		Factory safety and health inspection (13:30)	Yangmei 2nd Plant
04.02.2023	Regular	Once/six months	Inspection of high-pressure equipment, LV distributor insulation test, and cleaning and maintenance	
04.06.2023	Regular	Once a month	Occupational health service (Dr. Du: Occupational medicine specialist)	
04.10~13.2023	Regular	Once/quarter	Replenishment of medicines in the factory's medical box	
04.11.2023	Regular	Once/six months	High temperature operation in boiler area, cooling tower legionella pneumophila testing	
04.13.2023	Regular	Once every six months	AED equipment maintenance and function test (Yang Der Instruments: 1 set)	Maintenance of equipment at a certified AED safe place

04.13.2023	Regular	Once a month	Psychological counselor (Ms. Chang, Tsui-Hua: Director of Taoyuan Lifeline)	
04.13.2023	Regular	Once/six months	Announcement of the operation environment monitoring results of Yangmei Plant in the first half of 2023	
04.17.2023	Regular	Once a month	Canteen safety and health inspection	
04.19.2023	Irregular		Notification of visit for maternity protection during pregnancy (female employees who are pregnant, in the period within 1 year after delivery, or breastfeeding) (after 3 months of pregnancy, the department head or employee must proactively notify the infirmary)	4/24, 4/27
04.21.2023	Regular	Once a month	Statistical number of persons who declare in the occupational accident monthly report in 03/2023	
04.24.2023	Regular	Once/quarter	Occupational Safety and Health Committee (Q1 2023)	Yangmei 3rd Plant 08:30
04.24.2023	Regular	Once/quarter	Occupational Safety and Health Committee (Q1 2023)	Special Chemistry Plant 14:30
04.26.2023	Regular	Once/quarter	Occupational Safety and Health Committee (Q1 2023)	Yangmei 1st Plant 08:30
04.26.2023	Regular	Once/quarter	Occupational Safety and Health Committee (Q1 2023)	Yangmei 1st Plant 14:00
04.24~28.2023	Regular	Once a month	Filing application for employee documents with respect to the general and special health checkups to be performed at the end of June 2023 (application for fee occupational disease examination shall be filed to the Bureau of Labor Insurance in mid May)	
04.27.2023	Regular	Once a month	Occupational health service (Dr. He: Occupational safety physician)	
05.04.2023	Regular	Once a month	Occupational health service (Dr. Du: Occupational medicine specialist)	
05.10.2023	Regular	Once every quarter	Occupational health service (Dr. Hsiao, orthopedics: Bone and muscle)	
05.11.2023	Irregular		Office of Labor Inspection, Taoyuan - Occupational Safety Management System Inquiry Form	Yangmei 1st Plant
05.15.2023	Regular	Once a month	Canteen safety and health inspection	
05.15.2023	Regular	Once a month	Psychological counselor (Ms. Chang, Tsui-Hua: Director of Taoyuan Lifeline)	
05.18.2023	Regular	Once a month	Statistical number of persons who declare in the occupational accident monthly report in 04/2023	
05.24.2023	Irregular		Factory safety and health inspection 10:30	Yangmei 2nd Plant
05.25.2023	Regular	Once a month	Occupational health service (Dr. He: Occupational safety physician)	
05.26.2023	Irregular		Factory safety and health inspection	Yangmei 1st Plant
05.30.2023	Regular	Once/six months	Announcement of cooling water tower legionella test results in the first half of 2023	
05.31.2023	Irregular		Factory safety and health inspection 10:30	Special Chemistry Plant
06.01.2023	Regular	Once a month	Occupational health service (Dr. Du: Occupational medicine specialist)	
06.05.2023	Regular	Once every 2 years	Instructions for filling out the Electronic Form of the General Health Checkup Questionnaire (migrant worker version)	
06.08.2023	Regular	Once a month	Occupational health service (Dr. He: Occupational safety physician)	
06.09.2023	Irregular		Factory safety and health inspection 10:30	Yangmei 2nd Plant
06.12.2023	Regular	Once a month	Canteen safety and health inspection	
06.19~21.2023	Regular	Once every 2 years	Colorectal cancer stool test 2023 (receiving the specimen collection swab from 6/19 to 6/21)	Giving it back at the time of general health checkup on June 29th
06.30.2023	Regular	Once a month	Statistical number of persons who declare in the occupational accident monthly report in 05/2023	
06.14.2023	Regular	Every year	Completion of the 2023 annual firefighting equipment maintenance	Yangmei 1st Plant & public facilities
06.14.2023	Regular	Every year	Completion of the 2023 annual firefighting equipment maintenance	Yangmei 2nd Plant
06.14.2023	Regular	Every year	Completion of the 2023 annual firefighting equipment maintenance	Yangmei 3rd Plant
06.12.2023	Regular	Completion of the declaration before July every year	Safety inspection of public buildings in Yangmei Plant	
06.19.2023	Regular	Once a month	Psychological counselor (Ms. Chang, Tsui-Hua: Director of Taoyuan Lifeline)	
06.21.2023	Regular	Once every six months	AED equipment maintenance and function inspection (Xingchang, the AED supplier, came to maintain 9 sets of AED equipment in different plants)	Maintenance of equipment at a certified AED safe place
06.28~29.2023	Regular	Every year	2023 general and special health checkups	
06.28.2023	Regular	Once/six months	Self-defense fire drill	

06.29.2023	Irregular		Stress relief, relaxation and stretching	Health promotion activity
06.30.2023	Regular	Every year	Implementation of plans by police offices and civil defence corps	
07.03.2023	Regular	Once/six months	2023 Declaration of Public Safety of Buildings - description of regulations related to deficiencies	
07.07.2023	Regular	Once a month	Statistical number of persons who declare in the occupational accident monthly report in 07/2023	
07.06.2023	Regular	Once a month	Occupational health service (Dr. Du: Occupational medicine specialist)	
07.10.2023	Regular	Once a month	Canteen safety and health inspection	
07.19.2023	Regular	Once/six months	Monitoring of operating environment	Second half of 2023
07.20.2023	Regular	Once a month	Checking of education and training courses: Dissemination for Sexual Harassment at Workplace Psychological counselor (Ms. Chang, Tsui-Hua: Director of Taoyuan Lifeline)	Special Chemistry Plant
07.21.2023	Irregular		Factory safety and health inspection	Yangmei 2nd Plant
07.27.2023	Regular	Once/quarter	Occupational Safety and Health Committee (2023 Q2)	Yangmei 1st Plant
07.27.2023	Regular	Once a month	Occupational health service (Dr. He: Occupational safety physician)	
07.28.2023	Regular	Every year	Completion of the 2023 annual firefighting equipment maintenance	Special Chemistry Plant
07.28.2023	Regular	Every year	Completion of the 2023 annual firefighting equipment maintenance	PE Plant
07.28.2023	Irregular		Factory safety and health inspection (14:30)	PE Plant
07.31.2023	Irregular		Safety education and training for newcomers (6 people)	
07.31.2023	Regular	Once/quarter	Occupational Safety and Health Committee (2023 Q2)	Special Chemistry Plant
07.31.2023	Regular	Once/quarter	Occupational Safety and Health Committee (2023 Q2)	Yangmei 3rd Plant (including PE Plant)
08.03.2023	Regular	Once a month	Occupational health service (Dr. Du: Occupational medicine specialist)	
08.04.2023	Regular	Once every quarter	Review of laws and regulations in July and update of the list of laws and regulations.	
08.07.2023	Irregular		Factory safety and health inspection	Yangmei 1st Plant
08.21.2023	Regular	Once a month	Statistical number of persons who declare in the occupational accident monthly report in 07/2028	
08.11.2023	Regular	Once a month	Psychological counselor (Ms. Chang, Tsui-Hua: Director of Taoyuan Lifeline)	
08.14.2023	Regular	Once a month	Canteen safety and health inspection	
08.16.2023	Regular	Once/quarter	Occupational Safety and Health Committee (2023 Q2)	Yangmei 2nd Plant
08.18.2023	Regular	Once every quarter	Occupational health service (Dr. Hsiao, orthopedics: Bone and muscle)	
08.31.2023	Regular	Once a month	Occupational health service (Dr. He: Occupational safety physician)	
08.31.2023	Regular	Once every 3 years	Supervisor in charge of hazardous operations include organic solvents, hypoxia operations, and specific chemical substances	
09.07.2023	Regular	Once a month	Occupational health service (Dr. Du: Occupational medicine specialist)	
09.05.2023	Regular	Once a month	Statistical number of persons who declare in the occupational accident monthly report in 08/2023	
09.11.2023	Regular	Once a month	Canteen safety and health inspection	
09.13.2023	Regular	Once or twice a year	Blood donation activity	Health promotion
09.13.2023	Regular	Once a month	Psychological counselor (Ms. Chang, Tsui-Hua: Director of Taoyuan Lifeline)	
09.18.2023	Regular	Once a year	Taking out the employer's accident insurance for Yangmei Plant (10.18.2023~10.18.2024)	
09.18.2023	Irregular		Occupational safety education and training (Manufacturing Section, 2nd Plant)	Yangmei 2nd Plant 07:00
09.28.2023	Regular	Once a month	Occupational health service (Dr. He: Occupational safety physician)	
09.11~15.2023	Regular	Once/six months	Internal audit of ISO system (second half of the year)	Second half of 2023
09.22.2023	Irregular		Dissemination of safety education and training	Yangmei 2nd Plant (Processing & Management Section) 15:00
09.22.2023	Regular	Once every six months	AED equipment maintenance and function test	Maintenance of equipment at a certified AED safe place
09.20.2023	Regular	Every year	Reporting of priority and controlled chemicals	All Yangmei Plants
10.01.2023	Regular	Once/six months	Inspection of high-pressure equipment, LV distributor insulation test, and cleaning and maintenance	
10.02.2023	Regular	Once a month	Occupational health service (Dr. Du: Occupational	

			medicine specialist)	
10.08.2023	Regular	Once every quarter	Occupational health service (Dr. Hsiao, orthopedics: Bone and muscle)	
10.11.2023	Regular	Once/six months	Announcement of the operation environment monitoring results of Yangmei Plant in the second half of 2023	
10.16.2023	Regular	3 hours in 3 years	Education and training for Occupational Safety and Health Committee members	
10.16.2023	Irregular		Safety education and training for foreign migrant workers	Yangmei 2nd Plant 07:00
10.18.2023	Regular	Once/quarter	Occupational Safety and Health Committee (2023 Q3)	Yangmei 2nd Plant 14:00
10.18.2023	Regular	Once/six months	High temperature operation in boiler area, cooling tower legionella pneumophila testing	
10.20.2023	Irregular		Occupational safety education and training (Management Section, Yangmei 2nd Plant 15:00)	
10.20.2023	Regular	Once a month	Statistical number of persons who declare in the occupational accident monthly report in 09/2023	
10.23.2023	Regular	Once a month	Psychological counselor (Ms. Chang, Tsui-Hua: Director of Taoyuan Lifeline)	
10.23.2023	Regular	Once a month	Canteen safety and health inspection	
10.23.2023	Regular	Once/six months	Cooperating with the fire department to perform fire safety inspection	
10.23.2023	Regular	Once/quarter	Occupational Safety and Health Committee (2023 Q3)	Yangmei 3rd Plant (including PE Plant) 08:30
10.25.2023	Irregular		Cooperation with the competent authority of Taoyuan City Government in visiting the plant for night-time joint inspection of hazardous materials (including peroxide), fire, explosion, and storage operations	Yangmei 1st Plant
10.26.2023	Regular	Once/quarter	Occupational Safety and Health Committee (2023 Q3)	Yangmei 1st Plant 08:30
10.30.2023	Regular	Once/quarter	Occupational Safety and Health Committee (2023 Q3)	Special Chemistry Plant 15:30
10.30.2023	Regular	Once a month	Occupational health service (Dr. He: Occupational safety physician)	
11.02.2023	Regular	Once a month	Occupational health service (Dr. Du: Occupational medicine specialist)	
11.09.2023	Regular	Once a month	Statistical number of persons who declare in the occupational accident monthly report in 10/2023	
11.08.2023	Regular	Once every quarter	Occupational health service (Dr. Hsiao, orthopedics: Bone and muscle)	
11.08.2023	Regular	Every six months	Full factory fire safety inspection (Fire department security team)	Special chemistry Plant, PE Plant
11.10.2023	Irregular		Cooperation with the Taoyuan Fire Department to conduct a simulation of inspection in the plants	Yangmei 2nd Plant
11.13.2023	Regular	Once a year	Announcement of recommendations for adoption of 2023 Level-3 noise reexamination results.	
11.13.2023	Regular	Once a month	Canteen safety and health inspection	
11.13.2023	Regular	Every six months	Full factory fire safety inspection (Fire department security team)	14:30
11.20.2023	Irregular		Education and training on safety and health	Yangmei 2nd Plant 07:00
11.20.2023	Irregular		Education and training on safety and health	Yangmei 3rd Plant 08:30
11.21.2023	Irregular		Cooperation with the Taoyuan City Government to conduct a simulation drill for prevention of hazardous materials (including BPO and public dangerous goods), fire and explosion (drill in the plant)	Yangmei 2nd Plant
11.22.2023	Irregular		Cooperation with the Taoyuan City Government to conduct a simulation drill for prevention of hazardous materials (including BPO and public dangerous goods), fire and explosion	Yangmei 2nd Plant
11.24.2023	Irregular		Education and training on safety and health	Yangmei 2nd Plant 15:00
11.27.2023	Irregular		EHS education and training for newcomers (11 people) (11 people)	
11.28.2023	Regular	Once a year	[Announcement related to licenses] Safety and health licenses - annual list and summary list of licenses to be expired before the end of 2023	
11.30.2023	Regular	Once a month	Occupational health service (Dr. He: Occupational safety physician)	
11.23.2023	Regular	Once a month	Psychological counselor (Ms. Chang, Tsui-Hua: Director of Taoyuan Lifeline)	
11.24.2023	Regular	Once a year	Checking of stroke table game, promotion of safety and health, dissemination of education and training, and air tightness test of respiratory protection equipment	Special Chemistry Plant
12.01.2023	Irregular		Bone density testing (number of participants: 110)	Health promotion

			natives + 57 migrant workers, a total of 167 people)	
12.01.2023	Irregular		Fire security inspection (inspection team of the Taoyuan Fire Department)	Yangmei 1st Plant, Yangmei 2nd Plant, Yangmei 3rd Plant
12.04.2023	Regular	Once a month	Statistical number of persons who declare in the occupational accident monthly report in 11/2023	
12.07.2023	Regular	Once a year	Notification on presentation of 2024 ISO 45001 safety and health management plan	
12.07.2023	Regular	Once a month	Occupational health service (Dr. Du: Occupational medicine specialist)	
12.07.2023	Regular	Once a year	Working with special hazards in 2023 - Level-3 noise management and physician's visit	
12.08.2023	Regular	Every six months	Announcement of cooling water tower legionella test results in the second half of 2023	
12.10.2023	Regular	Every six months	Cooperation with Taoyuan Fire Department for fire safety inspection of public dangerous goods	Special chemistry Plant, PE Plant
12.11.2023	Regular	Once a month	Canteen safety and health inspection	
12.13.2023	Irregular		Cooperation with the Department of Environmental Protection for inspection of the toxic chemicals release amount	Yangmei 1st Plant
12.21.2023	Irregular		Donation of old belongings (second-hand materials) to start the cycle of love activity; donation of collected second-hand materials to Yangmei Education and Nursing Institution (12/21~12/29/2023)	Health promotion (public welfare activity)
12.22.2023	Regular	Once a year	EHS management review meeting (10:00)	
12.25.2023	Regular	Once every 3 years	Education and training on safety and health for foreign workers (statutory course)	Three hours every three years
12.27.2023	Regular	Once a month	Psychological counselor (Ms. Chang, Tsui-Hua: Director of Taoyuan Lifeline)	
12.27.2023	Regular	3 hours every 3 years	Retraining on hanging operation (09:00-12:00 for lifting operation, 13:00-16:00 for hanging operation)	
12.28.2023	Regular	Once a month	Occupational health service (Dr. He: Occupational safety physician)	
12.28.2023	Irregular		Dissemination for prevention of illegal infringement and sexual harassment at workplace (3Fl. of the living area 10:00~12:00)	Health promotion
12.28.2023	Regular	Once every six months	Self-defense firefighting grouping and accident prevention and response training/group training (including toxic chemical accident drill at the 1st Plant)	
12.28.2023	Irregular		Prevention of fatty liver and metabolic syndrome	Health promotion

Office space:

1. May 19, 2023 annual fire safety equipment inspection of the office building of the headquarters
2. Fire pump inspection at the beginning of the month
3. Daily elevator (lift) control
4. Employees must use identification cards to enter their respective offices in order to protect their safety during the work.
5. Four maintenance operations for the water dispensers every year (2/15/2023, 5/23/2023, 8/22/2023 and 11/17/2023)
6. A simple desktop healthcare box is available in the office.

### 2023 Environmental Inspection List at Yangmei Plant

	Outsourced inspection	Inspection item	Description	Scheduled month	First half of 2022	Second half of 2022	
Air pollution	1st Plant M01 boiler		Regular inspection, air pollution fee (particulate, NOX)	Q3		7/05 (Wed.)	
			Regular inspection, air pollution fee (particulate, NOX)	Once every 5 years		7/07 (Fri.)	
			Trial run, air pollution fee (particulate, NOX)	Once every 5 years		7/12 (Wed.)	
			Trial run, air pollution fee (particulate, NOX)	Once every 5 years		Either P004 or P003	
			Trial run, air pollution fee (particulate, NOX)	Q3		7/06 (Thur.)	
	1st Plant M11 boiler		Regular inspection, air pollution fee (particulate, NOX)	March	3/30 (Thur.)		
	1st Plant M02 tape		Control front + back, NMHC, each 4 hours + toluene	In line with applying for permits			9/7 (Thur.)
			Control front + back, NMHC, each 4 hours + toluene	In line with applying for permits			9/8 (Fri.)
			Control front + back, NMHC, each 4 hours + toluene + particulate	In line with applying for permits			9/12 (Tues.)
			Control front + back, NMHC, each 4 hours + toluene	In line with applying for permits			9/13 (Wed.)
			Control front + back, NMHC, each 4 hours + toluene	In line with applying for permits			9/14 (Thur.)
			Control front + back, NMHC, each 4 hours + toluene	In line with applying for permits			9/15 (Fri.)
	Wastewater plant		Control back, NMHC, 1 hour (once every 5 years)	Once every 5 years			8/7 (Mon.)
			Control back, NMHC, 1 hour (once every 5 years)	Once every 5 years			8/7 (Mon.)
	2nd Plant M01 boiler		Regular inspection, air pollution fee (particulate, NOX)	February			2/21 (Tues.)
	2nd Plant M04 boiler		Regular inspection, air pollution fee (particulate, NOX)	July			4/20 (Thur.)
	2 Plant M02 tape manufacturing process		Control front + back, NMHC, each 4 hours + particulate	In line with applying for permits			
			Control front + back, NMHC, each 4 hours	In line with applying for permits			
			Control front + back, NMHC, each 4 hours	In line with applying for permits			
			Control front + back, NMHC, each 4 hours	In line with applying for permits			
			Control back, NMHC, 4 hours	In line with applying for permits			
	3rd Plant M01 tape		Regular inspection, control front + back, NMHC, each 4 hours	March, September	4/18 (Tues.)		9/5 (Tues.)
			Control back, particulate (permit				9/25 (Mon.)

		change)			
		Regular inspection, control equipment front + back, NMHC, each 4 hours, NOX	March, September	4/25 (Tues.)	9/14 (Thur.)
		Regular inspection, control equipment back, particulate	March, September		9/15 (Thur.)
PE Plant M12 boiler		Regular inspection, air pollution fee (NOX)	Q2	6/14 (Wed.)	
PE Plant M13 tape	P131 (hexane)	Regular inspection, control front + back, NMHC, each 4 hours	In line with applying for permits		
PE Plant M13 tape	P132 (toluene)	Regular inspection, control front + back, NMHC, each 4 hours + toluene	In line with applying for permits		
PE Plant M13 tape	P133 (wastewater plant)	Regular inspection, control back, NMHC, 1 hour (once every 5 years)	Once every 5 years		
PE Plant M13 tape	P134 (electrostatic precipitation back on 4th floor)	Control equipment back, particulate	Once every 5 years		
Special Chemistry Plant M06 manufacturing process		Self-evaluation, NMHC control equipment front + back, 4 hours	July		7/7 (Fri.)
Special Chemistry Plant M06 manufacturing process		Self-evaluation, NMHC control equipment front + back, 4 hours	July		7/24 (Mon.)
Special Chemistry Plant M06 manufacturing process		Trial run, air pollution fee (particulate, NOX)	July		
Special Chemistry Plant M06 manufacturing process		Trial run, air pollution fee (particulate, NOX)	July		
Special Chemistry Plant M06 manufacturing process		Trial run, air pollution fee (particulate, NOX)	July		
Special Chemistry Plant (self-evaluation)		Trial THC control equipment back, 4 hours	July	4/19 (Wed.)	
Special Chemistry Plant (self-evaluation)		Trial run, THC control equipment back, 4 hours	July		
Special Chemistry Plant		Trial run, air pollution fee (particulate, NOX) ~ changed to natural gas boiler			
Special Chemistry Plant boundary	3 points	Odour	October		4/19 (Wed.)
Special Chemistry Plant boundary	3 points	VOCs			
Water pollution	Cooling tower	Inlet/outlet	VOCs in water (63 items)	December	12/15 (Fri.)
	1st Plant EA wastewater		pH, water temperature, SS, COD, BOD, ADML, ammonia nitrogen, free available residual chlorine	June, December	5/31 (Wed.) 12/15 (Fri.)
	Wastewater discharged from the boiler and uncontacted cooling water		pH, water temperature, SS, COD, BOD, ADML, ammonia nitrogen, free available residual chlorine	June, December	5/31 (Wed.) 12/15 (Fri.)
	Wastewater discharged from the boiler in PE Plant and uncontacted cooling water		pH, water temperature, SS, COD, BOD, ADML, ammonia nitrogen, free available residual chlorine	June, December	5/31 (Wed.) 12/15 (Fri.)
	Process wastewater from PE Plant		pH, water temperature, SS, COD, BOD, ADML, ammonia nitrogen, free available residual chlorine	June, December	5/31 (Wed.) 12/15 (Fri.)
	Process wastewater from Special Chemistry Plant		pH, water temperature, SS, COD, BOD, ADML, ammonia nitrogen, free available residual chlorine	June, December	5/31 (Wed.) 12/15 (Fri.)
	Cooling water from Special Chemistry Plant		pH, water temperature, SS, COD, BOD, ADML, ammonia nitrogen, free available residual chlorine	June, December	5/31 (Wed.) 12/15 (Fri.)
	Scrubber wastewater		pH, water temperature, SS, COD, BOD, ADML, ammonia nitrogen, free available residual chlorine	June, December	5/31 (Wed.) 12/15 (Fri.)
	Household sewage		pH, water temperature, SS, COD, BOD, ADML, ammonia nitrogen, free available residual chlorine	June, December	5/31 (Wed.) 12/15 (Fri.)
	Household sewage (toilet)		pH, water temperature, SS, COD, BOD, ADML, ammonia nitrogen,	June, December	5/31 (Wed.) 12/15 (Fri.)

			free available residual chlorine			
	Process wastewater from 2nd Plant		pH, water temperature, SS, COD, BOD, ADMI, ammonia nitrogen, free available residual chlorine	June, December	5/31 (Wed.)	12/15 (Fri.)
	Hydrogel wastewater from 2nd Plant		pH, water temperature, SS, COD, BOD, ADMI, ammonia nitrogen, free available residual chlorine	June, December	5/31 (Wed.)	12/15 (Fri.)
	Scrubber wastewater from 2nd Plant		pH, water temperature, SS, COD, BOD, ADMI, ammonia nitrogen, free available residual chlorine	June, December	5/31 (Wed.)	12/15 (Fri.)
	Scrubber wastewater		pH, water temperature, SS, COD, BOD, ADMI, ammonia nitrogen, free available residual chlorine		5/31 (Wed.)	12/15 (Fri.)
	Outfall		pH, water temperature, SS, COD, BOD, ADMI, ammonia nitrogen, free available residual chlorine	Once a quarter	3/15, 5/31	8/9, 12/15
	Outfall		pH, water temperature, SS, COD, BOD, ADMI, ammonia nitrogen, free available residual chlorine	Once a quarter	3/15, 5/31	8/9, 12/15
	1st Plant recycling	Waste glue	pH, flash point, TCLP	August		8/9 (Wed.)
	1st Plant recycling	Active carbon	TCLP (Hexavalent chromium, total chromium, copper, cadmium, lead, mercury, arsenic, selenium, barium)	August		8/9 (Wed.)
	2nd Plant recycling	Waste glue	pH, flash point, TCLP	August		8/9 (Wed.)
	2nd Plant recycling	Active carbon	TCLP	August		8/9 (Wed.)
	3rd Plant manufacturing process	Waste glue (including release agent)	pH, flash point, TCLP	August		8/9 (Wed.)
	3rd Plant manufacturing process	Waste oil mixture	pH, flash point	August		8/9 (Wed.)
	3rd Plant manufacturing process	Active carbon	TCLP	August		8/9 (Wed.)
	PE Plant	Waste glue	pH, flash point, TCLP	August		8/9 (Wed.)
	PE Plant	Active carbon	TCLP	August		8/9 (Wed.)
	Wastewater plant	Mixed sludge	TCLP (hexavalent chromium, total chromium, copper, cadmium, lead, mercury, arsenic, selenium, barium), moisture content	August		8/9 (Wed.)
Special Chemistry Plant M06 manufacturing process	Recycling of distillation waste liquid	TCLP (total barium, total copper, total cadmium, total chromium, hexavalent chromium, total selenium, total lead, total arsenic, total mercury), flash point, pH	April, October		8/9 (Wed.)	
Water dispenser	1st Plant	11 sets	Coliform group	Testing in rotation every quarter	1/10, 4/19	7/24, 10/16
	2nd Plant	13 sets	Coliform group	Testing in rotation every quarter	1/10, 4/19	7/24, 10/16
	3rd Plant	3 sets	Coliform group	Testing in rotation every quarter	1/10, 4/19	7/24, 10/16
	PE Plant	4 sets	Coliform group	Testing in rotation every quarter	1/10, 4/19	7/24, 10/16
	Research and Development Center	2 sets	Coliform group	Testing in rotation every quarter	1/10, 4/19	7/24, 10/16
	Special Chemistry Plant	3 sets	Coliform group	Testing in rotation every quarter	1/10, 4/19	7/24, 10/16
	Factory Affairs Section	6 sets	Coliform group	Testing in rotation every quarter	1/10, 4/19	7/24, 10/16
Release of toxic chemicals	1st Plant M02 manufacturing process	Cooling tower (1&8)	Butyl acrylate, vinyl acetate	Once a year		9/23 (Saturday)
	1st Plant M02 manufacturing process	Process wastewater	Butyl acrylate, vinyl acetate	Once a year		9/23 (Saturday)
	1st Plant M02 manufacturing process	Arylic glue	Butyl acrylate, vinyl acetate	Once a year		9/23 (Saturday)
	1st Plant M02 manufacturing process	Active carbon	Butyl acrylate, vinyl acetate	Once a year		9/23 (Saturday)
	1st Plant M02 manufacturing process	Flue P011-P016	Butyl acrylate, vinyl acetate	Once a year		7/12:P011 7/12:P012 7/18:P013 7/18:P014 7/19:P015 7/19:P016

## VI. Information security management

(I) Information security risk management framework, information security policy, specific management plan and resources invested in information security management:

### Information Security Risk Management Framework

1. Information Security Risk Management Framework: The Information Department under the Administration Division is responsible for coordinating information security and related matters. The Audit Department draws up relevant internal control procedures for management and regular internal audits.
2. Cyber Security Specific Management Solution:
  - Web Security: The actual network server has been imported into Chunghwa Telecom's "Cyber Security Force" and a network firewall has been built to block virus intrusion and hacker attacks.
  - Endpoint security: Anti-virus software has been installed on the endpoint devices that are classified in the computer category to enhance the detection of malware. The IT and OT network segments of each plant are separated by a physical network architecture.
  - Information security: It has been imported into the document management system to reinforce document confidentiality control and avoid the leakage of information.
  - Information Security Awareness: By importing the anti-phishing email mechanism, and through case studies advocacy and education training, to increase employees' cyber security awareness and alertness to social engineering attacks.
3. Resources invested in cyber security management:

The following effects have been achieved according to the implementation of the specific measures.

- Web Security: Blocked an average of 3827 cyber attacks per month, including 118 high-risk attack.
- End-point Safety: 0 poisoning incidents have occurred this year.
- Data security: All the important management documents have been controlled by the system.
- Information Security Awareness: 4 information security seminars have been implemented this year.

### Information Security Management Policy

#### 1. Purpose

As information systems and Internet applications become more and more developed, this information security management policy has been specially implemented to ensure compliance.

#### 2. Definition

To ensure that all information systems are free from interference, damage, intrusion or any improper behavior of users, the IT Department has established an appropriate system planning, procedural norms and administrative management procedures to prevent internal and external threats, and maintain information system security.

#### 3. Goal

To prevent information systems from being improperly used or deliberately damaged by internal and external personnel, or in case of emergency as a result of improper use, deliberate sabotage, etc., the company can respond quickly and resume normal operations in the shortest possible time, thereby minimizing economic damage and operational interruption caused by such emergency.

#### 4. Scope

Applicable to all company information systems and their users - Information users include regular employees, hired personnel, construction and maintenance vendors, and other authorized personnel.

#### 5. Organization

The Information Department under the Administrative Division is responsible for coordinating information security and related matters, and auditing office draws up relevant internal control procedures for management and regular internal audits.

#### 6. Procedures

##### (1) Staff information security awareness and training

In order to reduce the impact of internal and human factors on information security, the Information Department needs to regularly conduct information security education, training and promotion to improve knowledge and awareness of information security.

##### (2) Information system security management

1. The computer host, servers and other equipment should be set up in a dedicated computer room and managed by the Information Department to prevent unauthorized entry. The computer room should be locked when no one is present.
2. Personal computers and various peripheral equipment should be properly configured according to the nature of business, site and other factors. An uninterruptible power system should be connected to ensure stable power supply to prevent damage to the equipment and disruption in company operations.
3. The maintenance and operation status of the main equipment should be recorded, and equipment failures should be eliminated as soon as possible or the equipment manufacturer should be contacted for emergency maintenance.
4. The temperature of the computer room must be maintained between 20~25°C, and the humidity should be maintained between 40~60%RH. If the temperature and humidity are different from the standard value, the Information Department personnel and supervisor on duty should be informed through the alarm system and temperature & humidity monitoring APP. If the situation cannot be addressed, the relevant department must extend assistance, so as to prevent damage to the equipment and disruption in company operations.
5. With the development of new information systems, anything related to the ERP system must undergo installation testing, functional testing, interface testing, performance testing, document testing, etc., before it can be launched to ensure that the system can operate accurately and stably.
6. All departments must use legally authorized software and comply with relevant laws and regulations. Any software not legally authorized and irrelevant to the business shall not be installed or used. In addition to relevant legal liabilities, any offender shall also be held liable for related damages to the equipment of each unit.
7. Data backup and recovery operations should be performed on a regular basis, so that operations can quickly return to normal in case of emergency. The backup media should be stored in a safe and remote environment to ensure that the information is complete and available.
8. When outsourcing business information, it is necessary to carefully assess potential security risks in advance and sign an appropriate information security agreement with the manufacturer, instruct relevant security management responsibilities, and indicate contract clauses.

### (3) Cyber security management

1. The outlets connected to the external network should use firewalls and other security facilities to control data transmission and access between the external and internal networks.
2. Install the enterprise version of anti-virus software, build intrusion detection and other anti-hacking software to protect the company's information system from viruses and malware or hacker intrusion. In addition, the latest virus code and operating system vulnerability patches for the company's information equipment should be downloaded and updated anytime.
3. If the invasion or suspected invasion of the network is detected, the Information Department must be notified for relevant treatment and reporting, and legal action will be taken if necessary.

### (4) System access control

1. When there is a new user, work adjustments, and resignations (suspensions), the Information Department should be notified in writing so as to add user information and adjust or delete usage rights to ensure system security.
2. All information systems must be password-protected and the user password should comply with security standards and changed regularly.
3. The computer should be locked when personnel is temporarily away. The information system must be completely logged out when the computer equipment is not in use.
4. System service vendors who perform system maintenance via remote login should strengthen security control measures and send personnel to monitor handling at any time.
5. Based on the information environment control and application system inspection items provided by professional organizations, the Information Department regularly conducts independent inspections to ensure the safety of information processing-related operations.

### (5) Information security management system development and maintenance

1. System development and installation, maintenance, update, online execution and version change should be subject to security control. Legal and qualified vendors should be entrusted to deal with

such operations to avoid improper software, backdoors, and computer viruses that endanger system security.

2. For the system builder and maintenance personnel of the manufacturer, the system and data range that they can access should be regulated and restricted, and the issuance of long-term system identification codes and passwords is strictly prohibited. Based on actual operations, it is necessary to issue short-term or temporary system identification and passwords for manufacturers' use. A written application must be made in advance and authorization will be cancelled immediately after use.
3. Entrusting manufacturers to build and maintain important information systems should only be carried out under the supervision and in the presence of an information room personnel of the company.
4. To modify the program and system permissions, completing an application form is required, which will be processed by the information room staff or consultants. After the user fills in the test report and confirms that it is correct, the information manager will release it and go online.

(6) Planning and management of business operational sustainability

1. If an information security incident causes the information system to malfunction or affects functional efficiency, the unit supervisor and information department personnel should be notified promptly so actions can be taken.
2. After receiving notification, the user should immediately stop using the affected information system or equipment and maintain its current status. After receiving a report, the information department personnel should record all relevant information and carry out related disposal procedures.
3. The Information Department regularly evaluates the possibility of loss caused by information security risks, and takes out an appropriate insurance if necessary, to reduce the amount of loss.

(II) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided As of the publication date of the annual report, no significant cyber security incidents have occurred and the company has not suffered any losses as a result.

## VII. Important Contracts

Important contracts that are still in force and sufficient to affect the benefits of investors:

Agreement	Counterparty	Period	Major Contents	Restrictions
Mid-term and long-term loan	The company and Land bank, etc. (joint loan)	2020.10.28-2025.10.28	Mid-term operating turnover purpose	Mortgage of Land in the Suburban District of New Taipei City
Mid-term and long-term loan	The company and Taiwan Cooperative Treasury, etc. (joint loan)	2021.3.19-2026.03.19	Mid-term operating turnover purpose	Mortgage of Land and Plant in Zhangbin Plant

## Six. Financial Information

I. Five-Year Financial Summary

Individual Condensed Balance Sheet – Based on IFRS

(Unit: NT\$ thousands)

Year  Item		Financial Summary for the Last Five Years <sup>1</sup>				
		2019	2020	2021 (After adjustment)	2022	2023
Current assets		8,166,546	8,171,540	11,565,684	10,247,004	12,664,127
Property, Plant and Equipment		3,367,152	3,499,157	3,361,809	3,218,674	3,479,364
Intangible assets		210	188	166	144	122
Other assets		9,403,621	9,094,369	7,286,547	8,481,232	8,552,698
Total assets		20,937,529	20,765,254	22,214,206	21,947,054	24,696,311
Current liabilities	Before distribution	7,548,639	8,165,158	8,463,797	6,393,440	9,043,608
	After distribution	7,714,904	8,501,268	9,086,363	7,019,227	9,694,296
Non-current liabilities		4,361,953	3,179,161	3,396,850	4,415,906	3,655,159
Total liabilities	Before distribution	11,910,592	11,344,319	11,860,647	10,809,346	12,698,767
	After distribution	12,076,857	11,680,429	12,483,213	11,435,133	13,349,455
Equity attributable to shareholders of the parent		—	—	—	—	—
Capital stock		5,718,342	5,850,478	6,382,873	6,414,897	6,649,324
Capital surplus	Before distribution	2,751,507	2,592,442	2,384,602	2,638,722	2,718,738
	After distribution	2,585,242	2,592,442	2,384,602	2,638,722	2,718,738
Retained earnings	Before distribution	916,821	1,717,382	2,106,814	2,494,762	2,949,295
	After distribution	916,821	1,381,272	1,484,248	1,868,975	2,298,607
Other equity interest		55,037	(176,879)	(106,385)	3,672	94,532
Treasury stock		(414,770)	(562,488)	(414,345)	(414,345)	(414,345)
Non-controlling interest		—	—	—	—	—
Total equity	Before distribution	9,026,937	9,420,935	10,353,559	11,137,708	11,997,544
	After distribution	8,860,672	9,084,825	9,730,993	10,511,921	11,346,856

Note:

1. The annual financial information has been verified by an accountant.

Consolidated Condensed balance sheet– Based on IFRS

(Unit: NT\$ thousands)

Item		Financial Summary for The Last Five Years <sup>1</sup>				
		2019	2020	2021	2022	2023
Current assets		15,552,373	14,565,303	17,828,534	16,698,426	18,495,750
Property, Plant and Equipment		13,192,774	11,549,183	8,537,930	8,538,954	8,386,151
Intangible assets		269,763	186,007	172,849	186,009	185,670
Other assets		4,265,287	3,515,332	3,748,981	4,095,019	4,073,166
Total assets		33,280,197	29,815,825	30,288,294	29,518,408	31,140,737
Current liabilities	Before distribution	17,055,489	13,313,274	15,826,753	10,566,152	12,199,224
	After distribution	17,221,754	13,649,384	16,449,319	11,191,939	12,849,912
Non-current liabilities		6,653,459	6,525,758	3,454,063	7,131,100	6,234,186
Total liabilities	Before distribution	23,708,948	19,839,032	19,280,816	17,697,252	18,433,410
	After distribution	23,875,213	20,175,142	19,903,382	18,323,039	19,084,098
Equity attributable to shareholders of the parent company		9,026,937	9,420,935	10,353,559	11,137,708	11,997,544
Capital stock		5,718,342	5,850,478	6,382,873	6,414,897	6,649,324
Capital surplus	Before distribution	2,751,507	2,592,442	2,384,602	2,638,722	2,718,738
	After distribution	2,585,242	2,592,442	2,384,602	2,638,722	2,718,738
Retained earnings	Before distribution	916,821	1,717,382	2,106,814	2,494,762	2,949,295
	After distribution	916,821	1,381,272	1,484,248	1,868,975	2,298,607
Other equity interest		55,037	(176,879)	(106,385)	3,672	94,532
Treasury stock		(414,770)	(562,488)	(414,345)	(414,345)	(414,345)
Prior interests under joint-control		—	—	—	—	—
Non-controlling interest		544,312	555,858	653,919	683,448	709,783
Total equity	Before distribution	9,571,249	9,976,793	11,007,478	11,821,156	12,707,327
	After distribution	9,404,984	9,640,683	10,384,912	11,195,369	12,056,639

Note:

1. The annual financial information has been verified by an accountant.

Individual Condensed Statement of Comprehensive Income – Based on IFRS

(Unit: NT\$ thousands)

Item \ Year	Financial Summary for the Last Five Years <sup>1</sup>				
	2019	2020	2021 (After adjustment)	2022	2023
Operating revenue	4,345,163	4,176,275	5,077,343	3,642,524	2,657,952
Gross profit	477,193	551,955	777,570	393,831	57,548
Income from operations	177,224	220,875	428,540	42,484	(176,632)
Non-operating income	(669,912)	635,986	527,357	1,056,822	994,850
Non-operating expenses	(492,688)	856,861	955,897	1,099,306	818,218
Income before tax	(509,016)	805,604	871,687	1,037,826	801,205
Net income (Loss)	—	—	—	—	—
Other comprehensive income	—	—	(3,925)	—	—
(income after tax)	(509,016)	805,604	867,762	1,037,826	801,205
Total comprehensive income	399,158	(236,959)	291,822	82,745	369,975
Net income attributable to shareholders of the parent	(109,858)	568,645	1,156,816	1,120,571	1,171,180
Net income attributable to non-controlling interest	—	—	—	—	—
Comprehensive income attributable to Shareholders of the parent company	—	—	—	—	—
Comprehensive income attributable to non-controlling interest	—	—	—	—	—
Earnings per share	—	—	—	—	—
Operating revenue	(0.99)	1.42	1.47	1.72	1.30

Note:

1. The annual financial information has been verified by an accountant.

Consolidated Condensed Statement of Comprehensive Income – Based on IFRS

(Unit: NT\$ thousands)

Year Item	Financial Summary for The Last Five Years <sup>1</sup>				
	2019	2020	2021	2022	2023
Operating revenue	16,177,441	13,924,193	17,181,794	14,671,393	13,223,736
Gross profit	1,884,421	2,457,748	2,906,763	2,591,409	2,178,309
Income from operations	225,955	906,645	1,303,899	1,050,265	672,526
Non-operating income	(667,130)	1,053,384	926,566	314,539	322,859
Non-operating expenses	(441,175)	1,960,029	2,230,465	1,364,804	995,385
Income before tax	(564,376)	1,795,815	2,027,094	1,128,828	855,538
Net income (Loss)	—	(1,016,910)	(1,177,429)	(577)	—
Other comprehensive income	(564,376)	778,905	849,665	1,128,251	855,538
(income after tax)	387,127	(243,488)	249,103	89,400	363,301
Total comprehensive income	(177,249)	535,417	1,113,768	1,217,651	1,218,899
Net income attributable to shareholders of the parent	(509,016)	805,604	867,762	1,037,826	801,205
Net income attributable to non-controlling interest	—	—	—	—	—
Comprehensive income attributable to Shareholders of the parent company	(55,360)	(26,699)	(18,097)	90,425	54,333
Comprehensive income attributable to non-controlling interest	(109,858)	568,645	1,156,816	1,120,571	1,171,180
Earnings per share	—	—	—	—	—
Operating revenue	(67,391)	(33,228)	(43,048)	97,080	47,719
Gross profit	(0.99)	1.42	1.47	1.72	1.30

Note:

1. The annual financial information has been verified by an accountant.

Auditors' Opinions for the last five years

Year	Accounting Firm	CPA	Audit Opinion
2023	EY Taiwan	Liu Rong-Jin Hsieh Sheng-An	unqualified audit report with explanatory paragraph or modified wording
2022	PwC Taiwan	Yifan Lin, Jinchang Chen	unqualified audit report with explanatory paragraph or modified wording
2021	PwC Taiwan	Yifan Lin, Jinchang Chen	unqualified audit report with explanatory paragraph or modified wording
2020	PwC Taiwan	Yifan Lin, Jinchang Chen	unqualified audit report with explanatory paragraph or modified wording
2019	PwC Taiwan	Yifan Lin, Jinchang Chen	unqualified audit report with explanatory paragraph or modified wording

**II. Five-Year Financial Analysis**  
**Individual Financial Analysis – Based on IFRS**

Year		Financial Analysis for the Last Five Years				
		2019	2020	2021	2022	2023
Financial structure (%)	Debt Ratio	56.89	54.63	53.39	49.25	51.42
	Ratio of long-term capital to property, plant and equipment	397.63	360.09	409.02	483.23	449.87
Solvency (%)	Current ratio	108.19	100.08	136.65	160.27	140.03
	Quick ratio	35.03	33.28	65.29	55.27	35.78
	Interest earned ratio (times)	(1.70)	5.04	6.34	7.16	4.49
Operating performance	Accounts receivable turnover (times)	7.41	7.86	7.22	5.62	6.49
	Average collection period	49.25	46.43	50.55	64.94	56.24
	Inventory turnover (times)	0.72	0.70	0.80	0.54	0.34
	Accounts payable turnover (times)	8.89	17.26	19.60	15.93	13.55
	Average days in sales	506.27	520.19	455.17	676.60	1,085.44
	Property, plant and equipment turnover (times)	1.29	1.19	1.51	1.13	0.76
	Total assets turnover (times)	0.21	0.20	0.24	0.16	0.11
Profitability	Return on total assets (%)	(1.96)	4.30	4.37	4.95	3.67
	Return on stockholders' equity (%)	(5.73)	8.73	8.78	9.66	6.93
	Pre-tax income to paid-in capital (%)	(8.62)	15.03	14.98	17.16	12.43
	Profit ratio (%)	(11.71)	19.29	17.09	28.49	30.14
	Earnings per share (NT\$)	(0.99)	1.42	1.47	1.72	1.30
Cash flow	Cash flow ratio (%)	0.46	8.17	13.38	5.22	(26.54)
	Cash flow adequacy ratio (%)	114.08	204.97	155.90	84.89	(3.36)
	Cash reinvestment ratio (%)	(1.79)	4.01	5.67	(1.83)	(18.89)
Leverage	Operating leverage	2.43	1.91	1.48	5.78	(0.16)
	Financial leverage	5.42	2.06	1.26	(1.62)	0.72
Analysis of financial ratio differences for the last two years. (Not required if the difference does not exceed 20%)						
(I) Solvency						
The decrease in quick ratio is primarily a result of the increase in the net inventory.						
The decrease in interest coverage ratio is primarily a result of the decrease in the pre-tax net profit in 2023.						
(II) Operating capacity						
The decline of the inventory turnover and the rise of average sales days are primarily a result of the reduced sales cost by NT\$648,289 thousand and increased inventory by 2,742,826 thousand in 2023.						
The decline of the property, plant and equipment turnover and the reduction of the total assets turnover are primarily a result of the reduced net sales by NT\$984,572 thousand in 2023.						
(III) Profitability						
The decrease in the related ratio is primarily a result of the decline in profit in 2023.						
(IV) Cash flow ratio						
The change of the related ratio is primarily a result of the reduced net cash flow from operating activities.						

Consolidated Financial Analysis – Based on IFRS

Year		Financial Analysis for the Last Five Years				
		2019	2020	2021	2022	2023
Financial structure (%)	Debt Ratio	71.24	66.53	63.65	59.95	59.19
	Ratio of long-term capital to property, plant and equipment	122.98	142.89	169.38	221.95	225.87
Solvency (%)	Current ratio	91.19	109.40	112.65	158.04	151.61
	Quick ratio	45.36	50.80	57.39	72.36	60.79
	Interest earned ratio (times)	0.02	3.22	4.33	5.62	3.71
Operating performance	Accounts receivable turnover (times)	4.83	4.74	5.66	5.04	5.11
	Average collection period	75.56	77.00	64.48	72.42	71.42
	Inventory turnover (times)	1.85	1.60	1.85	1.42	1.13
	Accounts payable turnover (times)	11.31	11.05	12.34	11.29	11.56
	Average days in sales	197.29	228.12	197.29	257.04	323.00
	Property, plant and equipment turnover (times)	1.23	1.21	2.01	1.72	1.58
	Total assets turnover (times)	0.49	0.44	0.57	0.49	0.44
Profitability	Return on total assets (%)	(0.61)	3.22	3.37	4.22	3.31
	Return on stockholders' equity (%)	(5.96)	7.97	8.10	9.88	6.98
	Pre-tax income to paid-in capital (%)	(7.72)	16.54	16.50	21.30	15.12
	Profit ratio (%)	(3.49)	5.58	4.95	7.69	6.47
	Earnings per share (NT\$)	(0.99)	1.42	1.47	1.72	1.30
Cash flow	Cash flow ratio (%)	7.64	12.97	(0.60)	16.54	(7.30)
	Cash flow adequacy ratio (%)	55.27	102.80	87.56	95.63	45.29
	Cash reinvestment ratio (%)	5.30	6.82	(3.01)	4.64	(6.29)
Leverage	Operating leverage	5.50	2.02	1.55	1.58	1.82
	Financial leverage	(0.86)	1.72	1.21	1.20	1.38

Analysis of financial ratio differences for the last two years. (Not required if the difference does not exceed 20%)

(I) Solvency

The decrease in interest coverage ratio is primarily a result of the decrease in the pre-tax net profit in 2023.

(II) Operating capacity

The decline of the inventory turnover and the rise of average sales days are primarily a result of the reduced sales cost by NT\$648,289 thousand and increased inventory by 2,742,826 thousand in 2023.

(III) Profitability

The decrease in the related ratio is primarily a result of the decline in profit in 2023.

(IV) Cash flow ratio

The change of the related ratio is primarily a result of the reduced net cash flow from operating activities.

1. Financial structure

(1) Debt Ratio= Total liabilities/Total assets.

(2) Ratio of long-term capital to property, plant and equipment = (Total equity + non-current liabilities)/ property, plant and equipment.

2. Solvency

(1) Current ratio = Current assets/Current liabilities.

(2) Quick ratio = (Current assets-inventory-prepaid expenses) / current liabilities.

(3) Interest earned ratio=Net income before tax and interest expense/interest expense.

### 3. Operating performance

- (1) Account receivable turnover (including accounts receivable and notes receivable resulting from business operations) =  $\text{Net sales} / \text{Average balance of account receivable (including accounts receivable and notes receivable resulting from business operations)}$ .
- (2) Average collection period =  $365 / \text{Accounts receivable turnover}$ .
- (3) Inventory turnover =  $\text{Cost of goods sold} / \text{Average inventory}$ .
- (4) Accounts payable turnover (including accounts payable and notes payable resulting from business operations) =  $\text{Operating costs} / \text{Average balance of accounts payable (including accounts payable and notes payable resulting from business operations)}$
- (5) Average days in sales =  $365 / \text{Inventory turnover}$
- (6) Property, plant and equipment turnover =  $\text{Net sales} / \text{average net real property, plant and equipment}$ .
- (7) Total assets turnover =  $\text{Net sales} / \text{average total assets}$ .

### 4. Profitability

- (1) Return on total assets =  $[\text{Net income} + \text{interest expense} \times (1 - \text{tax rate})] / \text{average total assets}$  .
- (2) Return on stockholders' equity =  $\text{Net income} / \text{Average net shareholder's equity}$ .
- (3) Profit ratio =  $\text{Net income} / \text{Net sales}$ .
- (4) Earnings per share =  $(\text{Consolidated Net Income Attributed to Stockholders of the Company} - \text{Preferred stock dividend}) / \text{Weighted average number of issued shares}$ .

### 5. Cash flow

- (1) Cash flow ratio =  $\text{Cash flows from operating activities} / \text{Current liabilities}$ .
- (2) Cash flow adequacy ratio =  $\text{Net cash flow from operating activities in the last five years} / (\text{capital expenditure} + \text{inventory increase} + \text{cash dividends in the last five years})$ .
- (3) Cash reinvestment ratio =  $(\text{Net cash flow from operating activities} - \text{cash dividends}) / (\text{property, plant and equipment} + \text{long-term investment} + \text{other non-current assets} + \text{working capital})$ .

### 6. Leverage

- (1) Operating leverage =  $(\text{Net operating income} - \text{variable operating costs and expenses}) / \text{operating profit}$ .
- (2) Financial leverage =  $\text{Operating profit} / (\text{operating profit} - \text{interest expense})$ .

III. The Audit and Risk Committee's audit report on the financial reports in the most recent year

#### Audit and Risk Committee's Report for the Most Recent Year

The company's 2023 business report, financial statements and earnings distribution proposals were made by the Board of Directors, among which the financial statements were verified by the entrusted EY's CPAs, and a verification report was issued. The above-mentioned business report, financial statement and earnings distribution proposal have been checked by the Audit and Risk Committee and no discrepancies were found. The report is prepared in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. For your perusal.

Sincerely,

Yem Chio Corporation - 2024 Annual General Meeting

Convener of the Audit and Risk Committee: Yen-Chun, Chen

March 14, 2024

IV. Consolidated financial reports for the most recent year: Please refer to Attachment 1 from page 156 to page 260 .

V. Separate financial reports for the most recent year: Please refer to Attachment 2 from page 261 to page 353 .

VI. In case of any financial difficulties of the Company or affiliates in the most recent year and up to the publication date of the annual report, the impact of such difficulty on the Company's financial status: None.

## Seven. Review of Financial Conditions, Financial Performance, and Risk Management

## I. Analysis of Financial Status

Unit: NT\$ thousands

Year Item	12.31.2023	12.31.2022	Difference		Remark <sup>1</sup>
			Amount	%	
Current Assets	\$18,495,750	\$16,698,426	\$1,797,324	11	
Fixed Assets	12,644,987	12,819,982	(174,995)	(1)	
Total Assets	31,140,737	29,518,408	1,622,329	5	
Current Liabilities	12,199,224	10,566,152	1,633,072	15	
Long-term Liabilities	6,234,186	7,131,100	(896,914)	(13)	
Total Liabilities	18,433,410	17,697,252	736,158	4	
Capital stock	6,649,324	6,414,897	234,427	4	
Capital surplus	2,718,738	2,638,722	80,016	3	
Retained Earnings	2,949,295	2,494,762	454,533	18	
Other Adjustments	94,532	3,672	90,860	2474	<sup>2</sup>
Total Stockholders' Equity	(414,345)	(414,345)	0	0	
Capital stock	709,783	683,448	26,335	4	
Capital surplus	12,707,327	11,821,156	886,171	7	

### 1. Analysis of changes in financial ratios (Refer to notes):

Note 1: No analysis is provided if the rate of increase or decrease didn't exceed 20% or the change in amount didn't exceed \$10,000.

Note 2: The increase of other equity for the current period in comparison with the previous period is primarily a result of the increased financial assets at fair value through other comprehensive income.

### 2. Countermeasures in the future:

(1) Deepening the moat for the Company: The new plant in Huwei Science Park for the specialty chemistry business, which has the highest profit margin within Group, is developed in line with the trend of the circular economy. In the future, it will provide better products and services for the semiconductor industry to boost the group's revenue.

(2) Widening the moat for the Company: Under the 2050 net-zero emissions target, countries around the world are accelerating their energy transformation and climate change adaptation plans, and are working hard on saving energy, diversifying energy supplies, and accelerating promotion of renewable energy. To do this, they are accelerating the construction of new energy infrastructure facilities of solar energy, wind energy, power grids, and energy storage. These have become the goals of all countries. In response to this opportunity, the Group officially entered the green energy industry through mergers and acquisitions in 2024.

(3) As for the tape and packaging material business, we will continue to review the product portfolio and capacity utilization rate of each factory, optimize the overall operating efficiency, and strive to maintain a stable gross profit margin. As for real estate development business, we will continue to hunt for land to replenish land inventory. The next key development area is the Wenzai zhen rezoning area in New Taipei City. This area is the last large-scale rezoning area in New Taipei City and is located in Xinzhuang District and Taishan District. The Taoyuan Airport MRT line and the Xinzhuang MRT line pass through the area and the location is closely adjacent to the Xinzhuang Fuduxin rezoning area, the North Xinzhuang Knowledge Industry Park, and the Wugu Interchange of the Sun Yat-sen Freeway. It covers Guizikeng Creek adjacent to Fu Jen Catholic University. Now, thanks to the large-scale urban land rezoning, development of public facilities, and improvement of environmental quality conducted by New Taipei City Government, development potential and the likelihood to create more value are expected in the future.

## II. Analysis of Financial Performance

### (I) Comparative analysis of financial performance

Unit: NT\$ thousands

Item \ Year	2023	2022	Difference		Analysis of changes in financial ratios:
			Amount	%	
Net Sales	\$13,223,736	\$14,671,393	(1,447,657)	-10%	
Cost of Sales	(11,045,427)	(12,079,984)	1,034,557	-9%	
Gross Profit	2,178,309	2,591,409	(413,100)	-16%	
Operating Expenses	(1,505,783)	(1,541,144)	35,361	-2%	
Operating Income	672,526	1,050,265	(377,739)	-36%	Details in (II) 1.
Non-operating income and expenses	322,859	314,539	8,320	3%	
Income Before Tax	995,385	1,364,804	(369,419)	-27%	Details in (II) 2.
Tax Expense	(139,847)	(235,976)	96,129	-41%	Details in (II) 3.
Loss on discontinued operations	-	(577)	577	-100%	
Net Income	855,538	1,128,251	(272,713)	-24%	Details in (II) 4.

(II) Analysis of changes in financial ratios: (No analysis is provided if the rate of increase or decrease didn't exceed 20% or the change in amount didn't exceed \$10,000.)

1. The decrease in operating profit was mainly due to the decrease in the profit of the ape Manufacturing Department in 2023.
2. The decrease in pre-tax net profit was mainly due to the decrease in the profit of the Tape Manufacturing Department in 2023.
3. The decrease in income tax expense was mainly due to the decrease in profit in 2023.
4. The decrease in net profit for the current period was mainly due to the decrease in the profit of the Tape Manufacturing Department in 2023.

### III. Analysis of Cash Flow

#### (I) Analysis of cash flow changes in the last two years:

Item	Year	2023/12/31	2022/12/31	Variance (%)
	Cash Flow Ratio (%)		(7.3)	16.54
Cash Flow Adequacy Ratio (%)		45.29	95.63	(53)
Cash Reinvestment Ratio (%)		(6.29)	4.64	(236)
Analysis of change in financial ratio:				
The decrease in cash flow ratio, cash flow adequacy ratio and cash reinvestment ratio were mainly due to the decrease in net cash flow from operating activities.				

#### (II) Cash Flow Analysis for the Coming Year

Unit: NT\$ thousands

Estimated Cash and Cash Equivalents, Beginning Year	Estimated Net Cash Flow from Operating Activities	Estimated Cash Outflow (Inflow)	Cash Surplus (Deficit)	Leverage of Cash Surplus (Deficit)	
				Investment Plans	Investment Plans
\$1,697,871	\$1,994,282	(\$ 1,937,888)	\$1,754,265	\$ -	\$ -
<p>1. Analysis of expected changes in cash flow:</p> <p>(1) Operating activities: Stable sales income of the main tape business is expected. In addition, the cash inflow from the completion and handover of the houses under the projects of “Wangchio Yipin” and “The One”, after deducting the cash outflow from the land inventory of the Construction Department, net cash flow from operating activities is eventually expected.</p> <p>(2) Investing activities: A net cash outflow is expected due to investment in the construction of the new specialty chemistry plant in Huwei Science Park, a branch under the Central Taiwan Science Park.</p> <p>(3) Financing activities: A net cash outflow is expected due to implementation or earnings distribution, and repayment of bank loans using surplus.</p> <p>2. Remedial measures and flow analysis of estimated cash shortage: None</p>					

#### IV. Major Capital Expenditure Items

##### (I) Major Capital Expenditure Items and Source of Capital

Unit: NT\$ thousands

Project	Actual or Planned Source of Capital	Actual or Planned Date of Completion	Total Capital	Actual or Expected Capital Expenditure				
				2028 (Expected)	2027 (Expected)	2026 (Expected)	2025 (Expected)	2024 (Expected)
Specialized Plant of Huwei Science Park	Own funds and loans	2026	1,110,920	-	-	126,724	253,449	730,747

##### (II) Expected Benefits

The new specialized plant in Huwei Science Park is dedicated to the research and development of photo-sensitive materials, contrast agents, cleaning agents, electronic materials of silicone-based and recycling economy, and other electronic chemicals and technological products for IC, panel and packaging processes, in order to promote the establishment of high-tech industrial clusters in Central Taiwan. Meanwhile, the company is committed to the research and development of high-precision and high-quality products that satisfy the requirements of semiconductor processes and supply them to domestic high-end semiconductor processes, and the products are also continuously recycled and re-used, and effluent treated, in compliance with the trend of a circular economy.

V. Investment Policy Last Year, Main Causes of Profits or Losses, Improvement Plans and Investment Plans for the Coming Year

The company's 2023 investment profit was NT\$740,118,000

Reinvestment policy	Reasons for Gain or Loss	Action Plan	Investment Plan for the Next 12 Months
Various investments at home and abroad	<ol style="list-style-type: none"> <li>1. Effort was made to keep the contribution margin of the existing tape products at a fixed or higher level.</li> <li>2. The development of new suppliers for collectively purchased products in big quantity demonstrated its benefit.</li> <li>3. The Company benefited from the income from non-operating financial asset investments and the interest income from US dollar fixed deposits.</li> </ol>	None	<ol style="list-style-type: none"> <li>(A) Continue to invest in the research and development of product technology as well as upgrade and automation of plant equipment</li> <li>(B) Increase personnel training and improve employee productivity</li> <li>(C) Be dedicated to investing in green energy businesses.</li> <li>(D) Expanding investment in the group's specialized chemical industry with high gross margins and planning to build a new plant in the Huwei Science Park.</li> </ol>

## VI. Risk Management & Analysis

### (I) Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Measures

The company's operations are mainly based on the production and sales of tape-related products, with export sales accounting for approximately 80% of the total. In order to avoid major changes in its exchange gains and losses, the company will continue to monitor changes in foreign exchange and promptly implement risk-averse foreign exchange operations to reduce the adverse impact of changes in exchange rates on operations.

In recent years, due to the stable operation of the company in the industry, we used the cash inflow from operations to replenish the land inventory of the Construction Department in 2023, and the shortfall was made up by borrowing money from the bank. Although the market interest rate in 2023 remained at a high level due to increase of the interest rate by the central bank in previous years, the Company used US dollar fixed deposits to earn more income in 2023. After the interest income and the overall interest expense were netted, the net interest expense for 2023 was lower than that for 2022. However, the company's interest expenses in 2022 still decreased due to the decrease in loan balance.

### (II) Policies, Main Causes of Gain or Loss and Future Response Measures with respect to High-risk, High-leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Transactions. In order to improve financial and business management, the company has formulated internal management measures such as "Procedures for Acquisition or Disposal of Assets", "Procedures for Loaning Funds to Others", "Procedures for Endorsement Guarantees", etc. in accordance with relevant laws and regulations. The "Procedures for Commodity Derivatives Transactions" are formulated to ensure that all commodity derivatives transactions are for the purpose of hedging.

### (III) R&D plan and expected R&D funds in the future: This year's plan includes the application of environment-friendly glue to PVC electrical and harness tapes, Traditional solvent-based glue replaced with solvent-free glue for PVC electrical tape, research on the application of electron beam bridging (EB) technology in the fields of glue and film, and development of ultraviolet curable pressure-sensitive adhesive (UV PSA). We will invest in new business development, and the estimated investment in research and development is NT\$34 million.

### (IV) Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales

To execute overall plans in accordance with its corporate governance code of practice, the company will comply with laws and regulations and uphold the principle of "strong company operations that are institutionalized and transparent" as a response measure.

### (V) The impact and response mechanism of technological changes (including the risks of cyber security) and industry evolution on the company's financial operations:

The company focuses on the technological developments and evolution of the plastics industry through evaluation and research & development. To date, technological changes haven't had any significant impact on the company's financial business.

Cyber Security Risk Assessments and Response Mechanism:

The Company implements the Regulations Governing the Use of Computer Network

Accounts requiring that all the users shall observe with respect to the internal computers, login accounts and networks to protect the overall information security of the Company. The Regulations were announced and implemented on the same day. In addition, prevent cyber saboteurs from illegally hacking into the group's network system and stealing, crashing or distorting data of network servers. Thus, the regulation was formulated and announced to be implemented.

The group uses the above two management regulations to avoid cyber security risks by requesting colleagues to follow.

The group's network system is divided by a firewall between external websites and the internal corporate system. On top of that, a public wireless network environment is built to keep the internal system safe and stable by separating it from the internal operating environment.

The mail service was a built-in Microsoft mail system, with a spam detection system to avoid the threat of spam and phishing mail.

EIP, BPM, and ISO systems are available through Internet access, so the above systems are regularly scanned for vulnerabilities to minimize the risk of external malicious intrusion attacks.

All the core information systems of the Group are built in a virtual server structure and meet the requirements of high system reliability as planned. An automated remote backup system was built to mitigate the risk of business interruption due to information security events and reduce the RTO (Recovery Time Objective) for the recovery of the system.

(VI) The Impact of Changes in Corporate Image on Corporate Risk Management and Company Response Measures: Not applicable

(VII) Expected benefits and potential risks from a merger or acquisition and countermeasures: Under the 2050 net-zero emission goal, countries around the world are accelerating energy transformation and climate change adaptation plans. Working hard on saving energy, diversifying energy supplies, and accelerating promotion of renewable energy. To do this they are accelerating the construction of new energy infrastructure facilities of solar energy, wind energy, power grids, and energy storage. These have become the goals of all countries. The green energy company acquired by the Company is a solar EPC manufacturer with site development, construction and power plant operation & maintenance capabilities. Since its establishment, it has accumulated considerable performance and experience, and has set up 31 solar power systems in Taoyuan, Hsinchu, Miaoli, Tainan, Kaohsiung and Pingtung. The large power user policy and the RE100 green power demand in the future will continue to increase the willingness of companies to build solar systems. This green energy company not only builds photovoltaic systems for customers, but also plans to obtain an electricity sales license to provide green power to other companies. In addition, the numerous suppliers and customer groups of the Company will provide it with more business opportunities. The benefits of cooperation are promising and there are no other major potential risks as assessed.

(VIII) Expected Benefits from Risks Relating to and Response to Factory Expansion Plans: The capacity of the expanded factory can supply the needs of key customers to create profits and build brand awareness. There are no other major potential risks as assessed.

(IX) Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration: Not applicable

- (X) Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with shareholdings over 10%: None
- (XI) Effects of, Risks Relating to and Response to Changes in Management Rights: Not applicable
- (XII) Litigation or Non-litigation Matters

The company and its directors, supervisors, general managers, shadow directors, major shareholders with more than 10% shareholding, and affiliated companies that have been determined to be or are involved with major litigation, non-litigation or administrative disputes should be listed. If the result may have a significant impact on the equity of shareholders or the price of securities, the facts in dispute, the amount of the subject matter, the start date of the litigation, the main parties involved in the litigation, and the handling conditions as of the printing date of the annual report shall be disclosed.

I. 19 residents of the Wangzou Jipin, including Huang, Yu-Min, filed a lawsuit to Taiwan New Taipei District Court on July 5, 2019 and claimed that Yem Chio Co., Ltd. (hereinafter referred to as Yem Chio) should pay the 19 plaintiffs, including Huang, Yu-Min, liquidated damages amounting to NT\$ (the same below) 37,204,000 for violation of the required matters to be and not to be indicated in the Standard Contract of the Sale of House to be Constructed, because, after completion of the construction of the “Wangzou Jipin” sold by Yem Chio, the color of the exposed wall is different from that shown on the advertisements and marketing materials when the building was sold, and the appearance of the first floor is constructed using alclad rather than natural granite as required by the contract in the equipment and building material table. The court of first instance made a decision favorable to Yem Chio (Case No.: 2019 Chong-Su-Tzu No. 413, Taiwan New Taipei District Court.) 7 of the plaintiffs withdrew their lawsuit during the trial in the first instance. The 12 plaintiffs, including Huang, Yu-Min, did not accept the decision in the first instance and appealed to Taiwan High Court for the second instance and requested or change of the appeal statement to ask for liquidated damages of NT\$11 million. After trying the case, the court of second instance dismissed the appeal filed by the 12 plaintiffs, including Huang, Yu-Min, on June 10, 2022 (Case No.: 2021 Chong-Shang-Tzu No. 809, Taiwan High Court.) Except for one appellant who did not appeal to the third instance, 11 plaintiffs, including Huang, Yu-Min, did not accept the decision in the second instance and appealed to the Supreme Court for the third instance on July 5, 2022. After trying the case, the Supreme Court found the appeal filed by the 11 plaintiffs, including Huang, Yu-Min, was not supported by good reasons and dismissed the appeal filed by the 11 plaintiffs, including Huang, Yu-Min, on October 6, 2022 (Civil Ruling: 2022 Tai-Shang-Tzu No. 2466, Supreme Court.)

[Result]: Since the Supreme Court dismissed the appeal filed by the 11 plaintiffs, including Huang, Yu-Min, and no other legal remedies are available to the appellants, the case is finalized (and closed.)

II. On September 16, 2021, Wan Chio Petrochemical (Jiangsu) Co., Ltd. (hereinafter referred to as Wan Chio Petrochemical Jiangsu) sold the production equipment (hereinafter referred to as the Underlying Property) in the factory building at No. 9, Jianghe Rd., Nantong Economic & Technological Development Area, Jantong City, Jiangsu Province to Shanghai Haichou Technologies Co., Ltd. (hereinafter referred to as Haichou) at a price of RMB (the same below) 146 million (with tax). Both parties entered into a purchase and sale agreement. Unexpectedly, Haichou did not pay the first full purchase amount as scheduled. (It only paid RMB 12.30 million till now after the agreement was signed.) Wan Chio Petrochemical Jiangsu had sent letters to Haichou many times to ask Haichou for fulfillment of its payment obligation under the agreement. However, Haichou still did not fulfill this obligation. Thus, Wan Chio Petrochemical Jiangsu sent a notice by letter on January 10, 2022 to rescind the aforementioned agreement for the purchase and sale of the equipment, and forfeit the purchase amount of RMB 12.30 million that Haichou had paid in accordance with the agreement. Haichou gave a reply by letter to Wan Chio Petrochemical Jiangsu and expressed its disagreement with Wan Chio Petrochemical Jiangsu on the rescission of the purchase and sale agreement. On October 8, 2022, Haichou applied to Shanghai Arbitration Commission for arbitration (2022 Hu-Zhong-An-Tzu No. 3645 Arbitration, SHAC) and claimed that Wan Chio Petrochemical Jiangsu should return the amount of RMB 12.30 million that it had paid and pay damage compensation to the amount of RMB 4 million and 636.8 thousand because Wan Chio Petrochemical Jiangsu sold the Underlying Property to Zibo Qixiang Tengda Chemical Co.,Ltd., which was not a party of the case, without acquiring its consent and, thus, acted in violation of the agreement between both parties. Wan Chio Petrochemical Jiangsu alleged that the party acting in violation of the agreement was not Wan Chio Petrochemical Jiangsu but Haichou. On October 25, 2022, Wan Chio Petrochemical Jiangsu filed an arbitration counterclaim application to Shanghai Arbitration Commission. In addition to claiming forfeiture of RMB 12.30 million that Haichou had paid, Wan Chio Petrochemical Jiangsu requested Haichou to pay a compensation of RMB 3,474,971.11 for its contractual loss and retaining fee and liquidated damages of RMB 15,329,493.4.

[Result]: Shanghai Arbitration Commission formed an arbitral tribunal to determine the dispute on February 16, 2023. After the arbitration, the tribunal notified both parties to submit all the proofs and documents prior to March 2, 2023. (As of February 26, the Shanghai Arbitration Commission had not yet made an arbitration decision on this case)

(XIII) Other Major Risks: None

VII. Other important matters: None

## Eight. Special Disclosure

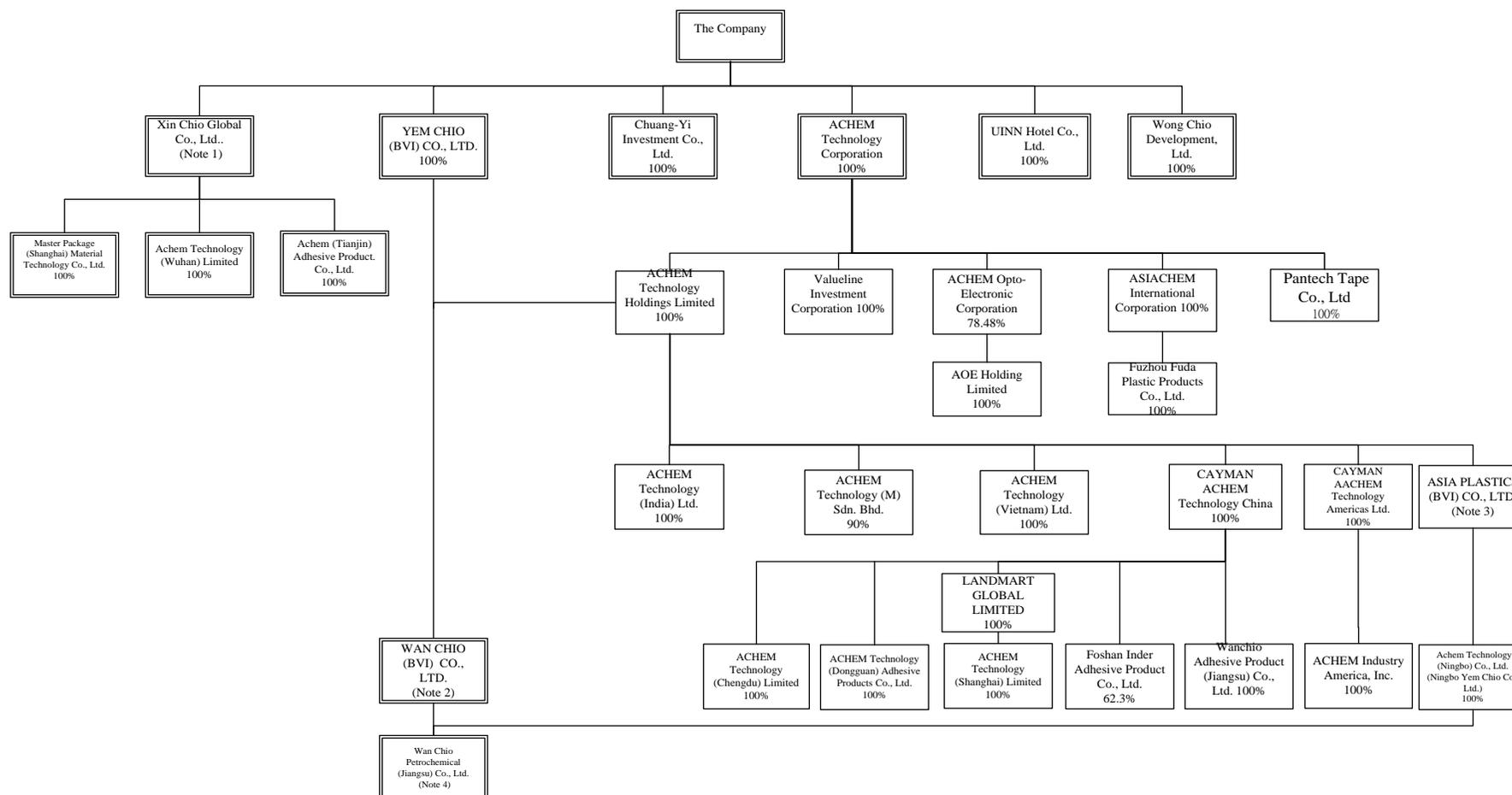
Yem Chio Co., Ltd.

2023 Consolidated business report of affiliated companies

I. Overview of affiliated companies

(I) Overview of affiliated companies' organizations

1. Organizational chart of affiliated companies: Yem Chio Co., Ltd.



Note:

1. The company and Achem Technology Co., Ltd. hold 41.76% and 24.22% of shares in XinChio Global, respectively.
2. YEM CHIO (BVI) and Achem Technology Holdings Co., Ltd. hold 68.47% and 31.53% of WAN CHIO (BVI) shares, respectively.
3. YEM CHIO (BVI) and Achem Technology Holdings Co., Ltd. hold 45% and 55% of ASIA PLASTICS (BVI) shares, respectively.
4. WAN CHIO (BVI), Achem Adhesive Products (Jiangsu) and Ningbo YEM CHIO hold 50.06%, 23.78% and 26.16% shares in Achem Petrochemical (Jiangsu) Co., Ltd., respectively.
5. ACHEM Technology Corporation acquired 100% equity of Pantech Tape Co., Ltd. on May 1, 2023.

2. Presumption of control and affiliated companies according to Article 369-3 of the Company Act: None

3. Subsidiary companies that are directly or indirectly controlled by the company in terms of personnel, finance or business operations in accordance with Article 369-2 of the Company Act: Achem Chemical Co., Ltd. and Xinchio Global Co., Ltd.

(II) Basic information of each affiliated company

Name	Date of establishment	Address	Paid-in capital (Note)	Main business or production projects
YEM CHIO (BVI) CO., LTD.	2001/3/29	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands.	1,446,758	Production and sales of resins and various tapes, and general investment
WAN CHIO (BVI) CO., LTD.	2011/7/6	Sea Meadow House, Blackburne Highway, (P.O.Box 116) Road Town, Tortola, British Virgin Islands.	1,811,595	Production and marketing of raw materials and general investment
Achem Petrochemical (Jiangsu) Co., Ltd.	2012/6/28	Economic Technology Development Area, Nantong City, Jiangsu Province	2,456,400	Production and sales of various rubber materials
UINNtravel Co., Ltd (formerly Youguan Boutique Leisure Hotel Co., Ltd.)	2008/7/10	7F.-1, No. 397, Xingshan Rd., Neihu Dist., Taipei City	25,740	Hotel-related business operations
Wongchio Construction Co., Ltd. (formerly: Yuzhou Construction Co., Ltd.)	1983/3/6	7F.-1, No. 397, Xingshan Rd., Neihu Dist., Taipei City	345,077	Civil engineering construction contract and water conservancy projects
Xin Chio Global Co., Ltd. (formerly TERMTEK Computer Co., Ltd)	1983/12/3	5F, No. 397, Xingshan Rd., Neihu Dist., Taipei City	713,023	Manufacture of packaging materials, cloud-based computer hardware and software and peripheral equipment, import and export business, design, research and development, and distribution of related products mentioned above

Name	Date of establishment	Address	Paid-in capital (Note)	Main business or production projects
Master Bao (Shanghai) Material Technology Co., Ltd. (formerly Master Bao (Shanghai) Trading Co., Ltd.)	2011/5/20	No. 1688, Fuhai Road, Jiading Industry District, Shanghai City	187,300	Wholesale, import and export of various packaging materials, computer software & hardware and related equipment
Achem Technology (Wuhan) Co., Ltd.	2003/11/6	Special No.1, Sandianji Town, Dongxihu District, Wuhan	31,319	Production and sales of various adhesive products
Achem Technology Co., Ltd. (formerly Achem Opto-Electronic Corporation)	1960/9/13	6F, No. 397, Xingshan Rd., Neihu Dist., Taipei City	3,999,048	Production and sales of resins, various tapes and general investment
ASIACHEM International (BVI) Corporation	1993/4/29	P. O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, BVI	357,237	Investment in tape related products and operation of related business
Fuzhou Fuda Plastic Co., Ltd.	1993/3/24	Shadun Village, Shangjie Town, Minhou County, Fujian Province	39,917	Production and sales of various adhesive products
BVI Achem Technology Holdings Co., Ltd.	1996/7/26	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands.	3,098,876	Investment and operation of hi-tech business
Cayman Achem Opto-Electronic Technology (Americas) Co., Ltd.	1999/10/14	P.O.Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands	418,908	Investment and operation of hi-tech business
Achem Industry America	1993/8/1	13226 Alondra Blvd. Cerritos, CA 90703 USA	15,353	Production and sales of various adhesive products
Achem Technology (Malaysia) Co., Ltd.	1994/11/30	44,46&48 Jalan Jasa Merdeka 1, Taman D.T.Chik Karim, Batu Berendam, 75350 Melaka, Malaysia	2,625	Import, export and distribution business

Name	Date of establishment	Address	Paid-in capital (Note)	Main business or production projects
Cayman Achem Technology (China) Co., Ltd.	2000/2/24	P. O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands.	2,094,360	Investment and operation of hi-tech business
Achem Technology (Chengdu) Co., Ltd. (formerly Asia Chemicals Technology Co., Ltd.)	2000/5/12	No. 139, Shenxianshu South Road, Chengdu High-tech Zone	4,606	Production and sale of plastic self-adhesive tapes and OPP films
Yizhou (Dongguan) adhesive Product Co., Ltd. formerly Achem Technology (Dongguan) adhesive Product	2001/1/19	No. 157, Xinmin Road, Jinxia Village, Chang'an Town, Dongguan City	230,656	Production and sale of plastic self-adhesive tapes and OPP films
Inder (Foshan) adhesive Product Co., Ltd	1992/12/24	Wei Dajiang Industrial Zone, Wufeng 4th Road, Foshan City, Guangdong Province	433,723	Production and sales of various adhesive products
Achem Adhesive Products (Jiangsu) Co., Ltd	2013/11/6	No. 1, Wanzhou Road, Libao Town, Haiian County, Jiangsu Province	921,150	Production and sale of various plastics
Chuangfu Investment Co., Ltd.	1997/2/24	7F-2, No. 397, Xingshan Rd., Neihu Dist., Taipei City	8,261	Professional investment company
Achem Opto-Electronic Co., Ltd. (formerly Achem Photoelectronic Co., Ltd.)	2000/12/27	7F-2, No. 397, Xingshan Rd., Neihu Dist., Taipei City	245,750	Electronic component manufacturing, etc.
BVI Achem Opto-Electronic Holdings Co., Ltd.	2003/10/09	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands.	64,996	Investment and operation of hi-tech business
Achem Technology (Vietnam) Ltd. (formerly Asia Chemicals Technology (Vietnam) Ltd.)	2011/2/18	No.01 VSIP II-A Street 15 Vietnam-Singapore Industrial Park II-A, Tan Uyen District, Binh Duong Province	344,707	Production and sales of various adhesive products

Name	Date of establishment	Address	Paid-in capital (Note)	Main business or production projects
Achem Technology (India) Private Limited company	2011/11/17	Office No-604, B – Wing , The Great Eastern Summit ,Sector -15, off Palm Beach Road , CBD Belapur, Navi Mumbai Pincode - 400614, Maharashtra , India	-	Sales of various adhesive products
ASIA PLASTICS (BVI) CO., LTD.	2001/3/29	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands.	793,724	Production and sales of raw materials and general investment
Yemchio (Ningbo) adhesive Product Co., Ltd	2001/6/19	No. 201 Huangshan West Road, Beilun District, Ningbo	344,816	Production and sales of resin and various tapes
LANDMART GLOBAL LIMITED	2017/6/21	Level 1, Centre Bank of Samoa Building, Beach Road, Apia, SAMOA	859,740	Investment and operation of hi-tech business
Achem Technology (Shanghai) Ltd. (formerly Achem (Shanghai) Adhesive Products Co., Ltd.	2000/6/15	No. 1688, Fuhai Road, Jiading Industry District, Shanghai City	494,351	Production of adhesives and resin-based composite materials and polypropylene film
Pantech Tape Co., Ltd.	1984/04/12	No. 8, Lane 98, Lane 800, Zhongshan South Road, Sanhuli, Yangmei District, Taoyuan City	12,000	Manufacturing, processing, trading and import and export business of various types of tapes, resins, packaging materials, insulation materials, and packaging machinery

Note: Conversion is based on the spot exchange rate on December 31, 2023. The spot exchange rates on December 31, 2023 were as follows:

1 USD = 30.7050 NTD

1 RMB =4.3270 NTD

1 MYR = 6.6909 NTD

1 VND = 0.0013NTD

(III) Information on the same shareholders who are presumed to have control and affiliation: Not applicable

(IV) Industries covered by the business in terms of enterprise overall relationship

The businesses operated by the company and its affiliated companies include manufacturing, trading, construction and investment.

## (V) Information on Directors, Supervisors and General Managers of Affiliated Companies

Unit: \$NTD Thousand; Shares: %

Name of Enterprise	Title	Name or representative	Shareholding	
			Shares	%
YEM CHIO (BVI) CO., LTD.	Director	YEM CHIO Co., Ltd. Representative: Lee, Chih-Hsieh	47,117,523	100.00%
WAN CHIO (BVI) CO., LTD.	Director	YEM CHIO (BVI) CO., LTD. Representative: Lee, Chih-Hsieh	40,400,000	68.47%
	Director	YEM CHIO (BVI) CO., LTD. Representative: Lee, Chi-Cheng		
	Director	YEM CHIO (BVI) CO., LTD. Representative: Yousheng Lin		
	Director	YEM CHIO (BVI) CO., LTD. Representative: Yifeng Huang	18,600,000	31.53%
Achem Petrochemical (Jiangsu) Co., Ltd.	Director	Yifeng Huang	—	100.00%
		Qiang Xie		
		Yousheng Lin		
	Supervisor	Chang, Yung-Chieh		
General Manager	Yifeng Huang			
UINN travel Co., Ltd. (Formerly: Youguan Boutique Leisure Hotel Co., Ltd.)	Director	YEM CHIO Co., Ltd. Representative: Lee, Shu-Wei	—	100.00%

Name of Enterprise	Title	Name or representative	Shareholding	
			Shares	%
Wongchio Construction Co., Ltd. (Formerly: Yuzhou Construction Co., Ltd.) Chuangyi Investment Co., Ltd.	Director	YEM CHIO Co., Ltd. Representative: Huang, Yi-Syong	34,507,664	100.00%
	Director	YEM CHIO Co., Ltd. Representative: Lee, Shu-Wei		
	Director	YEM CHIO Co., Ltd. Representative: Chang, Yung-Chieh		
	Supervisor	YEM CHIO Co., Ltd. Representative: Zheng, Yan-Zhong		
Xin Chio Global Co., Ltd.	Director	YEM CHIO Co., Ltd. Representative: Lee, Chi-Cheng	25,740,120	38.86%
	Director	YEM CHIO Co., Ltd. Representative: Jiang, Wen-Rong		
	Independent Director	Shunfa Chen	—	—
	Independent Director	Ruibin Hong	—	—
	Independent Director	Ruide You	—	—
Master Bao (Shanghai) Material Technology Co., Ltd.	Director	XIN CHIO GLOBAL CO., LTD. Representative: Jiang, Wen-Rong	—	100.00%
		XIN CHIO GLOBAL CO., LTD. Representative: Lee, Chi-Cheng		
		XIN CHIO GLOBAL CO., LTD. Representative: Lee, Shu-Wei		
	Supervisor	XIN CHIO GLOBAL CO., LTD. Representative: Yongjie Zhang		
	General Manager	Jiang, Wen-Rong		

Name of Enterprise	Title	Name or representative	Shareholding	
			Shares	%
Achem (Tianjin)Adhesive Products Co., Ltd. (Formerly: Asia Chemicals (Tianjin) Adhesive Products Co., Ltd.)	Director	XIN CHIO GLOBAL CO., LTD. Representative: Jiang, Wen-Rong	—	0.00% (Liquidated and canceled)
	Director	XIN CHIO GLOBAL CO., LTD. Representative: Lee, Chi-Cheng		
	Director	XIN CHIO GLOBAL CO., LTD. Representative: Lee, Shu-Wei		
	Supervisor	XIN CHIO GLOBAL CO., LTD. Representative: Chang, Yung-Chieh		
	General Manager	Lee, Shu-Wei	—	—
Achem Technology (Wuhan) Co., Ltd.	Director	XIN CHIO GLOBAL CO., LTD. Representative: Jiang, Wen-Rong	—	100.00%
	Director	XIN CHIO GLOBAL CO., LTD. Representative: Lee, Chi-Cheng		
	Director	XIN CHIO GLOBAL CO., LTD. Representative: Lee, Shu-Wei		
	Supervisor	XIN CHIO GLOBAL CO., LTD. Representative: Yongjie Zhang		
	General Manager	Lee, Shu-Wei	—	—

Name of Enterprise	Title	Name or representative	Shareholding	
			Shares	%
Achem Technology Co., Ltd. (Formerly: Asia Chemicals Co., Ltd.)	Director	YEM CHIO Co., Ltd. Representative: Lee, Chi-Cheng	399,904,848	100%
		YEM CHIO Co., Ltd. Representative: Lee, Shu-Wei		
		YEM CHIO Co., Ltd. Representative: Ye, Ming-Chun		
	Supervisor	YEM CHIO Co., Ltd. Representative: Chang, Yung-Chieh		
BVI Achem Technology International Co., Ltd.	Director	Achem Technology Co., Ltd. Representative: Lee, Chi-Cheng	23,269	100.00%
Fuzhou Fuda Plastic Co., Ltd.	Director	Achem Technology International Co., Ltd. Representative: Sun, Ni-Ying	—	100.00%
	Director	Achem Technology International Co., Ltd. Representative: Chen, Long-Xing		
	Director	Achem Technology International Co., Ltd. Representative: Chang, Yung-Chieh		
	Supervisor	Achem Technology International Co., Ltd. Representative: Yen, Chien-Ying		
	General Manager	Sun, Ni-Ying	—	—

Name of Enterprise	Title	Name or representative	Shareholding	
			Shares	%
Achem Technology (Malaysia) Co., Ltd.	Director Director	Cayman Achem Technology Co., Ltd. Representative: Lee, Chi-Cheng	353,152	90.00%
	Director	Wensheng Chen	39,239	10.00%
	Director	Wenping Chen	1	—
	General Manager	Wensheng Chen	39,239	10.00%
BVI Achem Technology Holdings Co., Ltd.	Director	Achem Technology Co., Ltd. Representative: Lee, Chih-Hsieh	97,924	100.00%
Cayman Achem Technology (Americas) Co., Ltd.	Director	BVI Achem Technology Holdings Co., Ltd. Representative: Lee, Chi-Cheng	13,643,000	100.00%
Achem Industry America	Director	ACHEM Technology Americas, Inc. Representative: Lee, Chi-Cheng	50,000	100.00%
	Director	ACHEM Technology Americas, Inc. Representative: Wang, Yu-Juan		
	Director	ACHEM Technology Americas, Inc. Representative: Lee, Shu-Wei		
Cayman Achem Technology (China) Co., Ltd.	Director	BVI Achem Technology Holdings Co., Ltd. Representative: Lee, Chi-Cheng	81,209,075	100.00%

Name of Enterprise	Title	Name or representative	Shareholding	
			Shares	%
Achem Technology (Chengdu) Co., Ltd. (Formerly: Asia Chemicals Technology (Chengdu) Co., Ltd.)	Director	Cayman Achem Technology (China) Co., Ltd. Representative:	—	100.00%
	Director	Cayman Achem Technology (China) Co., Ltd. Representative: Sun, Ni-Ying		
	Director	Cayman Achem Technology (China) Co., Ltd. Representative: Shuhua Rao		
	Supervisor	Cayman Achem Technology (China) Co., Ltd. Representative: Yanzhong Zheng		
	General Manager	Shuhua Rao		
Achem Adhesive Products (Jiangsu) Co., Ltd	Director	Cayman Achem Technology (China) Co., Ltd. Representative: Lee, Chi-Cheng	—	100.00%
	Director	Cayman Achem Technology (China) Co., Ltd. Representative: Chen, Long-Xing		
	Director	Cayman Achem Technology (China) Co., Ltd. Representative: Yen, Ming-Chun		
	Supervisor	Cayman Achem Technology (China) Co., Ltd. Representative: Chang, Yung-Chieh		
	General Manager	Chen, Long-Xing		

Name of Enterprise	Title	Name or representative	Shareholding	
			Shares	%
Achem Technology (Shanghai) Ltd. (Formerly: Achem (Shanghai) Adhesive Products Co., Ltd.	Director	Cayman Achem Technology (China) Co., Ltd. Representative: Lee, Chi-Cheng	—	100.00%
	Director	Cayman Achem Technology (China) Co., Ltd. Representative: Longxing Chen		
	Director	Cayman Achem Technology (China) Co., Ltd. Representative: Lee, Shu-Wei		
	Supervisor	Cayman Achem Technology (China) Co., Ltd. Representative: Chang, Yung-Chieh		
	General Manager	Longxing Chen	—	—
Yizhou (Dongguan) adhesive Product Co., Ltd. (Formerly: Achem Technology (Dongguan) adhesive Product)	Director	Cayman Achem Technology (China) Co., Ltd. Representative: Chen Long-Xing	—	100.00%
	Director	Cayman Achem Technology (China) Co., Ltd. Representative: Shuhua Rao		
	Director	Cayman Achem Technology (China) Co., Ltd. Representative: Niying Sun		
	General Manager	Chen Long-Xing	—	—

Name of Enterprise	Title	Name or representative	Shareholding	
			Shares	%
Inder (Foshan) adhesive Product Co., Ltd	Director	Cayman Achem Technology (China) Co., Ltd. Representative: Lee, Chi-Cheng	—	62.30%
	Director	Cayman Achem Technology (China) Co., Ltd. Representative: Sun, Ni-Ying		
	Director	Cayman Achem Technology (China) Co., Ltd. Representative: Chen, Long-Xing		
	Director	Cayman Achem Technology (China) Co., Ltd. Representative: Chang, Yung-Chieh		
	Director	Foshan Plastics Group Co., Ltd. Representative: Guanghui Jin	—	37.70%
	Director	Foshan Plastics Group Co., Ltd. Representative: Lao, Bo-Jin		
	Director	Foshan Plastics Group Co., Ltd. Representative: Dunlong Jian		
	General Manager	Guanghui Jin	—	—

Name of Enterprise	Title	Name or representative	Shareholding	
			Shares	%
Chuangfu Investment Co., Ltd.	Director	Achem Technology Co., Ltd. Representative: Chang, Yung-Chieh	826,089	100%
	Director	Achem Technology Co., Ltd. Representative: Shufen Fang		
	Director	Achem Technology Co., Ltd. Representative: Yanzhong Zheng		
	Supervisor	Achem Technology Co., Ltd. Representative: Chou, Yun-Ting		
Achem Opto-Electronic Corporation (Formerly: Achem Photo-Electronic Co., Ltd.)	Director	Achem Technology Co., Ltd. Representative: Yanzhong Zheng	21,401,231	87.09%
	Director	Achem Technology Co., Ltd. Representative: Lee, Chi-Cheng		
	Director	Achem Technology Co., Ltd. Representative: Shufen Fang		
	Supervisor	Achem Technology Co., Ltd. Representative: Chou, Yun-Ting		
BVI Achem Opto-Electronic Holdings Co., Ltd.	Director	Achem Opto-Electronic Corporation. Representative: Li, Shu-Wei	4,234	100.00%
Achem Technology (Vietnam) Ltd. (Formerly: Achem Opto-Electronic Corporation (Vietnam) Ltd.)	Director	BVI Achem Technology Holdings Co., Ltd. Representative: Lee, Chi-Cheng	—	100.00%
	Director	BVI Achem Technology Holdings Co., Ltd. Representative: Yen, Ming-Chun		
	Supervisor	BVI Achem Technology Holdings Co., Ltd. Representative: Chang, Yung-Chieh		

Name of Enterprise	Title	Name or representative	Shareholding	
			Shares	%
Achem Technology (India) Private Limited company	Director	BVI Achem Technology Holdings Co., Ltd. Representative: Yousheng Lin	—	100.00%
	Director	BVI Achem Technology Holdings Co., Ltd. Representative: Shufen Fang		
	Director	BVI Achem Technology Holdings Co., Ltd. Representative: Sunil K. Srivastava		
ASIA PLASTICS (BVI) CO., LTD.	Director	BVI Achem Technology Holdings Co., Ltd. Representative: Lee, Chi-Cheng	14,217,500	55.00%
Yemchio (Ningbo) adhesive Product Co., Ltd (Formerly: Ningbo YEM CHIO Co., Ltd.)	Director	ASIA PLASTICS (BVI) CO., LTD. Representative: Lee, Chi-Cheng	—	100.00%
		SIA PLASTICS (BVI) CO., LTD. Representative: Sun, Ni-Ying		
		ASIA PLASTICS (BVI) CO., LTD. Representative: Longxing Chen		
	Supervisor	ASIA PLASTICS (BVI) CO., LTD. Representative: Chang, Yung-Chieh	—	—
General Manager	Niying Sun	—	—	
LANDMART GOLBAL LIMITED	Director	Cayman Achem Technology (China) Co., Ltd. Representative: Lee, Chih-Hsieh	28,000,000	100.00%
Pantech Tape Co., Ltd.	Director	Achem Technology Co., Ltd. Representative: Chao, Bo-Yang	1,200,000	100%
	Supervisor	Achem Technology Co., Ltd. Representative: Chang, Yung-Chieh		

(VI) Overview of affiliated companies' operations

Financial status and operating results of each affiliated company:

Name	Capital	Total assets	Total liabilities	Net worth	Operating income	Operating profit	Current profit and loss(After tax)	Earnings per share (\$NT) (After tax)
YEM CHIO (BVI) CO., LTD.	\$1,446,758	\$(440,030)	\$—	\$(440,030)	\$—	\$(601)	\$28,171	\$0.60
WAN CHIO (BVI) CO., LTD.	1,811,595	(894,346)	150,927	(1,045,273)	—	(71)	311,969	5.29
Achem Petrochemical (Jiangsu) Co., Ltd.	2,456,400	66,030	1,855,471	(1,789,441)	—	(5,476)	629,243	—
UINNtravel Co., Ltd (Formerly: Youguan Boutique Leisure Hotel Co., Ltd.)	25,740	81,823	118,882	(37,059)	59,619	22,533	20,089	—
Wongchio Construction Co., Ltd. (Formerly: Yuzhou Construction Co., Ltd.)	345,077	480,694	155,429	325,265	1,254,180	26,138	10,861	0.31
Xin Chio Global Co., Ltd. (Formerly: TCK Technology Co., Ltd)	713,023	1,498,309	429,618	1,068,691	1,373,997	127,312	131,017	2.08
Master Bao (Shanghai) Material Technology Co., Ltd.	187,300	118,097	3,125	114,972	31,578	(795)	2,605	-
Achem Technology (Wuhan) Co., Ltd.	31,319	7,814	1,927	5,887	3,241	373	365	-
Achem Technology Co., Ltd.	3,999,048	11,269,635	5,415,264	5,854,371	4,448,105	225,660	675,688	1.69
BVI Achem Technology International Co., Ltd.	357,237	1,402,874	—	1,402,874	—	(89)	33,636	1,445.54

Name	Capital	Total assets	Total liabilities	Net worth	Operating income	Operating profit	Current profit and loss(After tax)	Earnings per share (\$NT) (After tax)
Fuzhou Fuda Plastic Co., Ltd.	39,917	60,357	—	60,357	—	(279)	(154)	—
Achem Technology (Malaysia) Co., Ltd.	2,625	48,556	25,457	23,099	81,904	2,934	2,201	5.61
BVI Achem Technology Holdings Co., Ltd.	3,098,876	5,261,118	1,330,641	3,930,477	—	356,597	338,987	3,358.83
Cayman Achem Technology (Americas) Co., Ltd.	418,908	1,121,675	—	1,121,675	—	(217)	17,349	1.27
Achem Industry America	15,353	1,211,298	207,832	1,003,466	972,088	10,860	17,565	351.30
Cayman Achem Technology (China) Co., Ltd.	2,094,360	3,433,908	—	3,433,908	—	(592)	515,672	7.56
Achem Technology (Chengdu) Co., Ltd. (Formerly: Asia Chemicals (Chengdu)Technology Co., Ltd.)	4,606	35,554	25,751	9,803	55,564	1,231	1,192	—
Yizhou (Dongguan) adhesive Product Co., Ltd. (Formerly: Achem Technology (Dongguan) adhesive Product)	230,656	1,277,764	306,987	970,777	1,274,121	100,807	104,210	—
Inder (Foshan) adhesive Product Co., Ltd	433,723	871,096	50,427	820,669	563,020	24,136	37,080	—
Achem Adhesive Products (Jiangsu) Co., Ltd	921,150	2,053,143	1,534,347	518,796	2,319,487	237,136	328,433	—
Chuangfu Investment Co., Ltd.	8,261	72,538	5	72,533	—	(184)	1,078	1.31
Achem Opto-Electronic Corporation (Formerly: Achem Photoelectronic Co., Ltd.)	245,750	546,536	19,444	527,092	21,223	20,988	21,631	0.88
Name	Capital	Total assets	Total liabilities	Net worth	Operating	Operating	Current profit and	Earnings per share

					income	profit	loss(After tax)	(\$NT)(After tax)
BVI Achem Opto-Electronic Holdings Co., Ltd.	64,996	543,375	3	543,372	—	(97)	21,223	5,012.49
Achem Technology (Vietnam) Ltd. (Formerly: Asia Chemicals Technology (Vietnam) Ltd.)	344,707	359,366	176,676	182,690	132,464	(26,256)	(27,789)	—
Achem Technology (India) Private Limited company	—	—	—	—	—	—	—	—
ASIA PLASTICS (BVI) CO., LTD.	793,724	(426,014)	26,171	(452,185)	—	(166)	27,389	(17.58)
Yemchio (Ningbo) adhesive Product Co., Ltd	344,816	(82,040)	330,673	(412,713)	690,718	23,784	181,331	—
LANDMART GLOBAL LIMITED	859,740	1,359,216	—	1,359,216	—	(33)	58,886	2.10
Achem Technology (Shanghai) Ltd. (Formerly: Achem (Shanghai) Adhesive Products Co., Ltd.	494,351	1,480,998	122,387	1,358,611	—	(5,195)	58,875	—
Pantech Tape Co., Ltd.	12,000	65,253	55,382	9,871	17,135	(2,165)	(2,400)	(2.00)

Note: The capital, total assets, total liabilities and net value were converted at the spot exchange rate of foreign currencies on December 31, 2023. The spot exchange rate on December 31, 2023 is as follows:

1 USD =30.7050NTD

1 RMB =4.3270NTD

1 MYR = 6.6909NTD

1 VND = 0.0013 NTD

Operating income, operating profit, and current profit and loss are converted based on the average exchange rate of each foreign currency in 2023. The average exchange rates for 2023 were as follows:

1 USD =31.1563NTD

1 RMB =4.3957NTD

1 MYR =6.8343NTD

1 VND =0.0013NTD

(VII) Declaration of Consolidated Financial Statements of Affiliated Companies:

Yem Chio Co., Ltd. and Subsidiaries

Declaration of Consolidated Financial Statements of Affiliated Companies

The companies to be included in the 2023 consolidated financial statements of affiliated companies (January 1, 2023 to December 31, 2023) in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are identical with the companies to be included into the consolidated financial statements of the parent company and subsidiaries pursuant to IFRS 10. Furthermore, the information to be disclosed in the consolidated financial statements of affiliated companies has been disclosed in the aforementioned consolidated financial statements of the parent company and subsidiaries. Hence, it will not be necessary to compile any additional consolidated financial statements of affiliated companies.

In witness thereof, the Declaration is hereby presented.

Company name: Yem Chio Co., Ltd. and  
Subsidiaries

Responsible person : Lee, Chih-Hsieh

March 14, 2024

(VIII) Affiliation Report: N/A

II. Private Placement of Securities in Most Recent Years: None

III. Shares in the Company Held or Disposed by Subsidiaries in Most Recent Years:

As of 3.31.2024

Name of Subsidiary	Stock Capital Collected	Fund Source	Shareholding Ratio of the Company	Date of Acquisition or Disposition	Shares and Amount Acquired	Shares and Amount Disposed of	Investment Gain (Loss)	Shareholdings and Amount in Most Recent Year	Mortgage	Endorsement Amount Made for the Subsidiary	Amount Loaned to the Subsidiary
YEM CHIO (BVI) CO., LTD.	US\$47,118 thousands	Private capital	100	2023	—	—	—	16,822,281 \$242,241	—	0	0
				2024/1/1~4/23	—	—	—				
Chuangfu Investment Co., Ltd.	NT\$8,261 thousands	Private capital	100	2023	—	—	—	406,409 \$5,852	—	—	—
				2024/1/1~4/23	—	—	—				
BVI Achem Technology Holdings Co., Ltd.	US\$97,924 thousands	Private capital	100	2023	—	—	—	1,194,138 \$17,196	—	—	—
				2024/1/1~4/23	—	—	—				

IV. Other necessary supplementary explanations: None

V. In the most recent year and as of the date of publication of the annual report, matters that had a significant impact on shareholders' rights and interests or securities prices as stipulated in Article 36, Paragraph 2, Subparagraph 2, of the Securities and Exchange Act are as follows:

(I) To meet the business operation, development and internal management requirements, the Board of Directors resolved on March 15, 2023 to change the CPA firm and CPAs. For the information on the change of the CPAs, please refer to page 69-70. The newly commissioned CPA firm starts performing the certification of the financial reports from 2023 Q1.

## Nine 、 Appendix

## **INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE**

The Board of Directors and Shareholders  
Yem Chio Co., Ltd.

### **Opinion**

We have audited the accompanying consolidated financial statements of Yem Chio Co., Ltd. and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of material accounting policies (collectively referred to as the “consolidated financial statements”).

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

### **Basis for Opinion**

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

### **Key Audit Matters**

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

### Valuation of inventory

The Group is mainly engaged in the manufacture, processing, and sales of packaging materials, including BOPP film, adhesives and polystyrene sheets, as well as land development and construction. The Group's inventories were measured at the lower of cost and net realisable value. Considering the Group's inventories were significant to the consolidated financial statements and the determination of net realizable value for the inventories involves judgements and estimates, we identified the evaluation of inventories as a key audit matter.

Our audit procedures including (but are not limited to) assessing the appropriateness of the management's accounting policy for inventory evaluation; evaluating and testing the effectiveness of relevant internal control; sampling the inventory aging report by checking the inventory entry dates are consistent with relevant supportive documents; recalculating the inventory obsolescence loss based on the aging report; reviewing and calculating the reasonableness of the inventory net realizable value report; and participating in the annual inventory count to identify if there is obsolete or impaired inventory. For the inventory of land development and construction business, obtaining the valuation data in relation to the net realisable value of inventories to ascertain whether the data source, assumptions and methods adopted by the Group are reasonable. Testing data in order to check the reasonableness of the net realisable value of construction-in-progress and land held for building.

Please refer to Notes 4, 5 and 6(6) of the consolidated financial statements for the accounting policies, significant accounting estimates and the information about inventories, respectively.

### Valuation of investment property

As of December 31, 2023, the fair value of investment property was NT\$2,294,881 thousand, constituting 8% of total assets. The Group's investment property is valued by external experts using the fair value model. Given that the valuation process is subject to significant assumptions on discount rate and future lease income and has material effect on the fair value measurement. We identified the evaluation of investment property as a key audit matter.

Our audit procedures including (but are not limited to) assessing the qualifications and independence of appointed external appraisers; obtaining and reviewing reasonableness of appraisal report, including valuation method and key appraisal assumptions and estimates, etc.; assessing reasonableness of the lease income and rental growth rate are reasonable by referencing to the market rental rate for the investment properties using the income approach.

Please refer to Notes 4, 5 and 6(9) of the consolidated financial statements for the accounting policies, significant accounting estimates and the information about investment property, respectively.

## **Other matter**

We did not audit the financial statements of certain subsidiaries which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these subsidiaries, is based solely on the reports of the other auditors. Total assets of these subsidiaries amounted to NT\$1,625,238 thousand, constituting 5% of consolidated total assets as at December 31, 2023, and net operating revenue amounted to NT\$1,186,474 thousand, constituting 9% of consolidated operating revenue for the year ended December 31, 2023.

The consolidated financial statements of the Group for the year ended December 31, 2022 were audited by other auditor, who expressed an unqualified opinion with other matter section on those statements on March 15, 2023.

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

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

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

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

## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

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

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

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

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

## **Others**

We and other auditors have audited and expressed an unqualified opinion with other matter section and an unqualified opinion with emphasis of matter and other matter section on the parent company only financial statements of the Group as of and for the years ended December 31, 2023 and 2022, respectively.

Liu, Jung Chin  
Hsieh, Sheng-An  
Ernst & Young, Taiwan  
March 14, 2024

### Notice to Readers

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or the Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

Yem Chio Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars)

Assets		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 1,697,871	5	\$ 2,163,330	7
1110	Financial assets at fair value through profit or loss - current	6(2)	794,086	3	464,745	2
1120	Financial assets at fair value through other comprehensive income - current	6(3) and 8	1,214,833	4	959,378	3
1136	Financial assets at amortised cost - current	6(4) and 8	698,414	2	656,772	2
1150	Notes receivable, net	6(5) and 20	349,701	1	298,140	1
1170	Accounts receivable, net	6(5), 6(20), 7 and 8	2,214,185	7	2,074,306	7
1200	Other receivables	6(11)	157,808	-	712,737	3
130X	Inventories	5, 6(6) and 8	10,612,544	34	8,559,231	29
1410	Prepayments		467,720	2	493,091	2
1470	Other current assets	7 and 8	288,588	1	316,696	1
<b>11XX</b>	<b>Total current assets</b>		<u>18,495,750</u>	<u>59</u>	<u>16,698,426</u>	<u>57</u>
<b>Non-current assets</b>						
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	84,840	-	111,351	-
1535	Financial assets at amortised cost - non-current	6(4) and 8	62,664	-	155,793	-
1550	Investments accounted for under equity method	6(7)	1,061,432	3	1,000,298	3
1600	Property, plant and equipment, net	6(8) and 8	8,386,151	27	8,538,954	29
1755	Right-of-use assets	6(21)	322,711	1	342,724	1
1760	Investment property, net	5, 6(9), 6(21) and 8	2,294,881	8	2,251,475	8
1780	Intangible assets, net	6(10)	185,670	1	186,009	1
1840	Deferred income tax assets	6(24)	207,563	1	184,830	1
1900	Other non-current assets	8	39,075	-	48,548	-
<b>15XX</b>	<b>Total non-current assets</b>		<u>12,644,987</u>	<u>41</u>	<u>12,819,982</u>	<u>43</u>
<b>1XXX</b>	<b>Total assets</b>		<u>\$ 31,140,737</u>	<u>100</u>	<u>\$ 29,518,408</u>	<u>100</u>

(Continued)

Yem Chio Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars)

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
<b>Current liabilities</b>						
2100	Short-term borrowings	6(12) and 8	\$ 5,721,162	19	\$ 4,582,817	16
2110	Short-term notes and bills payable	6(13)	400,000	1	730,000	2
2130	Current contract liabilities	6(19) and 7	756,897	3	739,884	3
2150	Notes payable		267,387	1	246,204	1
2170	Accounts payable		738,009	2	658,567	2
2200	Other payables		605,372	2	616,913	2
2220	Other payables - related parties	7	-	-	10,097	-
2230	Current income tax liabilities		111,394	-	187,092	1
2280	Lease liabilities - current	6(21)	39,550	-	36,423	-
2320	Current portion of long-term liabilities	6(15), 6(16) and 8	3,442,019	11	2,676,737	9
2399	Other current liabilities	6(14)	117,434	-	81,418	-
<b>21XX</b>	<b>Total current liabilities</b>		<u>12,199,224</u>	<u>39</u>	<u>10,566,152</u>	<u>36</u>
<b>Non-current liabilities</b>						
2530	Corporate bonds payable	6(15) and 8	-	-	411,777	1
2540	Long-term borrowings	6(16) and 8	5,538,878	18	5,964,871	20
2570	Deferred income tax liabilities	6(24)	457,726	2	462,913	2
2580	Lease liabilities - non-current	6(21)	114,127	-	141,165	-
2600	Other non-current liabilities	6(17)	123,455	-	150,374	1
<b>25XX</b>	<b>Total non-current liabilities</b>		<u>6,234,186</u>	<u>20</u>	<u>7,131,100</u>	<u>24</u>
<b>2XXX</b>	<b>Total liabilities</b>		<u>18,433,410</u>	<u>59</u>	<u>17,697,252</u>	<u>60</u>
<b>Equity attributable to owners of parent</b>						
Share capital						
6(18)						
3110	Common stock		6,582,467	21	6,404,897	22
3130	Certificate of entitlement to new shares from convertible bonds		66,857	-	10,000	-
Capital surplus						
6(18)						
3200	Capital surplus		2,718,738	9	2,638,722	9
Retained earnings						
6(18)						
3310	Legal reserve		568,926	2	467,875	1
3320	Special reserve		511,756	2	477,708	2
3350	Unappropriated retained earnings		1,868,613	6	1,549,179	5
Other equity interest						
3400	Other equity interest		94,532	-	3,672	-
3500	Treasury stocks	6(18)	( 414,345)	( 1)	( 414,345)	( 1)
<b>31XX</b>	<b>Equity attributable to owners of the parent</b>		<u>11,997,544</u>	<u>39</u>	<u>11,137,708</u>	<u>38</u>
<b>36XX</b>	<b>Non-controlling interest</b>	6(18)	<u>709,783</u>	<u>2</u>	<u>683,448</u>	<u>2</u>
<b>3XXX</b>	<b>Total equity</b>		<u>12,707,327</u>	<u>41</u>	<u>11,821,156</u>	<u>40</u>
<b>3X2X</b>	<b>Total liabilities and equity</b>		<u>\$ 31,140,737</u>	<u>100</u>	<u>\$ 29,518,408</u>	<u>100</u>

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

Yem Chio Co., Ltd. and Subsidiaries

Consolidated Statements of Comprehensive Income

For the Years Ended December 31, 2023 And 2022

(Expressed in thousands of New Taiwan dollars, except for earnings per share)

Items	Notes	2023		2022	
		AMOUNT	%	AMOUNT	%
4000 Net revenue	6(19) and 7	\$ 13,223,736	100	\$ 14,671,393	100
5000 Operating costs	6(6), 6(22) and 7	( 11,045,427)	( 84)	( 12,079,984)	( 82)
5900 Net operating margin		<u>2,178,309</u>	<u>16</u>	<u>2,591,409</u>	<u>18</u>
Operating expenses	6(17), 6(20), 6(21) and 6(22)				
6100 Selling expenses		( 908,915)	( 7)	( 971,208)	( 7)
6200 General and administrative expenses		( 509,887)	( 4)	( 521,508)	( 4)
6300 Research and development expenses		( 59,105)	-	( 35,763)	-
6450 Expected credit losses	6(20)	( 27,876)	-	( 12,665)	-
6000 Total operating expenses		<u>( 1,505,783)</u>	<u>( 11)</u>	<u>( 1,541,144)</u>	<u>( 11)</u>
6900 Operating profit		<u>672,526</u>	<u>5</u>	<u>1,050,265</u>	<u>7</u>
Non-operating income and expenses					
7100 Interest income		72,657	1	8,685	-
7010 Other income	6(9), 6(21), 6(23) and 7	346,917	3	264,982	2
7020 Other gains and losses	6(23)	42,407	-	85,310	-
7050 Finance costs	6(23)	( 186,348)	( 1)	( 166,833)	( 1)
7060 Share of profit or loss of associates accounted for using the equity method	6(7)	47,226	-	122,395	1
7000 Total non-operating income and expenses		<u>322,859</u>	<u>3</u>	<u>314,539</u>	<u>2</u>
7900 Net income before tax		995,385	8	1,364,804	9
7950 Income tax expense	6(24)	( 139,847)	( 1)	( 235,976)	( 1)
8000 Net income from continuing operations		855,538	7	1,128,828	8
8100 Loss from discontinued operations	6(11)	-	-	( 577)	-
8200 Net Income		<u>\$ 855,538</u>	<u>7</u>	<u>\$ 1,128,251</u>	<u>8</u>
<b>Other comprehensive income (loss)</b>					
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>					
8311 Actuarial gains on defined benefit plans	6(17)	\$ 9,609	-	\$ 48,128	-
8316 Unrealised gains (losses) from equity instruments investments measured at fair value through other comprehensive income		412,137	3	( 274,842)	( 2)
8320 Share of other comprehensive income (loss) of associates which will not be reclassified subsequently to profit or loss	6(24)	( 1,922)	-	( 9,625)	-
8310 Other comprehensive (loss) income that will not be reclassified to profit or loss		<u>419,824</u>	<u>3</u>	<u>( 236,339)</u>	<u>( 2)</u>
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>					
8361 Financial statements translation differences of foreign operations value		( 34,439)	-	310,752	2
8367 through other comprehensive income		1,359	-	( 9,331)	-
8370 Share of other comprehensive income (loss) of associates which may be reclassified subsequently to profit or loss		( 23,383)	( 1)	24,318	-
8360 Other comprehensive income (loss) that will be reclassified to profit or loss		<u>( 56,463)</u>	<u>( 1)</u>	<u>325,739</u>	<u>2</u>
8300 Total other comprehensive income (loss) for the year		<u>\$ 363,361</u>	<u>2</u>	<u>\$ 89,400</u>	<u>-</u>
8500 Total comprehensive income for the year		<u>\$ 1,218,899</u>	<u>9</u>	<u>\$ 1,217,651</u>	<u>8</u>

(Continued)

Yem Chio Co., Ltd. and Subsidiaries

Consolidated Statements of Comprehensive Income

For the Years Ended December 31, 2023 And 2022

(Expressed in thousands of New Taiwan dollars, except for earnings per share)

Items	Notes	2023		2022	
		AMOUNT	%	AMOUNT	%
Profit attributable to:					
8610	Owners of the parent	\$ 801,205	7	\$ 1,037,826	7
8620	Non-controlling interests	54,333	-	90,425	1
	Total	<u>\$ 855,538</u>	<u>7</u>	<u>\$ 1,128,251</u>	<u>8</u>
Comprehensive income (loss) attributable to:					
8710	Owners of the parent	\$ 1,171,180	9	\$ 1,120,571	7
8720	Non-controlling interests	47,719	-	97,080	1
	Total	<u>\$ 1,218,899</u>	<u>9</u>	<u>\$ 1,217,651</u>	<u>8</u>
Earnings per share (in dollars)		6(25)			
Basic earnings per share					
9710	Basic earnings per share from continuing operations	\$ 1.30		\$ 1.72	
9720	Basic loss per share from discontinued operations	-		-	
9750	Basic earnings per share	<u>\$ 1.30</u>		<u>\$ 1.72</u>	
Diluted earnings per share					
9810	Diluted earnings per share from continuing operations	\$ 1.21		\$ 1.58	
9820	Diluted loss per share from discontinued operations	-		-	
9850	Diluted earnings per share	<u>\$ 1.21</u>		<u>\$ 1.58</u>	

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

Yem Chio Co., Ltd. and Subsidiaries  
Consolidated Statements of Changes in Equity  
For the Years Ended December 31, 2023 and 2022  
(Expressed in thousands of New Taiwan dollars)

	Equity attributable to owners of the parent												
	Capital			Retained Earnings				Other Equity Interest					
	Common stock	Certificate of entitlement to new shares from convertible bonds	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Revaluation property surplus	Treasury stocks	Equity attributable to owners of the parent	Non-controlling interest	Total equity
<u>2022</u>													
Balance at January 1, 2022	\$ 6,380,540	\$ 2,333	\$ 2,384,602	\$ 359,243	\$ 490,572	\$ 1,256,999	\$( 642,002)	\$ 96,041	\$ 439,576	\$( 414,345)	\$ 10,353,559	\$ 653,919	\$ 11,007,478
Net income	-	-	-	-	-	1,037,826	-	-	-	-	1,037,826	90,425	1,128,251
Other comprehensive income	-	-	-	-	-	38,503	328,415	( 284,173)	-	-	82,745	6,655	89,400
Total comprehensive income	-	-	-	-	-	1,076,329	328,415	( 284,173)	-	-	1,120,571	97,080	1,217,651
Appropriations and distribution of retained earnings for the year ended December 31, 2021													
Cash dividends	-	-	-	-	-	( 622,566)	-	-	-	( 622,566)	-	( 622,566)	
Legal reserve	-	-	-	108,632	-	( 108,632)	-	-	-	-	-	-	
Special reserve reversed	-	-	-	-	( 12,864)	12,864	-	-	-	-	-	-	
Disposal of equity investment valued at fair value through other comprehensive income	-	-	-	-	-	( 65,815)	-	65,815	-	-	-	-	
Adjustments recognised not based on the shareholding ratio	-	-	232,209	-	-	-	-	-	-	-	232,209	-	232,209
Conversion of convertible corporate bonds	-	32,024	3,214	-	-	-	-	-	-	-	35,238	-	35,238
Changes in subsidiaries' ownership	-	( 17)	-	-	-	-	-	-	-	( 17)	-	( 17)	
Conversion of certificates of bonds-to-share	24,357	( 24,357)	-	-	-	-	-	-	-	-	-	-	
Subsidiaries holding the Company's stocks are regarded as treasury stocks and receive cash dividends	-	-	18,423	-	-	-	-	-	-	-	18,423	-	18,423
Gains from exercise of disgorgement	-	-	291	-	-	-	-	-	-	-	291	-	291
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	( 67,551)	( 67,551)	
Balance at December 31, 2022	\$ 6,404,897	\$ 10,000	\$ 2,638,722	\$ 467,875	\$ 477,708	\$ 1,549,179	\$( 313,587)	\$( 122,317)	\$ 439,576	\$( 414,345)	\$ 11,137,708	\$ 683,448	\$ 11,821,156
<u>2023</u>													
Balance at January 1, 2023	\$ 6,404,897	\$ 10,000	\$ 2,638,722	\$ 467,875	\$ 477,708	\$ 1,549,179	\$( 313,587)	\$( 122,317)	\$ 439,576	\$( 414,345)	\$ 11,137,708	\$ 683,448	\$ 11,821,156
Net income	-	-	-	-	-	801,205	-	-	-	-	801,205	54,333	855,538
Other comprehensive income	-	-	-	-	-	7,687	( 51,208)	413,496	-	-	369,975	( 6,614)	363,361
Total comprehensive income	-	-	-	-	-	808,892	( 51,208)	413,496	-	-	1,171,180	47,719	1,218,899
Appropriations and distribution of retained earnings for the year ended December 31, 2022													
Cash dividends	-	-	-	-	-	( 625,787)	-	-	-	( 625,787)	-	( 625,787)	
Legal reserve	-	-	-	101,051	-	( 101,051)	-	-	-	-	-	-	
Special reserve	-	-	-	-	34,048	( 34,048)	-	-	-	-	-	-	
Disposal of equity investment valued at fair value through other comprehensive income	-	-	-	-	-	271,428	( 271,428)	-	-	-	-	-	
Adjustments recognised not based on the shareholding ratio	-	-	43,512	-	-	-	-	-	-	-	43,512	-	43,512
Conversion of convertible corporate bonds	-	234,427	18,081	-	-	-	-	-	-	-	252,508	-	252,508
Changes in subsidiaries' ownership	-	-	-	-	-	-	-	-	-	-	-	-	
Conversion of certificates of bonds-to-share	177,570	( 177,570)	-	-	-	-	-	-	-	-	-	-	
Subsidiaries holding the Company's stocks are regarded as treasury stocks and receive cash dividends	-	-	18,423	-	-	-	-	-	-	-	18,423	-	18,423
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	( 21,384)	( 21,384)	
Balance at December 31, 2023	\$ 6,582,467	\$ 66,857	\$ 2,718,738	\$ 568,926	\$ 511,756	\$ 1,868,613	\$( 364,795)	\$ 19,751	\$ 439,576	\$( 414,345)	\$ 11,997,544	\$ 709,783	\$ 12,707,327

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

Yem Chio Co., Ltd. and Subsidiaries  
Consolidated Statements of Cash Flows  
For the Years Ended December 31, 2023 and 2022  
(Expressed in thousands of New Taiwan dollars)

	2023	2022
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Net income from continuing operations before tax	\$ 995,385	\$ 1,364,804
Net loss from discontinued operations before tax	-	( 577)
Net income before tax	995,385	1,364,227
Adjustments		
Adjustments to reconcile profit		
Depreciation	549,086	584,363
Amortisation	883	4,820
Expected credit losses	27,876	12,665
Net (gain) loss on financial assets at fair value through profit or loss	( 39,186)	75,791
Interest expenses	186,348	166,833
Interest income	( 72,657)	( 8,685)
Share of profit or loss of associates accounted for using the equity method	( 47,226)	( 122,395)
Loss on disposal of property, plant and equipment	3,558	288
Loss on write-off of property, plant and equipment	-	10
Prepayments reversal gain	-	( 78,313)
Gain on fair value adjustment of investment property	( 54,248)	( 39,610)
Gain on disposal of non-current assets held for sale	-	( 57,204)
Loss on disposal of investments in subsidiaries	-	2,332
Employees' compensation	2,757	5,575
Dividend income	( 197,297)	( 137,065)
Changes in operating assets and liabilities		
Changes in operating assets		
Notes receivable, net	( 50,730)	72,205
Accounts receivable, net	( 164,805)	785,081
Other receivables	( 63,369)	8,355
Financial assets at amortised cost	93,897	-
Inventories	( 1,919,763)	( 229,666)
Prepayments	25,430	25,687
Other current assets	28,108	( 78,566)
Changes in operating liabilities		
Notes payable	18,866	( 114,084)
Contract liabilities	17,013	104,650
Accounts payable	78,993	( 220,402)
Other payables	( 25,094)	( 23,957)
Other payables - related parties	( 10,097)	-
Other current liabilities	( 43,200)	( 2,658)
Other non-current liabilities	( 10,100)	( 15,411)
Cash inflow (used in) generated from operations	( 669,572)	2,084,866
Interest received	58,671	8,849
Dividend received	239,749	137,035
Interest paid	( 285,391)	( 251,069)
Income taxes paid	( 234,514)	( 232,533)
Net cash (used in) provided by operating activities	( 891,057)	1,747,148

(Continued)

Yem Chio Co., Ltd. and Subsidiaries  
Consolidated Statements of Cash Flows  
For the Years Ended December 31, 2023 and 2022  
(Expressed in thousands of New Taiwan dollars)

	2023	2022
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Acquisition of financial assets at fair value through profit or loss	( 4,196,654)	( 2,121,808)
Proceeds from disposal of financial assets at fair value through profit or loss	3,897,186	1,875,320
Acquisition of investments accounted for using equity method	( 72,105)	( 21,193)
Acquisition of financial assets at fair value through other comprehensive income	( 1,156,874)	( 1,130,315)
Proceeds from disposal of financial assets at fair value through other comprehensive income	1,283,597	1,224,698
Acquisition of a subsidiary (deducted acquired cash and cash equivalents)	( 37,815)	-
Increase in financial assets at amortised cost	( 42,410)	( 241,313)
Decrease in other receivables	632,285	-
Acquisition of property, plant and equipment	( 301,442)	( 461,582)
Proceeds from disposal of property, plant and equipment	2,564	622
Acquisition of intangible assets	( 575)	-
Decrease in other non-current assets	10,130	59,943
Decrease in liabilities directly related to non-current assets held for sale	-	( 11,689)
Proceeds from disposal of non-current assets held for sale	-	935,058
Increase in other current liabilities	-	776
Decrease in other non-current liabilities	( 16,820)	-
Net cash provided by investing activities	<u>1,067</u>	<u>108,517</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Increase (decrease) in short-term borrowings	1,150,353	( 2,238,046)
(Decrease) increase in short-term notes and bills payable	( 330,000)	90,000
Proceeds from long-term borrowings	1,875,049	4,182,901
Repayment of long-term borrowings	( 1,499,445)	( 2,975,098)
Repayment of corporate bonds payable	( 118,600)	-
Repayment of lease liabilities	( 43,373)	( 39,350)
Acquisition of minority interests	( 41,385)	-
Change in non-controlling interests	20,967	22,001
Payment of cash dividends	( 625,787)	( 622,566)
Gains from exercise of disgorgement	-	291
Net cash provided by (used in) financing activities	<u>387,779</u>	<u>( 1,579,867)</u>
Effect of changes in foreign exchange rates	36,752	130,998
Net (decrease) increase in cash and cash equivalents	( 465,459)	406,796
Cash and cash equivalents at beginning of year	2,163,330	1,756,534
Cash and cash equivalents at end of year	<u>\$ 1,697,871</u>	<u>\$ 2,163,330</u>

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

Yem Chio Co., Ltd. and Subsidiaries  
Notes to the Consolidated Financial Statements  
For the Years Ended December 31, 2023 and 2022  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and organization

Yem Chio Co., Ltd. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.). The Company and its subsidiaries (collectively referred to as the “Group”) are primarily engaged in researching, designing, manufacturing, processing, and sales of petrochemical and packaging materials, including BOPP film and adhesive tape, as well as land development and construction.

On December 1, 2022, the Company conducted a short-form merger with the wholly-owned subsidiary, Chuang-Yi Investment Co., Ltd. Under the merger, the Company was the surviving company while Chuang-Yi Investment Co., Ltd. was the dissolved company.

The Company had been listed as Second (TIGER) category securities on Gre Tai Securities Market since April, 2000, and had been listed as general securities since April, 2001. Since January 21, 2008, the Company had been listed on the Taiwan Stock Exchange.

2. Date and procedures of authorization of financial statements for issue

The consolidated financial statements were authorised for issuance by the Board of Directors on March 14, 2024.

3. Newly issued or revised standards and interpretations

- (1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognised by Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after 1 January 2023. The adoption of these new standards and amendments had no material impact on the Group.

- (2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board (“IASB”) which are endorsed by FSC, but not yet adopted by the Group as at the end of the reporting period are listed below:

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	Classification of Liabilities as Current or Non-current - Amendments to IAS 1	1 January 2024
b	Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	1 January 2024
c	Non-current Liabilities with Covenants - Amendments to IAS 1	1 January 2024
d	Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	1 January 2024

Yem Chio Co., Ltd. and Subsidiaries  
Notes to the Consolidated Financial Statements (Continued)  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

The abovementioned standards and interpretations were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after January 1, 2024. The Group assessed above standards and interpretations have no material impact on the Group.

- (3) Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, and not yet adopted by the Group As of the end of the reporting period are listed below:

Items	New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
1	IFRS 10 <i>Consolidated Financial Statements</i> and IAS 28 <i>Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures</i>	To be determined by IASB
2	IFRS 17 <i>Insurance Contracts</i>	January 1, 2023
3	Lack of Exchangeability - Amendments to IAS 21	January 1, 2025

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group's financial statements were authorized for issue, the local effective dates are to be determined by FSC. The Group assessed above standards and interpretations have no material impact on the Group.

#### 4. Summary of material accounting policies

The material accounting policies are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

##### (1) Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations"), IFRS, IASs, IFRIC and SIC, which are endorsed by FSC (collectively referred herein as the "IFRSs").

##### (2) Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments, defined benefit liabilities and investment property that have been measured at fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars ("NT\$") unless otherwise stated.

Yem Chio Co., Ltd. and Subsidiaries  
Notes to the Consolidated Financial Statements (Continued)  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

(3) Basis of consolidation

Preparation principle of consolidated financial statements

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- A. power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
- B. exposure, or rights, to variable returns from its involvement with the investee, and
- C. the ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- A. the contractual arrangement with the other vote holders of the investee;
- B. rights arising from other contractual arrangements;
- C. the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-Group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Group loses control of a subsidiary, it:

- A. derecognises the assets (including goodwill) and liabilities of the subsidiary;
- B. derecognises the carrying amount of any non-controlling interest;
- C. recognises the fair value of the consideration received;
- D. recognises the fair value of any investment retained;
- E. reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss, or transfer directly to retained earnings if required by other IFRSs; and
- F. recognises any resulting difference in profit or loss.

Yem Chio Co., Ltd. and Subsidiaries  
Notes to the Consolidated Financial Statements (Continued)  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

The consolidated entities are listed as follows:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Note
			December 31, 2023	December 31, 2022	
Yem Chio Co., Ltd.	Yem Chio (BVI) Co., Ltd. (YEM CHIO)	Sales of adhesives and polystyrene sheets; investment holdings	100	100	
	ACHEM Technology Corporation	Manufacturing of adhesives and polystyrene sheets; investment holdings	100	100	
	Xin Chio Co., Ltd.	Sales of wrapping materials and business of import and export	38.86	41.76	Note 7
	Chuang-Yi Investment Co., Ltd.	Investment holdings	-	-	Note 1
	UINN Hotel Co., Ltd. (UINN HOTEL)	Hotel management and related business	100	100	
	Wong Chio Development, Ltd.	Undertaking civil engineering and hydraulic engineering	100	100	
	YEM CHIO	Asia Plastics (BVI) Co., Ltd. (ASIA PLASTICS)	Sales of adhesives and polystyrene sheets; investment holdings	100	45
	Wan Chio (BVI) Co., Ltd. (WAN CHIO)	Sales of raw materials; investment holdings	68.47	68.47	
ACHEM Technology Corporation	ASIACHEM International Corporation	Investment holdings	100	100	
	ACHEM Opto-Electronic Corporation	Manufacturing of electronic parts and components	100	87.09	Note 2
	Valueline Investment Corporation	Investment holdings	100	100	
	ACHEM Technology Holdings Limited	Investment of high technology industry	100	100	
	Xin Chio Co., Ltd.	Sales of wrapping materials and business of import and export	22.54	24.22	Note 7
	Pantech Tape Co., Ltd.	Manufacturing and sales of various adhesive products	100	-	Note 6
Xin Chio Co., Ltd.	Master Package (Shanghai) Material Technology Co., Ltd.	Wholesale, import and export of various wrapping materials, computer software, hardware and peripherals	100	100	
	ACHEM (Tianjin) Adhesive Product Co., Ltd.	Sales of various adhesive products	-	-	Note 3
	ACHEM Technology (Wuhan) Limited	Sales of various adhesive products	100	100	

**Yem Chio Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements (Continued)**  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Note
			December 31, 2023	December 31, 2022	
ASIA PLASTICS	Achem Technology (Ningbo) Co., Ltd. (Ningbo Yem Chio Co., Ltd.)	Manufacturing and sales of adhesives and polystyrene sheets	100	100	
WAN CHIO	Wan Chio Petrochemical (Jiangsu) Co., Ltd.	Manufacturing and sale of various plastic materials	50.06	50.06	
ASIACHEM International Corporation	Fuzhou Fuda Plastic Products Co., Ltd.	Discontinued operations	100	100	
ACHEM Technology Holdings Limited	ACHEM Technology China	Investment in high technology industry	100	100	
	ACHEM Technology Americas Ltd.	Investment in high technology industry	100	100	
	ACHEM Technology (M) Sdn. Bhd.	Business of import, export and distribution	90	90	
	ACHEM Technology (Vietnam) Ltd.	Manufacturing and sales of various adhesive products	100	100	
	Wan Chio (BVI) Co., Ltd. (WAN CHIO)	Manufacturing and marketing of raw materials; investment holdings	31.53	31.53	
	ACHEM Technology (India) Ltd.	Discontinued operations	100	100	Note 4
	Asia plastics (BVI) CO., Ltd. (ASIA PLASTICS)	Sales of adhesives and polystyrene sheets; investment holdings	55	55	
ACHEM Technology China	ACHEM Technology (Chengdu) Limited	Manufacturing and sales of various adhesive products	100	100	
	ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.	Manufacturing and sales of various adhesive products	100	100	
	Foshan Inder Adhesive Product Co., Ltd.	Manufacturing and sales of various adhesive products	62.30	62.30	
	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Sales of various adhesive products	100	100	
	Landmart Global Limited (LANDMART)	Manufacturing and sales of various adhesives products; investment holdings	100	100	Note 5
ACHEM Technology Americas Ltd.	ACHEM Industry America Inc.	Manufacturing and sales of various adhesive products	100	100	

**Yem Chio Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements (Continued)**  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Note
			December 31, 2023	December 31, 2022	
ACHEM Opto-Electronic Corporation	AOE Holding Limited	Investment in high technology industry	100	100	
Ningbo Yem Chio Co., Ltd.	Wan Chio Petrochemical (Jiangsu) Co., Ltd.	Manufacturing and sales of various plastic materials	26.16	26.16	
Wanchio Adhesive Product (Jiangsu)	Wan Chio Petrochemical (Jiangsu) Co., Ltd.	Manufacturing and sales of various plastic materials	23.78	23.78	
LANDMART	ACHEM Technology (Shanghai) Limited	Manufacturing and sales of various adhesive products	100	100	Note 5

Note 1: Chuang-Yi Investment Co., Ltd. was dissolved and consolidated in the Company since the effective date of the merger, December 1, 2022.

Note 2: ACHEM Technology Corporation entered into the shares repurchase agreement with ACHEM Opto-Electronic Corporation's non-controlling interest. ACHEM Technology Corporation acquired an additional 8.6% of outstanding shares of ACHEM Opto-Electronic Corporation for a total cash consideration of USD 700 thousand. The shareholding ratio increased from 78.48% to 87.09%, resulting in an increase in capital surplus - recognition of changes in ownership interest in subsidiaries by \$15,277. The registration of the change was completed on September 5, 2022. ACHEM Technology Corporation entered into a shares purchase agreement with ACHEM Opto-Electronic Corporation's non-controlling interest. ACHEM Technology Corporation acquired an additional 12.91% shareholding of ACHEM Opto-Electronic Corporation for a total cash consideration of USD 1,280 thousand. The shareholding ratio increased from 87.09% to 100%. The registration of the change was completed on October 13, 2023.

Note 3: ACHEM (Tianjin) Adhesive Product Co., Ltd. was liquidated and deregistered in December 2022 and foreign exchange losses previously recognised on translation of foreign financial statements were transferred to losses on disposals of investments in the amount of \$2,332 upon disposal.

Note 4: ACHEM Technology (India) Ltd. underwent liquidation in May 2017.

Note 5: In October 2017, ACHEM Technology China increased its investment in its wholly-owned subsidiary, LANDMART, in the amount of US\$28 million and then transferred its 100% equity interest in ACHEM Technology (Shanghai) Limited to LANDMART. As of December 31, 2023, ACHEM Technology (Shanghai) Limited has not yet completed the registration.

Note 6: In May 2023, ACHEM Technology Corporation acquired 100% shareholding of Pantech Tape Co., Ltd. for a cash consideration of \$41,160. The registration of the change was completed on May 5, 2023.

Note 7: As of December 31, 2023, the Company and ACHEM Technology Corporation held 38.86% and 22.54% shareholding of Xin Chio Co., Ltd., respectively, which constituted over 50% shareholding.

Yem Chio Co., Ltd. and Subsidiaries  
Notes to the Consolidated Financial Statements (Continued)  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Related parties in the consolidated financial statements:

Names and relationship of related parties
Associate
Winda Opto-Electronics Co., Ltd.
Yanrun Development Co., Ltd.
King Sun New Tech Co., Ltd. (Note)
Other related party - companies with significant influence over Foshan Inder Adhesive Product Co., Ltd.
Foshan Plastics Group Co., Ltd.
Other related parties
Li, Qi-Zheng
Li, Shu-Wei
Key management
Li, Zhi-Xian

Note : In December 2023, the Company acquired 27.5% shareholding of King Sun New Tech Co., Ltd. for a cash consideration of \$72,105. The registration of the change was completed on January 24, 2024.

Subsidiaries that have non-controlling interests that are material to the Group : None.

(4) Foreign currency transactions

The Group's consolidated financial statements are presented in NT\$, which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

- A. Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
- B. Foreign currency items within the scope of IFRS 9 Financial Instruments are accounted for based on the accounting policy for financial instruments.

Yem Chio Co., Ltd. and Subsidiaries  
Notes to the Consolidated Financial Statements (Continued)  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

C. Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

(5) Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into NT\$ at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognised in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognised in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognised. On the partial disposal of foreign operations that result in a loss of control, loss of significant influence but retain partial equity is considered disposal.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognised in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or joint arrangement that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognised in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(6) Current and non-current distinction

An asset is classified as current when:

- A. The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle
- B. The Group holds the asset primarily for the purpose of trading
- C. The Group expects to realize the asset within twelve months after the reporting period
- D. The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Yem Chio Co., Ltd. and Subsidiaries  
Notes to the Consolidated Financial Statements (Continued)  
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A liability is classified as current when:

- A. The Group expects to settle the liability in its normal operating cycle
- B. The Group holds the liability primarily for the purpose of trading
- C. The liability is due to be settled within twelve months after the reporting period
- D. The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

(7) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid time deposits (including ones that have maturity within three months) or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(8) Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of IFRS 9 Financial Instruments are recognised initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

A. Financial instruments: Recognition and Measurement

The Group accounts for regular way purchase or sales of financial assets on the trade date.

The Group classified financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

- (a) the Group's business model for managing the financial assets and
- (b) the contractual cash flow characteristics of the financial asset.

Yem Chio Co., Ltd. and Subsidiaries  
Notes to the Consolidated Financial Statements (Continued)  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Financial asset measured at fair value through profit or loss

Financial assets were classified as measured at amortised cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognised in profit or loss which includes any dividend or interest received on such financial assets.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- (a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

- (a) A gain or loss on a financial asset measured at fair value through other comprehensive income recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognised or reclassified.
- (b) When the financial asset is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
- (c) Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:
  - (i) Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition.
  - (ii) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortised cost of the financial asset in subsequent reporting periods.

Yem Chio Co., Ltd. and Subsidiaries  
Notes to the Consolidated Financial Statements (Continued)  
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Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies, the Group made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognised in profit or loss unless the dividends clearly represent a recovery of part of the cost of investment.

Financial assets measured at amortised cost

A financial asset is measured at amortised cost if both of the following conditions are met and presented as note receivables, trade receivables, financial assets measured at amortised cost and other receivables etc., on balance sheet as at the reporting date:

- (a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortised cost and is not part of a hedging relationship. A gain or loss is recognised in profit or loss when the financial asset is derecognised, through the amortisation process or in order to recognise the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

- (a) purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition.
- (b) financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortised cost of the financial asset in subsequent reporting periods.

Yem Chio Co., Ltd. and Subsidiaries  
Notes to the Consolidated Financial Statements (Continued)  
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**B. Impairment of financial assets**

The Group recognises a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortised cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognised in other comprehensive income and not reduce the carrying amount in the balance sheet.

The Group measures expected credit losses of a financial instrument in a way that reflects:

- (a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- (b) the time value of money; and
- (c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measures as follow:

- (a) At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Group measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
- (b) At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
- (c) For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.
- (d) For lease receivables arising from transactions within the scope of IFRS 16, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Group needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

Yem Chio Co., Ltd. and Subsidiaries  
Notes to the Consolidated Financial Statements (Continued)  
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C. Derecognition of financial assets

A financial asset is derecognised when:

- (a) The rights to receive cash flows from the asset have expired
- (b) The Group has transferred the asset and substantially all the risks and rewards of the asset have been transferred
- (c) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognised in other comprehensive income, is recognised in profit or loss.

D. Financial liabilities and equity

Classification between liabilities or equity

The Group classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Compound instruments

The Group evaluates the terms of the convertible bonds issued to determine whether it contains both a liability and an equity component. Furthermore, the Group assesses if the economic characteristics and risks of the put and call options contained in the convertible bonds are closely related to the economic characteristics and risk of the host contract before separating the equity element.

For the liability component excluding the derivatives, its fair value is determined based on the rate of interest applied at that time by the market to instruments of comparable credit status. The liability component is classified as a financial liability measured at amortised cost before the instrument is converted or settled.

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Notes to the Consolidated Financial Statements (Continued)  
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For the embedded derivative that is not closely related to the host contract (for example, if the exercise price of the embedded call or put option is not approximately equal on each exercise date to the amortised cost of the host debt instrument), it is classified as a liability component and subsequently measured at fair value through profit or loss unless it qualifies for an equity component. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. Its carrying amount is not remeasured in the subsequent accounting periods. If the convertible bond issued does not have an equity component, it is accounted for as a hybrid instrument in accordance with the requirements under IFRS 9 *Financial Instruments*.

Transaction costs are apportioned between the liability and equity components of the convertible bond based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

On conversion of a convertible bond before maturity, the carrying amount of the liability component being the amortised cost at the date of conversion is transferred to equity.

#### Financial liabilities

Financial liabilities within the scope of IFRS 9 *Financial Instruments* are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortised cost upon initial recognition.

#### Financial liabilities at amortised cost

Financial liabilities measured at amortised cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate method amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

#### Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

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(9) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- A. In the principal market for the asset or liability, or
- B. In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(10) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads allocated based on normal operating capacity. It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

Except for recognising profit or loss using the completed contract method, costs are stated at acquisition cost basis during construction. In accordance with IFRSs, the related interest expense is capitalised.

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(11) Investments accounted for using the equity method

The Group's investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Group has significant influence.

Under the equity method, the investment in the associate is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate. After the interest in the associate is reduced to zero, additional losses are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's related interest in the associate.

When changes in the net assets of an associate occur and not those that are recognised in profit or loss or other comprehensive income and do not affect the Group's percentage of ownership interests in the associate, the Group recognises such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognised will be reclassified to profit or loss at the time of disposing the associate on a prorata basis.

When the associate issues new stock, and the Group's interest in an associate is reduced or increased as the Group fails to acquire shares newly issued in the associate proportionately to its original ownership interest, the increase or decrease in the interest in the associate is recognised in Additional Paid in Capital and Investment accounted for using the equity method. When the interest in the associate is reduced, the cumulative amounts previously recognised in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognised is reclassified to profit or loss on a pro rata basis when the Group disposes the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income. In determining the value in use of the investment, the Group estimates:

- A. Its share of the present value of the estimated future cash flows expected to be generated by the associate, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
- B. The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

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Because goodwill that forms part of the carrying amount of an investment in an associate is not separately recognised, it is not tested for impairment separately by applying the requirements for impairment testing goodwill.

Upon loss of significant influence over the associate, the Group measures and recognises any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognised in profit or loss.

(12) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognised such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced. When a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	1-60 years
Machinery and equipment	1-25 years
Transportation equipment	1-12 years
Office equipment	1-15 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognised in profit or loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(13) Investment property

An investment property is stated initially at its cost and measured subsequently using the fair value model. A gain or loss arising from a change in the fair value of investment property is recognised in profit or loss.

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(14) Leases

The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, has both of the following:

- A. the right to obtain substantially all of the economic benefits from use of the identified asset; and
- B. the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Group for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximising the use of observable information.

Group as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Group recognises right-of-use asset and lease liability for all leases which the Group is the lessee of those lease contracts.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- A. fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- B. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- C. amounts expected to be payable by the lessee under residual value guarantees;
- D. the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- E. payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

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After the commencement date, the Group measures the lease liability on an amortised cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

- A. the amount of the initial measurement of the lease liability;
- B. any lease payments made at or before the commencement date, less any lease incentives received;
- C. any initial direct costs incurred by the lessee; and
- D. an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Group measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group applies IAS 36 *Impairment of Assets* to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Group accounted for as short-term leases or leases of low-value assets, the Group presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statement of comprehensive income.

For short-term leases or leases of low-value assets, the Group elects to recognise the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

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Group as a lessor

At inception of a contract, the Group classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Group recognises assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Group allocates the consideration in the contract applying IFRS 15.

The Group recognises lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognised as rental income when incurred.

(15) Intangible assets

Goodwill arises in a business combination accounted for by applying the acquisition method. Goodwill shall be tested annually for impairment, and recognised based on the cost less accumulated depreciation. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Other intangible assets, mainly acquired special technology, are amortised using the straight line method over 3 years.

(16) Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 *Impairment of Assets* may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognised, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognised in profit or loss.

(17) Treasury shares

Own equity instruments which are reacquired (treasury shares) are recognised at cost and deducted from equity. Any difference between the carrying amount and the consideration is recognised in equity.

(18) Revenue recognition

A. Sales of goods

- (a) Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.
- (b) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

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B. Land development and resale

- (a) The Group develops and sells residential properties. Revenue is recognised when control over the property has been transferred to the customer. The properties have generally no alternative use for the Group due to contractual restrictions. However, an enforceable right to payment does not arise until legal title has passed to the customer. Therefore, revenue is recognised at a point in time when the legal title has passed to the customer.
- (b) The revenue is measured at an agreed upon amount under the contract. The consideration is due when legal title has been transferred. While deferred payment terms may be agreed in rare circumstances, the deferral never exceeds twelve months. The transaction price is therefore not adjusted because the contract does not include a significant financing component.

(19) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(20) Post-employment benefits

All regular employees of the Company and its domestic subsidiaries are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company and its domestic subsidiaries. Therefore, fund assets are not included in the Group's consolidated financial statements. Pension benefits for employees of the overseas subsidiaries and the branches are provided in accordance with the respective local regulations.

For the defined contribution plan, the Company and its domestic subsidiaries will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognises expenses for the defined contribution plan in the period in which the contribution becomes due. Overseas subsidiaries and branches make contribution to the plan based on the requirements of local regulations.

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Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognised as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognised in profit or loss on the earlier of:

- A. the date of the plan amendment or curtailment, and
- B. the date that the Group recognises restructuring-related costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

#### (21) Income taxes

Income tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

##### Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognised in other comprehensive income or directly in equity is recognised in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognised as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

##### Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- A. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- B. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- A. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- B. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognised accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

5. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

(1) Judgement

None.

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(2) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

A. Inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgements and estimates. The Group evaluates the amounts of normal inventory consumption and obsolete inventories on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

B. Investment property

The fair value valuation of investment property relies on the real estate appraisers to determine future cash flows, discount rate and profit or loss which is likely to accrue or incur afterwards based on the experts' judgement, utilisation of the assets and industrial characteristics. Any changes of economic circumstances or estimates due to the change of the Group's strategy might affect the value of investment property.

6. Contents of significant accounts

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand and revolving funds	\$4,918	\$2,150
Checking accounts and demand deposits	1,513,317	1,591,440
Time deposits	179,636	569,740
Total	<u>\$1,697,871</u>	<u>\$2,163,330</u>

The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

The Group's cash that was pledged to others as collateral were classified to financial assets at amortised cost. Details are provided in Note 6(4) and 8.

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(2) Financial assets and liabilities at fair value through profit or loss

Assets items	December 31, 2023	December 31, 2022
Current items:		
Financial assets designated as at fair value through profit or loss		
Derivative financial instruments - bonds payable	\$-	\$81
Financial assets mandatorily measured as at fair value through profit or loss:		
Wealth management product	51,924	52,896
Capital guarantee products	475,897	264,413
Listed stocks	266,265	58,739
Beneficiary certificates	-	88,616
Subtotal	794,086	464,664
Total	\$794,086	\$464,745

As of December 31, 2023 and 2022, the convertible bonds issued by the Group amounting to \$0 and \$81, respectively, was recognised under “financial assets designated as at fair value through profit or loss on initial recognition” due to the compound instrument feature.

For the years ended December 31, 2023 and 2022, the Group has recognised the changes in fair value amounting to \$(63) and \$(660), respectively, which are not attributable to the changes in credit risk of the assets.

For the terms of the 8th and 9th secured convertible bonds issued by the Company, refer to Note 6(15). Information relating to credit risk of financial assets are provided in Note 12(4).

(3) Financial assets at fair value through other comprehensive income

	December 31, 2023	December 31, 2022
Current items:		
Equity instruments		
Listed stocks	\$1,100,492	\$975,640
Valuation adjustments	114,341	(16,262)
Total	\$1,214,833	\$959,378

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	December 31, 2023	December 31, 2022
Non-current items:		
Debt instruments		
Bank debenture	\$64,201	\$61,098
Valuation adjustments	(10,268)	(8,513)
Subtotal	53,933	52,585
Equity instruments		
Listed stocks	22,743	58,694
Unlisted shares	95,598	115,675
Valuation adjustments	(87,434)	(115,603)
Subtotal	30,907	58,766
Total	\$84,840	\$111,351

The Group has selected to classify equity investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$1,245,740 and \$1,018,144 as of December 31, 2023 and 2022, respectively.

In consideration of the Group's investment strategy, the Group disposed, and derecognized partial equity instrument investments measured at fair value through other comprehensive income. Details on derecognition of such investments for the years ended December 31, 2023 and 2022 are as follows:

	Year ended December 31	
	2023	2022
The fair value of the investments at the date of derecognition	\$1,283,597	\$1,224,698
The cumulative gain (loss) on disposal reclassified from other equity to retained earnings	271,428	(65,815)

The Group's dividend income related to equity instrument investments measured at fair value through other comprehensive income for the years ended December 31, 2023 and 2022 are as follows:

	Year Ended December 31	
	2023	2022
Related to investments held at the end of year	\$178,151	\$86,617
Related to investments derecognized during the year	7,248	44,000
Dividend income recognised during the year	\$185,399	\$130,617

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Details of the Group's financial assets at fair value through other comprehensive income pledged to others as collateral are provided in Note 8. Information relating to credit risk is provided in Note 12(4).

(4) Financial assets at amortised cost

	December 31, 2023	December 31, 2022
Current items:		
Restricted demand deposits	\$327,769	\$316,623
Restricted time deposits	370,645	340,149
Total	<u>\$698,414</u>	<u>\$656,772</u>
Non-current items:		
Restricted demand deposits	\$26,900	\$98,011
Restricted time deposits	35,764	57,782
Total	<u>\$62,664</u>	<u>\$155,793</u>

As of December 31, 2023 and 2022, the demand deposits under current items were restricted domestic pre-sold house project trust funds, which may not be drawn during the term of the trust.

Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8. Information relating to credit risk is provided in Note 12(4).

(5) Notes and accounts receivable

	December 31, 2023	December 31, 2022
Notes receivable	\$349,701	\$298,140
Less: Loss allowance	-	-
	<u>\$349,701</u>	<u>\$298,140</u>
Accounts receivable	\$2,348,494	\$2,182,456
Less: Loss allowance	(134,309)	(108,150)
Total	<u>\$2,214,185</u>	<u>\$2,074,306</u>

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The ageing analysis of accounts receivable and notes receivable that were past due but not impaired is as follows:

	December 31, 2023		December 31, 2022	
	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable
Not past due	\$1,959,334	\$349,701	\$1,785,483	\$298,140
Overdue:				
Up to 30 days	231,899	-	222,110	-
31 to 90 days	63,681	-	101,639	-
91 to 180 days	21,809	-	12,008	-
Over 180 days	71,771	-	61,216	-
Less: Loss allowance	(134,309)	-	(108,150)	-
Total	<u>\$2,214,185</u>	<u>\$349,701</u>	<u>\$2,074,306</u>	<u>\$298,140</u>

The above ageing analysis was based on past due date.

The Group's accounts receivable pledged to others as collateral are provided in Note 8. Loss allowance and information relating to credit of risk are provided in Note 6(20) and Note 12(4).

(6) Inventories

	December 31, 2023	December 31, 2022
Packaging material sales channel business:		
Raw materials and supplies	\$696,137	\$709,992
Work-in-progress	322,488	287,851
Finished goods	322,516	342,896
Merchandise	179,847	351,485
Inventories in transit	71,675	52,508
Subtotal	<u>1,592,663</u>	<u>1,744,732</u>
Land development & construction business:		
Construction-in-progress	6,520,632	6,417,055
Land held for building	2,198,660	397,444
Prepayments of land	300,589	-
Subtotal	<u>9,019,881</u>	<u>6,814,499</u>
Total	<u>\$10,612,544</u>	<u>\$8,559,231</u>

The cost of inventories recognised in expenses amounts to \$11,045,427 and \$12,079,984 for the years ended December 31, 2023 and 2022, including the loss (reversal gain) of net realizable value of inventories of \$20,334 and \$(23,069), respectively. The reversal is due to the volatility in the raw materials and actively dealing with obsolescence inventory.

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Amount of borrowing costs capitalised as part of inventory were \$128,397 and \$102,997 and the range of rates for such capitalisation were 1.99%-2.72% and 1.98%-2.88% for the years ended December 31, 2023 and 2022, respectively.

Inventories that were pledged to others as collateral is provided in Note 8.

(7) Investments accounted for using the equity method

Details are listed below:

Investees	December 31, 2023		December 31, 2022	
	Amount	Ownership %	Amount	Ownership %
Investments in associates:				
Winda Opto- Electronics Co., Ltd.	\$990,961	31.42%	\$1,003,486	31.42%
Yanrun Development Co., Ltd.	(5,478)	40.00%	(3,188)	40.00%
King Sun New Tech Co., Ltd.	75,949	27.50%	-	-
Total	<u>\$1,061,432</u>		<u>\$1,000,298</u>	

The information of the associate that is material to the Group is as follows:

Company name: Winda Opto-Electronics Co., Ltd.

Principal place of business: China

Judgments in determining that the Group only has significant influence: The Group holds the less than 50% voting rights and is unable to lead the critical activities of Winda Opto-Electronics Co., Ltd. Therefore, the Group has no control of Winda Opto- Electronics Co., Ltd and only has significant influence over Winda Opto- Electronics Co., Ltd.

The material associate of the Group, Winda Opto-Electronics Co., Ltd., conducted a cash capital increase by issuing new shares on December 27, 2022. In order to achieve equity dispersion required for Winda Opto-Electronics Co., Ltd.'s listing plan, the Group waived its right to subscribe to the new shares based on its shareholding ratio. As a result, the Group's equity stake in Winda Opto-Electronics Co., Ltd. decreased by 10.49%. However, the Group increased its long-term investments accounted for under the equity method and capital surplus - changes in ownership interests in subsidiaries by \$216,932.

The material associate of the Group, Winda Opto-Electronics Co., Ltd., had a publicly quoted market price starting from December 27, 2022. Its fair value as of December 31, 2023 and 2022 were \$3,201,085 and \$1,524,074, respectively.

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Reconciliation of the associate's summarized financial information presented to the carrying amount of the Company's interest in the associate as below:

	December 31, 2023	December 31, 2022
Current assets	\$2,786,713	\$3,212,896
Non-current assets	436,622	136,913
Current liabilities	(59,933)	(141,293)
Non-current liabilities	(7,650)	(12,640)
Equities	<u>\$3,155,752</u>	<u>\$3,195,876</u>
Share in associate's net assets	31.42%	31.42%
Subtotal	991,537	1,004,144
Negative goodwill	(576)	(658)
Carrying amount of the associate	<u>\$990,961</u>	<u>\$1,003,486</u>
	<u>Year Ended December 31</u>	
	2023	2022
Revenue	<u>\$901,409</u>	<u>\$1,189,055</u>
Profit for the year from continuing operations	\$145,359	\$309,942
Other comprehensive (loss) income, net of tax	(88,967)	58,105
Comprehensive income	<u>\$56,392</u>	<u>\$368,047</u>
Dividends received from the associate	<u>\$42,452</u>	<u>\$-</u>

As of December 31, 2023 and 2022, the Group's investments in Yanrun Development Co., Ltd. and King Sun New Tech Co., Ltd. are not individually material. The aggregate carrying amount of the Group's interests in Yanrun Development Co., Ltd. and King Sun New Tech Co., Ltd. was \$70,471 and \$(3,188) as of December 31, 2023 and 2022, respectively. The aggregate financial information of the Group's investments in Yanrun Development Co., Ltd. and King Sun New Tech Co., Ltd. is as follows:

As of December 31, 2023 and 2022, the Group's investments in Yanrun Development Co., Ltd. and King Sun New Tech Co., Ltd. are not material and the aggregate financial information of the Group's investments in Company B and Company C is as follows:

	<u>Year Ended December 31</u>	
	2023	2022
Profit (loss) for the year from continuing operations	\$1,555	\$(7,006)
Other comprehensive income (loss), net of tax	-	-
Comprehensive income (loss)	<u>\$1,555</u>	<u>\$(7,006)</u>

As of December 31, 2023 and 2022, the above associates had no contingent liabilities, capital commitments or guarantees.

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(8) Property, plant and equipment

	Land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Construction in progress and equipment awaiting examination	Total
January 1, 2023								
Cost	\$2,682,669	\$4,333,169	\$7,583,966	\$193,628	\$379,781	\$229,684	\$439,795	\$15,842,692
Accumulated depreciation and impairment	(886)	(1,702,690)	(5,052,465)	(148,223)	(274,362)	(125,112)	-	(7,303,738)
Total	\$2,681,783	\$2,630,479	\$2,531,501	\$45,405	\$105,419	\$104,572	\$439,795	\$8,538,954
January 1, 2023	\$2,681,783	\$2,630,479	\$2,531,501	\$45,405	\$105,419	\$104,572	\$439,795	\$8,538,954
Additions	-	3,474	31,880	3,663	4,436	646	263,400	307,499
Disposals	(64)	-	(4,902)	(519)	(148)	(489)	-	(6,122)
Transfers	13,594	33,611	362,086	2,692	14,117	1,769	(427,869)	-
Reclassifications	-	(142)	-	-	79	(79)	(1,736)	(1,878)
Acquisition of a subsidiary	51,398	12,252	7,032	-	101	11,964	-	82,747
Depreciation	-	(106,397)	(352,663)	(12,330)	(27,049)	(14,009)	-	(512,448)
Exchange differences	(48)	(7,482)	(12,962)	(136)	(146)	(354)	(1,473)	(22,601)
December 31, 2023	\$2,746,663	\$2,565,795	\$2,561,972	\$38,775	\$96,809	\$104,020	\$272,117	\$8,386,151
December 31, 2023								
Cost	\$2,746,663	\$4,376,404	\$7,990,117	\$196,120	\$397,424	\$244,186	\$272,117	\$16,223,031
Accumulated depreciation and impairment	-	(1,810,609)	(5,428,145)	(157,345)	(300,615)	(140,166)	-	(7,836,880)
Total	\$2,746,663	\$2,565,795	\$2,561,972	\$38,775	\$96,809	\$104,020	\$272,117	\$8,386,151
January 1, 2022								
Cost	\$2,611,048	\$4,232,668	\$7,336,670	\$190,042	\$366,885	\$230,819	\$289,622	\$15,257,754
Accumulated depreciation and impairment	(886)	(1,577,231)	(4,648,147)	(135,266)	(246,238)	(112,056)	-	(6,719,824)
Total	\$2,610,162	\$2,655,437	\$2,688,523	\$54,776	\$120,647	\$118,763	\$289,622	\$8,537,930
January 1, 2022	\$2,610,162	\$2,655,437	\$2,688,523	\$54,776	\$120,647	\$118,763	\$289,622	\$8,537,930
Additions	-	325	17,034	1,398	1,973	345	435,058	456,133
Disposals	-	-	(746)	(103)	(61)	-	-	(910)
Scraps	-	-	-	-	(10)	-	-	(10)
Transfers	42,232	32,111	197,654	2,692	10,709	130	(285,528)	-
Reclassifications	-	-	(2)	-	1	-	(9,673)	(9,674)
Depreciation	-	(107,674)	(386,270)	(13,699)	(28,242)	(15,212)	-	(551,097)
Exchange differences	29,389	50,280	15,308	341	402	546	10,316	106,582
December 31, 2022	\$2,681,783	\$2,630,479	\$2,531,501	\$45,405	\$105,419	\$104,572	\$439,795	\$8,538,954
December 31, 2022								
Cost	\$2,682,669	\$4,333,169	\$7,583,966	\$193,628	\$379,781	\$229,684	\$439,795	\$15,842,692
Accumulated depreciation and impairment	(886)	(1,702,690)	(5,052,465)	(148,223)	(274,362)	(125,122)	-	(7,303,738)
Total	\$2,681,783	\$2,630,479	\$2,531,501	\$45,405	\$105,419	\$104,572	\$439,795	\$8,538,954

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Amount of borrowing costs capitalised as part of property, plant and equipment were \$3,361 and \$2,387 and the range of interest rates for such capitalisation were 1.86% and 1.19%-1.88% for the years ended December 31, 2023 and 2022, respectively.

In June 2011, ACHEM Technology Corporation revalued its assets in accordance with the laws and regulations. The gross revaluation increment in the amount of \$569,967, net of provision for land revaluation increment tax of \$228,975, was recorded as “Unrealised revaluation increment” in the amount of \$340,992, under other equity adjustments. The Company recognised the “Unrealised revaluation increment” into special reserve amounting to \$170,769 in proportion to shares held.

In 2010, ACHEM Technology Corporation acquired the agricultural land located in Rui-Hu Section, Yangmei District, Taoyuan City, in the amount of \$189, which was registered under the names of the Group’s employees. The land was pledged to ACHEM Technology Corporation as collateral on May 30, 2023.

In 2021, ACHEM Technology Corporation acquired the agricultural land located in Rui-Hu Section, Yangmei District, Taoyuan City, in the amount of \$39,918, which was registered under the names of the Group’s employees. The land was pledged to ACHEM Technology Corporation as collateral on March 18, 2022.

In 2022, ACHEM Technology Corporation acquired the agricultural land located in Rui-Hu Section, Yangmei District, Taoyuan City, in the amount of \$42,232, which was registered under the names of the Group’s employees. The land was pledged to ACHEM Technology Corporation as collateral on May 30, 2023.

Information about the property, plant and equipment that were pledged to others as collaterals are provided in Note 8.

(9) Investment property

The Group’s investment property mainly comprises office buildings and plant located in Neihu District, Zhongzheng District, Taipei City and Shanghai, China. The Group earns rental income from leasing and the lease terms are between 1 to 7 years.

	December 31, 2023	December 31, 2022
At January 1	\$2,251,475	\$2,203,498
Exchange differences	(10,842)	8,367
Gain on fair value adjustments	54,248	39,610
At December 31	<u>\$2,294,881</u>	<u>\$2,251,475</u>

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	Year Ended December 31	
	2023	2022
Rental income from investment property	\$66,223	\$58,602
Less: Direct operating expenses arising from the investment property that generated rental income during the year	(9,184)	(8,927)
Direct operating expenses arising from the investment property that did not generate rental income during the year	(405)	(407)
<b>Total</b>	<b>\$56,634</b>	<b>\$49,268</b>

As of December 31, 2023 and 2022, the related assumptions are as follows:

The location, valuation method, appraisal firm, appraiser and appraisal date are shown below:

	December 31, 2023	December 31, 2022
Object	Office building and plant	Office building and plant
Location	Neihu District, Zhongzheng District, Taipei City and Shanghai, China	Neihu District, Zhongzheng District, Taipei City and Shanghai, China
Valuation method	Income approach	Income approach
Appraisal firm	PANASIA Real Estate Appraisers Firm	PANASIA Real Estate Appraisers Firm
Appraiser	YANG, MIN-AN	YANG, MIN-AN
Effective date for appraisal	December 31, 2023	December 31, 2022

The information on the average leasing rate for the years ended December 31, 2023 and 2022, changes in income generated in the past, and comparison between local rents and rents for objects similar to the Group's office buildings and plant is provided in the table below:

	Year Ended December 31	
	2023	2022
Estimated rents (in dollars/per ping /monthly)	\$675-\$1,404	\$644-\$1,472
Local rents and rent quotes for similar objects	Approximate to estimated rents	Approximate to estimated rents
Income	\$66,223	\$58,602
Average leasing rates	89%-100%	89%-100%

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The fair value of the Group's office buildings and plants is measured using the discounted cash flow analysis of income approach. Valuation is based on local rents and rents of similar objects, which are used to determine the annual increase range in the rents. Net rental income for the next 10 years is estimated based on idling loss. The estimated net rental income plus the ending disposal value is the future cash inflow, which is calculated to the appraisal date by using appropriate discount rate. Future cash outflow is estimated based on the Company's current operations and possible future changes and future cash outflow refers to expenses directly related to operations, such as land value tax, house tax, insurance fees, management fees and repair expense that were actually incurred for the year.

Discount rate range is set in the table below. Discount rates are based on the interest rate for a two-year deposit of a small amount, as posted by the Chunghwa Post Co. Ltd., plus 0.75 percentage points; while the discount rates used by the Group's China subsidiaries are based on the rate of 10 years national debt issued by the Bank of China. Risk premium is determined based on liquidity, risk, value increment and the difficulty of management.

	December 31, 2023	December 31, 2022
Discount rates	2.41%-8.54%	2.47%-8.05%

The information on the Group's investment property is provided in Note 12(7).

Information about the investment property that was pledged to others as collateral is provided in Note 8.

(10) Intangible assets

	Goodwill	Others	Total
January 1, 2023	\$171,004	\$15,005	\$186,009
Addition	-	575	\$575
Amortisation	-	(883)	(883)
Exchange differences	(28)	(3)	(31)
December 31, 2023	\$170,976	\$14,694	\$185,670
	Goodwill	Others	Total
January 1, 2022	\$154,053	\$18,796	\$172,849
Amortisation	-	(4,820)	(4,820)
Exchange differences	16,951	1,029	17,980
December 31, 2022	\$171,004	\$15,005	\$186,009

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Amount of amortisation on intangible assets are as follows:

	Year Ended December 31	
	2023	2022
Operating costs	\$-	\$3,796
Administrative expenses	883	1,024
Total	<u>\$883</u>	<u>\$4,820</u>

Goodwill allocated to the cash-generating units of material packaging department:

	December 31,	December 31,
	2023	2022
ACHEM Industry America Inc.	\$100,256	\$100,284
Xin Chio Co., Ltd.	70,720	70,720
Total	<u>\$170,976</u>	<u>\$171,004</u>

Goodwill is allocated to the cash-generating units identified by the Group. The recoverable amount of all cash-generating units has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by the management covering a five-year period.

The recoverable amount of all cash-generating units calculated using the value-in-use exceeded their carrying amount, so goodwill was not impaired. The key assumptions used for value-in-use calculations are gross profit margin, growth rate and discount rate. Management determined budgeted gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant operating segments.

(11) Non-current assets held for sale and discontinued operations

The Group's Board of Directors resolved to dispose the property, plant and equipment of the indirect subsidiary, Wan Chio Petrochemical (Jiangsu) Co., Ltd., on September 15, 2021. The Group entered into a relocation compensation contract with Nantong Development Area Chemical Industry Park Administration Office for cooperating with the local governments to promote ecology prioritization and green development. The related assets have been reclassified as disposal group held for sale and presented as discontinued operations as it met the definition of discontinued operations.

In December 2022, the Group had completed the main obligations based on the above contract and recognised gains on disposals of non-current asset held for sale amounting to \$57,204. The total transaction amount of the disposal group held for sale was RMB 438,760 thousand. As of December 31, 2023, the above amount was received.

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The cash flow information of the discontinued operations is as follows:

	Year ended December 31
	2022
Operating cash flows	\$(271,758)
Investing cash flows	950,028
Financing cash flows	(676,579)
Total cash flows	\$1,691

Analysis of the result of discontinued operations, and the result recognised on the remeasurement of assets or disposal group, is as follows:

	Year ended December 31
	2022
Costs	\$(19,806)
Operating expenses	(14,181)
Non-operating income and expenses	33,410
Loss before tax of discontinued operations	(577)
Income tax	-
Loss after tax of discontinued operations	\$(577)

(12) Short-term borrowings

	December 31, 2023	December 31, 2022
Unsecured bank borrowings	\$3,144,783	\$2,868,940
Secured bank borrowings	2,576,379	1,713,877
Total	\$5,721,162	\$4,582,817

	December 31, 2023	December 31, 2022
Range of the interest rates	1.70%-6.57%	1.55%-7.00%

As of December 31, 2023 and 2022, details of assets pledged as collateral for short-term borrowings are provided in Note 8.

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(13) Short-term bills payable

	December 31, 2023	December 31, 2022
Commercial paper	\$400,000	\$730,000
Range of the interest rates	2.04%-2.10%	1.44%-2.28%

(14) Other current liabilities

	December 31, 2023	December 31, 2022
Advance receipts for the group held for sales	\$53,214	\$54,218
Others	64,220	27,200
Total	\$117,434	\$81,418

(15) Bonds payable

	December 31, 2023	December 31, 2022
Domestic convertible corporate bonds payable	\$162,900	\$618,500
Less: Discount on bonds payable	(1,398)	(8,479)
Total	161,502	610,021
Less: Bonds payable - current portion	(161,502)	(198,244)
Net	\$-	\$411,777

A. The terms of the domestic secured convertible corporate bonds by the Company are as follows:

	8th domestic secured convertible corporate bonds	9th domestic secured convertible corporate bonds
Principal amount	\$500,000	\$500,000
Face rate	0%	0%
Effective rate	0.93%	0.93%
Outstanding period	5 years	5 years
Maturity date	June 14, 2024	June 14, 2024
Guarantee banks	Mega International Commercial Bank	First Bank
Collateral	Cash in banks of \$102,530	Cash in banks of \$102,530
Repayment at maturity	The bonds along with yield to maturity annual rate of 0.25% are repayable in full by cash at face value at maturity.	The bonds along with yield to maturity annual rate of 0.25% are repayable in full by cash at face value at maturity.

Yem Chio Co., Ltd. and Subsidiaries

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	8th domestic secured convertible corporate bonds	9th domestic secured convertible corporate bonds
Redemption	From the date after three months of the bonds issue (September 15, 2019) to 40 days (May 5, 2024) before the maturity date. Convertible corporate bonds will be redeemed based on the rule for issuance and conversion of convertible bonds if one of the following criteria is met: From the date after three months of the bonds issue (September 15, 2019) to 40 days (May 5, 2024) before the maturity date. Convertible corporate bonds will be redeemed based on the rule for issuance and conversion of convertible bonds if one of the following criteria is met:	From the date after three months of the bonds issue (September 15, 2019) to 40 days (May 5, 2024) before the maturity date. Convertible corporate bonds will be redeemed based on the rule for issuance and conversion of convertible bonds if one of the following criteria is met: From the date after three months of the bonds issue (September 15, 2019) to 40 days (May 5, 2024) before the maturity date. Convertible corporate bonds will be redeemed based on the rule for issuance and conversion of convertible bonds if one of the following criteria is met:
	(a) The closing price of the Company's common shares is above the then conversion price by 30% for 30 consecutive trading days in the centralized market.	(a) The closing price of the Company's common shares is above the then conversion price by 30% for 30 consecutive trading days in the centralized market.
	(b) The outstanding balance of the bonds is less than 10% of total issue amount.	(b) The outstanding balance of the bonds is less than 10% of total issue amount.
Put options	The bondholders have the right to require the Company to redeem any bonds at face value plus 0.25% interest during the period from the date after issuance to 30 days before three years.	The bondholders have the right to require the Company to redeem any bonds at face value plus 0.25% interest during the period from the date after issuance to 30 days before three years.
Conversion price (dollars/per share) (Adjusted)	\$10.50	\$10.50
Conversion period	During the period from the date after three months of issuance of bonds to the maturity date.	During the period from the date after three months of issuance of bonds to the maturity date.
Converted amount	\$424,700	\$425,000
Redeemed amount	\$-	\$-
Repurchased amount	\$-	\$-

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With regards to the issuance of convertible bonds, the equity conversion options of 8th and 9th issuances amounting to \$29,091 was separated from the liability components and was recognised in “capital surplus - stock options” in accordance with IAS 32. As of December 31, 2023 and 2022, the balance of “Capital surplus - stock options” changed to \$4,372 and \$11,808, due to execution of conversion from bonds into common stock and bonds matured. The fair value of put and call options embedded in bonds payable was separated from the value of bonds payable, and was recognised in “financial assets at fair value through profit or loss” in accordance with IFRS 9.

B. The terms of the domestic secured convertible corporate bonds of Xin Chio Co., Ltd. are as follows:

	<u>2nd domestic secured convertible corporate bonds</u>
Total issuance amount	\$200,000
Coupon rate	0%
Effective interest rate	1.12%
Outstanding period	3 years
Maturity date	October 15, 2023
Guarantee bank	First Commercial Bank
Collateral	Cash in banks \$40,000
Repayment at maturity	The bonds are payable in full by cash at face value upon maturity.
Redemption right	Convertible corporate bonds can be redeemed during the period from the date after three months of the bonds issue (January 16 2021) to 40 days before the maturity date (September 15, 2023) based on the rule for issuance and conversion if one of the following criteria is met : (a) The closing price of the Company’s common shares is above the then conversion price by 30% for 30 consecutive trading days. (b) The outstanding balance of the bonds is less than 10% of total initial issue amount.
Conversion price (in dollars/per share) (Adjusted)	\$17.70
Conversion period	During the period from the date after three months of issuance of bonds to the maturity date.
Converted amount	\$81,400
Redeemed amount	\$-
Repurchased amount	\$118,600

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With regards to the issuance of convertible bonds, the equity conversion options of 2nd issuances amounting to \$10,665 was separated from the liability components and was recognised in “capital surplus - stock options” in accordance with IAS 32. As of December 31, 2023 and 2022, the balance of “Capital surplus - stock options” was \$0 and \$10,665. The fair value of put and call options embedded in bonds payable was separated from the value of bonds payable, and was recognised in “financial liabilities at fair value through profit or loss” in accordance with IFRS 9.

(16) Long-term borrowings

	December 31, 2023	December 31, 2022
Long-term bank borrowings		
Secured borrowings	\$7,819,395	\$6,943,364
Unsecured borrowings	1,000,000	1,500,000
Subtotal	<u>8,819,395</u>	<u>8,443,364</u>
Less: Current portion - within one year or one operating cycle	<u>(3,280,517)</u>	<u>(2,478,493)</u>
Total	<u>\$5,538,878</u>	<u>\$5,964,871</u>
Range of the interest rates	1.80%-3.14%	1.43%-7.25%

A. In October 2020, the Company entered into a syndicated loan agreement with a syndicated banking group consisting of Land Bank of Taiwan and others for a period of 5 years. The Company is allowed to settle the borrowings and use the working capital if the total amount is within the scope of \$1.59 billion pursuant to the agreement. The primary terms of the agreement are as follows:

- (a) Tranche A: Non-revolving line of \$1,100,000.
- (b) Tranche B: Non-revolving line of \$390,000.
- (c) Tranche C: Non-revolving line of \$100,000.
- (d) The Company’s revolving credit facility is subject to the following terms and financial covenants:
  - i. The Company shall pledge land serial No. 4 and 5, Section 1, Fuduxin section, Xinzhuang District, New Taipei City as collateral for tranche B and C.
  - ii. The Company on each annual consolidated financial statements is required to maintain the following financial ratios:  
Liability ratio (total liabilities/consolidated tangible net worth) of not higher than 300%; interest coverage ((income before tax + depreciation + amortisation + interest expense)/interest expense) of at least 150%; consolidated tangible net worth of not less than \$7 billion.
- (e) As of December 31, 2023 and 2022, the amount drawn were both \$1,205,000.

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- B. In March 2021, the Company entered into a syndicated loan agreement with a syndicated banking group consisting of Taiwan Cooperative Bank and others for a period of 5 years. The Company is allowed to settle the borrowings and use the working capital if the total amount is within the scope of \$3.6 billion pursuant to the agreement. The primary terms of the agreement are as follows:
- (a) Tranche A: Non-revolving line of \$1,100,000.
  - (b) Tranche B: Revolving line of \$2,500,000. The proceeds of the loan were used to increase medium-term working capital. The credit facility will be reduced after three years from the first drawdown date, and will be further reduced on the same date of each succeeding year. The reduction of the credit facility will be done in three phases as follows: a 15% reduction for the first phase, 20% reduction for the second phase and 65% reduction for the third phase.
  - (c) The Company's revolving credit facility is subject to following terms and financial covenants:
    - i. The Company shall pledge land, plant and auxiliary facilities, machinery and equipment, and related auxiliary equipment at Changhua Coastal Industrial Park as collateral of Tranche A.
    - ii. The Company on each semi-annual and annual consolidated financial statements is required to maintain the following financial ratios:  
Current ratio (current assets/current liabilities) of at least 100%; liability ratio ((total liabilities + contingent liabilities)/(total stockholders' equity - intangible assets)) of not higher than 300%; interest coverage ((income before tax + depreciation + amortisation + interest expense)/interest expense) of at least 150%; consolidated tangible net worth of not less than \$7 billion.
  - (d) As of December 31, 2023 and 2022, the amount drawn were \$1,880,000 and \$2,600,000, respectively.
- C. In November 2021, ACHEM Technology Corporation entered into a syndicated loan agreement with Hua Nan Commercial Bank. The primary terms of the agreement are as follows:
- (a) Tranche A: Ten-year non-revolving line of \$1,680,000. The facility can be drawn at one time or multiple times.
  - (b) Tranche B: Five-year revolving line of \$1,320,000.
  - (c) The Company shall pledge 12 lots at Yangmei District, Taoyuan City and plants located in the lots as collateral.
  - (d) As of December 31, 2023 and 2022, the amounts drawn were both \$3,000,000.
- D. There was no violation of the loan covenant as of December 31, 2023 and 2022.
- E. In addition to the collaterals provided as stated in Note 8, as of December 31, 2023, the Group had issued guarantee notes totalling \$17,347,535 for the bank loans.
- E. The Group's borrowings should be paid in full by January 2032 at the latest in accordance with the contracts.

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(17) Post-employment benefits

The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Group will make contributions to cover the deficit by next March.

	December 31, 2023	December 31, 2022
Present value of defined benefit obligations	\$279,704	\$316,364
Fair value of plan assets	(184,901)	(211,463)
Net defined benefit liability	<u>\$94,803</u>	<u>\$104,901</u>

Movements in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Balance at January 1, 2023	\$316,364	\$(211,463)	\$104,901
Current service cost	1,137	-	1,137
Interest expense (income)	3,796	(2,537)	1,259
Subtotal	<u>321,297</u>	<u>(214,000)</u>	<u>107,297</u>
Remeasurements:			
Return on plan assets	-	(1,095)	(1,095)
Experience adjustments	(8,514)	-	(8,514)
Subtotal	<u>312,783</u>	<u>(215,095)</u>	<u>97,688</u>
Pension fund contribution	-	(2,885)	(2,885)
Paid pension	(33,079)	33,079	-
Balance at December 31, 2023	<u>\$279,704</u>	<u>(184,901)</u>	<u>\$94,803</u>

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	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Balance at January 1, 2022	\$352,659	\$(199,365)	\$153,294
Current service cost	1,626	-	1,626
Interest expense (income)	2,468	(1,396)	1,072
Subtotal	<u>356,753</u>	<u>(200,761)</u>	<u>155,992</u>
Remeasurements:			
Return on plan assets	-	(15,664)	(15,664)
Change in financial assumptions	(9,531)	-	(9,531)
Experience adjustments	(22,933)	-	(22,933)
Subtotal	<u>(32,464)</u>	<u>(15,664)</u>	<u>(48,128)</u>
Total	<u>324,289</u>	<u>(216,425)</u>	<u>107,864</u>
Pension fund contribution	-	(2,963)	(2,963)
Paid pension	(7,925)	7,925	-
Balance at December 31, 2022	<u>\$316,364</u>	<u>\$(211,463)</u>	<u>\$104,901</u>

The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company and its domestic subsidiaries have no right to participate in managing and operating that fund and hence the Company and its domestic subsidiaries are unable to disclose the classification of plan asset fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2023 and 2022 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

The principal actuarial assumptions used were as follows:

	Year Ended December 31	
	2023	2022
Discount rate	<u>1.20%</u>	<u>1.20%</u>
Future salary increases	<u>2.00-3.00%</u>	<u>2.00-3.00%</u>

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For the years ended December 31, 2023 and 2022, assumptions regarding future mortality rate were both estimated in accordance with the 6th Taiwan Standard Ordinary Experience Mortality Table, respectively. Future mortality rate of the Company and domestic subsidiaries was set based on the improved Taiwan's published annuity table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2023				
Effect on present value of defined benefit obligation	\$(3,753)	\$3,847	\$3,096	\$(3,038)
December 31, 2022				
Effect on present value of defined benefit obligation	\$(4,582)	\$4,703	\$3,845	\$(3,768)

The sensitivity analysis above was arrived at based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2024 amounted to \$2,729.

As of December 31, 2023, the weighted average duration of that retirement plan is 6-7 years.

Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

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The Company's China subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentage of employees' monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.

The pension costs under the defined contribution pension plan of the Company and local subsidiaries for the years ended December 31, 2023, and 2022 were \$31,109 and \$30,929, respectively.

The contributions to pension costs under the local employment act of the overseas subsidiaries for the years ended December 31, 2023, and 2022 were \$30,517 and \$31,069, respectively.

For the year ended December 31, 2022, the domestic subsidiaries' retired employees were formerly covered under the defined benefit pension plan, however, the subsidiaries cannot pay through the labor pension reserve account due to some reasons. Thus, the subsidiaries paid the pension benefits directly which was recognised as pension cost in the amount of \$17,311.

(18)Equities

A. Common stock

As of December 31, 2023 and 2022, the Company's authorized capital were both \$10,000,000 (including reserve for issuance of employee share options of \$40,000), consisting of 1,000,000 thousand shares of ordinary stock, and the paid-in capital were \$6,582,467 and \$6,404,897 with a par value of \$10 (in dollars) per share, divided into 658,247 thousand shares and 640,490 thousand shares. Each share has one voting right and a right to receive dividends.

Movements in the number of the Company's ordinary shares (include bond conversion entitlement certificates and deduct treasury stocks) outstanding in thousand shares for the years ended December 31, 2023, and 2022 are as follows:

	December 31, 2023	December 31, 2022
At January 1	607,345	604,143
Conversion of convertible corporate bonds	23,443	3,202
At December 31	630,788	607,345

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For the year ended December 31, 2023, convertible bonds amounting to \$255,600 in total par value were requested for conversion into 23,443 thousand ordinary shares. As of December 31, 2023, the amount of 66,857 thousand ordinary shares was recorded under 'certificate of entitlement to new shares from convertible bonds' because the registration of the change has not yet been completed.

For the year ended December 31, 2022, convertible bonds amounting to \$594,100 in total par value were requested for conversion into 3,202 thousand ordinary shares. As of December 31, 2022, the amount of 1,000 thousand ordinary shares was recorded under 'certificate of entitlement to new shares from convertible bonds' because the registration of the change has not yet been completed. The registration of the change was completed in 2023.

B. Capital surplus

	December 31, 2023	December 31, 2022
Share premium	\$1,805,940	\$1,780,424
Stock options	9,236	16,672
Others	903,562	841,626
Total	<u>\$2,718,738</u>	<u>\$2,638,722</u>

According to the Group Act, the capital reserve shall not be used except for making good the deficit of the Group. When a Company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the Company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

C. Treasury shares

- (a) As of December 31, 2023 and 2022, the Group held treasury shares were both \$414,345, divided into 34,144 thousand shares.
- (b) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury share should not exceed 10% of the number of the Group's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.
- (c) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.

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- (d) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the employees within five years from the reacquisition date and shares not reissued within the five-year period are to be retired. Treasury shares to enhance the Company's credit rating and the stockholders' equity should be retired within six months of acquisition.
- (e) Details of the Company's common stock held by the subsidiaries as at December 31, 2023 and 2022 are as follows:

Name of company holding the shares	Reason for reacquisition	Number of Shares (thousand shares)	Carrying amount
YEM CHIO	Investment	16,822	\$223,108
ACHEM Technology Holdings Limited	Investment	1,194	15,838
Valueline Investment Corporation	Investment	406	5,049
Total		18,422	\$243,995

D. Retained earnings and dividend policies

- (a) In accordance with the Company's Articles of Incorporation, the annual net profit should be used initially to pay all taxes and to cover any accumulated deficit; 10% of the annual net profit should be set aside as legal reserve; and setting aside an additional special reserve pursuant to Article 41 of ROC Securities Exchange Act. The remainder, if any, shall be distributed which will be proposed by the Board of Directors and approved by the stockholders. If the aforementioned purposes or reasons of setting aside special reserve no longer apply, the Company should reverse and recognise such special reserve as distributable, and be distributed in accordance with this Article. The Company authorises the Board of Directors to distribute earnings in cash or dividends and bonuses from capital surplus by the special resolution; and in addition thereto a report of such distribution shall be submitted to the shareholders during their meeting.
- (b) As the Company operates in a mature industry and is in the stable profit stage with sound financial structure, it has a steady dividend pay out ratio policy. According to the policy, after setting aside legal and special reserve, the remainder shall be appropriated as dividends, and cash dividends shall account for at least 10% of the total dividends distributable.
- (c) Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.

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- (d) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- (e) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi Letter No. 1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land.
- (f) The Company's appropriations of 2021 earnings for cash dividends had been approved through majority vote by the Board of Directors on March 25, 2022, and has been approved by shareholders on June 17, 2022. The appropriations of 2021 earnings were as follows:

	Year ended December 31, 2021	
	Amount	Dividend per share (in dollars)
Legal reserve	\$108,632	
Reversal of special reserve	(12,864)	
Cash dividends	622,566	\$1.00
Total	<u>\$718,334</u>	

- (g) The Company's appropriations of 2022 earnings for cash dividends had been approved through majority vote by the Board of Directors on March 15, 2023, and has been approved by shareholders on June 16, 2023. The appropriations of 2022 earnings were as follows:

	Year ended December 31, 2022	
	Amount	Dividend per share (in dollars)
Legal reserve	\$101,051	
Special reserve	34,048	
Cash dividends	625,787	\$1.00
Total	<u>\$760,886</u>	

Please refer to Note 6(22) on employee remuneration and directors' remuneration.

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(h) Event after the balance sheet date

The appropriation of 2023 earnings had been proposed by the Board of Directors on March 14, 2024. Details are as follows:

	Year ended December 31, 2023	
	Amount	Dividends per share (in dollars)
Special reserve	\$108,032	
Legal reserve	48,980	
Cash dividends	650,688	\$1.00
Total	\$807,700	

As of March 14, 2024, the Company's' distribution of 2023 earnings, apart from cash dividends resolved by the Board of Directors and only requiring reporting to the shareholders' meeting, other distribution have not yet been resolved at the shareholders' meeting.

E. Non-controlling interests

	Year Ended December 31	
	2023	2022
Beginning balance	\$683,448	\$653,919
Profit attributable to non-controlling interests	54,333	90,425
Other comprehensive income, attributable to non-controlling interests:		
Exchange differences resulting from translating the financial statements of a foreign operation	(6,614)	6,655
Others	(21,384)	(67,551)
Ending balance	\$709,783	\$683,448

(19) Operating revenue

A. Disaggregation of revenue

The Group's revenue from contracts with customers during the years ended December 31, 2023 and 2022 can be segmented by major product lines as follow:

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	Year ended December 31, 2023				
	Tape manufacturing business segment	Packaging materials business segment	Real estate business segment	Specialty chemical business segment	Total
Total segment revenue	\$12,812,073	\$1,405,497	\$889,490	\$394,605	\$15,501,665
Inter-segment revenue	(2,273,026)	-	-	(4,903)	(2,277,929)
Revenue from external customer contracts	<u>\$10,539,047</u>	<u>\$1,405,497</u>	<u>\$889,490</u>	<u>\$389,702</u>	<u>\$13,223,736</u>
Revenue recognition point:					
At a point in time	\$10,539,047	\$1,405,497	\$889,490	\$389,702	\$13,223,736
Gradually satisfy over time	-	-	-	-	-
Total	<u>\$10,539,047</u>	<u>\$1,405,497</u>	<u>\$889,490</u>	<u>\$389,702</u>	<u>\$13,223,736</u>
	Year ended December 31, 2022				
	Tape manufacturing business segment	Packaging materials business segment	Real estate business segment	Specialty chemical business segment	Total
Total segment revenue	\$15,140,732	\$1,660,028	\$42,757	\$400,214	\$17,243,731
Inter-segment revenue	(2,565,414)	-	-	(6,924)	(2,572,338)
Revenue from external customer contracts	<u>\$12,575,318</u>	<u>\$1,660,028</u>	<u>\$42,757</u>	<u>\$393,290</u>	<u>\$14,671,393</u>
Revenue recognition point:					
At a point in time	\$12,575,318	\$1,660,028	\$42,757	\$393,290	\$14,671,393
Gradually satisfy over time	-	-	-	-	-
Total	<u>\$12,575,318</u>	<u>\$1,660,028</u>	<u>\$42,757</u>	<u>\$393,290</u>	<u>\$14,671,393</u>

B. Contract balances

The Group has recognised the following revenue-related contract liabilities:

	December 31, 2023	December 31, 2022
Contract liabilities - Advance sales receipts	\$73,256	\$50,387
Contract liabilities - Pre-sold house	683,641	689,497
Total	<u>\$756,897</u>	<u>\$739,884</u>

For the years ended December 31, 2023 and 2022, revenue recognised that was included in the contract liability balance at the beginning of the year amounted to \$32,137 and \$42,636, respectively.

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(20) Expected credit losses

A.

	Year ended December 31	
	2023	2022
Operating expenses - Expected credit losses		
Notes receivable	\$-	\$-
Accounts receivable	(27,876)	(12,665)
Total	\$(27,876)	\$(12,665)

Please refer to Note 12(4) for more details on credit risk.

B. The Group measures the loss allowance of its account receivables at an amount equal to lifetime expected credit losses. The Group used the loss rates calculated based on historical and timely information to assess the default possibility of accounts receivable. As of December 31, 2023 and 2022, the provision matrix are as follows:

	individual	Group			Total
		Not past due	Up to 90 days past due	Over 90 days past due	
December 31, 2023					
Expected loss rate	100%	0.02%-3.06%	0.02%-66.52%	0.02%-100%	
Carrying amount	\$64,299	\$1,956,995	\$289,084	\$38,116	\$2,348,494
Loss allowance	64,299	8,892	23,002	38,116	134,309
	individual	Group			Total
	Not past due	Up to 90 days past due	Over 90 days past due		
December 31, 2022					
Expected loss rate	99.62%	0.05%-4.44%	0.24%-100%	4.52%-100%	
Carrying amount	\$73,505	\$1,782,694	\$313,420	\$12,837	\$2,182,456
Loss allowance	73,505	8,558	13,250	12,837	108,150

Note: The Group's notes receivable were not past due.

C. The movements in loss allowance for notes and accounts receivable for the years ended December 31, 2023 and 2022 are as follows:

	Notes receivable	Accounts receivable
At January 1, 2023	\$-	\$108,150
Provision (reversal) of impairment loss	-	27,876
Write off	-	(575)
Exchange differences	-	(1,142)
At December 31, 2023	\$-	\$134,309

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	Notes receivable	Accounts receivable
At January 1, 2022	\$-	\$98,029
Provision (reversal) of impairment loss	-	12,665
Write off	-	(2,168)
Exchange differences	-	(376)
At December 31, 2022	<u>\$-</u>	<u>\$108,150</u>

(21) Lease

A. Group as a lessee

The Group leases various assets including land, buildings as well as machinery and equipment. Rental contracts are typically made for periods of 2 to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The Group's leases effect on the financial position, financial performance and cash flows are as follow:

(a) Right-of-use assets

	December 31, 2023	December 31, 2022
Land - Taiwan	\$56,059	\$59,174
Land use right - China and Vietnam	186,292	186,460
Buildings and structures	80,360	97,090
Total	<u>\$322,711</u>	<u>\$342,724</u>

For the years ended December 31, 2023 and 2022, the Group's additions to right-of-use assets amounting to \$13,076 and \$62,385, respectively.

The Group leases land with lease terms of 20 years in Taiwan Science Park. The lease payments will be adjusted every 2 years on the basis of changes in announced land value prices.

Land use rights are contracts signed by the Group for land use rights in China and Vietnam. The lease terms are 44-50 years. The aforementioned land use rights have been paid in full at the inception of the lease.

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(b) Lease liabilities

	December 31, 2023	December 31, 2022
Current	\$39,550	\$36,423
Non-current	114,127	141,165
Lease liabilities	<u>\$153,677</u>	<u>\$177,588</u>

Interest expenses on lease liabilities, recognised for the years ended December 31, 2023 and 2022, are provided in Note 6(23)C Finance costs. For the maturity analysis of lease liabilities are provided in Note 12(5) Liquidity Risk Management.

(c) Depreciation

	Year ended December 31	
	2023	2022
Land - Taiwan	\$3,115	\$1,039
Land use right - China and Vietnam	4,461	4,464
Buildings and structures	29,062	27,763
Total	<u>\$36,638</u>	<u>\$33,266</u>

(d) Income and costs relating to leasing activities

	Year ended December 31	
	2023	2022
The expense relating to short-term leases	<u>\$11,724</u>	<u>\$13,674</u>

(e) Cash outflow relating to leasing activities

For the years ended December 31, 2023 and 2022, the Group's total cash outflows for leases amounting to \$55,097 and \$53,024, respectively.

(f) Other information relating to leasing activities

Extension and termination options

When determining the lease terms, the Group takes into account all facts and circumstances that create economic incentives to exercise the option to renew the lease. The lease term will be reassessed when a significant event occurs in assessing the exercise of the option to renew the lease.

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B. Group as a lessor

Please refer to Note 6(9) for details on the Group's owned investment properties and investment properties held by the Group as right-of-use assets. Leases of owned investment properties are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

The Group leases various assets including land and buildings. Rental contracts are typically made for periods of 1 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

For the years ended December 31, 2023 and 2022, the Group recognised rent income in the amount of \$76,797 and \$71,336, respectively, based on the operating lease agreement, which does not include variable lease payments.

The maturity analysis of the lease payments under the operating leases is as follows:

	December 31, 2023	December 31, 2022
2023	\$-	\$71,250
2024	44,117	36,767
2025	10,953	7,792
2026	8,473	5,351
2027	4,686	2,449
2028	3,992	4,770
After 2029	3,000	-
Total	\$75,221	\$128,379

(22) The Group's employee benefits, depreciation and amortisation expenses incurred for the years ended December 31, 2023 and 2022 are as follows:

	Year ended December 31					
	2023			2022		
	Operation costs	Operation expenses	Total	Operation costs	Operation expenses	Total
Employee benefits expense						
Wages and salaries	\$ 757,459	\$ 546,224	\$ 1,303,683	\$ 764,356	\$ 533,669	\$ 1,298,025
Labor and health insurance	51,747	31,808	83,555	51,023	31,613	82,636
Pension	37,910	26,112	64,022	40,716	41,291	82,077
Other employee benefit expenses	87,164	36,947	124,111	83,198	32,277	115,475
Depreciation	415,566	133,520	549,086	508,488	75,875	584,363
Amortisation	-	883	883	-	4,820	4,820

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Under the Company’s Articles of Incorporation, the current year’s earnings, if any, shall first be used to offset prior years’ operating losses. For the remainder, if any, at least 0.5% shall be distributed as employees’ compensation and the Board of Directors is authorised to determine the distribution of directors’ remuneration based on the usual industry standard but shall not exceed 1%. Have the profit distributable as employees’ compensation in the form of shares or in cash; after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution is submitted to the shareholders’ meeting.

For the years ended December 31, 2023 and 2022, employees’ compensation was accrued at \$2,757 and \$5,575, respectively; while no directors’ remuneration was accrued. The aforementioned amount was recognised in salary expenses.

The employees’ compensation for the year ended December 31, 2022 resolved by the Board of Directors amounted to \$5,524. The difference of \$(51) between the amount resolved by the Board of Directors and the amount of \$5,575 recognised in the 2022 financial statements, had been adjusted in the profit or loss for 2023.

Information on the Board of Directors’ resolution regarding the employees’ compensation and remuneration to directors can be obtained from the “Market Observation Post System” on the website of the Taiwan Stock Exchange.

(23) Non-operating income and expenses

A. Other income

	Year ended December 31	
	2023	2022
Rental income	\$76,797	\$71,336
Dividend income	197,297	137,035
Others	72,823	57,120
Subtotal	346,917	265,491
Less: other income attributable to discontinued operations	-	(509)
Total	\$346,917	\$264,982

Yem Chio Co., Ltd. and Subsidiaries  
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B. Other gains and losses

	Year ended December 31	
	2023	2022
Losses on disposal of property, plant and equipment	\$(3,558)	\$(288)
Losses on write-off of property, plant and equipment	-	(10)
Gains on disposal of non-current assets held for sale	-	57,204
Losses on disposal of investments in subsidiaries	-	(2,332)
Foreign exchange gain, net	14,048	81,667
Gains on fair value adjustment of investment property	54,248	39,610
(Losses) gains on financial assets and liabilities at fair value through profit or loss	39,186	(75,791)
Prepayments reversal gain	-	78,313
Other losses	(61,517)	(59,748)
Subtotal	42,407	118,625
Less: other losses attributable to discontinued operations	-	(33,315)
Total	<u>\$42,407</u>	<u>\$85,310</u>

C. Finance costs

	Year ended December 31	
	2023	2022
Interest expenses from bank borrowings	\$306,594	\$258,169
Interest expenses of convertible corporate bonds	3,967	5,860
Interest expenses on lease liabilities	7,541	8,697
Others	4	-
Less: capitalisation of qualifying assets	(131,758)	(105,384)
Less: finance costs attributable to discontinued operations	-	(509)
Total	<u>\$186,348</u>	<u>\$166,833</u>

(24) Income tax

A. The major components of income tax expense for the years ended December 31, 2023 and 2022 are as follows:

Income tax expenses recognised in profit or loss

	Year ended December 31	
	2023	2022
Current income tax expense:		
Current income tax charge	\$167,793	\$213,061
Tax on undistributed surplus earnings	10,283	18,399
Prior year income tax (over) under estimation	(8,387)	(14,248)
Deferred tax expense:		
Deferred tax expenses relating to origination and reversal of temporary differences	(29,842)	18,764
Total	<u>\$139,847</u>	<u>\$235,976</u>

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Notes to the Consolidated Financial Statements (Continued)  
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Income tax recognised in other comprehensive income

	Year ended December 31	
	2023	2022
Remeasurement of defined benefit obligations	\$(1,922)	\$9,625

B. Reconciliation between tax expenses and the product of accounting profit multiplied by applicable tax rates:

	Year ended December 31	
	2023	2022
Accounting profit before tax from continuing operations	\$995,385	\$1,364,804
Income tax expenses at the statutory rate	346,562	425,710
Tax effect of revenues exempt and non-deductible expenses for tax purposes	(214,482)	(192,441)
Additional income tax under the Alternative Minimum Tax Act	13,912	-
Prior year income tax (over) under estimation	(8,387)	(14,248)
Tax on undistributed surplus earnings	10,283	18,339
Others	(8,041)	(1,384)
Total	\$139,847	\$235,976

C. Amounts of deferred tax assets or liabilities as a result of temporary differences and tax losses are as follows:

	2023			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets				
Unrealised provision for inventory obsolescence	\$29,666	\$(807)	\$-	\$28,859
Accrued pension liabilities	31,555	(49)	(552)	30,954
Prepayments for land value increment tax	56,569	-	-	56,569
Operating loss carryforwards	12,312	15,843	-	28,155
Others	54,728	8,298	-	63,026
Total	\$184,830	\$23,285	\$(552)	\$207,563
Deferred tax liabilities				
Fair value adjustment of investment property	\$(93,170)	\$(146)	\$-	\$(93,316)
Unrealised loss from sales	(11,108)	-	-	(11,108)
Reserve for land revaluation increment tax	(228,975)	-	-	(228,975)
Investment income accounted for using the equity method	(36,832)	-	-	(36,832)
Gain on disposal of plant	(74,012)	1,701	-	(72,311)
Others	(18,816)	5,002	(1,370)	(15,184)
Total	\$(462,913)	\$6,557	\$(1,370)	\$(457,726)

Yem Chio Co., Ltd. and Subsidiaries  
Notes to the Consolidated Financial Statements (Continued)  
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	2022			
	January 1	Recognised in		December 31
		profit or loss	in other comprehensive income	
Deferred tax assets				
Unrealised provision for inventory obsolescence	\$17,244	\$12,422	\$-	\$29,666
Accrued pension liabilities	30,920	(40)	675	31,555
Prepayments for land value increment tax	56,569	-	-	56,569
Operating loss carryforwards	11,498	814	-	12,312
Others	78,648	(23,920)	-	54,728
<b>Total</b>	<b>\$194,879</b>	<b>\$(10,724)</b>	<b>\$675</b>	<b>\$184,830</b>
Deferred tax liabilities				
Fair value adjustment of investment property	\$(91,486)	\$(1,704)	\$-	\$(93,170)
Unrealised loss from sales	(11,108)	-	-	(11,108)
Reserve for land revaluation increment tax	(228,975)	-	-	(228,975)
Investment income accounted for using the equity method	(36,503)	(329)	-	(36,832)
Gain on disposal of plant	(68,237)	(5,775)	-	(74,012)
Others	(8,284)	(232)	(10,300)	(18,816)
<b>Total</b>	<b>\$(444,573)</b>	<b>\$(8,040)</b>	<b>\$(10,300)</b>	<b>\$(462,913)</b>

D. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets for the Company's other domestic subsidiaries as of December 31, 2023 and 2022 are as follows:

(a) Domestic subsidiaries

December 31, 2023				
Year incurred	Amount estimated/ filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2016-2023	Estimated/ filed/ assessed	\$309,673	\$172,016	2033
December 31, 2022				
Year incurred	Amount estimated/ filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2012-2022	Estimated/ filed/ assessed	\$319,365	\$269,821	2032

Yem Chio Co., Ltd. and Subsidiaries  
Notes to the Consolidated Financial Statements (Continued)  
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(b) Foreign subsidiaries

December 31, 2023				
Year incurred	Amount estimated/ filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2018-2021	Assessed	\$245,815	\$191,847	2026
December 31, 2022				
Year incurred	Amount estimated/ filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2017-2021	Assessed	\$263,835	\$208,861	2026
2019	Assessed	3,500	-	-
		\$267,335	\$208,861	

E. Wanchio Adhesive Product (Jiangsu) Co., Ltd. has been assessed as high technology enterprise by Jiangsu Provincial Department of Science and Technology on November 3, 2021. Thus, the enterprise income tax rate was reduced to 15% from 2021 until 2023.

F. The assessment of income tax returns

As of December 31, 2023, the assessment of the income tax returns of the Company is as follows:

	<u>The assessment of income tax returns</u>
The Company	Assessed and approved up to 2020
Xin Chio Co., Ltd., Achem Technology Corporation., ACHEM Opto-Electronic Corporation. and UINN HOTEL.	Assessed and approved up to 2021
Valueline Investment Corporation, Wong Chio Development, Ltd.	Assessed and approved up to 2022

The Company and its subsidiaries are located in the Cayman Islands, British Virgin Islands, the PRC, America, Vietnam, Malaysia and Samoa. Their tax authorities will not take the initiative to send a tax returns assessment to enterprises. When there are tax disputes, they issue a tax payment notice to enterprises and reserve the right to propose additional taxes.

Yem Chio Co., Ltd. and Subsidiaries  
Notes to the Consolidated Financial Statements (Continued)  
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(25) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting for Interest expense of convertible bonds) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	Year ended December 31	
	2023	2022
Basic earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousand NT\$)	\$801,205	\$1,037,826
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	618,614	605,119
Basic earnings per share (NT\$)	\$1.30	\$1.72
	Year ended December 31	
	2023	2022
Diluted earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousand NT\$)	\$801,205	\$1,037,826
Subsidiaries' domestic convertible bonds (in thousand NT\$)	(9,095)	(9,115)
Interest expense of convertible corporate bonds (in thousand NT\$)	1,801	2,930
Profit attributable to the parent plus assumed conversion of all dilutive potential ordinary shares (in thousand NT\$)	<u>\$793,911</u>	<u>\$1,031,641</u>
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	618,614	605,119
Effect of dilution:		
Employees' compensation - stock (in thousands)	230	238
Treasury stock transferred to employees (in thousands)	15,721	15,721
Convertible corporate bonds (in thousands)	22,382	32,545
Weighted average number of ordinary shares outstanding after dilution (in thousands)	<u>656,947</u>	<u>653,623</u>
Diluted earnings per share (NT\$)	<u>\$1.21</u>	<u>\$1.58</u>

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date that the financial statements were authorized for issue.

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Notes to the Consolidated Financial Statements (Continued)  
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(26) Supplemental cash flow information

A. Investing activities with partial cash payments

	Year ended December 31	
	2023	2022
Purchase of property, plant and equipment	\$307,499	\$456,133
Add: Beginning balance of equipment payable	47,974	53,423
Less: Ending balance of equipment payable	(54,031)	(47,974)
Cash payment during the year	\$301,442	\$461,582

B. Cash payments for acquiring a subsidiary

	Year ended December 31	
	2023	2022
The consideration for acquiring a subsidiary	\$41,160	\$-
Less: Cash and cash equivalents from acquiring a subsidiary	(3,345)	-
Cash payments to acquire the control (deducted acquiring cash)	\$37,815	\$-

C. Cash payments for acquiring partial ownership of a subsidiary

	Year ended December 31	
	2023	2022
Cash payments for acquiring partial ownership of a subsidiary	\$41,385	\$-

7. Related party transactions

Information of the related parties that had transactions with the Group during the financial reporting period is as follows:

(1) Names and relationship of related parties

Please refer to Note 4(3).

Yem Chio Co., Ltd. and Subsidiaries  
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(2) Significant transactions with the related parties

A. Operating revenue

	Year ended December 31	
	2023	2022
Sales of products:		
Other related parties	\$1,609	\$1,901

Goods are sold based on the price lists in force and terms that are under mutual agreement.

B. Purchases

	Year ended December 31	
	2023	2022
Purchases of goods:		
Other related parties	\$-	\$5,061

The purchase terms and prices to related parties are based on mutual agreement.

C. Receivables from related parties

	December 31, 2023	December 31, 2022
	Accounts receivable:	
Other related parties	\$115	\$269

The receivables are unsecured in nature and bear no interest. There are no allowances for uncollectible accounts held against receivables from related parties.

D. Other payables to related parties

	December 31, 2023	December 31, 2022
	Other payables:	
Associates	\$-	\$10,097

Yem Chio Co., Ltd. and Subsidiaries  
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E. Contract liabilities - Pre-sold house

	December 31, 2023	December 31, 2022
Contract liabilities - Pre-sold house:		
Other related parties	\$4,648	\$4,648

On May 13, 2021, the Company's Board of Directors resolved to pre-sell the houses and parking space of the building project 'THE ONE' in Xinzhuang District of New Taipei City to Li, Qi-Zheng and Li, Shu-Wei. The total contract liabilities - pre-sold houses was \$4,648, however, the transfer of ownership has not yet been completed.

F. Rental income

	Year ended December 31	
	2023	2022
Associates	\$638	\$697

The Company leases parts of offices to associates. Rental contracts are made for periods of 3 years. Rents are paid at the beginning of every month.

G. Deferred marketing expenses (recorded under other current assets)

	December 31, 2023	December 31, 2022
Associates	\$48,653	\$48,653

H. Endorsements and guarantees provided to the Group by related parties

	December 31, 2023	December 31, 2022
Li, Zhi-Xian	\$31,960,684	\$21,567,405

(3) Key management personnel compensation

	Year ended December 31	
	2023	2022
Short-term employee benefits	\$22,774	\$24,709
Post-employment benefits	484	351
Total	\$23,258	\$25,060

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8. Pledged assets

The following table lists assets of the Group pledged as collateral:

Pledged assets	Carrying amount		Purpose
	December 31, 2023	December 31, 2022	
Financial assets at fair value through other comprehensive income	\$766,905	\$224,924	Long-term borrowings, short-term borrowings
Financial assets at amortised cost - current	698,414	2,340	Borrowings, purchase and performance guarantee for construction
Financial assets at amortised cost - non-current - demand deposits	26,900	98,011	Long-term borrowings, corporate bond guarantee and consideration trust for inventory purchases and sales, etc.
Financial assets at amortised cost - non-current - time deposits	35,764	57,782	Leasehold land guarantees, performance guarantee for construction and guarantee for corporate bonds
Other current assets - guarantee deposits paid	58,458	59,552	Guarantee for court litigation
Accounts receivable	95,104	131,906	Long-term borrowings, short-term borrowings
Inventories	9,452,781	6,737,687	Long-term borrowings, short-term borrowings
Property, plant and equipment	6,708,330	6,513,181	Long-term borrowings, short-term borrowings
Investment property	1,689,236	1,658,313	Long-term borrowings, short-term borrowings
Other non-current assets - guarantee deposits paid	15,627	23,793	Performance guarantee
Total	\$19,547,519	\$15,507,489	

9. Significant contingencies and unrecognised contractual commitments

Except for those mentioned in Notes 6(16), the Group's significant commitments are as follows:

- (1) As of December 31, 2023 and 2022, the unused letters of credit amounted to \$156,189 and \$231,994 for the purchase of goods and machinery as collateral, respectively.

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(2) Capital expenditures contracted for at the balance sheet date but not yet incurred are as follows:

	December 31, 2023	December 31, 2022
Property, plant and equipment	\$155,768	\$88,677
Consigned to construction companies to construct buildings	779,025	1,009,707
Total	\$934,793	\$1,098,384

10. Losses due to major disasters

None.

11. Significant subsequent events

In January 2024, the Company acquired additional 27.5% shareholding of King Sun New Tech Co., Ltd. for a consideration of \$72,105 (since that day, the cumulative shareholding has exceeded 50%, so the investee became a subsidiary of the Company) and participated in its cash capital increase of \$80,000.

12. Others

(1) Categories of financial instruments

Financial assets

	December 31, 2023	December 31, 2022
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$794,086	\$464,664
Financial assets designated as at fair value through profit or loss	-	81
Subtotal	794,086	464,745
Financial assets at fair value through other comprehensive income	1,299,673	1,070,729
Financial assets at amortised cost		
Cash and cash equivalents	1,697,871	2,163,330
Financial assets at amortised cost	761,078	812,565
Notes receivable	349,701	298,140
Accounts receivable (including related parties)	2,214,185	2,074,306
Other receivables	157,808	712,737
Guarantee deposits paid	74,085	83,345
Others	5,254,728	6,144,423
Total	\$7,348,487	\$7,679,897

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Notes to the Consolidated Financial Statements (Continued)  
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Financial liabilities

	December 31, 2023	December 31, 2022
Financial liabilities at amortised cost		
Short-term borrowings	\$5,721,162	\$4,582,817
Short-term notes and bills payable	400,000	730,000
Notes payable	267,387	246,204
Accounts payable	738,009	658,567
Other payables (including related parties)	605,372	627,010
Bonds payable (including current portion	161,502	610,021
Long-term borrowings (within 1 year or 1 operating cycle)	8,819,395	8,443,364
Lease liabilities (within 1 year)	153,677	177,588
Guarantee deposits received	16,557	16,910
Total	<u>\$16,883,061</u>	<u>\$16,092,481</u>

(2) Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Group identifies measures and manages the aforementioned risks based on the Group's policy and risk appetite.

Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and price risk.

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there is usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

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Foreign currency risk

The Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Exchange rate risk arises from future commercial transactions and recognised assets and liabilities.

Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Group's foreign currency risk is mainly related to the volatility in the exchange rates for USD and RMB. The information of the sensitivity analysis is as follows:

- A. When NTD strengthens/weakens against USD by 5%, the profit for the years ended December 31, 2023 and 2022 is decreased/increased by \$42,590 and \$80,571, respectively.
- B. When USD strengthens/weakens against RMB dollar by 5%, the profit for the years ended December 31, 2023 and 2022 is increased/decreased by \$19,254 and \$23,498, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term borrowings. During 2023 and 2022, the Group's borrowings at variable rate were mainly denominated in NTD, USD and RMB.

The Group's borrowings are measured at amortised cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and borrowings with variable interest rates and interest rate swaps. At the reporting date, a change of 5% of interest rate in a reporting period could cause the profit for the years ended December 31, 2023 and 2022 to decrease/increase by \$11,655 and \$11,295, respectively.

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Equity price risk

The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

The Group's investments in equity securities comprise shares and open-end funds issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 5% with all other variables held constant, post-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by \$13,313 and \$7,368, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$62,287 and \$50,907, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for notes receivable and accounts receivable) and financing activities (primarily for various financial instrument).

The Group manages their credit risk taking into consideration the entire group's concern. For banks and financial institutions, only banks and financial institutions with optimal credit ratings are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors.

According to the internal management policy of the Group, that is, the default occurs when the contract payments are past due over 240 days.

The Group adopts the following assumption under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:

If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

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The Group applies the simplified approach using the provision matrix to estimate expected credit loss to assess the Group's accounts receivable.

The following indicators are used to determine whether the credit impairment of debt instruments has occurred:

- A. It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
- B. The disappearance of an active market for that financial asset because of financial difficulties;
- C. Default or delinquency in interest or principal repayments;
- D. Adverse changes in national or regional economic conditions that are expected to cause a default.

The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights.

The Group applied historical and timely information to assess the default possibility. The simplified approach using the provision matrix provision matrix to estimate loss allowance of accounts receivable and the movements in loss allowance for notes and accounts receivable please refer to Note 6(20).

(5) Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments, bank borrowings, convertible bonds and finance leases, etc. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

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December 31, 2023

	Less than 1 year	Over 1 year	Total
Non-derivative financial liabilities			
Short-term borrowings	\$5,753,214	\$-	\$5,753,214
Short-term notes and bills payable	400,000	-	400,000
Notes payable	267,387	-	267,387
Accounts payable	738,009	-	738,009
Other payables (including related parties)	605,372	-	605,372
Bonds payable	162,900	-	162,900
Long-term borrowings (including current portion)	965,574	8,425,181	9,390,755
Lease liabilities (including current portion)	44,002	129,354	173,356
Other non-current liabilities	-	21,115	21,115
<b>Total</b>	<b>\$8,936,458</b>	<b>\$8,575,650</b>	<b>\$17,512,108</b>

December 31, 2022

	Less than 1 year	Over 1 year	Total
Non-derivative financial liabilities			
Short-term borrowings	\$4,606,904	\$-	\$4,606,904
Short-term notes and bills payable	730,000	-	730,000
Notes payable	246,204	-	246,204
Accounts payable	658,567	-	658,567
Other payables (including related parties)	627,010	-	627,010
Bonds payable	200,000	418,500	618,500
Long-term borrowings (including current portion)	1,137,096	7,894,342	9,031,438
Lease liabilities (including current portion)	41,943	158,129	200,072
Other non-current liabilities	-	25,809	25,809
<b>Total</b>	<b>\$8,247,724</b>	<b>\$8,496,780</b>	<b>\$16,744,504</b>

As of December 31, 2023 and 2022, the Group all held no derivative financial liabilities.

Yem Chio Co., Ltd. and Subsidiaries  
Notes to the Consolidated Financial Statements (Continued)  
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(6) Reconciliation of liabilities arising from financing activities

	Short-term borrowings	long-term borrowings (including current portion)	Short-term notes and bills payable	Bonds payable (including current portion)	Lease liabilities	Liabilities from financing activities-gross
2023.1.1	\$4,582,817	\$8,443,364	\$730,000	\$610,021	\$177,588	\$14,543,790
Cash flows	1,150,353	375,604	(330,000)	-	(43,373)	1,152,584
Non-cash changes (Note)	-	-	-	(448,519)	20,617	(427,902)
Exchange differences	(12,008)	427	-	-	(1,155)	(12,736)
2023.12.31	<u>\$5,721,162</u>	<u>\$8,819,395</u>	<u>\$400,000</u>	<u>\$161,502</u>	<u>\$153,677</u>	<u>\$15,255,736</u>

	Short-term borrowings	long-term borrowings (including current portion)	Short-term notes and bills payable	Bonds payable (including current portion)	Lease liabilities	Liabilities from financing activities-gross
2022.1.1	\$6,761,518	\$7,228,795	\$640,000	\$639,408	\$143,312	\$15,413,033
Cash flows	(2,238,046)	1,207,803	90,000	-	(39,350)	(979,593)
Non-cash changes (Note)	-	-	-	(29,387)	71,082	41,695
Exchange differences	59,345	6,766	-	-	2,544	68,655
2022.12.31	<u>\$4,582,817</u>	<u>\$8,443,364</u>	<u>\$730,000</u>	<u>\$610,021</u>	<u>\$177,588</u>	<u>\$14,543,790</u>

Note: Including amortization of convertible bonds, conversion of convertible bonds into equity, acquiring assets by leasing and financial costs of lease liabilities, etc.

(7) Fair value information

A. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date. The fair value of the Group's investment in listed stocks is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly.

Level 3: Unobservable inputs for the assets or liabilities. The fair value of redemption rights of convertible corporate bonds issued by the Group and wealth management products are included in Level 3.

Yem Chio Co., Ltd. and Subsidiaries  
Notes to the Consolidated Financial Statements (Continued)  
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B. Financial instruments not measured at fair value

Except for bonds payable, the carrying amounts of cash and cash equivalents, financial assets at amortised cost, notes receivable, accounts receivable (including related parties), other receivables (including related parties), short-term borrowings, short-term notes and bills payable, notes payable, accounts payable (including related parties) and other payables (including related parties) are approximate to their fair values. Interest rates of long-term borrowings (including maturity within 1 year or 1 operating cycle) are approximately the same as market interest rates, thus, the carrying amount should be a reasonable basis for fair value estimation.

The bonds payable are convertible corporate bonds issued by the Company, with a coupon rate approximately equivalent to the current market rate. Therefore, the fair value is estimated using the present value of the expected cash flows approximate to the carrying amount.

December 31, 2023	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable (including current portion)	\$161,502	\$-	\$150,009	\$-

December 31, 2022	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable (including current portion)	\$610,021	\$-	\$600,704	\$-

C. The related information on financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets are as follows:

(a) The related information on the nature of the assets and liabilities is as follows:

December 31, 2023	Level 1	Level 2	Level 3	Total
Recurring fair value measurements for assets:				
<u>Financial assets at fair value through profit or loss</u>				
Equity securities	\$266,265	\$-	\$-	\$266,265
Wealth management product	-	-	51,924	51,924
Capital guarantee products	-	-	475,897	475,897
<u>Financial assets at fair value through other comprehensive income</u>				
Equity securities	1,240,143	-	5,597	1,245,740
Bank debentures	-	53,933	-	53,933
<u>Investment property</u>	-	-	2,294,881	2,294,881
Total	\$1,506,408	\$53,933	\$2,828,299	\$4,388,640

Yem Chio Co., Ltd. and Subsidiaries  
Notes to the Consolidated Financial Statements (Continued)  
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December 31, 2022	Level 1	Level 2	Level 3	Total
Recurring fair value measurements for assets:				
<u>Financial assets at fair value through profit or loss</u>	\$147,355	\$-	\$-	\$147,355
Wealth management product	-	-	52,896	52,896
Capital guarantee products	-	-	264,413	264,413
Call options and put options of convertible corporate bonds	-	-	81	81
<u>Financial assets at fair value through other comprehensive income</u>				
Equity securities	1,011,431	-	6,713	1,018,144
Bank debentures	-	52,585	-	52,585
<u>Investment property</u>	-	-	2,251,475	2,251,475
Total	<u>\$1,158,786</u>	<u>\$52,585</u>	<u>\$2,575,578</u>	<u>\$3,786,949</u>

(b) The methods and assumptions the Group measure the fair value are as follows:

- i. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed shares
Market quoted price	Closing price

- ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques. The fair value of financial instruments measured by using valuation techniques can be referred to valuation methods.
- iii. Under the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, the Group makes self-assessment using the income approach to calculate the fair value of investment property. Related assumptions and information on inputs are as follows:
- (i) Cash flow: Cash flow shall be evaluated on the basis of existing lease contracts, rent at local market rates, or current market rents for similar comparable properties in the same location and condition, and overvalued and undervalued comparable properties shall be excluded. If there is a period-end value, the discounted present period-end value may be added.
- (ii) Analysis period: When there is no specified period for the income, the analysis period in principle shall not be longer than 10 years; when there is a specified period for the income, the income shall be estimated for the remainder of the specified period.
- (iii) Discount rate: The discount rate shall be determined using the risk premium approach only, with the calculation based on a certain interest rate, plus the estimate for the individual characteristics of the investment property. The phrase "based on a certain interest rate" means the interest rate may not be lower than the floating interest rate on a 2-year time deposit of a small amount, as posted by the Chunghwa Post Co. Ltd., plus 0.75 percentage points; while the discount rates used by the Group’s China subsidiaries are based on the rate of 10 years national debt issued by the Bank of China.

Yem Chio Co., Ltd. and Subsidiaries  
Notes to the Consolidated Financial Statements (Continued)  
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D. For the years ended December 31, 2023 and 2022, there was no transfer between Level 1 and Level 2.

E. The following chart is the movement of Level 3 for the years ended December 31, 2023 and 2022:

	Wealth management		Capital guarantee products	
	product			
	2023	2022	2023	2022
At January 1	\$52,896	\$-	\$264,413	\$-
Gains/(losses) recognised in profit or loss (recorded as non-operating income and expenses)	929	1,157	-	-
Acquisition	479,131	314,800	219,807	264,413
Disposal	(480,060)	(262,038)	-	-
Exchange differences	(972)	(1,023)	8,323	-
At December 31	<u>\$51,924</u>	<u>\$52,896</u>	<u>\$475,897</u>	<u>\$264,413</u>

F. For the years ended December 31, 2023 and 2022, there was no transfer into or out from Level 3.

G. The information on change in fair value of investment property for the years ended December 31, 2023 and 2022 is provided in Note 6(9).

H. Treasury segment is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and making any other necessary adjustments to the fair value. Investment property and call options and put options of convertible corporate bonds are evaluated through outsourced appraisal performed by the external valuer.

The treasury segment set up valuation policies, valuation processes and rules for measuring fair value of financial instruments and investment property to ensure compliance with the related requirements in IFRS.

Yem Chio Co., Ltd. and Subsidiaries  
Notes to the Consolidated Financial Statements (Continued)  
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I. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

Item	Fair value at December 31, 2023	Valuation technique	Significant observable input	Range	Relationship of inputs to fair value
Financial assets at fair value through profit or loss:					
Wealth management product	\$51,924	Discounted cash flow	Discounted rate	Not applicable	The higher the discount rate, the lower the fair value.
Capital guarantee products	475,897	Discounted cash flow	Discounted rate	Not applicable	The higher the discount rate, the lower the fair value.
Financial assets at fair value through other comprehensive income:					
Equity securities	5,597	Market comparable companies	Industrial average price to book ratio	Not applicable	The higher the book value per share, the higher the fair value.
Investment property	2,294,881	Income approach	Discounted rate	(Note)	The higher the discount rate, the lower the fair value.
Item	Fair value at December 31, 2022	Valuation technique	Significant observable input	Range	Relationship of inputs to fair value
Financial assets at fair value through profit or loss:					
Wealth management product	\$52,896	Discounted cash flow	Discounted rate	Not applicable	The higher the discount rate, the lower the fair value.
Capital guarantee products	264,413	Discounted cash flow	Discounted rate	Not applicable	The higher the discount rate, the lower the fair value.
Call options and put options of convertible corporate bonds	81	Binary tree valuation model	Volatility	18.16%-24.85%	The higher the volatility, the higher the fair value.
Financial assets at fair value through other comprehensive income:					
Equity securities	6,713	Market comparable companies	Industrial average price to book ratio	Not applicable	The higher the book value per share, the higher the fair value.
Investment property	2,251,475	Income approach	Discounted rate	(Note)	The higher the discount rate, the lower the fair value.

Note: Information on discount rate and income capitalisation rate is provided in Note 6(9).

Yem Chio Co., Ltd. and Subsidiaries  
Notes to the Consolidated Financial Statements (Continued)  
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(8) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

	December 31, 2023		
	Foreign currencies (in thousand)	Foreign exchange rate	NTD (in thousand )
<u>Financial assets</u>			
Monetary items:			
USD:NTD	\$34,082	30.71	\$1,046,503
USD:RMB	12,917	7.31	396,617
<u>Financial liabilities</u>			
Monetary items:			
USD:NTD	\$6,341	30.71	\$194,700
USD:RMB	376	7.31	11,545

	December 31, 2022		
	Foreign currencies (in thousand)	Foreign exchange rate	NTD (in thousand )
<u>Financial assets</u>			
Monetary items:			
USD:NTD	\$52,472	30.71	\$1,611,415
USD:RMB	15,303	6.97	469,955
<u>Financial liabilities</u>			
Monetary items:			
USD:NTD	\$154	30.71	\$4,729
USD:RMB	195	6.97	5,988

The total exchange gain, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2023 and 2022, amounted to \$14,048 and 81,667, respectively.

(9) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. Refer to the balance sheet of each period for related liabilities and capital ratio.

Yem Chio Co., Ltd. and Subsidiaries  
Notes to the Consolidated Financial Statements (Continued)  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

13. Supplementary disclosures

(1) Significant transactions information

- A. Financing provided to others: Please refer to table 1.
- B. Endorsement/Guarantee provided to others: Please refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: Please refer to table 4.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: Please refer to table 5.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: Please refer to table 6.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 7.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 8.
- I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Note 6(2).
- J. Significant inter-company transactions during the reporting periods: Please refer to table 9.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in China): Please refer to table 10.

(3) Information on investments in China

- A. Basic information: Please refer to table 11.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to items (1) A, B, G, H and J above.

(4) Major shareholders information

Major shareholders information: Please refer to table 12.

14. Segment information

Management has determined the reportable operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. Reportable operating segments classified by products and business structure mainly contain tape manufacturing segment, package material business segment, real estate business segment and specialty chemical segment.

Yem Chio Co., Ltd. and Subsidiaries  
Notes to the Consolidated Financial Statements (Continued)  
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The segment information provided to the Chief Operating Decision-Maker for the reportable segments is as follows:

	Year ended December 31, 2023					
	Tape manufacturing segment	Packaging material business segment	Real estate business segment	Specialty chemical segment	Adjustments and eliminations	Consolidated
Revenue						
Revenue from						
external customers	\$10,539,047	\$1,405,497	\$889,490	\$389,702	\$-	\$13,223,736
Inter-segment revenue	2,273,026	-	-	4,903	(2,277,929)	-
Total revenue	\$12,812,073	\$1,405,497	\$889,490	\$394,605	(2,277,929)	\$13,223,736
Segment profit	\$402,041	\$126,890	\$20,864	\$47,352	\$75,379	\$672,526

	Year ended December 31, 2022					
	Tape manufacturing segment	Packaging material business segment	Real estate business segment	Specialty chemical segment	Adjustments and eliminations	Consolidated
Revenue						
Revenue from						
external customers	\$12,575,318	\$1,660,028	\$42,757	\$393,290	\$-	\$14,671,393
Inter-segment revenue	2,565,414	-	-	6,924	(2,572,338)	-
Total revenue	\$15,140,732	\$1,660,028	\$42,757	\$400,214	\$(2,572,338)	\$14,671,393
Segment profit (Note)	\$769,962	\$128,458	\$(10,638)	\$56,243	\$72,253	\$1,016,278

Note: Including losses from discontinued operations.

Information on segment assets and liabilities was not disclosed because the Group did not provide the information to the Chief Operating Decision-Maker.

The revenue from external customers reported to the Chief Operating Decision-Maker is measured in a manner consistent with that in the statement of comprehensive income.

A reconciliation of reportable segment income or loss to the income/(loss) before tax from continuing operations for the years ended December 31, 2023 and 2022 is provided as follows:

	Year ended December 31	
	2023	2022
Reportable segments income	\$672,526	\$1,016,278
Non-operating income and expenses	322,859	347,949
Less: loss before tax attributable to discontinued operations	-	(577)
Profit before tax from continuing operations	\$995,385	\$1,364,804

Yem Chio Co., Ltd. and Subsidiaries  
Notes to the Consolidated Financial Statements (Continued)  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Information on products and services

Revenue from external customers is primarily derived from the trading business of all kinds of tape, adhesives and real estate business. Details of sales revenue are as follows:

	Year ended December 31	
	2023	2022
Tape	\$9,150,103	\$10,318,414
BOPP Film	1,388,944	2,256,904
Packaging materials	1,405,497	1,660,028
Real estate business	829,871	-
Others	449,321	436,047
Total	<u>\$13,223,736</u>	<u>\$14,671,393</u>

Geographical information

The Group's operations are located in Taiwan, China, the United States and other countries. Information on the Group's revenue from external customers and non-current assets classified based on the location of assets is as follows:

	Year ended December 31			
	2023		2022	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	\$8,231,259	\$8,066,453	\$9,568,990	\$8,129,786
China	3,805,665	1,248,529	3,577,449	1,291,689
USA	972,087	892,407	1,306,987	917,231
Others	214,725	1,005,471	217,967	1,005,212
Total	<u>\$13,223,736</u>	<u>\$11,212,860</u>	<u>\$14,671,393</u>	<u>\$11,343,918</u>

Note: Revenue is classified based on the location of sales departments.

Major customer information

There was no sale to a single customer constituting more than 10% of the Group's consolidated net sales in 2023 and 2022.

Yem Chio Co., Ltd. and Subsidiaries

Financing provided to others

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

Table 1

No. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2023 (Note 3)	Balance at December 31, 2023 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
0	The Company	UINN HOTEL	Other receivables	Yes	\$ 180,000	\$ -	\$ -	2.00%	2	\$ -	Working capital	\$ -	None	\$ -	\$ 2,399,509	\$ 4,799,018	-
0	The Company	Wong Chio Development, Ltd.	Other receivables	Yes	500,000	500,000	-	2.00%	2	-	Working capital	-	None	-	2,399,509	4,799,018	-
0	The Company	Wang Chio petrochemical (Jiangsu) Co., Ltd.	Other receivables	Yes	1,013,253	624,774	624,774	0.00%	2	-	Working capital	-	None	-	2,399,509	4,799,018	-
0	The Company	ACHEM Technology Corporation	Other receivables	Yes	900,000	900,000	-	2.00%	2	-	Working capital	-	None	-	2,399,509	4,799,018	-
0	The Company	ACHEM Technology Holding Limited	Other receivables	Yes	324,250	307,050	-	2.00%	2	-	Working capital	-	None	-	2,399,509	4,799,018	-
1	ACHEM Technology Corporation	ACHEM Technology Holding Limited	Other receivables	Yes	614,200	383,813	191,906	2.00%	2	-	Working capital	-	None	-	1,170,874	2,049,030	-
1	ACHEM Technology Corporation	Wong Chio Development, Ltd.	Other receivables	Yes	730,000	380,000	50,000	2.00%	2	-	Working capital	-	None	-	1,170,874	2,049,030	-
1	ACHEM Technology Corporation	UINN HOTEL	Other receivables	Yes	180,000	150,000	110,000	2.00%	2	-	Working capital	-	None	-	1,170,874	2,049,030	-
1	ACHEM Technology Corporation	Pantech Tape Co., Ltd.	Other receivables	Yes	52,000	-	-	2.00%	2	-	Working capital	-	None	-	1,170,874	2,049,030	-
1	ACHEM Technology Corporation	ACHEM Opto-Electronic Corporation	Other receivables	Yes	16,000	16,000	16,000	2.00%	2	-	Working capital	-	None	-	1,170,874	2,049,030	-
2	ACHEM Technology Holding Limited	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Other receivables	Yes	660,083	376,146	376,146	2.50%	2	-	Working capital	-	None	-	3,930,486	3,930,486	-
2	ACHEM Technology Holding Limited	ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.	Other receivables	Yes	55,278	-	-	2.50%	2	-	Working capital	-	None	-	3,930,486	3,930,486	-
2	ACHEM Technology Holding Limited	ASIA PLASTICS	Other receivables	Yes	32,425	30,705	25,792	2.00%	2	-	Working capital	-	None	-	3,930,486	3,930,486	-
2	ACHEM Technology Holding Limited	ACHEM Technology (Vietnam) Ltd.	Other receivables	Yes	82,201	80,754	80,754	2.50%	2	-	Working capital	-	None	-	3,930,486	3,930,486	-
2	ACHEM Technology Holding Limited	WAN CHIO	Other receivables	Yes	157,261	148,919	148,919	2.00%	2	-	Working capital	-	None	-	3,930,486	3,930,486	-
3	ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.	Wang Chio petrochemical (Jiangsu) Co., Ltd.	Other receivables	Yes	311,150	204,018	204,018	0.00%	2	-	Working capital	-	None	-	970,616	970,616	-
3	ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.	Ningbo Yem Chio Co., Ltd.	Other receivables	Yes	80,010	77,886	77,886	2.00%	2	-	Working capital	-	None	-	970,616	970,616	-
3	ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Other receivables	Yes	143,817	142,142	142,142	2.00%	2	-	Working capital	-	None	-	970,616	970,616	-
4	ASIACHEM International Corporation	ACHEM Technology Holding Limited	Other receivables	Yes	701,677	664,456	664,456	2.00%	2	-	Working capital	-	None	-	1,402,881	1,402,881	-
4	ASIACHEM International Corporation	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Other receivables	Yes	152,819	148,762	148,762	2.00%	2	-	Working capital	-	None	-	1,402,881	1,402,881	-
5	ACHEM Technology (Shanghai) Limited	Ningbo Yem Chio Co., Ltd.	Other receivables	Yes	30,856	-	-	2.00%	2	-	Working capital	-	None	-	1,358,389	1,358,389	-
5	ACHEM Technology (Shanghai) Limited	Wang Chio petrochemical (Jiangsu) Co., Ltd.	Other receivables	Yes	735,648	592,366	592,366	0.00%	2	-	Working capital	-	None	-	1,358,389	1,358,389	-
5	ACHEM Technology (Shanghai) Limited	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Other receivables	Yes	270,870	270,870	268,707	2.00%	2	-	Working capital	-	None	-	1,358,389	1,358,389	-
6	Valueline Investment Corporation	ACHEM Technology Corporation	Other receivables	Yes	27,000	27,000	27,000	2.00%	2	-	Working capital	-	None	-	29,013	29,013	-
7	ACHEM Technology China	ACHEM Technology Holding Limited	Other receivables	Yes	32,425	30,705	15,353	2.00%	2	-	Working capital	-	None	-	3,433,894	3,433,894	-
8	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Ningbo Yem Chio Co., Ltd.	Other receivables	Yes	80,010	34,616	34,616	2.8%-4.9%	2	-	Working capital	-	None	-	15,563,750	15,563,750	-
8	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Wang Chio petrochemical (Jiangsu) Co., Ltd.	Other receivables	Yes	462,584	373,117	373,117	0.00%	2	-	Working capital	-	None	-	15,563,750	15,563,750	-
9	ASIA PLASTICS	Wang Chio petrochemical (Jiangsu) Co., Ltd.	Other receivables	Yes	647,469	-	-	0.00%	2	-	Working capital	-	None	-	-	-	Note 7(16)
10	ACHEM Opto-Electronic Corporation	ACHEM Technology Corporation	Other receivables	Yes	43,000	-	-	2.00%	2	-	Working capital	-	None	-	210,837	210,837	-
11	AOE Holding Limited	ACHEM Technology Holding Limited	Other receivables	Yes	45,395	42,987	41,452	2.00%	2	-	Working capital	-	None	-	543,372	543,372	-
12	Master Package (Shanghai) Material Technology Co., Ltd.	Ningbo Yem Chio Co., Ltd.	Other receivables	Yes	46,673	42,405	42,405	4.00%	2	-	Working capital	-	None	-	45,989	45,989	-
13	Xin Chio Co., Ltd.	ACHEM Technology Corporation	Other receivables	Yes	325,000	325,000	325,000	2.00%	2	-	Working capital	-	None	-	427,476	427,476	-
13	Xin Chio Co., Ltd.	The Company	Other receivables	Yes	70,000	70,000	70,000	2.00%	2	-	Working capital	-	None	-	427,476	427,476	-

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1) The Company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Fill in the name of account in which the loans are recognised, such as receivables-related parties, current account with stockholders, prepayments, temporary payments, etc.

Note 3: Fill in the maximum outstanding balance of loans to others for the year ended December 31, 2023.

Note 4: Nature of loan belong to business relationship or short-term financing shall fill in '1' and '2', respectively.

Note 5: Fill in the amount of business transactions when nature of the loan is related to business transactions, which is the amount of business transactions occurred between the creditor and borrower in the current year.

Note 6: Fill in purpose of loan when nature of loan is for short-term financing, for example, repayment of loan, acquisition of equipment, working capital, etc.

Note 7: Fill in limit on loans granted to a single party and ceiling on total loans granted as prescribed in the creditor company's "Procedures for Provision of Loans", and state each individual party to which the loans have been provided and

(1) In accordance with the financing policy of the Company, the ceiling for total financing amount shall not exceed 40% of stockholders' equity, and separate financing amount shall not exceed 20% of stockholders' equity.

(2) In accordance with the financing policy of YEM CHIO, the ceiling for total financing amount shall not exceed 40% of stockholders' equity, and separate financing amount shall not exceed 40% of stockholders' equity.

If the borrowers are foreign companies whose voting rights are directly and indirectly wholly-owned by the ultimate parent company, the financing amount shall not exceed 400% of stockholders' equity.

(3) Limit on Xin Chio Co., Ltd.'s total loans to others is 40% of the Company's net assets.

Limit on loans to a single party with short-term financing is 40% of the Company's net assets.

(4) Ceiling on total loans to others and limit on loans to a single party granted by Master Package (Shanghai) shall not exceed 40% of the stockholders' equity.

If the borrowers are foreign companies whose voting rights are directly and indirectly wholly-owned by the ultimate parent company, the ceiling for total financing amount granted by Master Package (Shanghai) shall not exceed 100% of stockholders' equity.

(5) For the short-term financing from ACHEM Technology Corporation, the total and individual lending amount shall not exceed 35% and 20% of its net assets, respectively.

(6) Limit on loans granted by ACHEM Technology Holdings Limited to others and to a single party shall not exceed 40% of the stockholders' equity. But for foreign companies whose voting rights are directly and indirectly wholly-owned by the ultimate parent company, the limit on loans is 100% of the stockholders' equity.

(7) Limit on loans granted by ASIACHEM International Corporation to others and to a single party shall not exceed 40% of the stockholders' equity. But for foreign companies whose voting rights are directly and indirectly wholly-owned by the parent company of ASIACHEM International Corporation, the limit on loans is 100% of the stockholders' equity of ASIACHEM International Corporation.

(8) In accordance with the financing policy of Valueine Investment Corporation, the ceiling for total and separate financing amount shall not exceed 40% of the stockholders' equity of the subsidiaries.

(9) Limit on loans granted by ACHEM Technology (Shanghai) Limited to others and to a single party shall not exceed 40% of the stockholders' equity of ACHEM Technology (Shanghai) Limited.

If borrowers are foreign companies whose voting rights are directly and indirectly wholly-owned by the ultimate parent company of ACHEM Technology (Shanghai) Limited, the limit on loans is 100% of the stockholders' equity of ACHEM Technology (Shanghai) Limited.

(10) Limit on loans granted by ACHEM Technology (Dongguan) Adhesive Products Co., Ltd. to others and to a single party shall not exceed 40% of the stockholders' equity of ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.

If borrowers are foreign companies whose voting rights are directly and indirectly wholly-owned by the ultimate parent company of ACHEM Technology (Dongguan) Adhesive Products Co., Ltd., the limit on loans is 100% of the stockholders' equity of ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.

(11) Limit on loans granted by ASIA PLASTICS to others and to a single party shall not exceed 40% of the stockholders' equity of ASIA PLASTICS.

If borrowers are foreign companies whose voting rights are directly and indirectly wholly-owned by the ultimate parent company of ASIA PLASTICS, the limit on loans is 1000% of the stockholders' equity of ASIA PLASTICS.

(12) Limit on loans granted by ACHEM Technology China to others and to a single party shall not exceed 40% of the stockholders' equity of ACHEM Technology China. If borrowers are foreign companies whose voting rights are directly and indirectly wholly-owned by the ultimate parent company of ACHEM Technology China, the limit on loans is 100% of the stockholders' equity of ACHEM Technology China.

(13) The total and individual lending amount of Wanchio Adhesive Product (Jiangsu) Co., Ltd. shall not exceed 40% of its net assets.

However, the loans among foreign entities to which the ultimate parent company of Wanchio Adhesive Product (Jiangsu) Co., Ltd. directly or indirectly has 100% voting rights, the total and individual lending amount shall not exceed 3000% of net assets of the lender company.

(14) Limit on ACHEM Opto-Electronic Corporation's total loans to others is 40% of the Company's net assets.

(15) Limit on loans granted by AOE Holding Limited to others and to a single party shall not exceed 40% of the stockholders' equity. But for foreign companies whose voting rights are directly and indirectly wholly-owned by the parent company of AOE Holding Limited, the limit on loans is 100% of the stockholders' equity of AOE Holding Limited.

(16) ASIA PLASTICS's Board of Directors held in December 2023 approved the cancellation of ASIA PLASTICS's loans to Wan Chio Petrochemical (Jiangsu) Co., Ltd. The situation of exceeding the limit of the loan amount was improved accordingly.

Note 8: The amounts of funds to be loaned to others which have been approved by the board of directors of a public company in accordance with Article 14, Item 1 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" should be included in its published balance of loans to others at the end of the reporting period to reveal the risk of loaning the public company bears, even though they have not yet been appropriated.

However, this balance should exclude the loans repaid when repayments are done subsequently to reflect the risk adjustment. In addition, if the board of directors of a public company has authorized the chairman to loan funds in instalments or in revolving within certain lines and within one year in accordance with Article 14, Item 2 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies", the published balance of loans to others at the end of the reporting period should also include these lines of loaning approved by the board of directors, and these lines of loaning should not be excluded from this balance even though the loans are repaid subsequently, for taking into consideration they could be loaned again thereafter.

Yem Chio Co., Ltd. and Subsidiaries  
Endorsement/Guarantee provided to others  
For the year ended December 31, 2023  
(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

Table 2

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limit on endorsement/ guarantee Given on behalf of each party (Note 3)	Maximum balance for the period (Note 4)	Ending balance (Note 5)	Actual Borrowing Amount (Note 6)	Amount of endorsement/guaran- tee collateralized by properties	Percentage of accumulated guarantee amount to net assets value from the latest financial statement	Limit of total guarantee/endorsement amount (Note 3)	Provision of endorsements/guarantees by parent company to subsidiary (Note7)	Provision of endorsements/guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/guarantees to the party in Mainland China (Note 7)	Footnote
		Company name	Relationship (Note 2)											
0	The Company	Wong Chio Development., Ltd.	2	\$ 11,997,544	\$ 150,000	\$ -	\$ -	\$ -	-	\$ 17,996,316	Y	N	N	-
0	The Company	ACHEM Technology (Vietnam) Ltd.	2	11,997,544	32,425	30,705	-	-	-	17,996,316	Y	N	N	-
0	The Company	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	2	11,997,544	418,592	401,412	-	-	3	17,996,316	Y	N	Y	-
0	The Company	ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.	2	11,997,544	153,700	-	-	-	-	17,996,316	Y	N	Y	-
1	ACHEM Technology Corporation	ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.	2	5,854,371	154,460	30,000	19,443	-	1	5,854,371	Y	N	Y	-
1	ACHEM Technology Corporation	ACHEM Technology Holding Limited	2	5,854,371	1,107,000	829,035	-	-	14	5,854,371	Y	N	N	-
1	ACHEM Technology Corporation	Ningbo Yem Chio Co., Ltd.	2	5,854,371	200,025	194,715	27,260	-	3	5,854,371	Y	N	Y	-
1	ACHEM Technology Corporation	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	2	5,854,371	213,360	121,156	-	-	2	5,854,371	Y	N	Y	-
1	ACHEM Technology Corporation	ACHEM Technology (Vietnam) Ltd.	2	5,854,371	38,910	36,846	305	-	1	5,854,371	Y	N	N	-
2	ACHEM Technology (Shanghai) Limited	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	2	1,358,389	271,436	268,274	138,464	-	19	1,358,389	N	N	Y	-

Note1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

- (1) The Company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories:

- (1) Having business relationship.
- (2) The endorser/guarantor parent company owns directly or indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.
- (3) The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.
- (4) The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.
- (5) Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.
- (6) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
- (7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note 3: Fill in limit on endorsements/guarantees provided for a single party and ceiling on total amount of endorsements/guarantees provided as prescribed in the endorser/guarantor company's "Procedures for Provision of Endorsements and

Guarantees", and state each individual party to which the endorsements/guarantees have been provided and the calculation for ceiling on total amount of endorsements/guarantees provided in the footnote.

- (1) Calculation for ceiling on endorsements/guarantees provided by the Company to others and to a single party is based on 150% and 100% of the Company's net equity in the latest financial statements, respectively.
- (2) Calculation for ceiling on endorsements/guarantees provided by ACHEM Technology Corporation to others and to a single party is based on 100% of stockholders' equity in the latest financial statements.
- (3) For ACHEM Technology (Shanghai) Limited, the ceiling on total amount of endorsements/guarantees provided and the limit on endorsements/guarantees provided for a single party are both calculated based on 100% of net assets disclosed on the latest financial statements.

Note 4: Fill in the year-to-date maximum outstanding balance of endorsements/guarantees provided as of the reporting period.

Note 5: Fill in the amount approved by the Board of Directors or the chairman if the chairman has been authorized by the Board of Directors based on subparagraph 8, Article 12 of the Regulations Governing Loaning of Funds and Making of

Endorsements/Guarantees by Public Companies.

Note 6: Fill in the actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

Note 7: Fill in 'Y' for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.

Yem Chio Co., Ltd. and Subsidiaries  
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)  
December 31, 2023  
(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

Table 3

Securities held by	Type of securities (Note 1)	Name of securities	Relationship with the securities issuer (Note 2)	General ledger account	As of December 31, 2023				Footnote (Note 4)
					Number of shares (Including stock dividends)	Book value (Note 3)	Ownership	Fair value	
The Company	Common stock	ASE Technology Holding Co., Ltd.	None	Financial assets at fair value through other comprehensive income - current	1,390,897	\$ 187,771	0.03%	\$ 187,771	1,390,000
The Company	Common stock	Quanta Computer Inc.	"	"	213,000	47,818	0.01%	47,818	-
The Company	Common stock	LITE-ON Technology Corp.	"	"	90,000	10,530	0.00%	10,530	1,000
The Company	Common stock	HON HAI PRECISION IND. CO., LTD.	"	"	3,295,000	344,328	0.02%	344,328	3,010,000
The Company	Common stock	Formosa Plastics Corporation	"	"	500,000	39,600	0.01%	39,600	500,000
The Company	Common stock	Fubon Financial Holding Co., Ltd.	"	"	1,636,025	106,014	0.01%	106,014	224,000
The Company	Common stock	MediaTek Inc.	"	"	164,000	166,460	0.01%	166,460	164,000
The Company	Common stock	Taiwan Semiconductor Manufacturing Co., Ltd.	"	"	260,000	154,180	0.00%	154,180	74,000
The Company	Common stock	Yuanta Taiwan Top 50 ETF	"	"	62,000	8,398	0.00%	8,398	1,000
The Company	Common stock	EVERGREEN MARINE CORP. (TAIWAN) LTD.	"	"	671,000	96,289	0.03%	96,289	-
The Company	Common stock	UNI-PRESIDENT ENTERPRISES CORP.	"	"	87,000	6,481	0.00%	6,481	-
The Company	Common stock	U-Ming Marine Transport Corporation	"	"	191,000	9,951	0.02%	9,951	-
The Company	Common stock	Tong Hsing Electronic Industries, LTD.	"	"	235,000	37,013	0.11%	37,013	-
The Company	Common stock	Unipex Global Co., Ltd	"	Financial assets at fair value through other comprehensive income - non-current	171,900	5,597	17.19%	5,597	-
YEM CHIO	Common stock	Yem Chio Co., Ltd.	Ultimate parent company	Financial assets at fair value through other comprehensive income - non-current	16,822,281	297,754	2.56%	297,754	Note 5
YEM CHIO	Common stock	Vanguard S&P 500 ETF	None	"	1,882	25,310	0.00%	25,309	-
ACHEM Technology Corporation	Common stock	Yuanta Taiwan Top 50 ETF	"	Financial assets at fair value through profit or loss - current	34,000	4,605	0.00%	4,605	-
ACHEM Technology Corporation	Common stock	Fubon FSTE TWSE Taiwan 50 ETF	"	"	150,000	11,572	0.02%	11,572	-
ACHEM Technology Corporation	Common stock	CTBC Taiwan ESG Leading Semiconductor ETF	"	"	520,000	8,523	0.05%	8,523	-
ACHEM Technology Corporation	Common stock	Fubon Taiwan Core Semi ETF	"	"	396,000	5,540	0.07%	5,540	-
ACHEM Technology Corporation	Common stock	LITE-ON Technology Corp.	"	"	117,000	13,689	0.00%	13,689	-
ACHEM Technology Corporation	Common stock	HON HAI PRECISION IND. CO., LTD.	"	"	507,000	52,982	0.00%	52,982	-
ACHEM Technology Corporation	Common stock	Taiwan Semiconductor Manufacturing Co., Ltd.	"	"	120,000	71,160	0.00%	71,160	-
ACHEM Technology Corporation	Common stock	GIGA-BYTE TECHNOLOGY CO., LTD.	"	"	18,000	4,788	0.00%	4,788	-
ACHEM Technology Corporation	Common stock	Micro-Star International Co., Ltd.	"	"	1,000	204	0.00%	204	-
ACHEM Technology Corporation	Common stock	Quanta Computer Inc.	"	"	92,000	20,654	0.00%	20,654	-
ACHEM Technology Corporation	Common stock	EVERGREEN MARINE CORP. (TAIWAN) LTD.	"	"	15,000	2,153	0.00%	2,153	-
ACHEM Technology Corporation	Common stock	U-Ming Marine Transport Corporation	"	"	28,000	1,459	0.00%	1,459	-
ACHEM Technology Corporation	Common stock	Fubon Financial Holding Co., Ltd.	"	"	382,350	24,776	0.00%	24,776	-
ACHEM Technology Corporation	Common stock	E.SUN Financial Holding Co., Ltd.	"	"	125,000	3,225	0.00%	3,225	-
ACHEM Technology Corporation	Common stock	ASE Technology Holding Co., Ltd.	"	"	94,000	12,690	0.00%	12,690	-
ACHEM Technology Corporation	Common stock	Sercomm Corporation	"	"	14,000	1,883	0.01%	1,883	-
ACHEM Technology Corporation	Common stock	Quanta Storage Inc.	"	"	76,000	6,232	0.03%	6,232	-
ACHEM Technology Corporation	Common stock	Tong Hsing Electronic Industries, LTD.	"	"	96,000	15,120	0.05%	15,120	-
ACHEM Technology Corporation	Common stock	INPAQ Technology Co., Ltd.	"	"	60,000	5,010	0.04%	5,010	-
ACHEM Technology Corporation	Common stock	International Engineering & Construction Corp.	"	Financial assets at fair value through other comprehensive income - non-current	7,212,885	-	7.99%	-	-
ACHEM Technology Corporation	Bank debenture	Citigroup Inc.	"	Financial assets at fair value through other comprehensive income - non-current	-	53,933	-	53,934	-
Valueline Investment Corporation	Common stock	Yem Chio Co., Ltd.	Ultimate parent company	Financial assets at fair value through other comprehensive income - non-current	406,409	7,193	0.06%	7,193	Note 5
Valueline Investment Corporation	Common stock	Lucky-Heart Co., Ltd.	None	"	800,000	-	6.96%	-	-
Valueline Investment Corporation	Common stock	Taiwan Virtual Reality Technologies Inc.	"	"	1,600,000	-	10.00%	-	-
ACHEM Technology Holding Limited	Beneficiary certificates	Augustus Multi - Strategy Fund	"	Financial assets at fair value through profit or loss - current	58,721	-	0.00%	-	-
ACHEM Technology Holding Limited	Common stock	Yem Chio Co., Ltd.	Ultimate parent company	Financial assets at fair value through other comprehensive income - non-current	1,194,138	21,136	0.18%	21,136	Note 5
AOE Holding Limited	Bank debenture	Codeis Securities S.A.	None	Financial assets at fair value through profit or loss - current	-	-	-	-	-
Foshan Inder Adhesive Product Co., Ltd	Capital guarantee products	Structured Investment Deposit in Bank of China	"	Financial assets at fair value through profit or loss - current	-	216,317	-	216,317	-
Foshan Inder Adhesive Product Co., Ltd	Capital guarantee products	Structured Investment Deposit in Bank of Communications	"	"	-	259,580	-	259,580	-
Master Package (Shanghai) Material Technology Co., Ltd.	Wealth management products	Wealth management products launched by Bank of China	"	Financial assets at fair value through profit or loss - current	-	51,924	-	51,924	-

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities within the scope of IFRS 9 'Financial Instruments.'

Note 2: Leave the column blank if the issuer of marketable securities is non-related party.

Note 3: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Note 4: The number of shares of securities and their amounts pledged as security should be stated in the footnote if the securities presented herein have such conditions.

Note 5: The stocks are held by the Company's subsidiary; hence, the investment is accounted for treasury shares.

Yem Chio Co., Ltd. and Subsidiaries  
Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital  
For the year ended December 31, 2023  
(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

Table 4

Investor	Marketable securities (Note 2)	General ledger account (Note 1)	Counterparty (Note 3)	Relationship with the investor (註3)	Balance as at January 1, 2023		Addition (Note 4)		Disposal (Note 4)				Balance as at December 31, 2023	
					Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Selling price	Book value	Gain (loss) on disposal	Number of shares (in thousands)	Amount
The Company	Common stock: Quanta Computer Inc.	(2)	-	-	2,851	\$ 206,127	321	\$ 46,262	2,959	\$ 414,622	\$ 204,653	\$ 209,969	213	\$ 47,818
Foshan Inder Adhesive Product Co., Ltd.	Capital guarantee products : Financial product launched by Bank of China	(1)	-	-	-	-	-	943,141	-	726,824	726,824	-	-	216,317
Foshan Inder Adhesive Product Co., Ltd.	Capital guarantee products : Structured Investment Deposit in Bank of Communications	(1)	-	-	-	264,413	-	1,583,438	-	1,588,271	1,588,271	-	-	259,580
Master Package (Shanghai) Material Technology Co., Ltd.	Financial product: Financial product launched by Bank of China	(1)	-	-	-	52,896	-	479,131	-	480,060	480,060	-	-	51,924

Note 1: The numbers filled in general ledger account are as follows:

- (1) Financial assets at fair value through profit or loss
- (2) Financial assets at fair value through other comprehensive income

Note 2: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.

Note 3: Fill in the columns the counterparty and relationship if securities are accounted for under the equity method; otherwise leave the columns blank.

Note 4: The gain on disposal of financial assets at fair value through other comprehensive income will be directly transferred to retained earnings and not be reflected in the profit or loss.

Yem Chio Co., Ltd. and Subsidiaries  
Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more  
For the year ended December 31, 2023  
(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

Table 5

Real estate acquired by	Real estate acquired	Transaction date	Transaction amount	Payment status	Counterparty	Relationship with the Counterparty	If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below:				Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments
							Original owner who sold the real estate to the counterparty	Relationship between the original owner and the acquirer	Date of the original transaction	Amount			
The Company	Office building in 5F and parking lots in Neihu District, Taipei City	2023.8.11	\$ 400,000  (Including business tax \$4,190)	Full Paid	Xin Chio Co., Ltd.	Subsidiary	Wong Chio Development., Ltd.	It was dissolved and consolidated in the Company	2015.6.25	\$ 390,000	According to appraisal report issued by the Panasia Real Estate, the estimated value is \$410,199.	The Company purchase this property for office usage requirement in responses to business expansion.	-
The Company	Land in Zhongmei Section, Beitou District, Taipei City.	2023.8.11	\$ 707,357	Based on the terms in the contracts	A group of 5 people	Third party	N/A	N/A	N/A	N/A	According to appraisal report issued by the Panasia Real Estate, the estimated value is \$720,831.	The Company purchase this land for the usage of construction and development in the future.	-
The Company	Eight tracts of land in No.553, Taishan Section, Taishan District, New Taipei City	2023.10.23	\$ 347,618	Based on the terms in the contracts	Jing Cheng Construction Co., Ltd.	Third party	N/A	N/A	N/A	N/A	According to appraisal report issued by the Cathay Real Estate, the estimated value is \$362,016.	The Company purchase this land for the usage of construction and development in the future.	-
The Company	Twelve tracts of land in No.754-1, Taishan Section, Taishan District, New Taipei City	2023.12.19	\$ 375,298	Based on the terms in the contracts	A group of 5 people	Third party	N/A	N/A	N/A	N/A	According to appraisal report issued by the Cathay Real Estate, the estimated value is \$376,729.	The Company purchase this land for the usage of construction and development in the future.	-

Not 1: The appraisal result should be presented in the 'Basis or reference used in setting the price' column if the real estate acquired should be appraised pursuant to the regulations.

Note 2: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NTS10 per share, the 20% of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

Note 3: Date of the event referred to herein is the date of contract signing date, date of payment, date of execution of a trading order, date of title transfer, date of board resolution, or other date that can confirm the counterparty and the monetary amount of the transaction, whichever is earlier.

Yem Chio Co., Ltd. and Subsidiaries  
Disposal of real estate reaching \$300 million or 20% of paid-in capital or more  
For the year ended December 31, 2023  
(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

Table 6

Real estate disposed by	Real estate	Transaction date (Note 1)	Acquisition date	Carrying amount	Disposal amount	Status of collection of proceeds	Gain (loss) on disposal	Counterparty	Relationship with the seller	Reason for disposal	Basis or reference used in setting the price	Other commitments
Xin Chio Co., Ltd.	Office building in 5F and 24 parking lots in Neihu District, Taipei City	2023.8.10	2015.08.27	\$ 373,136	\$ 400,000  (Including business tax \$4,190)	Full collected	\$ 22,674	The Company	Parent company	The primary office location had been moved to Taishan Building, and the office in Neihu is underutilized.	According to appraisal report issued by the Cathay Real Estate, the estimated value is \$390,150.	-

Note 1: Date of the event referred to herein is the date of contract signing, date of payment, date of execution of a trading order, date of title transfer, date of board resolution, or other date that can confirm the counterparty and the monetary amount of the transaction, whichever is earlier.

Yem Chio Co., Ltd. and Subsidiaries

Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

Table 7

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases (sales)	Amount	Percentage of total purchases (sales) (%)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable) (%)	
The Company	ACHEM Technology Corporation	Subsidiary	Sales	\$ 516,730	19.44%	30 days after monthly billings	Note 3	Note 3	\$ 36,117	9.37%	None
The Company	Xin Chio Co., Ltd.	Subsidiary	Sales	107,249	4.04%	90 days after monthly billings	Note 3	Note 3	38,182	9.90%	None
The Company	ACHEM Industry America Inc.	An indirect subsidiary	Sales	117,584	4.42%	60 days after the receipt of shipment	Note 3	Note 3	36,838	9.55%	None
ACHEM Technology Corporation	Foshan Inder Adhesive Product Co., Ltd.	Subsidiary	Purchases	170,679	6.18%	100 days after shipment	Note 3	Note 3	(69,832)	(17.45%)	None
ACHEM Technology Corporation	Ningbo Yem Chio Co., Ltd.	Subsidiary	Purchases	191,131	6.92%	60 days after monthly billings	Note 3	Note 3	(36,831)	(9.20%)	None
ACHEM Technology Corporation	ACHEM Industry America Inc.	Subsidiary	Sales	138,253	3.11%	60 days after monthly billings	Note 3	Note 3	24,266	2.77%	None
Wanchio Adhesive Product (Jiangsu) Co., Ltd.	ACHEM Technology Corporation	Parent company	Sales	226,742	9.78%	60 days after monthly billings	Note 3	Note 3	28,978	3.85%	None
Wanchio Adhesive Product (Jiangsu) Co., Ltd.	ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.	Sister company	Sales	294,437	12.69%	60 days after monthly billings	Note 3	Note 3	99,811	13.24%	None

Note 1: If terms of related-party transactions are different from third-party transactions, explain the differences and reasons in the 'Unit price' and 'Credit term' columns.

Note 2: In case related-party transaction terms involve advance receipts (prepayments) transactions, explain in the footnote the reasons, contractual provisions, related amounts, and differences in types of transactions compared to third-party transactions.

Note 3: The description of the transaction is not significantly different with third parties and as such, no need to disclose.

Yem Chio Co., Ltd. and Subsidiaries  
Receivables from related parties reaching \$100 million or 20% of paid-in capital or more  
December 31, 2023  
(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

Table 8

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2023 (Note 1)	Turnover rate (Note 2)	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
The Company	Wang Chio petrochemical (Jiangsu) Co., Ltd.	An indirect subsidiary	Other receivables \$ 624,774	-	\$ -	-	\$ -	\$ -
Xin Chio Co., Ltd.	ACHEM Technology Corporation	Associate	Other receivables 328,994	-	-	-	-	-
ACHEM Technology Corporation	ACHEM Technology Holding Limited	Subsidiary	Other receivables 192,413	-	-	-	-	-
ACHEM Technology Corporation	UINN HOTEL	Sister company	Other receivables 110,432	-	-	-	-	-
ACHEM Technology (Shanghai) Limited	Wang Chio petrochemical (Jiangsu) Co., Ltd.	Sister company	Other receivables 592,366	-	-	-	-	-
ACHEM Technology (Shanghai) Limited	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Sister company	Other receivables 271,773	-	-	-	-	-
ACHEM Technology Holding Limited	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	An indirect subsidiary	Other receivables 377,110	-	-	-	-	-
ACHEM Technology Holding Limited	WAN CHIO	Associate	Other receivables 150,927	-	-	-	-	-
ASIACHEM International Corporation	ACHEM Technology Holding Limited	Sister company	Other receivables 676,991	-	-	-	-	-
ASIACHEM International Corporation	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Sister company	Other receivables 157,192	-	-	-	-	-
ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.	Wang Chio petrochemical (Jiangsu) Co., Ltd.	Sister company	Other receivables 204,018	-	-	-	-	-
ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Sister company	Other receivables 145,082	-	-	-	-	-
Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Wang Chio petrochemical (Jiangsu) Co., Ltd.	Associate	Other receivables 373,117	-	-	-	-	-

Note 1: Fill in separately the balances of accounts receivable - related parties, notes receivable - related parties, other receivables-related parties.

Note 2: Other receivables is not applicable to use turnover days calculation.

Yem Chio Co., Ltd. and Subsidiaries  
Significant inter-company transactions during the reporting period  
For the year ended December 31, 2023  
(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

Table 9

No. (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				Account	Amount	Transaction terms	Percentage of consolidated operating revenues or total assets (Note 3)
0	The Company	ACHEM Technology Corporation	(1)	Sales	\$ 516,730	30 days after monthly billings	3.91%
0	The Company	Wang Chio petrochemical (Jiangsu) Co., Ltd.	(1)	Other receivables	624,774	Depends on negotiation	2.01%
1	Xin Chio Co., Ltd.	ACHEM Technology Corporation	(3)	Other receivables	328,994	Depends on negotiation	1.06%
2	ACHEM Technology Corporation	Foshan Inder Adhesive Product Co., Ltd.	(1)	Purchase	170,679	100 days after shipment	1.29%
2	ACHEM Technology Corporation	Ningbo Yem Chio Co., Ltd.	(1)	Purchase	191,131	60 days after monthly billings	1.45%
2	ACHEM Technology Corporation	ACHEM Industry America Inc.	(1)	Sales	138,253	60 days after monthly billings	1.05%
3	ACHEM Technology (Shanghai) Limited	Wang Chio petrochemical (Jiangsu) Co., Ltd.	(3)	Other receivables	592,366	Depends on negotiation	1.90%
4	ACHEM Technology Holding Limited	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	(1)	Other receivables	377,110	Depends on negotiation	1.21%
5	ASIACHEM International Corporation	ACHEM Technology Holding Limited	(3)	Other receivables	676,991	Depends on negotiation	2.17%
6	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	ACHEM Technology Corporation	(2)	Sales	226,742	60 days after monthly billings	1.71%
6	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.	(3)	Sales	294,437	60 days after monthly billings	2.23%
6	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Wang Chio petrochemical (Jiangsu) Co., Ltd.	(3)	Other receivables	373,117	Depends on negotiation	1.20%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

- (1) Parent company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories:

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: The Company may decide to disclose or not to disclose transaction details in this table based on the Materiality Principle.

Yem Chio Co., Ltd. and Subsidiaries  
Information on investees (not including investees in Mainland China)  
For the year ended December 31, 2023  
(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

Table 10

Investor	Investee (Note 1 - 2)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023			Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 3)	Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Carrying amount			
The Company	YEM CHIO	BVI	Manufacturing of adhesives and polystyrene sheets; investment holdings	\$ 1,446,758	\$ 1,446,758	47,117,523	100.00%	\$ ( 762,942)	\$ 28,171	\$ 12,007	Subsidiary
The Company	UINN HOTEL	Taiwan	Hotel management and related business	25,740	25,740	-	100.00%	(35,918)	20,089	(7,728)	Subsidiary
The Company	Wong Chio Development, Ltd.	Taiwan	Undertaking civil engineering and hydraulic engineering	345,077	345,077	34,507,664	100.00%	302,149	6,660	7,262	Subsidiary
The Company	ACHEM Technology Corporation	Taiwan	Manufacturing of adhesives and polystyrene sheets; investment holdings	3,999,048	3,999,048	399,904,848	100.00%	5,731,324	675,688	688,802	Subsidiary
The Company	Xin Chio Co., Ltd.	Taiwan	Sales of wrapping material	299,264	299,264	25,740,120	38.86%	82,199	131,017	38,220	Subsidiary
The Company	Yanrun Development Co., Ltd.	Taiwan	Operating real estate related business	8,000	8,000	1,320,000	40.00%	(5,478)	(5,724)	(2,289)	Associate
The Company	King Sun New Tech Co., Ltd.	Taiwan	Construction and Management of Solar	72,105	-	1,650,000	27.50%	75,949	37,023	3,844	Associate
YEM CHIO	ASIA PLASTICS	BVI	Sales of adhesives and polystyrene sheets; investment holdings	357,191	357,191	11,632,500	45.00%	(203,484)	(472,614)	-	An indirect subsidiary
YEM CHIO	WAN CHIO	BVI	Sales of raw materials; investment holdings	899,657	899,657	40,400,000	68.47%	(715,698)	311,969	-	An indirect subsidiary
ACHEM Technology Corporation	ASIACHEM International Corporation	BVI	Investment of adhesives and related products	357,237	357,237	23,269	100.00%	1,402,874	33,636	-	An indirect subsidiary
ACHEM Technology Corporation	ACHEM Technology Holding Limited	BVI	Investment of high technology industry	3,098,876	3,098,876	100,924	100.00%	3,921,212	338,986	-	An indirect subsidiary
ACHEM Technology Corporation	Valueline Investment Corporation	Taiwan	Investment holdings	249,287	249,287	826,089	100.00%	72,533	1,078	-	An indirect subsidiary
ACHEM Technology Corporation	ACHEM Opto-Electronic Corporation	Taiwan	Manufacturing of electronic parts and components	362,935	321,550	24,575,000	100.00%	527,092	21,631	-	An indirect subsidiary
ACHEM Technology Corporation	Xin Chio Co., Ltd.	Taiwan	Sales of wrapping material	242,903	242,903	14,930,000	22.54%	311,160	131,017	-	Associate
ACHEM Technology Corporation	Pantech Tape Co., Ltd.	Taiwan	Manufacturing and sales of various adhesives products	41,160	-	1,200,000	100.00%	39,429	(1,731)	-	An indirect subsidiary
ACHEM Technology Holding Limited	ACHEM Technology Americas Ltd.	Cayman Islands	Investment of high technology industry	418,908	418,908	13,643,000	100.00%	1,121,675	17,349	-	An indirect subsidiary
ACHEM Technology Holding Limited	ACHEM Technology China	Cayman Islands	Investment of high technology industry	2,094,360	2,094,360	68,209,075	100.00%	3,433,908	515,671	-	An indirect subsidiary
ACHEM Technology Holding Limited	ACHEM Technology (Vietnam) Ltd.	Vietnam	Manufacturing and sales of various adhesives products	368,460	368,460	-	100.00%	182,755	(27,795)	-	An indirect subsidiary
ACHEM Technology Holding Limited	WAN CHIO	BVI	Sales of raw materials; investment holdings	571,113	571,113	18,600,000	31.53%	(329,574)	311,969	-	An indirect subsidiary
ACHEM Technology Holding Limited	ASIA PLASTICS	BVI	Sales of raw materials; investment holdings	536,370	536,370	14,217,500	55.00%	(248,702)	(472,614)	-	An indirect subsidiary
ACHEM Technology Holding Limited	ACHEM Technology (M) SDN. Bhd.	Malaysia	Business of import, export and distribution	4,268	4,268	353,152	90.00%	20,788	2,201	-	An indirect subsidiary
ACHEM Technology Americas Ltd.	ACHEM Industry America Inc.	U.S.A.	Manufacturing and sales of various adhesives products	267,134	267,134	50,000	100.00%	1,003,466	17,565	-	An indirect Subsidiary
ACHEM Opto-Electronic Corporation	AOE Holding Limited	BVI	Investment of high technology industry	64,996	64,996	4,234	100.00%	543,372	21,223	-	An indirect subsidiary
ACHEM Technology China	LANDMART	Samoa	Investment of high technology industry	859,740	859,740	28,000,000	100.00%	1,359,216	58,863	-	An indirect subsidiary

Note 1: If a public company is equipped with an overseas holding company and takes consolidated financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

Note 2: If situation does not belong to Note 1, fill in the columns according to the following regulations:

- (1) The columns of 'Investee', 'Location', 'Main business activities', 'Initial investment amount' and 'Shares held as at December 31, 2023' should fill orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the 'footnote' column.
- (2) The 'Net profit (loss) of the investee for the year ended December 31, 2023' column should fill in amount of net profit (loss) of the investee for this period.
- (3) The 'Investment income (loss) recognised by the Company for the year ended December 31, 2023' column should fill in the Company (public company) recognised investment income (loss) of its direct subsidiary and recognised investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognised investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary's net profit (loss) for this period has included its investment income (loss) which shall be recognised by regulations.

Note 3: Indirect subsidiary's income is recognised by subsidiary.

Yem Chio Co., Ltd. and Subsidiaries  
Information on investments in Mainland China - Basic Information  
For the year ended December 31, 2023  
(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

Table 11

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income of investee for the year ended December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 2)	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Footnote (Note 2)
					Remitted to Mainland China	Remitted back to Taiwan							
Ningbo Yem Chio Co., Ltd.	Sales of adhesives and polystyrene sheets	\$ 344,816	2	\$ 879,726	\$ -	\$ -	\$ 879,726	\$ 181,359	100.00%	\$ 181,359	\$( 439,655)	\$ -	B
Master Package (Shanghai) Material Technology Co., Ltd.	Wholesale, import and export of various wrapping materials, computer software, hardware and peripherals	187,300	1	187,300	-	-	187,300	2,605	61.40%	1,685	70,593	-	B
ACHEM (Tianjin) Adhesive Product Co., Ltd. (liquidated and deregistered)	Sales of various adhesives products	-	1	22,151	-	63	-	-	61.40%	-	-	-	Note 4
ACHEM Technology (Wuhan) Limited	Sales of various adhesives products	31,319	1	35,751	-	-	35,751	365	61.40%	236	3,615	-	B
Foshan Inder Adhesive Product Co., Ltd.	Manufacturing and sales of various adhesives products	433,723	2	170,658	-	-	170,658	37,080	62.30%	23,101	507,824	-	B
Fuzhou Fuda Plastic Products Co., Ltd.	Manufacturing and sales of various adhesives products and material	39,917	2	32,240	-	-	32,240	(154)	100.00%	(154)	60,363	-	B
ACHEM Technology (Chengdu) Limited	Manufacturing and sales of adhesives and BOPP film	4,606	2	4,606	-	-	4,606	1,192	100.00%	1,192	9,803	-	B
ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.	Manufacturing and sales of adhesives and BOPP film	230,656	2	230,656	-	-	230,656	104,210	100.00%	104,210	970,627	-	B
ACHEM Technology (Shanghai) Limited	Manufacturing and sales of adhesives and BOPP film	494,351	2	494,351	-	-	494,351	58,886	100.00%	58,886	1,358,402	-	B
Winda Opto-Electronics Co., Ltd.	Manufacturing and sales of polarizing film, photoelectric material, optical thin-film and polarizing adhesives	626,093	2	152,800	-	-	152,800	145,358	31.42%	45,671	990,961	392,697	B
Wan Chio Petrochemical (Jiangsu) Co., Ltd.	Manufacturing and sale of various plastic materials	2,456,400	2	1,470,770	-	-	1,470,770	629,307	100.00%	629,307	(1,789,166)	-	B
Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Manufacturing and sale of various plastic materials	921,150	2	921,150	-	-	921,150	328,433	100.00%	328,433	518,796	-	B

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 3)
Yem Chio Co., Ltd.	\$1,110,504	\$1,130,463	\$7,624,396
ACHEM Technology Corporation	\$3,272,658	\$3,272,658	\$3,577,526
Xin Chio Co., Ltd.	\$223,051	\$223,051	\$641,215

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
- (3) Others.

Note 2: In the 'Investment income (loss) recognised by the Company for the year ended December 31, 2023' column:

- (1) It should be indicated if the investee was still in the incorporation arrangements and had not yet any profit during this period.
- (2) Indicate the basis for investment income (loss) recognition in the number of one of the following four categories:
  - A. The financial statements were audited and attested (reviewed) by international accounting firm which has cooperative relationship with accounting firm in R.O.C.
  - B. The financial statements were audited (reviewed) by R.O.C. parent company's CPA.
  - C. The financial statements for the same periods ended were not audited (reviewed) by auditors.
  - D. Others.

Note 3: (1) Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023 is USD 36,167 thousand and investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) is USD 36,817 thousand.

(2) ACHEM Technology Corporation's accumulated amount of remittance to Mainland China as of December 31, 2023 was USD 102,362 thousand, (in addition there is USD 2,342 thousand to be remitted) and the amount approved by MOEA was USD 123,818 thousand.

(3) Xin Chio Co., Ltd.'s accumulated amount of remittance to Mainland China as of December 31, 2023 was USD 7,264 thousand, and the amount approved by MOEA was USD 7,264 thousand.

Note 4: The company received approval from the Investment Commission of the Ministry of Economic Affairs to invest USD 721 thousand in ACHEM (Tianjin) Adhesive Product Co., Ltd. ACHEM (Tianjin) was liquidated and deregistered in 2022 and the Company had collected the remaining liquidation amount 63 thousand in 2023. In July 2023, Investment Commission of MOEA had approved the cancellation of this investment in ACHEM (Tianjin) of USD 721 thousand.

Yem Chio Co., Ltd.  
Major shareholders information  
December 31, 2023

Table 12

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
ASIA PLASTICS CO., LTD.	52,974,405	7.96%
YING CHUNG CO., LTD.	51,698,666	7.77%
INGS CHYUANG INTERNATIONAL CO., LTD.	42,748,839	6.42%

Note: The major shareholders' information was derived from the data using the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of the quarter and was calculated by Taiwan Depository & Clearing Corporation.

The share capital which was recorded on the financial statements of the Company may be different from the actual number of shares in dematerialised form due to the difference of calculation basis.

## II. Appendix 2 Separate financial reports for the most recent year

### **INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE**

The Board of Directors and Shareholders  
Yem Chio Co., Ltd.

#### **Opinion**

We have audited the accompanying parent company only financial statements of Yem Chio Co., Ltd. (the "Company"), which comprise the parent company only balance sheets as of December 31, 2023, and the parent company only statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the parent company only financial statements, including a summary of material accounting policies (collectively referred to as the "parent company only financial statements").

In our opinion, based on our audits and the reports of other auditors (please refer to the Other Matter), the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2023, and its parent company only financial performance and cash flows for the year then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

#### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the parent company only Financial Statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

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

Key audit matters for the Company's 2023 parent company only financial statements are stated as follows:

### Valuation of inventory

The Company is mainly engaged in the manufacture, processing, and sales of packaging materials, including BOPP film, adhesives and polystyrene sheets, as well as land development and construction. The Company's inventories were measured at the lower of cost and net realisable value. Considering the Company's inventories were significant to the parent company only financial statements and the determination of net realizable value for the inventories involves judgements and estimates, and the aforementioned matters exist in the Company, we identified the evaluation of inventories as a key audit matter.

Our audit procedures including (but are not limited to) assessing the appropriateness of the management's accounting policy for inventory evaluation; evaluating and testing the effectiveness of relevant internal control; sampling the inventory aging report by checking the inventory entry dates are consistent with relevant supportive documents; recalculating the inventory obsolescence loss based on the aging report; reviewing and calculating the reasonableness of the inventory net realizable value report; and participating in the annual inventory count to identify if there is obsolete or impaired inventory. For the inventory of land development and construction business, obtaining the valuation data in relation to the net realisable value of inventories to ascertain whether the data source, assumptions and methods adopted by the Company are reasonable. Testing data in order to check the reasonableness of the net realisable value of construction-in-progress and land held for building.

Please refer to Notes 4, 5 and 6(6) of the parent company only financial statements for the accounting policies, significant accounting estimates and the information about inventories, respectively.

### Valuation of investment property

As of December 31, 2023, the fair value of investment property was NT\$2,165,699 thousand, constituting 9% of total assets. The Company's investment property is valued by external experts using the fair value model. Given that the valuation process is subject to significant assumptions on discount rate and future lease income and has material effect on the fair value measurement. We identified the evaluation of investment property as a key audit matter.

Our audit procedures including (but are not limited to) assessing the qualifications and independence of appointed external appraisers; obtaining and reviewing reasonableness of appraisal report, including valuation method and key appraisal assumptions and estimates, etc.; assessing reasonableness of the lease income and rental growth rate are reasonable by referencing to the market rental rate for the investment properties using the income approach.

Please refer to Notes 4, 5 and 6(9) of the parent company only financial statements for the accounting policies, significant accounting estimates and the information about investment property, respectively.

## **Other matter**

We did not audit the financial statements of certain investees accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these investments, is based solely on the reports of the other auditors. Total accounted for under the equity method of these investees amounted to NT\$1,207,009 thousand, constituting 4% of total assets as at December 31, 2023, and the comprehensive loss amounted to (NT\$254) thousand, constituting (0)% of total comprehensive income for the year ended December 31, 2023.

The parent company only financial statements of the Company for the year ended December 31, 2022 were audited by other auditor, who expressed an unqualified opinion with emphasis of matter and other matter section on those statements on March 15, 2023.

## **Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements**

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of the parent company financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including audit committee, are responsible for overseeing the Company's financial reporting process.

## **Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements**

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

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

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

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

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

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

Liu, Jung Chin  
Hsieh, Sheng-An  
Ernst & Young, Taiwan  
March 14, 2024

#### Notice to Readers

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally accepted and applied in the Republic of China.

Accordingly, the accompanying parent company only financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or the Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

Yem Chio Co., Ltd.

Parent Company Only Balance Sheets

December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars)

Assets	Notes	December 31, 2023		December 31, 2022		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 338,716	1	\$ 558,201	3
1110	Financial assets at fair value through profit or loss - current	6(2)	-	-	81	-
1120	Financial assets at fair value through other comprehensive income - current	6(3) and 8	1,214,833	5	959,378	4
1136	Financial assets at amortised cost - current	6(4) and 8	397,079	2	392,067	2
1150	Notes receivable, net	6(5) and 17	38,145	-	31,759	-
1170	Accounts receivable, net	6(5) and 17	236,311	1	260,126	1
1180	Accounts receivable - related parties	7	111,136	-	109,989	1
1200	Other receivables		20,418	-	20,423	-
1210	Other receivables - related parties	7	637,600	3	1,030,746	5
1220	Current tax assets		202	-	202	-
130X	Inventories	5, 6(6), 7 and 8	9,104,511	37	6,361,685	29
1470	Other current assets	7	565,176	2	522,347	2
<b>11XX</b>	<b>Total current assets</b>		<b>12,664,127</b>	<b>51</b>	<b>10,247,004</b>	<b>47</b>
<b>Non-current assets</b>						
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	5,597	-	5,597	-
1535	Financial assets at amortised cost - non-current	6(4) and 8	59,147	-	104,793	-
1550	Investments accounted for using the equity method	6(7)	6,191,621	26	6,130,083	28
1600	Property, plant and equipment, net	6(8) and 8	3,479,364	14	3,218,674	15
1755	Right-of-use assets	6(18)	56,059	-	59,174	-
1760	Investment property, net	5, 6(9), 6(18), 7 and 8	2,165,699	9	2,123,774	10
1780	Intangible assets, net		122	-	144	-
1840	Deferred income tax assets	6(21)	69,610	-	52,765	-
1900	Other non-current assets	8	4,965	-	5,046	-
<b>15XX</b>	<b>Total non-current assets</b>		<b>12,032,184</b>	<b>49</b>	<b>11,700,050</b>	<b>53</b>
<b>1XXX</b>	<b>Total assets</b>		<b>\$ 24,696,311</b>	<b>100</b>	<b>\$ 21,947,054</b>	<b>100</b>

(Continued)

Yem Chio Co., Ltd.

Parent Company Only Balance Sheets

December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars)

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
<b>Current liabilities</b>						
2100	Short-term borrowings	6(10) and 8	\$ 4,187,493	17	\$ 2,471,092	11
2110	Short-term notes and bills payable	6(11)	400,000	2	550,000	3
2130	Current contract liabilities	6(16) and 7	676,908	3	593,201	3
2150	Notes payable		95,044	-	40,079	-
2170	Accounts payable		107,735	-	108,905	-
2180	Accounts payable - related parties	7	17,952	-	14,129	-
2200	Other payables		114,682	1	128,489	1
2220	Other payables - related parties	7	70,199	-	754	-
2230	Current income tax liabilities		22,370	-	28,761	-
2280	Lease liabilities - current	6(18)	2,591	-	2,534	-
2320	Current portion of long-term liabilities	6(12), 6(13) and 8	3,307,502	13	2,448,500	11
2399	Other current liabilities		41,132	-	6,996	-
<b>21XX</b>	<b>Total current liabilities</b>		<b>9,043,608</b>	<b>36</b>	<b>6,393,440</b>	<b>29</b>
<b>Non-current liabilities</b>						
2530	Corporate bonds payable	6(12) and 8	-	-	411,778	2
2540	Long-term borrowings	6(13) and 8	2,673,278	12	2,964,750	14
2570	Deferred income tax liabilities	6(21)	89,223	-	88,583	-
2580	Lease liabilities - non-current	6(18)	54,255	-	56,846	-
2600	Other non-current liabilities	6(7) and 6(14)	838,403	3	893,949	4
<b>25XX</b>	<b>Total non-current liabilities</b>		<b>3,655,159</b>	<b>15</b>	<b>4,415,906</b>	<b>20</b>
<b>2XXX</b>	<b>Total liabilities</b>		<b>12,698,767</b>	<b>51</b>	<b>10,809,346</b>	<b>49</b>
<b>Equity</b>						
Share capital						
		6(15)				
3110	Common stock		6,582,467	27	6,404,897	29
3130	Certificate of entitlement to new shares from convertible bonds		66,857	-	10,000	-
Capital surplus						
		6(15)				
3200	Capital surplus		2,718,738	11	2,638,722	12
Retained earnings						
		6(15)				
3310	Legal reserve		568,926	2	467,875	2
3320	Special reserve	6(8)	511,756	2	477,708	2
3350	Unappropriated retained earnings		1,868,613	8	1,549,179	7
Other equity interest						
3400	Other equity interest		94,532	1	3,672	1
3500	Treasury stocks	6(15)	( 414,345)	( 2)	( 414,345)	( 2)
<b>3XXX</b>	<b>Total equity</b>		<b>11,997,544</b>	<b>49</b>	<b>11,137,708</b>	<b>51</b>
<b>3X2X</b>	<b>Total liabilities and equity</b>		<b>\$ 24,696,311</b>	<b>100</b>	<b>\$ 21,947,054</b>	<b>100</b>

The accompanying notes are an integral part of these parent company only financial statements.

Yem Chio Co., Ltd.

Parent Company Only Statements of Comprehensive Income

For the Years Ended December 31, 2023 And 2022

(Expressed in thousands of New Taiwan dollars, except for earnings per share)

Items	Notes	2023		2022	
		AMOUNT	%	AMOUNT	%
4000 Net revenue	6(16) and 7	\$ 2,657,952	100	\$ 3,642,524	100
5000 Operating costs	6(6), 6(19) and 7	( 2,600,404)	( 98)	( 3,248,693)	( 89)
5900 Net operating margin		57,548	2	393,831	11
Operating expenses	6(14), 6(17), 6(18) and 6(19)				
6100 Selling expenses		( 112,368)	( 4)	( 227,257)	( 6)
6200 General and administrative expenses		( 121,812)	( 5)	( 124,090)	( 4)
6000 Total operating expenses		( 234,180)	( 9)	( 351,347)	( 10)
6900 Operating (loss) profit		( 176,632)	( 7)	42,484	1
Non-operating income and expenses					
7100 Interest income	7	20,404	1	12,334	-
7010 Other income	6(9), 6(18), 6(20) and 7	268,244	10	192,867	5
7020 Other gains and losses	6(20)	35,356	1	124,386	4
7050 Finance costs	6(20) and 7	( 69,272)	( 3)	( 68,726)	( 2)
7060 Share of profit or loss of associates accounted for using the equity method	6(7)	740,118	28	795,961	22
7000 Total non-operating income and expenses		994,850	37	1,056,822	29
7900 <b>Net income before tax</b>		818,218	30	1,099,306	30
7950 Income tax expense	6(21)	( 17,013)	( 1)	( 61,480)	( 1)
8200 <b>Net Income</b>		\$ 801,205	29	\$ 1,037,826	29
<b>Other comprehensive income (loss)</b>					
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>					
8311 Actuarial gains on defined benefit plans	6(14)	\$ 2,758	-	( 3,373)	-
8316 Unrealised gains (losses) from equity instruments investments measured at fair value through other comprehensive income		395,498	15	( 213,299)	( 6)
8320 Share of other comprehensive income (loss) of associates which will not be reclassified subsequently to profit or loss		22,119	1	( 20,342)	( 1)
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(21)	( 552)	-	675	-
8310 Other comprehensive income (loss) that will not be reclassified to profit or loss		419,823	16	( 236,339)	( 7)
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>					
8361 Financial statements translation differences of foreign operations		( 27,823)	( 1)	304,097	8
8370 Share of other comprehensive income (loss) of associates which may be reclassified subsequently to profit or loss		( 22,025)	( 1)	14,987	1
8360 Other comprehensive income (loss) that will be reclassified to profit or loss		( 49,848)	( 2)	319,084	9
8300 <b>Total other comprehensive income (loss) for the year</b>		\$ 369,975	14	\$ 82,745	2
8500 <b>Total comprehensive income for the year</b>		\$ 1,171,180	43	\$ 1,120,571	31
Earnings per share (in dollars)	6(22)				
Basic earnings per share					
9750 Basic earnings per share		\$ 1.30		\$ 1.72	
9850 Diluted earnings per share		\$ 1.21		\$ 1.58	

The accompanying notes are an integral part of these parent company only financial statements.

Yem Chio Co., Ltd.  
Parent Company Only Statements of Changes in Equity  
For the Years Ended December 31, 2023 and 2022

	Capital		Retained Earnings				Other Equity Interest				Total equity	
	Common stock	Certificate of entitlement to new shares from convertible bonds	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Revaluation property surplus	Treasury stocks		
<u>2022</u>												
Balance at January 1, 2022	\$ 6,380,540	\$ 2,333	\$ 2,384,602	\$ 359,243	\$ 490,572	\$ 1,256,999	(\$ 642,002)	\$ 96,041	\$ 439,576	(\$ 414,345)	\$ 10,353,559	
Net income	-	-	-	-	-	1,037,826	-	-	-	-	1,037,826	
Other comprehensive income	-	-	-	-	-	38,503	328,415	(284,173)	-	-	82,745	
Total comprehensive income	-	-	-	-	-	1,076,329	328,415	(284,173)	-	-	1,120,571	
Appropriations and distribution of retained earnings for the year ended December 31, 2021												
Cash dividends	-	-	-	-	-	(622,566)	-	-	-	(622,566)		
Legal reserve	-	-	-	108,632	-	(108,632)	-	-	-	-		
Reversal of special reserve	-	-	-	-	(12,864)	12,864	-	-	-	-		
Disposal of equity investment valued at fair value through other comprehensive income	-	-	-	-	-	(10,871)	-	10,871	-	-		
Disposal of investments in equity instruments designated at fair value through other comprehensive income of subsidiaries	-	-	-	-	-	(54,944)	-	54,944	-	-		
Adjustments recognised not based on the shareholding ratio	-	-	232,209	-	-	-	-	-	-	-	232,209	
Conversion of convertible corporate bonds	-	32,024	3,214	-	-	-	-	-	-	-	35,238	
Changes in subsidiaries' ownership	-	(17)	-	-	-	-	-	-	-	(17)		
Conversion of certificates of bonds-to-share	24,357	(24,357)	-	-	-	-	-	-	-	-		
Subsidiaries holding the Company's stocks are regarded as treasury stocks and receive cash dividends	-	-	18,423	-	-	-	-	-	-	-	18,423	
Gains from exercise of disgorgement	-	-	291	-	-	-	-	-	-	-	291	
Balance at December 31, 2022	\$ 6,404,897	\$ 10,000	\$ 2,638,722	\$ 467,875	\$ 477,708	\$ 1,549,179	(\$ 313,587)	(\$ 122,317)	\$ 439,576	(\$ 414,345)	\$ 11,137,708	
<u>2023</u>												
Balance at January 1, 2023	\$ 6,404,897	\$ 10,000	\$ 2,638,722	\$ 467,875	\$ 477,708	\$ 1,549,179	(\$ 313,587)	(\$ 122,317)	\$ 439,576	(\$ 414,345)	\$ 11,137,708	
Net income	-	-	-	-	-	801,205	-	-	-	-	801,205	
Other comprehensive income	-	-	-	-	-	7,687	(51,208)	413,496	-	-	369,975	
Total comprehensive income	-	-	-	-	-	808,892	(51,208)	413,496	-	-	1,171,180	
Appropriations and distribution of retained earnings for the year ended December 31, 2022												
Cash dividends	-	-	-	-	-	(625,787)	-	-	-	(625,787)		
Legal reserve	-	-	-	101,051	-	(101,051)	-	-	-	-		
Special reserve	-	-	-	-	34,048	(34,048)	-	-	-	-		
Disposal of equity investment valued at fair value through other comprehensive income	-	-	-	-	-	264,895	(264,895)	-	-	-		
Disposal of investments in equity instruments designated at fair value through other comprehensive income of subsidiaries	-	-	-	-	-	6,533	(6,533)	-	-	-		
Adjustments recognised not based on the shareholding ratio	-	-	43,512	-	-	-	-	-	-	-	43,512	
Conversion of convertible corporate bonds	-	234,427	18,081	-	-	-	-	-	-	-	252,508	
Conversion of certificates of bonds-to-share	177,570	(177,570)	-	-	-	-	-	-	-	-		
Subsidiaries holding the Company's stocks are regarded as treasury stocks and receive cash dividends	-	-	18,423	-	-	-	-	-	-	-	18,423	
Balance at December 31, 2023	\$ 6,582,467	\$ 66,857	\$ 2,718,738	\$ 568,926	\$ 511,756	\$ 1,868,613	(\$ 364,795)	\$ 19,751	\$ 439,576	(\$ 414,345)	\$ 11,997,544	

The accompanying notes are an integral part of these parent company only financial statements.

Yem Chio Co., Ltd.  
Parent Company Only Statements of Cash Flows  
For the Years Ended December 31, 2023 and 2022  
(Expressed in thousands of New Taiwan dollars)

	2023	2022
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Net income before tax	\$ 818,218	\$ 1,099,306
Adjustments		
Adjustments to reconcile profit		
Depreciation	204,175	203,085
Amortisation	22	22
Net loss on financial assets at fair value through profit or loss	65	48,470
Interest expenses	69,272	68,726
Interest income	( 20,404)	( 12,334)
Share of profit or loss of associates accounted for using the equity method	( 740,118)	( 795,961)
(Gain) loss on disposal of property, plant and equipment	( 60)	20
Gain on fair value adjustment of investment property	( 41,925)	( 25,498)
Employees' compensation	-	5,575
Dividend income	( 181,212)	( 107,062)
Changes in operating assets and liabilities		
Changes in operating assets		
Notes receivable, net	( 6,386)	37,268
Accounts receivable, net	23,815	287,135
Accounts receivable - related parties	-	136,895
Other receivables	508	( 6,174)
Other receivables - related parties	2,278	( 2,460)
Inventories	( 2,614,430)	( 585,220)
Prepayments	28,160	-
Other current assets	( 70,988)	( 9,201)
Changes in operating liabilities		
Notes payable	54,965	( 36,386)
Current contract liabilities	83,707	113,306
Accounts payable	( 1,129)	( 42,621)
Accounts payable - related parties	3,823	( 2,565)
Other payables	( 29,338)	( 12,751)
Other payables - related parties	( 754)	( 5,388)
Other current liabilities	34,136	( 3,808)
Other non-current liabilities	335	( 55)
Cash inflow (used in) generated from operations	( 2,383,265)	352,324
Interest received	19,901	28,311
Dividend received	181,212	205,381
Interest paid	( 182,760)	( 159,180)
Income taxes paid	( 35,037)	( 92,993)
Net cash (used in) provided by operating activities	( 2,399,949)	333,843

(Continued)

Yem Chio Co., Ltd.  
Parent Company Only Statements of Cash Flows  
For the Years Ended December 31, 2023 and 2022  
(Expressed in thousands of New Taiwan dollars)

	2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of financial assets at fair value through profit or loss	( 297)	( 212,132)
Proceeds from disposal of financial assets at fair value through profit or loss	295	298,328
Acquisition of investments accounted for using equity method	( 72,105)	-
Acquisition of financial assets at fair value through other comprehensive income	( 1,127,946)	( 923,599)
Proceeds from disposal of financial assets at fair value through other comprehensive income	1,267,704	1,141,612
Decrease (increase) in financial assets at amortised cost	40,633	( 91,105)
Decrease in other receivables - related parties	1,122,636	1,373,182
Acquisition of property, plant and equipment	( 463,394)	( 59,448)
Proceeds from disposal of property, plant and equipment	60	95
Decrease (increase) in other non-current assets	80	( 2,582)
Net cash provided by investing activities	767,666	1,524,351
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Increase (decrease) in short-term borrowings	1,716,401	( 1,256,500)
(Decrease) increase in short-term notes and bills payable	( 150,000)	140,000
Increase (decrease) in other payables - related parties	70,000	( 355,000)
Proceeds from long-term borrowings	1,875,049	1,174,000
Repayment of long-term borrowings	( 1,469,021)	( 732,512)
Repayment of lease liabilities	( 3,844)	( 1,282)
Payment of cash dividends	( 625,787)	( 622,566)
Gains from exercise of disgorgement	-	291
Net cash provided by (used in) financing activities	1,412,798	( 1,653,569)
Net (decrease) increase in cash and cash equivalents	( 219,485)	204,625
Cash and cash equivalents at the beginning of year	558,201	353,576
Cash and cash equivalents at the end of year	\$ 338,716	\$ 558,201

The accompanying notes are an integral part of these parent company only financial statements.

Yem Chio Co., Ltd.  
Notes to the Parent Company Only Financial Statements  
For the Years Ended December 31, 2023 and 2022  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and organization

Yem Chio Co., Ltd. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.). The Company is primarily engaged in researching, designing, manufacturing, processing, and sales of petrochemical and packaging materials, including BOPP film and adhesive tape, as well as land development and construction. On December 1, 2022, the Company conducted a short-form merger with the wholly-owned subsidiary, Chuang-Yi Investment Co., Ltd. Under the merger, the Company was the surviving company while Chuang-Yi Investment Co., Ltd. was the dissolved company.

The Company had been listed as Second (TIGER) category securities on Gre Tai Securities Market since April, 2000, and had been listed as general securities since April, 2001. Since January 21, 2008, the Company had been listed on the Taiwan Stock Exchange.

2. Date and procedures of authorization of financial statements for issue

The parent company only financial statements were authorised for issuance by the Board of Directors on March 14, 2024.

3. Newly issued or revised standards and interpretations

(1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Company applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended (collectively referred to as the “IFRS”), which are recognised by Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after 1 January 2023. The adoption of these new standards and amendments had no material impact on the Company.

(2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board (“IASB”) which are endorsed by FSC, but not yet adopted by the Company as at the end of the reporting period are listed below:

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	Classification of Liabilities as Current or Non-current – Amendments to IAS 1	1 January 2024
b	Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	1 January 2024
c	Non-current Liabilities with Covenants – Amendments to IAS 1	1 January 2024
d	Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	1 January 2024

Yem Chio Co., Ltd.

Notes to the Parent Company Only Financial Statements (Continued)  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

The abovementioned standards and interpretations were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after January 1, 2024. The Company assessed above standards and interpretations have no material impact on the Company.

- (3) Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, and not yet adopted by the Company As of the end of the reporting period are listed below:

Items	New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
1	IFRS 10 <i>Consolidated Financial Statements</i> and IAS 28 <i>Investments in Associates and Joint Ventures</i> – Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
2	IFRS 17 <i>Insurance Contracts</i>	January 1, 2023
3	Lack of Exchangeability – Amendments to IAS 21	January 1, 2025

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Company’s financial statements were authorized for issue, the local effective dates are to be determined by FSC. The Company assessed above standards and interpretations have no material impact on the Company.

4. Summary of material accounting policies

The material accounting policies are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Statement of compliance

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”).

(2) Basis of preparation

The Company prepared parent company only financial statements in accordance with Article 21 of the Regulations, which provided that the profit or loss and other comprehensive income for the period presented in the parent company only financial statements shall be the same as the profit or loss and other comprehensive income attributable to stockholders of the parent presented in the consolidated financial statements for the period, and the total equity presented in the parent company only financial statements shall be the same as the equity attributable to the parent company presented in the consolidated financial statements. Therefore, the Company accounted for its investments in subsidiaries using equity method and, accordingly, made necessary adjustments.

Yem Chio Co., Ltd.

Notes to the Parent Company Only Financial Statements (Continued)  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

The parent company only financial statements have been prepared on a historical cost basis, except for financial instruments, defined benefit liabilities and investment property that have been measured at fair value. The parent company only financial statements are expressed in thousands of New Taiwan Dollars (“NT\$”) unless otherwise stated.

(3) Names and relationship of related parties

Names and relationship of related parties	Abbreviated company name	Note
Subsidiaries of the Company		
Yem Chio (BVI) Co., Ltd.	YEM CHIO	
ACHEM Technology Corporation	-	
Xin Chio Co., Ltd.	-	
Chuang-Yi Investment Co., Ltd.	-	Note 3
UINN Hotel Co., Ltd.	UINN HOTEL	
Wong Chio Development, Ltd.	-	
Wong Chio (SAMOA) Co., Ltd.	WONG CHIO	
Subsidiary of YEM CHIO		
Wan Chio (BVI) Co., Ltd.	WAN CHIO	
Subsidiaries of ACHEM Technology Corporation		
ASIACHEM International Corporation	-	
ACHEM Opto-Electronic Corporation	-	Note 7
Valueline Investment Corporation	-	
ACHEM Technology Holdings Limited	-	
Pantech Tape Co., Ltd.	-	Note 6
Subsidiaries of Xin Chio Co., Ltd.		
Master Package (Shanghai) Material Technology Co., Ltd.	-	
ACHEM (Tianjin) Adhesive Product Co., Ltd.	-	Note 4
ACHEM Technology (Wuhan) Limited	-	
Subsidiary of WAN CHIO		
Wan Chio Petrochemical (Jiangsu) Co., Ltd.	-	
Subsidiary of ASIACHEM International Corporation		
Fuzhou Fuda Plastic Products Co., Ltd.	-	Note 1
Subsidiaries of ACHEM Technology Holdings Limited		
ACHEM Technology China	-	
ACHEM Technology Americas Ltd.	-	
ACHEM Technology (M) Sdn. Bhd.	-	
ACHEM Technology (Vietnam) Ltd.	-	
ACHEM Technology (India) Ltd.	-	Note 2
Asia Plastics (BVI) Co., Ltd.	ASIA PLASTICS	

Yem Chio Co., Ltd.

Notes to the Parent Company Only Financial Statements (Continued)  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Names and relationship of related parties	Abbreviated company name	Note
Subsidiary of ASIA PLASTICS	-	
ACHEM Technology (Ningbo) Co., Ltd.	-	
Subsidiaries of ACHEM Technology China		
ACHEM Technology (Chengdu) Limited	-	
ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.	-	
Foshan Inder Adhesive Product Co., Ltd.	-	
Wanchio Adhesive Product (Jiangsu) Co., Ltd.	-	
Landmart Global Limited	LANDMART	Note 5
Subsidiary of ACHEM Technology Americas Ltd.		
ACHEM Industry America Inc.	-	
Subsidiary of ACHEM Opto-Electronic Corporation		
AOE Holding Limited	-	
Subsidiary of LANDMART		
ACHEM Technology (Shanghai) Limited	-	Note 5
Associate		
Winda Opto-Electronics Co., Ltd	-	
Yanrun Development Co., Ltd.	-	
King Sun New Tech Co., Ltd.	-	Note 8
Other related parties		
Li, Qi-Zheng	-	
Li, Shu-Wei	-	
Key management of the Company		
Li, Zhi-Xian	-	

Note 1 : Fuzhou Fuda Plastic Products Co., Ltd. has ceased operations.

Note 2 : ACHEM Technology (India) Ltd. underwent liquidation in May 2017.

Note 3: Chuang-Yi Investment Co., Ltd. was dissolved and merged with the Company since the effective date of the merger, December 1, 2022.

Note 4 : ACHEM (Tianjin) Adhesive Product Co., Ltd. completed the liquidation and deregistration in December 2022.

Note 5 : In October 2017, ACHEM Technology China increased its investment in its wholly-owned subsidiary, LANDMART, in the amount of US\$28 million and then transferred its 100% equity interest in ACHEM Technology (Shanghai) Limited to LANDMART. As of December 31, 2022, ACHEM Technology (Shanghai) Limited has not yet completed the registration.

Yem Chio Co., Ltd.

Notes to the Parent Company Only Financial Statements (Continued)

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Note 6 : In May 2023, ACHEM Technology Corporation acquired 100% shareholding of Pantech Tape Co., Ltd. for a cash consideration of \$41,160. The registration of the change was completed on May 5, 2023.

Note 7 : ACHEM Technology Corporation entered into a shares repurchase agreement with ACHEM Opto-Electronic Corporation's non-controlling interest. ACHEM Technology Corporation acquired an additional 8.6% of outstanding shares of ACHEM Opto-Electronic Corporation for a total cash consideration of USD 700 thousand. The shareholding ratio increased from 78.48% to 87.09%, resulting in an increase in capital surplus - recognition of changes in ownership interest in subsidiaries by \$15,277. The registration of the change was completed on September 5, 2022. ACHEM Technology Corporation entered into a shares purchase agreement with ACHEM Opto-Electronic Corporation's non-controlling interest. ACHEM Technology Corporation acquired an additional 12.91% shareholding of ACHEM Opto-Electronic Corporation for a total cash consideration of USD 1,280 thousand. The shareholding ratio increased from 87.09% to 100%. The registration of the change was completed on October 13, 2023.

Note 8 : In December 2023, the Company acquired 27.5% shareholding of King Sun New Tech Co., Ltd. for a cash consideration of \$72,105. The registration of the change was completed on January 24, 2024.

(4) Foreign currency transactions

The Company's parent company only financial statements are presented in NT\$, which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded by the Company entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

Yem Chio Co., Ltd.

Notes to the Parent Company Only Financial Statements (Continued)  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

- A. Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
- B. Foreign currency items within the scope of IFRS 9 Financial Instruments are accounted for based on the accounting policy for financial instruments.
- C. Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

(5) Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into NT\$ at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognised in other comprehensive income and accumulated in the foreign operation of equity.

(6) Current and non-current distinction

An asset is classified as current when:

- A. The Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle
- B. The Company holds the asset primarily for the purpose of trading
- C. The Company expects to realize the asset within twelve months after the reporting period
- D. The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

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Notes to the Parent Company Only Financial Statements (Continued)  
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A liability is classified as current when:

- A. The Company expects to settle the liability in its normal operating cycle
- B. The Company holds the liability primarily for the purpose of trading
- C. The liability is due to be settled within twelve months after the reporting period
- D. The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

(7) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid time deposits (including ones that have maturity within three months) or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(8) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of IFRS 9 Financial Instruments are recognised initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

A. Financial instruments: Recognition and Measurement

The Company accounts for regular way purchase or sales of financial assets on the trade date.

The Company classified financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

- (a) the Company's business model for managing the financial assets and
- (b) the contractual cash flow characteristics of the financial asset.

Yem Chio Co., Ltd.

Notes to the Parent Company Only Financial Statements (Continued)  
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Financial asset measured at fair value through profit or loss

Financial assets were classified as measured at amortised cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognised in profit or loss which includes any dividend or interest received on such financial assets.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- (a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

- (a) A gain or loss on a financial asset measured at fair value through other comprehensive income recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognised or reclassified.
- (b) When the financial asset is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
- (c) Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:
  - (i) Purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition.
  - (ii) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortised cost of the financial asset in subsequent reporting periods.

Yem Chio Co., Ltd.

Notes to the Parent Company Only Financial Statements (Continued)  
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Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies, the Company made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognised in profit or loss unless the dividends clearly represent a recovery of part of the cost of investment.

Financial assets measured at amortised cost

A financial asset is measured at amortised cost if both of the following conditions are met and presented as note receivables, trade receivables, financial assets measured at amortised cost and other receivables etc., on balance sheet as at the reporting date:

- (a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortised cost and is not part of a hedging relationship. A gain or loss is recognised in profit or loss when the financial asset is derecognised, through the amortisation process or in order to recognise the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

- (a) purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition.
- (b) financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortised cost of the financial asset in subsequent reporting periods.

Yem Chio Co., Ltd.

Notes to the Parent Company Only Financial Statements (Continued)  
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B. Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortised cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognised in other comprehensive income and not reduce the carrying amount in the balance sheet.

The Company measures expected credit losses of a financial instrument in a way that reflects:

- (a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- (b) the time value of money; and
- (c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measures as follow:

- (a) At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Company measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
- (b) At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
- (c) For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.
- (d) For lease receivables arising from transactions within the scope of IFRS 16, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

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Notes to the Parent Company Only Financial Statements (Continued)  
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At each reporting date, the Company needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

C. Derecognition of financial assets

A financial asset is derecognised when:

- (a) The rights to receive cash flows from the asset have expired
- (b) The Company has transferred the asset and substantially all the risks and rewards of the asset have been transferred
- (c) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognised in other comprehensive income, is recognised in profit or loss.

D. Financial liabilities and equity

Classification between liabilities or equity

The Company classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Compound instruments

The Company evaluates the terms of the convertible bonds issued to determine whether it contains both a liability and an equity component. Furthermore, the Company assesses if the economic characteristics and risks of the put and call options contained in the convertible bonds are closely related to the economic characteristics and risk of the host contract before separating the equity element.

Yem Chio Co., Ltd.

Notes to the Parent Company Only Financial Statements (Continued)  
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For the liability component excluding the derivatives, its fair value is determined based on the rate of interest applied at that time by the market to instruments of comparable credit status. The liability component is classified as a financial liability measured at amortised cost before the instrument is converted or settled.

For the embedded derivative that is not closely related to the host contract (for example, if the exercise price of the embedded call or put option is not approximately equal on each exercise date to the amortised cost of the host debt instrument), it is classified as a liability component and subsequently measured at fair value through profit or loss unless it qualifies for an equity component. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. Its carrying amount is not remeasured in the subsequent accounting periods. If the convertible bond issued does not have an equity component, it is accounted for as a hybrid instrument in accordance with the requirements under IFRS 9 *Financial Instruments*.

Transaction costs are apportioned between the liability and equity components of the convertible bond based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

On conversion of a convertible bond before maturity, the carrying amount of the liability component being the amortised cost at the date of conversion is transferred to equity.

Financial liabilities

Financial liabilities within the scope of IFRS 9 *Financial Instruments* are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortised cost upon initial recognition.

Financial liabilities at amortised cost

Financial liabilities measured at amortised cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate method amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Yem Chio Co., Ltd.

Notes to the Parent Company Only Financial Statements (Continued)  
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(9) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (a) In the principal market for the asset or liability, or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(10) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads allocated based on normal operating capacity. It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

Costs of buildings and land held for sale are stated at acquisition cost basis during construction. In accordance with IFRSs, the related interest expense is capitalised.

(11) Investments accounted for using the equity method

The Company's investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Company has significant influence.

Yem Chio Co., Ltd.

Notes to the Parent Company Only Financial Statements (Continued)

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Under the equity method, the investment in the associate is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Company's share of net assets of the associate. After the interest in the associate is reduced to zero, additional losses are provided for, and a liability is recognised, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate. Unrealized gains and losses resulting from transactions between the Company and the associate are eliminated to the extent of the Company's related interest in the associate.

When changes in the net assets of an associate occur and not those that are recognised in profit or loss or other comprehensive income and do not affect the Company's percentage of ownership interests in the associate, the Company recognises such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognised will be reclassified to profit or loss at the time of disposing the associate on a prorata basis.

When the associate issues new stock, and the Company's interest in an associate is reduced or increased as the Company fails to acquire shares newly issued in the associate proportionately to its original ownership interest, the increase or decrease in the interest in the associate is recognised in Additional Paid in Capital and Investment accounted for using the equity method. When the interest in the associate is reduced, the cumulative amounts previously recognised in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognised is reclassified to profit or loss on a pro rata basis when the Company disposes the associate.

The financial statements of the associate are prepared for the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company.

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income. In determining the value in use of the investment, the Company estimates:

- (1) Its share of the present value of the estimated future cash flows expected to be generated by the associate, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
- (2) The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate is not separately recognised, it is not tested for impairment separately by applying the requirements for impairment testing goodwill.

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Notes to the Parent Company Only Financial Statements (Continued)

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Upon loss of significant influence over the associate, the Company measures and recognises any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognised in profit or loss.

(12) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognised such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced. When a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	1-60 years
Machinery and equipment	1-25 years
Transportation equipment	1-8 years
Office equipment	1-10 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognised in profit or loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(13) Investment property

An investment property is stated initially at its cost and measured subsequently using the fair value model. A gain or loss arising from a change in the fair value of investment property is recognised in profit or loss.

Yem Chio Co., Ltd.  
Notes to the Parent Company Only Financial Statements (Continued)  
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(14) Leases

The Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, has both of the following:

- A. the right to obtain substantially all of the economic benefits from use of the identified asset;  
and
- B. the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Company for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Company estimates the stand-alone price, maximising the use of observable information.

Company as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Company recognises right-of-use asset and lease liability for all leases which the Company is the lessee of those lease contracts.

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

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Notes to the Parent Company Only Financial Statements (Continued)  
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- A. fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- B. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- C. amounts expected to be payable by the lessee under residual value guarantees;
- D. the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- E. payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Company measures the lease liability on an amortised cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Company measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

- A. the amount of the initial measurement of the lease liability;
- B. any lease payments made at or before the commencement date, less any lease incentives received;
- C. any initial direct costs incurred by the lessee; and
- D. an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Company measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Company applies IAS 36 *Impairment of Assets* to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Company accounted for as short-term leases or leases of low-value assets, the Company presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statement of comprehensive income.

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Notes to the Parent Company Only Financial Statements (Continued)  
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For short-term leases or leases of low-value assets, the Company elects to recognise the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

Company as a lessor

At inception of a contract, the Company classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Company recognises assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Company allocates the consideration in the contract applying IFRS 15.

The Company recognises lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognised as rental income when incurred.

(15) Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 *Impairment of Assets* may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

Yem Chio Co., Ltd.

Notes to the Parent Company Only Financial Statements (Continued)  
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An impairment loss of continuing operations or a reversal of such impairment loss is recognised in profit or loss.

(16) Treasury shares

Own equity instruments which are reacquired (treasury shares) are recognised at cost and deducted from equity. Any difference between the carrying amount and the consideration is recognised in equity.

(17) Revenue recognition

A. Sales of goods

- (a) Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.
- (b) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Land development and resale

- (a) The Company develops and sells residential properties. Revenue is recognised when control over the property has been transferred to the customer. The properties have generally no alternative use for the Company due to contractual restrictions. However, an enforceable right to payment does not arise until legal title has passed to the customer. Therefore, revenue is recognised at a point in time when the legal title has passed to the customer.
- (b) The revenue is measured at an agreed upon amount under the contract. The consideration is due when legal title has been transferred. While deferred payment terms may be agreed in rare circumstances, the deferral never exceeds twelve months. The transaction price is therefore not adjusted because the contract does not include a significant financing component.

Yem Chio Co., Ltd.

Notes to the Parent Company Only Financial Statements (Continued)  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

(18) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(19) Post-employment benefits

All regular employees of the Company are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company. Therefore, fund assets are not included in the Company's the parent company only financial statements.

For the defined contribution plan, the Company will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognises expenses for the defined contribution plan in the period in which the contribution becomes due.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Remeasurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognised as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognised in profit or loss on the earlier of:

- A. the date of the plan amendment or curtailment, and
- B. the date that the Group recognises restructuring-related costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

(20) Income taxes

Income tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Yem Chio Co., Ltd.

Notes to the Parent Company Only Financial Statements (Continued)  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognised in other comprehensive income or directly in equity is recognised in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognised as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- A. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- B. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- A. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- B. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Yem Chio Co., Ltd.

Notes to the Parent Company Only Financial Statements (Continued)  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognised accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

5. Significant accounting judgements, estimates and assumptions

The preparation of the Company's parent company only financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

(1) Judgement

None.

(2) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

A. Inventories

As inventories are stated at the lower of cost and net realisable value, the Company must determine the net realisable value of inventories on balance sheet date using judgements and estimates. The Company evaluates the amounts of normal inventory consumption and obsolete inventories on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

Yem Chio Co., Ltd.

Notes to the Parent Company Only Financial Statements (Continued)  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

B. Investment property

The fair value valuation of investment property relies on the real estate appraisers to determine future cash flows, discount rate and profit or loss which is likely to accrue or incur afterwards based on the experts' judgement, utilisation of the assets and industrial characteristics. Any changes of economic circumstances or estimates due to the change of the Company's strategy might affect the value of investment property.

6. Contents of significant accounts

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand and revolving funds	\$399	\$398
Checking accounts and demand deposits	338,317	557,803
Total	<u>338,716</u>	<u>558,201</u>

The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

The Company's Cash and cash equivalents that were pledged as collateral were reclassified to financial assets at amortized cost. Details are provided in Notes 6(4) and 8.

(2) Financial assets and liabilities at fair value through profit or loss

Assets items	December 31, 2023	December 31, 2022
Current items:		
Financial assets designated as at fair value through profit or loss		
Derivative financial instruments - bonds payable	<u>\$-</u>	<u>\$81</u>

As of December 31, 2023 and 2022, the convertible bonds issued by the Company amounting to \$0 and \$81, respectively, was recognised under "financial assets designated as at fair value through profit or loss on initial recognition" due to the compound instrument feature.

For the years ended December 31, 2023 and 2022, the Company has recognised the changes in fair value amounting to \$(63) and \$(660), respectively, which are not attributable to the changes in credit risk of the assets.

For the terms of the 8th and 9th secured convertible bonds issued by the Company, refer to Note 6(12). Information relating to credit risk of financial assets are provided in Note 12(4).

Yem Chio Co., Ltd.  
Notes to the Parent Company Only Financial Statements (Continued)  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

(3) Financial assets at fair value through other comprehensive income

	December 31, 2023	December 31, 2022
Current items:		
Equity instruments		
Listed stocks	\$1,100,492	\$975,640
Valuation adjustments	114,341	(16,262)
Total	<u>\$1,214,833</u>	<u>\$959,378</u>
Non-current items:		
Equity instruments		
Unlisted shares	\$1,719	\$1,719
Valuation adjustments	3,878	3,878
Total	<u>\$5,597</u>	<u>\$5,597</u>

The Company has selected to classify equity investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$1,220,430 and \$964,975 as of December 31, 2023 and 2022, respectively.

In consideration of the Company's investment strategy, the Company disposed, and derecognized partial equity instrument investments measured at fair value through other comprehensive income. Details on derecognition of such investments for the years ended December 31, 2023 and 2022 are as follows:

	Year ended December 31	
	2023	2022
The fair value of the investments at the date of derecognition	\$1,267,704	\$1,141,612
The cumulative gain (loss) on disposal reclassified from other equity to retained earnings	264,895	(10,871)

The Company's dividend income related to equity instrument investments measured at fair value through other comprehensive income for the years ended December 31, 2023 and 2022 are as follows:

	Year Ended December 31	
	2023	2022
Related to investments held at the end of year	\$174,222	\$63,604
Related to investments derecognized during the year	6,990	43,458
Dividend income recognised during the year	<u>\$181,212</u>	<u>\$107,062</u>

Yem Chio Co., Ltd.

Notes to the Parent Company Only Financial Statements (Continued)  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Details of the 's financial assets at fair value through other comprehensive income pledged to others as collateral are provided in Note 8. Information relating to credit risk is provided in Note 12(4).

(4) Financial assets at amortised cost

	December 31, 2023	December 31, 2022
Current items:		
Restricted demand deposits	\$212,849	\$207,807
Restricted time deposits	184,230	184,260
Total	<u>\$397,079</u>	<u>\$392,067</u>
Non-current items:		
Restricted demand deposits	\$23,383	\$47,011
Restricted time deposits	35,764	57,782
Total	<u>\$59,147</u>	<u>\$104,793</u>

As of December 31, 2023 and 2022, the demand deposits under current items were restricted domestic pre-sold house project trust funds, which may not be drawn during the term of the trust.

Details of the Company's financial assets at amortised cost pledged to others as collateral are provided in Note 8. Information relating to credit risk is provided in Note 12(4).

(5) Notes and accounts receivable

	December 31, 2023	December 31, 2022
Notes receivable	\$38,145	\$31,759
Less: loss allowance	-	-
Total	<u>\$38,145</u>	<u>\$31,759</u>
Accounts receivable	\$252,143	\$275,958
Less: loss allowance	(15,832)	(15,832)
Total	<u>\$236,311</u>	<u>\$260,126</u>

Yem Chio Co., Ltd.  
Notes to the Parent Company Only Financial Statements (Continued)  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

The ageing analysis of accounts receivable and notes receivable that were past due but not impaired is as follows:

	December 31, 2023		December 31, 2022	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	\$194,593	\$38,145	\$201,569	\$31,759
Overdue:				
Up to 30 days	43,816	-	43,973	-
31 to 90 days	5,361	-	29,468	-
91 to 180 days	5,827	-	-	-
Over 180 days	2,546	-	948	-
Less: loss allowance	(15,832)	-	(15,832)	-
Total	\$236,311	\$38,145	\$260,126	\$31,759

The above ageing analysis was based on past due date.

No notes and accounts receivable were pledged. Loss allowance and information relating to credit of risk are provided in Note 6(17) and Note 12(4).

(6) Inventories

	December 31, 2023	December 31, 2022
Packaging material sales channel business:		
Raw materials and supplies	\$180,805	\$215,093
Finished goods	189,777	183,014
Subtotal	370,582	398,107
Land development & construction business:		
Construction-in-progress	6,234,680	5,566,134
Land held for building	2,198,660	397,444
Prepayments of land	300,589	-
Subtotal	8,733,929	5,963,578
Total	\$9,104,511	\$6,361,685

The cost of inventories recognised in expenses amounts to \$2,600,404 and \$3,248,693 for the years ended December 31, 2023 and 2022.

Yem Chio Co., Ltd.

Notes to the Parent Company Only Financial Statements (Continued)  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Amount of borrowing costs capitalised as part of inventory were \$128,397 and \$94,300 and the range of rates for such capitalisation were 1.99%-2.72% and 1.98%-2.88% for the years ended December 31, 2023 and 2022, respectively.

Inventories that were pledged to others as collateral is provided in Note 8.

(7) Investments accounted for using the equity method

Details are listed below:

Investees	December 31, 2023		December 31, 2022	
	Amount	Ownership %	Amount	Ownership %
Investments in subsidiaries:				
ACHEM Technology Corporation	\$5,731,324	100.00%	\$5,768,267	100.00%
Wong Chio Development, Ltd.	302,149	100.00%	294,887	100.00%
Xin Chio Co., Ltd.	82,199	38.86%	66,929	41.76%
UINN HOTEL	(35,918)	100.00%	(28,190)	100.00%
YEM CHIO	(762,942)	100.00%	(826,083)	100.00%
Investments in associates:				
Yanrun Development Co., Ltd.	(5,478)	40.00%	(3,188)	40.00%
King Sun New Tech Co., Ltd.	75,949	27.50%	-	-
Total	<u>\$5,387,283</u>		<u>\$5,272,622</u>	
Recorded under assets	\$6,191,621		\$6,130,083	
Recorded under liabilities	<u>(804,338)</u>		<u>(857,461)</u>	
Total	<u>\$5,387,283</u>		<u>\$5,272,622</u>	

Refer to Note 4(3) in the consolidated financial statements for the year ended December 31, 2023 for the information regarding the Company's subsidiaries.

The share of profit of these subsidiaries and associates accounted for using the equity method amount to \$740,118 and \$795,961 for the years ended December 31, 2023 and 2022, respectively.

As of December 31, 2023 and December 31, 2022, the above associates had no contingent liabilities, capital commitments or guarantees.

Yem Chio Co., Ltd.

Notes to the Parent Company Only Financial Statements (Continued)  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

(8) Property, plant and equipment

	Land	Buildings	Machinery and equipment	Transportatio n equipment	Office equipment	Construction in progress and equipment awaiting examination	Total
January 1, 2023							
Cost	\$723,524	\$1,716,425	\$3,137,884	\$2,136	\$48,472	\$45,163	\$5,673,604
Accumulated depreciation and impairment	-	(617,037)	(1,793,882)	(1,798)	(42,213)	-	(2,454,930)
Total	<u>\$723,524</u>	<u>\$1,099,388</u>	<u>\$1,344,002</u>	<u>\$338</u>	<u>\$6,259</u>	<u>\$45,163</u>	<u>\$3,218,674</u>
January 1, 2023	\$723,524	\$1,099,388	\$1,344,002	\$338	\$6,259	\$45,163	\$3,218,674
Additions	-	-	-	-	-	463,394	463,394
Transfers	312,175	97,279	35,519	-	2,234	(447,207)	-
Reclassifications	-	(143)	-	-	-	(1,501)	(1,644)
Depreciation	-	(42,272)	(155,507)	(107)	(3,174)	-	(201,060)
December 31, 2023	<u>\$1,035,699</u>	<u>\$1,154,252</u>	<u>\$1,224,014</u>	<u>\$231</u>	<u>\$5,319</u>	<u>\$59,849</u>	<u>\$3,479,364</u>
December 31, 2023							
Cost	\$1,035,699	\$1,813,704	\$3,171,477	\$2,136	\$50,706	\$59,849	\$6,133,571
Accumulated depreciation and impairment	-	(659,452)	(1,947,463)	(1,905)	(45,387)	-	(2,654,207)
Total	<u>\$1,035,699</u>	<u>\$1,154,252</u>	<u>\$1,224,014</u>	<u>\$231</u>	<u>\$5,319</u>	<u>\$59,849</u>	<u>\$3,479,364</u>
January 1, 2022							
Cost	\$723,524	\$1,708,295	\$3,096,223	\$2,136	\$47,177	\$37,949	\$5,615,304
Accumulated depreciation and impairment	-	(575,084)	(1,638,551)	(1,655)	(38,205)	-	(2,253,495)
Total	<u>\$723,524</u>	<u>\$1,133,211</u>	<u>\$1,457,672</u>	<u>\$481</u>	<u>\$8,972</u>	<u>\$37,949</u>	<u>\$3,361,809</u>
January 1, 2022	\$723,524	\$1,133,211	\$1,457,672	\$481	\$8,972	\$37,949	\$3,361,809
Additions	-	-	-	-	-	59,448	59,448
Disposals	-	-	(115)	-	-	-	(115)
Transfers	-	8,130	42,392	-	1,293	(51,815)	-
Reclassifications	-	-	(3)	-	-	(419)	(422)
Depreciation	-	(41,953)	(155,944)	(143)	(4,006)	-	(202,046)
December 31, 2022	<u>\$723,524</u>	<u>\$1,099,388</u>	<u>\$1,344,002</u>	<u>\$338</u>	<u>\$6,259</u>	<u>\$45,163</u>	<u>\$3,218,674</u>
December 31, 2022							
Cost	\$723,524	\$1,716,425	\$3,137,884	\$2,136	\$48,472	\$45,163	\$5,673,604
Accumulated depreciation and impairment	-	(617,037)	(1,793,882)	(1,798)	(42,213)	-	(2,454,930)
Total	<u>\$723,524</u>	<u>\$1,099,388</u>	<u>\$1,344,002</u>	<u>\$338</u>	<u>\$6,259</u>	<u>\$45,163</u>	<u>\$3,218,674</u>

Yem Chio Co., Ltd.  
Notes to the Parent Company Only Financial Statements (Continued)  
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No borrowing cost was capitalised as part of property, plant and equipment for the years ended December 31, 2023 and 2022.

In June 2011, ACHEM Technology Corporation revalued its assets in accordance with the laws and regulations. The gross revaluation increment in the amount of \$569,967, net of provision for land revaluation increment tax of \$228,975, was recorded as “Unrealised revaluation increment” in the amount of \$340,992, under other equity adjustments. The Company recognised the “Unrealised revaluation increment” into special reserve amounting to \$170,769 in proportion to shares held.

Information about the property, plant and equipment that were pledged to others as collaterals are provided in Note 8.

(9) Investment property

The Company’s investment property mainly comprises office buildings and hotels located in Neihu District, Zhongzheng District, Shihlin District, Taipei City, etc. The Company earns rental income from leasing and the lease terms are between 1 to 13 years.

	2023	2022
At January 1	\$2,123,774	\$2,098,276
Gain on fair value adjustments	41,925	25,498
At December 31	\$2,165,699	\$2,123,774
	Year Ended December 31	
	2023	2022
Rental income from investment property	\$24,542	\$29,414
Less: Direct operating expenses arising from the investment property that generated rental income during the year	(5,369)	(5,398)
Direct operating expenses arising from the investment property that did not generate rental income during the year	(405)	(407)
Total	\$18,768	\$23,609

As of December 31, 2023 and 2022, the related assumptions are as follows:

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Notes to the Parent Company Only Financial Statements (Continued)  
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The location, valuation method, appraisal firm, appraiser and appraisal date are shown below:

	December 31, 2023	December 31, 2022
Object	Office building and hotel	Office building and hotel
Location	Neihu District, Zhongzheng District, Shihlin District, Taipei City	Neihu District, Zhongzheng District, Shihlin District, Taipei City
Valuation method	Income approach	Income approach
Appraisal firm	PANASIA Real Estate Appraisers Firm	PANASIA Real Estate Appraisers Firm
Appraiser	YANG, MIN-AN	YANG, MIN-AN
Effective date for appraisal	December 31, 2023	December 31, 2022

The information on the average leasing rate for the years ended December 31, 2023 and 2022, changes in income generated in the past, and comparison between local rents and rents for objects similar to the Company's office buildings and plant is provided in the table below:

	Year Ended December 31	
	2023	2022
Estimated rents (in dollars/per ping /monthly)	\$1,053-\$1,404	\$1,012-\$1,472
Local rents and rent quotes for similar objects	Approximate to estimated rents	Approximate to estimated rents
Income	\$1,429-\$14,165	\$1,429-\$17,606
Average leasing rates	89%-100%	89%-100%

The fair value of the Company's office buildings and hotels is measured using the discounted cash flow analysis of income approach. Valuation is based on local rents and rents of similar objects, which are used to determine the annual increase range in the rents. Net rental income for the next 10 years is estimated based on idling loss. The estimated net rental income plus the ending disposal value is the future cash inflow, which is calculated to the appraisal date by using appropriate discount rate. Future cash outflow is estimated based on the Company's current operations and possible future changes and future cash outflow refers to expenses directly related to operations, such as land value tax, house tax, insurance fees, management fees and repair expense that were actually incurred for the year.

Discount rate range is set in the table below. Discount rates are based on the interest rate for a two-year deposit of a small amount, as posted by the Chunghwa Post Co. Ltd., plus 0.75 percentage points. Risk premium is determined based on liquidity, risk, value increment and the difficulty of management.

Yem Chio Co., Ltd.

Notes to the Parent Company Only Financial Statements (Continued)  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	December 31, 2023	December 31, 2022
Discount rates	2.41%-2.80%	2.46%-2.67%

The information on the Company's investment property is provided in Note 12(7).

Information about the investment property that was pledged to others as collateral is provided in Note 8.

(10) Short-term borrowings

	December 31, 2023	December 31, 2022
Unsecured bank borrowings	\$2,311,000	\$1,350,092
Secured bank borrowings	1,876,493	1,121,000
Total	<u>\$4,187,493</u>	<u>\$2,471,092</u>
	December 31, 2023	December 31, 2022
Range of the interest rates	1.70%-2.11%	1.65%-2.02%

As of December 31, 2023 and 2022, details of assets pledged as collateral for short-term borrowings are provided in Note 8.

(11) Short-term bills payable

	December 31, 2023	December 31, 2022
Commercial paper	<u>\$400,000</u>	<u>\$550,000</u>
Range of the interest rates	2.04%-2.10%	1.438%-2.275%

(12) Bonds payable

	December 31, 2023	December 31, 2022
Domestic convertible corporate bonds payable	\$162,900	\$418,500
Less: Discount on bonds payable	<u>(1,398)</u>	<u>(6,722)</u>
Total	161,502	411,778
Less: Bonds payable - current portion	<u>(161,502)</u>	-
Net	<u>\$-</u>	<u>\$411,778</u>

Yem Chio Co., Ltd.

Notes to the Parent Company Only Financial Statements (Continued)  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

A. The terms of the domestic secured convertible corporate bonds by the Company are as follows:

	8th domestic secured convertible corporate bonds	9th domestic secured convertible corporate bonds
Principal amount	\$500,000	\$500,000
Face rate	0%	0%
Effective rate	0.93%	0.93%
Outstanding period	5 years	5 years
Maturity date	June 14, 2024	June 14, 2024
Guarantee banks	Mega International Commercial Bank	First Bank
Collateral	Cash in banks of \$102,530	Cash in banks of \$102,530
Repayment at maturity	The bonds along with yield to maturity annual rate of 0.25% are repayable in full by cash at face value at maturity.	The bonds along with yield to maturity annual rate of 0.25% are repayable in full by cash at face value at maturity.
Redemption	From the date after three months of the bonds issue (September 15, 2019) to 40 days (May 5, 2024) before the maturity date. Convertible corporate bonds will be redeemed based on the rule for issuance and conversion of convertible bonds if one of the following criteria is met: From the date after three months of the bonds issue (September 15, 2019) to 40 days (May 5, 2024) before the maturity date. Convertible corporate bonds will be redeemed based on the rule for issuance and conversion of convertible bonds if one of the following criteria is met: (a) The closing price of the Company's common shares is above the then conversion price by 30% for 30 consecutive trading days in the centralized market. (b) The outstanding balance of the bonds is less than 10% of total issue amount.	From the date after three months of the bonds issue (September 15, 2019) to 40 days (May 5, 2024) before the maturity date. Convertible corporate bonds will be redeemed based on the rule for issuance and conversion of convertible bonds if one of the following criteria is met: From the date after three months of the bonds issue (September 15, 2019) to 40 days (May 5, 2024) before the maturity date. Convertible corporate bonds will be redeemed based on the rule for issuance and conversion of convertible bonds if one of the following criteria is met: (a) The closing price of the Company's common shares is above the then conversion price by 30% for 30 consecutive trading days in the centralized market. (b) The outstanding balance of the bonds is less than 10% of total issue amount.
Put options	The bondholders have the right to require the Company to redeem any bonds at face value plus 0.25% interest during the period from the date after issuance to 30 days before three years.	The bondholders have the right to require the Company to redeem any bonds at face value plus 0.25% interest during the period from the date after issuance to 30 days before three years.
Conversion price (dollars/per share) (Adjusted)	\$10.50	\$10.50
Conversion period	During the period from the date after three months of issuance of bonds to the maturity date.	During the period from the date after three months of issuance of bonds to the maturity date.
Converted amount	\$424,700	\$425,000
Redeemed amount	\$-	\$-
Repurchased amount	\$-	\$-

Yem Chio Co., Ltd.

Notes to the Parent Company Only Financial Statements (Continued)  
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With regards to the issuance of convertible bonds, the equity conversion options of 8th and 9th issuances amounting to \$29,091 was separated from the liability components and was recognised in “capital surplus - stock options” in accordance with IAS 32. As of December 31, 2023 and 2022, the balance of “Capital surplus - stock options” changed to \$4,372 and \$11,808, due to execution of conversion from bonds into common stock and bonds matured. The fair value of put and call options embedded in bonds payable was separated from the value of bonds payable, and was recognised in “financial assets at fair value through profit or loss” in accordance with IFRS 9.

(13) Long-term borrowings

	December 31, 2023	December 31, 2022
Long-term bank borrowings		
Secured borrowings	\$4,819,278	\$3,913,250
Unsecured borrowings	1,000,000	1,500,000
Subtotal	<u>5,819,278</u>	<u>5,413,250</u>
Less: Current portion - within one year or one operating cycle	<u>(3,146,000)</u>	<u>(2,448,500)</u>
Total	<u>\$2,673,278</u>	<u>\$2,964,750</u>
Range of the interest rates	2.03%-3.14%	1.43%-2.88%

A. In October 2020, the Company entered into a syndicated loan agreement with a syndicated banking group consisting of Land Bank of Taiwan and others for a period of 5 years. The Company is allowed to settle the borrowings and use the working capital if the total amount is within the scope of \$1.59 billion pursuant to the agreement. The primary terms of the agreement are as follows:

- (a) Tranche A: Non-revolving line of \$1,100,000.
- (b) Tranche B: Non-revolving line of \$390,000.
- (c) Tranche C: Non-revolving line of \$100,000.
- (d) The Company’s revolving credit facility is subject to the following terms and financial covenants:
  - i. The Company shall pledge land serial No. 4 and 5, Section 1, Fuduxin section, Xinzhuang District, New Taipei City as collateral for tranche B and C.
  - ii. The Company on each annual consolidated financial statements is required to maintain the following financial ratios:  
Liability ratio (total liabilities/consolidated tangible net worth) of not higher than 300%; interest coverage ((income before tax + depreciation + amortisation + interest expense)/interest expense) of at least 150%; consolidated tangible net worth of not less than \$7 billion.
- (e) As of December 31, 2023 and 2022, the amount drawn were both \$1,205,000.

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- B. In March 2021, the Company entered into a syndicated loan agreement with a syndicated banking group consisting of Taiwan Cooperative Bank and others for a period of 5 years. The Company is allowed to settle the borrowings and use the working capital if the total amount is within the scope of \$3.6 billion pursuant to the agreement. The primary terms of the agreement are as follows:
- (a) Tranche A: Non-revolving line of \$1,100,000.
  - (b) Tranche B: Revolving line of \$2,500,000. The proceeds of the loan were used to increase medium-term working capital. The credit facility will be reduced after three years from the first drawdown date, and will be further reduced on the same date of each succeeding year. The reduction of the credit facility will be done in three phases as follows: a 15% reduction for the first phase, 20% reduction for the second phase and 65% reduction for the third phase.
  - (c) The Company's revolving credit facility is subject to following terms and financial covenants:
    - i. The Company shall pledge land, plant and auxiliary facilities, machinery and equipment, and related auxiliary equipment at Changhua Coastal Industrial Park as collateral of Tranche A.
    - ii. The Company on each semi-annual and annual consolidated financial statements is required to maintain the following financial ratios:  
Current ratio (current assets/current liabilities) of at least 100%; liability ratio ((total liabilities + contingent liabilities)/(total stockholders' equity - intangible assets)) of not higher than 300%; interest coverage ((income before tax + depreciation + amortisation + interest expense)/interest expense) of at least 150%; consolidated tangible net worth of not less than \$7 billion.
  - (d) As of December 31, 2023 and 2022, the amount drawn were \$1,880,000 and \$2,600,000, respectively.
- C. There was no violation of the loan covenant as of December 31, 2023 and 2022.
- D. In addition to the collaterals provided as stated in Note 8, as of December 31, 2023, the Company had issued guarantee notes totalling \$13,833,115 for the bank loans.
- E. The Company's borrowings should be paid in full by January 2032 at the latest in accordance with the contracts.

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(14) Post-employment benefits

The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contribute monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions to cover the deficit by next March.

	December 31, 2023	December 31, 2022
Present value of defined benefit obligations	\$29,831	\$35,701
Fair value of plan assets	(3,040)	(6,043)
Net defined benefit liability	<u>\$26,791</u>	<u>\$29,658</u>

Movements in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Balance at January 1, 2023	\$35,701	\$(6,043)	\$29,658
Current service cost	88	-	88
Interest expense (income)	428	(72)	356
Subtotal	<u>36,217</u>	<u>(6,115)</u>	<u>30,102</u>
Remeasurements:			
Return on plan assets	-	(26)	(26)
Experience adjustments	(2,732)	-	(2,732)
Subtotal	<u>(2,732)</u>	<u>(26)</u>	<u>(2,758)</u>
Total	<u>33,485</u>	<u>(6,141)</u>	<u>27,344</u>
Pension fund contribution	-	(553)	(553)
Paid pension	(3,654)	3,654	-
Balance at December 31, 2023	<u>\$29,831</u>	<u>\$(3,040)</u>	<u>\$26,791</u>

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	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Balance at January 1, 2022	\$31,632	\$(5,107)	\$26,525
Current service cost	48	-	48
Interest expense (income)	221	(36)	185
Subtotal	<u>31,901</u>	<u>(5,143)</u>	<u>26,758</u>
Remeasurements:			
Return on plan assets	-	(427)	(427)
Change in financial assumptions	(1,225)	-	(1,225)
Experience adjustments	5,025	-	5,025
Subtotal	<u>3,800</u>	<u>(427)</u>	<u>3,373</u>
Total	<u>35,701</u>	<u>(5,570)</u>	<u>30,131</u>
Pension fund contribution	-	(473)	(473)
Balance at December 31, 2022	<u>\$35,701</u>	<u>\$(6,043)</u>	<u>\$29,658</u>

The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan asset fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2023 and 2022 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

The principal actuarial assumptions used were as follows:

	Year Ended December 31	
	2023	2022
Discount rate	<u>1.20%</u>	<u>1.20%</u>
Future salary increases	<u>2.00%</u>	<u>2.00%</u>

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For the years ended December 31, 2023 and 2022, assumptions regarding future mortality rate were both estimated in accordance with the 6th Taiwan Standard Ordinary Experience Mortality Table, respectively. Future mortality rate of the Company and domestic subsidiaries was set based on the improved Taiwan's published annuity table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2023				
Effect on present value of defined benefit obligation	<u><u>\$(471)</u></u>	<u><u>\$483</u></u>	<u><u>\$404</u></u>	<u><u>\$(396)</u></u>
December 31, 2022				
Effect on present value of defined benefit obligation	<u><u>\$(588)</u></u>	<u><u>\$604</u></u>	<u><u>\$509</u></u>	<u><u>\$(498)</u></u>

The sensitivity analysis above was arrived at based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2024 amounted to \$601.

As of December 31, 2023, the weighted average duration of that retirement plan is 7 years.

Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

The pension costs under the defined contribution pension plan of the Company for the years ended December 31, 2023 and 2022 were \$8,454 and \$8,460, respectively.

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(15)Equities

A. Common stock

As of December 31, 2023 and 2022, the Company's authorized capital were both \$10,000,000 (including reserve for issuance of employee share options of \$40,000), consisting of 1,000,000 thousand shares of ordinary stock, and the paid-in capital were \$6,582,467 and \$6,404,897 with a par value of \$10 (in dollars) per share, divided into 658,247 thousand shares and 640,490 thousand shares. Each share has one voting right and a right to receive dividends.

Movements in the number of the Company's ordinary shares (include bond conversion entitlement certificates and deduct treasury stocks) outstanding in thousand shares for the years ended December 31, 2023, and 2022 are as follows:

	December 31, 2023	December 31, 2022
At January 1	607,345	604,143
Conversion of convertible corporate bonds	23,443	3,202
At December 31	<u>630,788</u>	<u>607,345</u>

For the year ended December 31, 2023, convertible bonds amounting to \$255,600 in total par value were requested for conversion into 23,443 thousand ordinary shares. As of December 31, 2023, the amount of 66,857 thousand ordinary shares was recorded under 'certificate of entitlement to new shares from convertible bonds' because the registration of the change has not yet been completed.

For the year ended December 31, 2022, convertible bonds amounting to \$594,100 in total par value were requested for conversion into 3,202 thousand ordinary shares. As of December 31, 2022, the amount of 1,000 thousand ordinary shares was recorded under 'certificate of entitlement to new shares from convertible bonds' because the registration of the change has not yet been completed. The registration of the change was completed in 2023.

B. Capital surplus

	December 31, 2023	December 31, 2022
Share premium	\$1,805,940	\$1,780,424
Stock options	9,236	16,672
Others	903,562	841,626
Total	<u>\$2,718,738</u>	<u>\$2,638,722</u>

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According to the Company Act, the capital reserve shall not be used except for making good the deficit of the Company. When a Company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the Company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

C. Treasury shares

- (a) As of December 31, 2023 and 2022, the Company held treasury shares were both \$414,345, divided into 34,144 thousand shares.
- (b) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.
- (c) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.
- (d) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the employees within five years from the reacquisition date and shares not reissued within the five-year period are to be retired. Treasury shares to enhance the Company's credit rating and the stockholders' equity should be retired within six months of acquisition.
- (e) Details of the Company's common stock held by the subsidiaries as at December 31, 2023 and 2022 are as follows:

Name of company holding the shares	Reason for reacquisition	Number of Shares (thousand shares)	Carrying amount
YEM CHIO	Investment	16,822	\$223,108
ACHEM Technology Holdings Limited	Investment	1,194	15,838
Valueline Investment Corporation	Investment	406	5,049
Total		18,422	\$243,995

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D. Retained earnings and dividend policies

- (a) In accordance with the Company's Articles of Incorporation, the annual net profit should be used initially to pay all taxes and to cover any accumulated deficit; 10% of the annual net profit should be set aside as legal reserve; and setting aside an additional special reserve pursuant to Article 41 of ROC Securities Exchange Act. The remainder, if any, shall be distributed which will be proposed by the Board of Directors and approved by the stockholders. If the aforementioned purposes or reasons of setting aside special reserve no longer apply, the Company should reverse and recognise such special reserve as distributable, and be distributed in accordance with this Article. The Company authorises the Board of Directors to distribute earnings in cash or dividends and bonuses from capital surplus by the special resolution; and in addition thereto a report of such distribution shall be submitted to the shareholders during their meeting.
- (b) As the Company operates in a mature industry and is in the stable profit stage with sound financial structure, it has a steady dividend pay out ratio policy. According to the policy, after setting aside legal and special reserve, the remainder shall be appropriated as dividends, and cash dividends shall account for at least 10% of the total dividends distributable.
- (c) Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.
- (d) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- (e) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi Letter No. 1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land.

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Notes to the Parent Company Only Financial Statements (Continued)  
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- (f) The Company's appropriations of 2021 earnings for cash dividends had been approved through majority vote by the Board of Directors on March 25, 2022, and has been approved by shareholders on June 17, 2022. The appropriations of 2021 earnings were as follows:

	<u>Year ended December 31, 2021</u>	
	<u>Amount</u>	<u>Dividend per share (in dollars)</u>
Legal reserve	\$108,632	
Reversal of special reserve	(12,864)	
Cash dividends	622,566	\$1.00
Total	<u>\$718,334</u>	

- (g) The Company's appropriations of 2022 earnings for cash dividends had been approved through majority vote by the Board of Directors on March 15, 2023, and has been approved by shareholders on June 16, 2023. The appropriations of 2022 earnings were as follows:

	<u>Year ended December 31, 2022</u>	
	<u>Amount</u>	<u>Dividend per share (in dollars)</u>
Legal reserve	\$101,051	
Special reserve	34,048	
Cash dividends	625,787	\$1.00
Total	<u>\$760,886</u>	

- (h) Event after the balance sheet date

The appropriation of 2023 earnings had been proposed by the Board of Directors on March 14, 2024. Details are as follows:

	<u>Year ended December 31, 2023</u>	
	<u>Amount</u>	<u>Dividend per share (in dollars)</u>
Special reserve	\$108,032	
Legal reserve	48,980	
Cash dividends	650,688	\$1.00
Total	<u>\$807,700</u>	

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As of March 14, 2024, the Company's distribution of 2023 earnings, apart from cash dividends resolved by the Board of Directors and only requiring reporting to the shareholders' meeting, other distribution have not yet been resolved at the shareholders' meeting.

(i) Please refer to Note 6(19) on employee remuneration and directors' remuneration.

(16) Operating revenue

A. Disaggregation of revenue

The Company's revenue from contracts with customers during the years ended December 31, 2023 and 2022 can be segmented by major product lines as follow:

	Year ended December 31, 2023		
	Packaging materials business segment	Real estate business segment	Total
Revenue from non-related parties	\$1,911,236	\$-	\$1,911,236
Revenue from related parties	746,716	-	746,716
Total segment revenue	<u>\$2,657,952</u>	<u>\$-</u>	<u>\$2,657,952</u>
Revenue recognition point:			
At a point in time	\$2,657,952	\$-	\$2,657,952
Gradually satisfy over time	-	-	-
Total	<u>\$2,657,952</u>	<u>\$-</u>	<u>\$2,657,952</u>
	Year ended December 31, 2022		
	Packaging materials business segment	Real estate business segment	Total
Revenue from non-related parties	\$2,889,851	\$-	\$2,889,851
Revenue from related parties	752,673	-	752,673
Total segment revenue	<u>\$3,642,524</u>	<u>\$-</u>	<u>\$3,642,524</u>
Revenue recognition point:			
At a point in time	\$3,642,524	\$-	\$3,642,524
Gradually satisfy over time	-	-	-
Total	<u>\$3,642,524</u>	<u>\$-</u>	<u>\$3,642,524</u>

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B. Contract balances

The Company has recognised the following revenue-related contract liabilities:

	December 31, 2023	December 31, 2022	January 1, 2022
Contract liabilities - Advance sales receipts	\$7,953	\$10,555	\$13,289
Contract liabilities - Pre-sold house	668,955	582,646	466,606
Total	<u>\$676,908</u>	<u>\$593,201</u>	<u>\$479,895</u>

For the years ended December 31, 2023 and 2022, revenue recognised that was included in the contract liability balance at the beginning of the year amounted to \$10,687 and \$10,838, respectively.

(17) Expected credit losses

A. The Company measures the loss allowance of its account receivables at an amount equal to lifetime expected credit losses. The Company used the loss rates calculated based on historical and timely information to assess the default possibility of accounts receivable. As of December 31, 2023 and 2022, the provision matrix are as follows:

	individual	Group		Total
		Not past due	Up to 90 days past due	
December 31, 2023				
Expected loss rate	100%	0.84%	2.13%-7.04%	
Carrying amount	\$10,475	\$194,593	\$47,075	\$252,143
Loss allowance	10,475	2,415	2,942	15,832

	individual	Group		Total
		Not past due	Up to 90 days past due	
December 31, 2022				
Expected loss rate	100%	0.15%	0.37%-3.66%	
Carrying amount	\$10,475	\$201,569	\$63,914	\$275,958
Loss allowance	10,475	2,415	2,942	15,832

Note: The Company's notes receivable were not past due.

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B. The movements in loss allowance for notes and accounts receivable for the years ended December 31, 2023 and 2022 are as follows:

	Notes receivable	Accounts receivable
At January 1, 2023	\$-	\$15,832
Provision (reversal) of impairment loss	-	-
At December 31, 2023	<u>-</u>	<u>\$15,832</u>
At January 1, 2022	\$-	\$15,832
Provision (reversal) of impairment loss	-	-
At December 31, 2022	<u>\$-</u>	<u>\$15,832</u>

(18) Lease

A. Company as a lessee

The Company leases various assets including land. Rental contracts are typically made for periods of 19 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The Company's leases effect on the financial position, financial performance and cash flows are as follow:

(a) Right-of-use assets

	December 31, 2023	December 31, 2022
Land	<u>\$56,059</u>	<u>\$59,174</u>

For the years ended December 31, 2023 and 2022, the Company's additions to right-of-use assets amounting to \$0 and \$60,213, respectively.

(b) Lease liabilities

	December 31, 2023	December 31, 2022
Current	\$2,591	\$2,534
Non-current	54,255	56,846
Lease liabilities	<u>\$56,846</u>	<u>\$59,380</u>

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Interest expenses on lease liabilities, recognised for the years ended December 31, 2023 and 2022, are provided in Note 6(20)C Finance costs. For the maturity analysis of lease liabilities are provided in Note 12(5) Liquidity Risk Management.

(c) Depreciation

	Year ended December 31	
	2023	2022
Land	\$3,115	\$1,039

(d) Income and costs relating to leasing activities

	Year ended December 31	
	2023	2022
The expense relating to short-term leases	\$3,152	\$3,233

(e) Cash outflow relating to leasing activities

For the years ended December 31, 2023 and 2022, the Company's total cash outflows for leases amounting to \$6,996 and \$4,515, respectively.

B. Company as a lessor

Please refer to Note 6(9) for details on the Company's owned investment properties and investment properties held by the Company as right-of-use assets. Leases of owned investment properties are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

The Company leases various assets including land and buildings. Rental contracts are typically made for periods of 1 to 13 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

For the years ended December 31, 2023 and 2022, the Company recognised rent income in the amount of \$31,121 and \$34,880, respectively, based on the operating lease agreement, which does not include variable lease payments.

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The maturity analysis of the lease payments under the operating leases is as follows:

	December 31, 2023	December 31, 2022
2023	\$-	\$10,836
2024	16,011	15,675
2025	9,693	11,268
2026	8,473	5,351
2027	4,686	7,219
2028	3,992	-
After 2029	3,000	-
Total	<u>\$45,855</u>	<u>\$50,349</u>

(19) The Company's employee benefits, depreciation and amortisation expenses incurred for the years ended December 31, 2023 and 2022 are as follows:

	Year ended December 31					
	2023			2022		
	Operation costs	Operation expenses	Total	Operation costs	Operation expenses	Total
Employee benefits expense						
Wages and salaries	\$ 140,202	\$ 65,132	\$ 205,334	\$ 144,760	\$ 69,017	\$ 213,777
Labor and health insurance	15,316	6,952	22,268	15,471	6,497	21,968
Pension	5,238	3,660	8,898	5,420	3,273	8,693
Directors transportation expenses	-	432	432	-	510	510
Other employee benefit expenses	7,058	1,141	8,199	6,943	1,286	8,229
Depreciation	191,467	12,708	204,175	192,350	10,735	203,085
Amortisation	-	22	22	-	22	22

Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to offset prior years' operating losses. For the remainder, if any, at least 0.5% shall be distributed as employees' compensation and the Board of Directors is authorised to determine the distribution of directors' remuneration based on the usual industry standard but shall not exceed 1%. Have the profit distributable as employees' compensation in the form of shares or in cash; after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution is submitted to the shareholders' meeting.

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For the years ended December 31, 2023 and 2022, employees' compensation was accrued at \$2,757 and \$5,575, respectively; while no directors' remuneration was accrued. The aforementioned amount was recognised in salary expenses.

The employees' compensation for the year ended December 31, 2022 resolved by the Board of Directors amounted to \$5,524. The difference of \$(51) between the amount resolved by the Board of Directors and the amount of \$5,575 recognised in the 2022 financial statements, had been adjusted in the profit or loss for 2023.

Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors can be obtained from the "Market Observation Post System" on the website of the Taiwan Stock Exchange.

(20) Non-operating income and expenses

A. Other income

	Year ended December 31	
	2023	2022
Rental income	\$31,121	\$34,880
Dividend income	181,212	107,062
Income from managerial services	49,860	46,226
Others	6,051	4,699
Total	<u>\$268,244</u>	<u>\$192,867</u>

B. Other gains and losses

	Year ended December 31	
	2023	2022
Gains (losses) on disposal of property, plant and equipment	\$60	\$(20)
Net losses on disposal of financial assets at fair value through profit or loss	(2)	(47,810)
Net losses on valuation of financial assets at fair value through profit or loss	(63)	(660)
Foreign exchange gain, net	4,858	156,543
Gains on fair value adjustment of investment property	41,925	25,498
Handling fee	(7,183)	(7,919)
Others	(4,239)	(1,246)
Total	<u>\$35,356</u>	<u>\$124,386</u>

Yem Chio Co., Ltd.  
Notes to the Parent Company Only Financial Statements (Continued)  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

C. Finance costs

	Year ended December 31	
	2023	2022
Interest expenses from bank borrowings	\$193,909	\$150,783
Interest expenses of convertible corporate bonds	2,251	3,662
Interest expenses on lease liabilities	1,310	449
Interest expenses of related parties	199	8,132
Less: capitalisation of qualifying assets	(128,397)	(94,300)
Total	<u>\$69,272</u>	<u>\$68,726</u>

(21) Income tax

A. The major components of income tax expense for the years ended December 31, 2023 and 2022 are as follows:

Income tax expenses recognised in profit or loss

	Year ended December 31	
	2023	2022
Current income tax expense:		
Current income tax charge	\$13,912	\$13,451
Tax on undistributed surplus earnings	10,283	18,399
Prior year income tax under estimation	9,575	2,031
Deferred tax expense:		
Deferred tax expenses relating to origination and reversal of temporary differences	(16,757)	27,599
Total	<u>\$17,013</u>	<u>\$61,480</u>

Income tax recognised in other comprehensive income

	Year ended December 31	
	2023	2022
Remeasurement of defined benefit obligations	552	\$(675)

Yem Chio Co., Ltd.

Notes to the Parent Company Only Financial Statements (Continued)  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

B. Reconciliation between tax expenses and the product of accounting profit multiplied by applicable tax rates:

	Year ended December 31	
	2023	2022
Income tax expenses at the statutory rate	\$163,644	\$219,861
Tax effect of revenues exempt and non-deductible expenses for tax purposes	(172,324)	(177,397)
Tax on undistributed surplus earnings	10,283	18,399
Prior year income tax under estimation	9,575	2,031
Additional income tax under the Alternative Minimum Tax Act	13,912	-
Others	(8,077)	(1,414)
Income tax expense	<u>\$17,013</u>	<u>\$61,480</u>

C. Amounts of deferred tax assets or liabilities as a result of temporary differences and tax losses are as follows:

	2023			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences:				
Deferred tax assets:				
Provision for inventory obsolescence	\$2,549	\$-	\$-	\$2,549
Accrued pension liabilities	5,553	10	(552)	5,011
Unrealised exchange loss	4,025	(423)	-	3,602
Deferred selling expenses	9,478	-	-	9,478
Deferred interest expenses	27,355	-	-	27,355
Operating loss carryforward	-	17,625	-	17,625
Others	3,805	185	-	3,990
Subtotal	<u>52,765</u>	<u>17,397</u>	<u>(552)</u>	<u>69,610</u>
Deferred tax liabilities:				
Unrealised loss from sales	(11,108)	-	-	(11,108)
Fair value adjustment of investment property	(43,976)	(640)	-	(44,616)
Gain on foreign investment	(33,499)	-	-	(33,499)
Subtotal	<u>(88,583)</u>	<u>(640)</u>	<u>-</u>	<u>(89,223)</u>
Total	<u>\$(35,818)</u>	<u>\$16,757</u>	<u>\$(552)</u>	<u>\$(19,613)</u>

Yem Chio Co., Ltd.

Notes to the Parent Company Only Financial Statements (Continued)  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	2022			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences:				
Deferred tax assets:				
Provision for inventory obsolescence	\$2,549	\$-	\$-	\$2,549
Accrued pension liabilities	4,916	(38)	675	5,553
Unrealised exchange loss	28,211	(24,186)	-	4,025
Deferred selling expenses	9,458	20	-	9,478
Deferred interest expenses	27,355	-	-	27,355
Others	3,767	38	-	3,805
Subtotal	<u>76,256</u>	<u>(24,166)</u>	<u>675</u>	<u>52,765</u>
Deferred tax liabilities:				
Unrealised loss from sales	(11,108)	-	-	(11,108)
Fair value adjustment of investment property	(40,542)	(3,434)	-	(43,976)
Gain on foreign investment	(33,499)	-	-	(33,499)
Subtotal	<u>(85,149)</u>	<u>(3,434)</u>	<u>-</u>	<u>(88,583)</u>
Total	<u><u>\$ (8,893)</u></u>	<u><u>\$ (27,600)</u></u>	<u><u>\$ 675</u></u>	<u><u>\$ (35,818)</u></u>

D. The assessment of income tax returns

As of December 31, 2023, the Company's income tax returns through 2020 have been assessed.

(22) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting for Interest expense of convertible bonds) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

Yem Chio Co., Ltd.

Notes to the Parent Company Only Financial Statements (Continued)

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Year ended December 31	
	2023	2022
Basic earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousand NT\$)	\$801,205	\$1,037,826
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	618,614	605,119
Basic earnings per share (NT\$)	\$1.30	\$1.72
	Year ended December 31	
	2023	2022
Diluted earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousand NT\$)	\$801,205	\$1,037,826
Subsidiaries' domestic convertible bonds (in thousand NT\$)	(9,095)	(9,115)
Interest expense of convertible corporate bonds (in thousand NT\$)	1,801	2,930
Profit attributable to the parent plus assumed conversion of all dilutive potential ordinary shares (in thousand NT\$)	\$793,911	\$1,031,641
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	618,614	605,119
Effect of dilution:		
Employees' compensation - stock (in thousands)	230	238
Treasury stock transferred to employees (in thousands)	15,721	15,721
Convertible corporate bonds (in thousands)	22,382	32,545
Weighted average number of ordinary shares outstanding after dilution (in thousands)	656,947	653,623
Diluted earnings per share (NT\$)	\$1.21	\$1.58

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date that the financial statements were authorized for issue.

(23) Supplemental cash flow information

Investing activities with partial cash payments:

	Year ended December 31	
	2023	2022
Purchase of property, plant and equipment	\$463,394	\$59,448
Add: Beginning balance of equipment payable	38,300	38,300
Less: Ending balance of equipment payable	(38,300)	(38,300)
Cash payment during the year	\$463,394	\$59,448

Yem Chio Co., Ltd.

Notes to the Parent Company Only Financial Statements (Continued)  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

7. Related party transactions

(1) Names and relationship of related parties: Please refer to Note 4(3).

(2) Significant transactions with the related parties

A. Operating revenue

	<u>Year ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Sales of products:		
Subsidiaries	<u>\$746,716</u>	<u>\$752,673</u>

Goods are sold based on the price mutually agreed by both parties. The credit terms to related parties are 15 to 30 days and 60 to 120 days after monthly billings, compared to 60 to 120 days to third parties.

B. Purchases

	<u>Year ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Purchases of goods:		
Subsidiaries	<u>\$52,394</u>	<u>\$47,920</u>

The prices of goods purchased from related parties are available to third parties. The payment terms are 30 days and 60 to 90 days after monthly billings.

C. Receivables from related parties

	<u>December 31,</u>	<u>December 31,</u>
	<u>2023</u>	<u>2022</u>
Accounts receivable:		
Subsidiaries	<u>\$111,136</u>	<u>\$109,989</u>
Other receivables:		
Receivables from managerial services income		
Subsidiaries	12,767	13,471
Loans to		
Wan Chio Petrochemical (Jiangsu) Co., Ltd.	624,833	1,013,253
Subsidiaries	-	4,022
Total	<u>\$637,600</u>	<u>\$1,030,746</u>

Other receivables from related parties refer to raw materials purchased on behalf of related parties and loans to related parties. The other receivables are unsecured in nature, and there are no allowances for uncollectible accounts held against other receivables from related parties.

Yem Chio Co., Ltd.

Notes to the Parent Company Only Financial Statements (Continued)  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

D. Payables to related parties

	December 31, 2023	December 31, 2022
Accounts payable:		
Subsidiaries	\$17,952	\$14,129
Other payables:		
Loans from		
Xin Chio Co., Ltd.	\$70,199	\$-
Headquarters cost allocation		
ACHEM Technology Corporation	-	754
Total	\$70,199	\$754

Accounts payable arise mainly from purchase transactions. Other payables arise mainly from loans from subsidiaries including interest, etc.

E. Prepayments (recorded under inventory)

	December 31, 2023	December 31, 2022
Wong Chio Development, Ltd	\$983,682	\$592,523

F. Investment property

Details of investment property leased to UINN HOTEL are as follow:

	December 31, 2023	December 31, 2022
Investment property	\$858,331	\$834,916
	Year ended December 31	
	2023	2022
Rental income	\$4,552	\$5,989

G. Pre-sold house contracts

	December 31, 2023	December 31, 2022
Contract liabilities - Pre-sold house:		
Other related parties	\$4,648	\$4,648

Yem Chio Co., Ltd.

Notes to the Parent Company Only Financial Statements (Continued)  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

On May 13, 2021, the Company's Board of Directors resolved to pre-sell the houses and parking space of the building project 'THE ONE' in Xinzhuang District of New Taipei City to Li, Qi-Zheng and Li, Shu-Wei. The total contract liabilities - pre-sold houses was \$4,648, however, the transfer of ownership has not yet been completed.

H. Loans to/from related parties

(a) Loans to related parties

I. Outstanding balance

	December 31, 2023	December 31, 2022
Wan Chio Petrochemical (Jiangsu) Co., Ltd.	\$624,774	\$1,013,253
Subsidiaries	-	4,000
Total	<u>\$624,774</u>	<u>\$1,017,253</u>

II. Interest income

	Year ended December 31	
	2023	2022
Subsidiaries	<u>\$503</u>	<u>\$10,070</u>

The loans to subsidiaries are repayable within 1 year and carry interest at 0%-2% and 0%-2.5% per annum for the years ended December 31, 2023 and 2022, respectively.

(b) Loans from related parties

I. Outstanding balance

	December 31, 2023	December 31, 2022
Xin Chio Co., Ltd.	<u>\$70,000</u>	<u>\$-</u>

II. Interest expense

	Year ended December 31	
	2023	2022
Xin Chio Co., Ltd.	\$199	\$-
Subsidiaries	-	8,132
Total	<u>\$199</u>	<u>\$8,132</u>

The loans from subsidiaries are repayable within 1 year and carry interest at 2.00% per annum for the years ended December 31, 2023 and 2022.

Yem Chio Co., Ltd.

Notes to the Parent Company Only Financial Statements (Continued)  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

I. Other income

(a) Income from managerial services

	Year ended December 31	
	2023	2022
Subsidiaries	\$49,860	\$ 46,226

(b) Rent income

	Year ended December 31	
	2023	2022
Subsidiaries	\$10,732	\$11,603

J. Lease transactions — lessee

The Company leases buildings from subsidiaries. Rental contracts are typically made for periods of 1 year. Rents are paid at the end of month.

	Year ended December 31	
	2023	2022
Subsidiaries	\$1,250	\$1,120

K. Deferred marketing expenses (recorded under “other current assets”)

	December 31,	December 31,
	2023	2022
Associates	\$48,653	\$48,653

L. Endorsements and guarantees provided by related parties

	December 31,	December 31,
	2023	2022
Related parties	\$23,054,118	\$12,574,880

M. Endorsements and guarantees provided to related parties

	December 31,	December 31,
	2023	2022
Related parties	\$432,117	\$579,940

Yem Chio Co., Ltd.

Notes to the Parent Company Only Financial Statements (Continued)  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

(3) Key management personnel compensation

	Year ended December 31	
	2023	2022
Short-term employee benefits	\$10,509	\$11,898
Post-employment benefits	334	243
Total	\$10,843	\$12,141

8. Pledged assets

The following table lists assets of the Company pledged as collateral:

Pledged assets	Carrying amount		Purpose
	December 31, 2023	December 31, 2022	
Financial assets at fair value through other comprehensive income - current	\$766,905	\$224,924	Long-term borrowings, short-term borrowings
Financial assets at amortised cost - current	184,230	-	Borrowings, purchase and performance guarantee for construction
Financial assets at amortised cost - non-current - demand deposits	23,383	47,011	Long-term borrowings, corporate bond guarantee and consideration trust for inventory purchases and sales, etc.
Financial assets at amortised cost - non-current - time deposits	35,764	57,782	Leasehold land guarantees, performance guarantee for construction and guarantee for corporate bonds
Inventories	8,050,561	5,962,185	Long-term borrowings, short-term borrowings
Property, plant and equipment	2,082,723	3,662,242	Long-term borrowings, short-term borrowings
Investment property	2,165,699	2,123,774	Long-term borrowings, short-term borrowings
Other non-current assets - guarantee deposits paid	4,965	5,046	Performance guarantee
Total	\$13,314,230	\$12,082,964	

Yem Chio Co., Ltd.  
Notes to the Parent Company Only Financial Statements (Continued)  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

9. Significant contingencies and unrecognised contractual commitments

Except for those mentioned in Notes 6(13) and 7(2) the Company's significant commitments are as follows:

(1) As of December 31, 2023 and 2022, the unused letters of credit amounted to \$120,960 and \$221,795 for the purchase of goods and machinery as collateral, respectively.

(2) Capital expenditures contracted for at the balance sheet date but not yet incurred are as follows:

	December 31, 2023	December 31, 2022
Committed to construction companies to construct buildings	\$117,820	\$213,803

10. Losses due to major disasters

None.

11. Significant subsequent events

In January 2024, the Company acquired additional 27.5% shareholding of King Sun New Tech Co., Ltd. for a consideration of \$72,105 (since that day, the cumulative shareholding has exceeded 50%, so the investee became a subsidiary of the Company) and participated in its cash capital increase of \$80,000.

12. Others

(1) Categories of financial instruments

Financial assets

	December 31, 2023	December 31, 2022
Financial assets at fair value through profit or loss		
Financial assets designated as at fair value through profit or loss	\$-	\$81
Financial assets at fair value through other comprehensive income	1,220,430	964,975

Yem Chio Co., Ltd.

Notes to the Parent Company Only Financial Statements (Continued)  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	December 31, 2023	December 31, 2022
Financial assets at amortised cost		
Cash and cash equivalents	338,716	558,201
Financial assets at amortised cost	456,226	496,860
Notes receivable	38,145	31,759
Accounts receivable (including related parties)	347,447	370,115
Other receivables (including related parties)	658,018	1,051,169
Guarantee deposits paid	4,965	5,046
Subtotal	<u>1,843,517</u>	<u>2,513,150</u>
Total	<u><u>\$3,063,947</u></u>	<u><u>\$3,478,206</u></u>

Financial liabilities

	December 31, 2023	December 31, 2022
Financial liabilities at amortised cost		
Short-term borrowings	\$4,187,493	\$2,471,092
Short-term notes and bills payable	400,000	550,000
Notes payable	95,044	40,079
Accounts payable (including related parties)	125,687	123,034
Other payables (including related parties)	184,881	129,243
Bonds payable (including current portion)	161,502	411,778
Long-term borrowings (within 1 year or 1 operating cycle)	5,819,278	5,413,250
Lease liabilities (within 1 year)	56,846	59,380
Guarantee deposits received	7,273	6,829
Total	<u><u>\$11,038,004</u></u>	<u><u>\$9,204,685</u></u>

(2) Financial risk management objectives and policies

The Company's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Company identifies measures and manages the aforementioned risks based on the Company's policy and risk appetite.

Risk management is carried out by a central treasury department (Company treasury) under policies approved by the Board of Directors. Company treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Yem Chio Co., Ltd.

Notes to the Parent Company Only Financial Statements (Continued)  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and price risk.

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there is usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Company operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Exchange rate risk arises from future commercial transactions and recognised assets and liabilities.

Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury.

The Company has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Company's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Company's foreign currency risk is mainly related to the volatility in the exchange rates for USD. The information of the sensitivity analysis is as follows:

When NTD strengthens/weakens against USD by 5%, the profit for the years ended December 31, 2023 and 2022 is decreased/increased by \$45,549 and \$75,263, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term borrowings. During 2023 and 2022, the Company's borrowings at variable rate were mainly denominated in NTD.

Yem Chio Co., Ltd.

Notes to the Parent Company Only Financial Statements (Continued)  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

The Company's borrowings are measured at amortised cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and borrowings with variable interest rates. At the reporting date, a change of 5% of interest rate in a reporting period could cause the profit for the years ended December 31, 2023 and 2022 to decrease/increase by \$5,457 and \$5,591, respectively.

Equity price risk

The Company's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

The Company's investments in equity securities comprise shares issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 5% with all other variables held constant, post-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by \$61,022 and \$48,249, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss.

(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Company is exposed to credit risk from operating activities (primarily for accounts receivable) and financing activities (primarily for various financial instrument).

For banks and financial institutions, only banks and financial institutions with optimal credit ratings are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors.

According to the internal management policy, that is, the default occurs when the contract payments are past due over 240 days.

Yem Chio Co., Ltd.

Notes to the Parent Company Only Financial Statements (Continued)  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

The Company adopts the following assumption under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:

If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

The Company applies the simplified approach using the provision matrix to estimate expected credit loss to assess the Company's accounts receivable.

The following indicators are used to determine whether the credit impairment of debt instruments has occurred:

- A. It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
- B. The disappearance of an active market for that financial asset because of financial difficulties;
- C. Default or delinquency in interest or principal repayments;
- D. Adverse changes in national or regional economic conditions that are expected to cause a default.

The Company wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Company will continue executing the recourse procedures to secure their rights.

The Company applied historical and timely information to assess the default possibility. The simplified approach using the provision matrix provision matrix to estimate loss allowance of accounts receivable and the movements in loss allowance for notes and accounts receivable please refer to Note 6(17).

(5) Liquidity risk management

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments, bank borrowings, convertible bonds and finance leases, etc. The table below summarizes the maturity profile of the Company's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Yem Chio Co., Ltd.

Notes to the Parent Company Only Financial Statements (Continued)  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

December 31, 2023

	Less than 1 year	Over 1 year	Total
Non-derivative financial liabilities			
Short-term borrowings	\$4,205,036	\$-	\$4,205,036
Short-term notes and bills payable	400,000	-	400,000
Notes payable	95,044	-	95,044
Accounts payable			
(including related parties)	125,687	-	125,687
Other payables (including related parties)	184,881	-	184,881
Bonds payable	162,900	-	162,900
Long-term borrowings			
(including current portion)	776,357	5,306,359	6,082,716
Lease liabilities (including current portion)	3,844	65,341	69,185
Total	<u>\$5,953,749</u>	<u>\$5,371,700</u>	<u>\$11,325,449</u>

December 31, 2022

	Less than 1 year	Over 1 year	Total
Non-derivative financial liabilities			
Short-term borrowings	\$2,480,727	\$-	\$2,480,727
Short-term notes and bills payable	550,000	-	550,000
Notes payable	40,079	-	40,079
Accounts payable			123,034
(including related parties)	123,034	-	
Other payables (including related parties)	129,243	-	129,243
Bonds payable	-	418,500	418,500
Long-term borrowings			
(including current portion)	1,052,289	4,588,019	5,640,308
Lease liabilities (including current portion)	3,844	69,185	73,029
Total	<u>\$4,379,216</u>	<u>\$5,075,704</u>	<u>\$9,454,920</u>

As of December 31, 2023 and 2022, the Company all held no derivative financial liabilities.

Yem Chio Co., Ltd.  
Notes to the Parent Company Only Financial Statements (Continued)  
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(6) Reconciliation of liabilities arising from financing activities

	Short-term borrowings	long-term borrowings (including current portion)	Short-term notes and bills payable	Other payables to related parties	Lease liabilities	Bonds payable (including current portion)	Liabilities from financing activities-gross
2023.1.1	\$2,471,092	\$5,413,250	\$550,000	\$-	\$59,380	\$411,778	\$8,905,500
Cash flows	1,716,401	406,028	(150,000)	70,000	(3,844)	-	2,038,585
Non-cash changes (Note)	-	-	-	-	1,310	(250,276)	(248,966)
2023.12.31	<u>\$4,187,493</u>	<u>\$5,819,278</u>	<u>\$400,000</u>	<u>\$70,000</u>	<u>\$56,846</u>	<u>\$161,502</u>	<u>\$10,695,119</u>

	Short-term borrowings	long-term borrowings (including current portion)	Short-term notes and bills payable	Other payables to related parties	Lease liabilities	Bonds payable (including current portion)	Liabilities from financing activities-gross
2022.1.1	\$3,727,592	\$4,971,762	\$410,000	\$355,000	\$-	\$443,361	\$9,907,715
Cash flows	(1,256,500)	441,488	140,000	(355,000)	(1,282)	-	(1,031,294)
Non-cash changes (Note)	-	-	-	-	60,662	(31,583)	29,079
2022.12.31	<u>\$2,471,092</u>	<u>\$5,413,250</u>	<u>\$550,000</u>	<u>\$-</u>	<u>\$59,380</u>	<u>\$411,778</u>	<u>\$8,905,500</u>

Note: Including amortization of convertible bonds, conversion of convertible bonds into equity, acquiring assets by leasing and financial costs of lease liabilities, etc.

(7) Fair value information

A. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date. The fair value of the Company's investment in listed stocks is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly.

Level 3: Unobservable inputs for the assets or liabilities. The fair value of redemption rights of convertible corporate bonds issued by the Company and wealth management products are included in Level 3.

Yem Chio Co., Ltd.

Notes to the Parent Company Only Financial Statements (Continued)  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

B. Financial instruments not measured at fair value

Except for bonds payable, the carrying amounts of cash and cash equivalents, financial assets at amortised cost, notes receivable, accounts receivable (including related parties), other receivables (including related parties), short-term borrowings, short-term notes and bills payable, notes payable, accounts payable (including related parties) and other payables (including related parties) are approximate to their fair values. Interest rates of long-term borrowings (including maturity within 1 year or 1 operating cycle) are approximately the same as market interest rates, thus, the carrying amount should be a reasonable basis for fair value estimation.

The bonds payable are convertible corporate bonds issued by the Company, with a coupon rate approximately equivalent to the current market rate. Therefore, the fair value is estimated using the present value of the expected cash flows approximate to the carrying amount.

	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
December 31, 2023				
Financial liabilities:				
Bonds payable				
(including current portion)	\$161,502	\$-	\$150,009	\$-
	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
December 31, 2022				
Financial liabilities:				
Bonds payable				
(including current portion)	\$411,778	\$-	\$402,804	\$-

The methods and assumptions of fair value measurement are as follows:

Convertible debentures payable: Regarding the convertible bonds issued by the Company, the coupon rate approximates to the current market rate. Therefore, the fair value is estimated using the present value of the expected cash flows and approximate to the book value.

Yem Chio Co., Ltd.

Notes to the Parent Company Only Financial Statements (Continued)  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

C. The related information on financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets are as follows:

(a) The related information on the nature of the assets and liabilities is as follows:

December 31, 2023	Level 1	Level 2	Level 3	Total
Recurring fair value measurements for assets:				
<u>Financial assets at fair value through other comprehensive income</u>				
Equity securities	\$1,214,833	\$-	\$5,597	\$1,220,430
<u>Investment property</u>	-	-	2,165,699	2,165,699
Total	<u>\$1,214,833</u>	<u>\$-</u>	<u>\$2,171,296</u>	<u>\$3,386,129</u>
December 31, 2022	Level 1	Level 2	Level 3	Total
Recurring fair value measurements for assets:				
<u>Financial assets at fair value through profit or loss</u>				
Call options and put options of convertible corporate bonds	\$-	\$-	\$81	\$81
<u>Financial assets at fair value through other comprehensive income</u>				
Equity securities	959,378	-	5,597	964,975
<u>Investment property</u>	-	-	2,123,774	2,123,774
Total	<u>\$959,378</u>	<u>\$-</u>	<u>\$2,129,371</u>	<u>\$3,088,749</u>

(b) The methods and assumptions the Company measure the fair value are as follows:

i. The instruments the Company used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed shares
Market quoted price	Closing price

ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques. The fair value of financial instruments measured by using valuation techniques can be referred to valuation methods.

Yem Chio Co., Ltd.

Notes to the Parent Company Only Financial Statements (Continued)

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

- iii. Under the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, the Company makes self-assessment using the income approach to calculate the fair value of investment property. Related assumptions and information on inputs are as follows:
- (i) Cash flow: Cash flow shall be evaluated on the basis of existing lease contracts, rent at local market rates, or current market rents for similar comparable properties in the same location and condition, and overvalued and undervalued comparable properties shall be excluded. If there is a period-end value, the discounted present period-end value may be added.
  - (ii) Analysis period: When there is no specified period for the income, the analysis period in principle shall not be longer than 10 years; when there is a specified period for the income, the income shall be estimated for the remainder of the specified period.
  - (iii) Discount rate: The discount rate shall be determined using the risk premium approach only, with the calculation based on a certain interest rate, plus the estimate for the individual characteristics of the investment property. The phrase "based on a certain interest rate" means the interest rate may not be lower than the floating interest rate on a 2-year time deposit of a small amount, as posted by the Chunghwa Post Co. Ltd., plus 0.75 percentage points.

D. For the years ended December 31, 2023 and 2022, there was no transfer between Level 1 and Level 2.

E. For the years ended December 31, 2023 and 2022, there was no transfer into or out from Level 3.

F. The information on change in fair value of investment property for the years ended December 31, 2023 and 2022 is provided in Note 6(9).

G. Treasury segment is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and making any other necessary adjustments to the fair value. Investment property and call options and put options of convertible corporate bonds are evaluated through outsourced appraisal performed by the external valuer.

Yem Chio Co., Ltd.

Notes to the Parent Company Only Financial Statements (Continued)  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

H. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

Item	Fair value at December 31, 2023	Valuation technique	Significant observable input	Range	Relationship of inputs to fair value
Unlisted stocks	\$5,597	Market comparable companies	Industrial average price to book ratio	Not applicable	The higher the book value per share, the higher the fair value.
Investment property	2,165,699	Income approach	Discounted rate	(Note)	The higher the discount rate, the lower the fair value.
Item	Fair value at December 31, 2022	Valuation technique	Significant observable input	Range	Relationship of inputs to fair value
Unlisted stocks	\$5,597	Market comparable companies	Industrial average price to book ratio	Not applicable	The higher the book value per share, the higher the fair value.
Investment property	2,123,774	Income approach	Discounted rate	(Note)	The higher the discount rate, the lower the fair value.
Call options and put options of convertible corporate bonds	81	Binary tree valuation model	Volatility	18.16%	The higher the volatility, the higher the fair value.

Note: Information on discount rate and income capitalisation rate is provided in Note 6(9).

The Company has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement.

Yem Chio Co., Ltd.  
Notes to the Parent Company Only Financial Statements (Continued)  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

(8) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

	December 31, 2023		
	Foreign currencies (in thousand)	Foreign exchange rate	NTD (in thousand )
<u>Financial assets</u>			
Monetary items:			
USD:NTD	\$29,669	30.71	\$910,987
<u>Financial liabilities</u>			
Non-monetary items:			
Long-term equity investments accounted for under the equity method			
USD:NTD	\$24,847	30.71	\$762,942
	December 31, 2022		
	Foreign currencies (in thousand)	Foreign exchange rate	NTD (in thousand )
<u>Financial liabilities</u>			
Monetary items:			
USD:NTD	\$49,015	30.71	\$1,505,251
<u>Financial liabilities</u>			
Non-monetary items:			
Long-term equity investments accounted for under the equity method			
USD:NTD	\$26,899	30.71	\$826,083

(9) Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. Refer to the balance sheet of each period for related liabilities and capital ratio.

Yem Chio Co., Ltd.

Notes to the Parent Company Only Financial Statements (Continued)  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

13. Supplementary disclosures

(1) Significant transactions information

- A. Financing provided to others: Please refer to table 1.
- B. Endorsement/Guarantee provided to others: Please refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: Please refer to table 4.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: Please refer to table 5.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: Please refer to table 6.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 7.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 8.
- I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Note 6(2).
- J. Significant inter-company transactions during the reporting periods: Please refer to table 9.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in China): Please refer to table 10.

(3) Information on investments in China

- A. Basic information: Please refer to table 11.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to items (1) A, B, G, H and J above.

(4) Major shareholders information

Major shareholders information: Please refer to table 12.

14. Segment information

Not applicable.

Yem Chio Co., Ltd. and Subsidiaries

Financing provided to others

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

Table 1

No. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2023 (Note 3)	Balance at December 31, 2023 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
0	The Company	UINN HOTEL	Other receivables	Yes	\$ 180,000	\$ -	\$ -	2.00%	2	\$ -	Working capital	\$ -	None	\$ -	\$ 2,399,509	\$ 4,799,018	-
0	The Company	Wong Chio Development., Ltd.	Other receivables	Yes	500,000	500,000	-	2.00%	2	-	Working capital	-	None	-	2,399,509	4,799,018	-
0	The Company	Wang Chio petrochemical (Jiangsu) Co., Ltd.	Other receivables	Yes	1,013,253	624,774	624,774	0.00%	2	-	Working capital	-	None	-	2,399,509	4,799,018	-
0	The Company	ACHEM Technology Corporation	Other receivables	Yes	900,000	900,000	-	2.00%	2	-	Working capital	-	None	-	2,399,509	4,799,018	-
0	The Company	ACHEM Technology Holding Limited	Other receivables	Yes	324,250	307,050	-	2.00%	2	-	Working capital	-	None	-	2,399,509	4,799,018	-
1	ACHEM Technology Corporation	ACHEM Technology Holding Limited	Other receivables	Yes	614,200	383,813	191,906	2.00%	2	-	Working capital	-	None	-	1,170,874	2,049,030	-
1	ACHEM Technology Corporation	Wong Chio Development., Ltd.	Other receivables	Yes	730,000	380,000	50,000	2.00%	2	-	Working capital	-	None	-	1,170,874	2,049,030	-
1	ACHEM Technology Corporation	UINN HOTEL	Other receivables	Yes	180,000	150,000	110,000	2.00%	2	-	Working capital	-	None	-	1,170,874	2,049,030	-
1	ACHEM Technology Corporation	Pantech Tape Co., Ltd.	Other receivables	Yes	52,000	-	-	2.00%	2	-	Working capital	-	None	-	1,170,874	2,049,030	-
1	ACHEM Technology Corporation	ACHEM Opto-Electronic Corporation	Other receivables	Yes	16,000	16,000	16,000	2.00%	2	-	Working capital	-	None	-	1,170,874	2,049,030	-
2	ACHEM Technology Holding Limited	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Other receivables	Yes	660,083	376,146	376,146	2.50%	2	-	Working capital	-	None	-	3,930,486	3,930,486	-
2	ACHEM Technology Holding Limited	ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.	Other receivables	Yes	55,278	-	-	2.50%	2	-	Working capital	-	None	-	3,930,486	3,930,486	-
2	ACHEM Technology Holding Limited	ASIA PLASTICS	Other receivables	Yes	32,425	30,705	25,792	2.00%	2	-	Working capital	-	None	-	3,930,486	3,930,486	-
2	ACHEM Technology Holding Limited	ACHEM Technology (Vietnam) Ltd.	Other receivables	Yes	82,201	80,754	80,754	2.50%	2	-	Working capital	-	None	-	3,930,486	3,930,486	-
2	ACHEM Technology Holding Limited	WAN CHIO	Other receivables	Yes	157,261	148,919	148,919	2.00%	2	-	Working capital	-	None	-	3,930,486	3,930,486	-
3	ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.	Wang Chio petrochemical (Jiangsu) Co., Ltd.	Other receivables	Yes	311,150	204,018	204,018	0.00%	2	-	Working capital	-	None	-	970,616	970,616	-
3	ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.	Ningbo Yem Chio Co., Ltd.	Other receivables	Yes	80,010	77,886	77,886	2.00%	2	-	Working capital	-	None	-	970,616	970,616	-
3	ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Other receivables	Yes	143,817	142,142	142,142	2.00%	2	-	Working capital	-	None	-	970,616	970,616	-
4	ASIACHEM International Corporation	ACHEM Technology Holding Limited	Other receivables	Yes	701,677	664,456	664,456	2.00%	2	-	Working capital	-	None	-	1,402,881	1,402,881	-
4	ASIACHEM International Corporation	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Other receivables	Yes	152,819	148,762	148,762	2.00%	2	-	Working capital	-	None	-	1,402,881	1,402,881	-
5	ACHEM Technology (Shanghai) Limited	Ningbo Yem Chio Co., Ltd.	Other receivables	Yes	30,856	-	-	2.00%	2	-	Working capital	-	None	-	1,358,389	1,358,389	-
5	ACHEM Technology (Shanghai) Limited	Wang Chio petrochemical (Jiangsu) Co., Ltd.	Other receivables	Yes	735,648	592,366	592,366	0.00%	2	-	Working capital	-	None	-	1,358,389	1,358,389	-
5	ACHEM Technology (Shanghai) Limited	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Other receivables	Yes	270,870	270,870	268,707	2.00%	2	-	Working capital	-	None	-	1,358,389	1,358,389	-
6	Valueine Investment Corporation	ACHEM Technology Corporation	Other receivables	Yes	27,000	27,000	27,000	2.00%	2	-	Working capital	-	None	-	29,013	29,013	-
7	ACHEM Technology China	ACHEM Technology Holding Limited	Other receivables	Yes	32,425	30,705	15,353	2.00%	2	-	Working capital	-	None	-	3,433,894	3,433,894	-
8	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Ningbo Yem Chio Co., Ltd.	Other receivables	Yes	80,010	34,616	34,616	2.8%-4.9%	2	-	Working capital	-	None	-	15,563,750	15,563,750	-
8	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Wang Chio petrochemical (Jiangsu) Co., Ltd.	Other receivables	Yes	462,584	373,117	373,117	0.00%	2	-	Working capital	-	None	-	15,563,750	15,563,750	-
9	ASIA PLASTICS	Wang Chio petrochemical (Jiangsu) Co., Ltd.	Other receivables	Yes	647,469	-	-	0.00%	2	-	Working capital	-	None	-	-	-	Note 7(16)
10	ACHEM Opto-Electronic Corporation	ACHEM Technology Corporation	Other receivables	Yes	43,000	-	-	2.00%	2	-	Working capital	-	None	-	210,837	210,837	-
11	AOE Holding Limited	ACHEM Technology Holding Limited	Other receivables	Yes	45,395	42,987	41,452	2.00%	2	-	Working capital	-	None	-	543,372	543,372	-
12	Master Package (Shanghai) Material Technology Co., Ltd.	Ningbo Yem Chio Co., Ltd.	Other receivables	Yes	46,673	42,405	42,405	4.00%	2	-	Working capital	-	None	-	45,989	45,989	-
13	Xin Chio Co., Ltd.	ACHEM Technology Corporation	Other receivables	Yes	325,000	325,000	325,000	2.00%	2	-	Working capital	-	None	-	427,476	427,476	-
13	Xin Chio Co., Ltd.	The Company	Other receivables	Yes	70,000	70,000	70,000	2.00%	2	-	Working capital	-	None	-	427,476	427,476	-

- Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:
- (1) The Company is '0'.
  - (2) The subsidiaries are numbered in order starting from '1'.
- Note 2: Fill in the name of account in which the loans are recognised, such as receivables-related parties, current account with stockholders, prepayments, temporary payments, etc.
- Note 3: Fill in the maximum outstanding balance of loans to others for the year ended December 31, 2023.
- Note 4: Nature of loan/ belong to business relationship or short-term financing shall fill in '1' and '2', respectively.
- Note 5: Fill in the amount of business transactions when nature of the loan is related to business transactions, which is the amount of business transactions occurred between the creditor and borrower in the current year.
- Note 6: Fill in purpose of loan when nature of loan is for short-term financing, for example, repayment of loan, acquisition of equipment, working capital, etc.
- Note 7: Fill in limit on loans granted to a single party and ceiling on total loans granted as prescribed in the creditor company's "Procedures for Provision of Loans", and state each individual party to which the loans have been provided and
- (1) In accordance with the financing policy of the Company, the ceiling for total financing amount shall not exceed 40% of stockholders' equity, and separate financing amount shall not exceed 20% of stockholders' equity.
  - (2) In accordance with the financing policy of YEM CHIO, the ceiling for total financing amount shall not exceed 40% of stockholders' equity, and separate financing amount shall not exceed 40% of stockholders' equity.  
If the borrowers are foreign companies whose voting rights are directly and indirectly wholly-owned by the ultimate parent company, the financing amount shall not exceed 400% of stockholders' equity.
  - (3) Limit on Xin Chio Co., Ltd.'s total loans to others is 40% of the Company's net assets.  
Limit on loans to a single party with short-term financing is 40% of the Company's net assets.
  - (4) Ceiling on total loans to others and limit on loans to a single party granted by Master Package (Shanghai) shall not exceed 40% of the stockholders' equity.  
If the borrowers are foreign companies whose voting rights are directly and indirectly wholly-owned by the ultimate parent company, the ceiling for total financing amount granted by Master Package (Shanghai) shall not exceed 100% of stockholders' equity.
  - (5) For the short-term financing from ACHEM Technology Corporation, the total and individual lending amount shall not exceed 35% and 20% of its nets assets, respectively.
  - (6) Limit on loans granted by ACHEM Technology Holdings Limited to others and to a single party shall not exceed 40% of the stockholders' equity. But for foreign companies whose voting rights are directly and indirectly wholly-owned by the ultimate parent company, the limit on loans is 100% of the stockholders' equity.
  - (7) Limit on loans granted by ASIACHEM International Corporation to others and to a single party shall not exceed 40% of the stockholders' equity. But for foreign companies whose voting rights are directly and indirectly wholly-owned by the parent company of ASIACHEM International Corporation, the limit on loans is 100% of the stockholders' equity of ASIACHEM International Corporation.
  - (8) In accordance with the financing policy of Valueline Investment Corporation, the ceiling for total and separate financing amount shall not exceed 40% of the stockholders' equity of the subsidiaries.
  - (9) Limit on loans granted by ACHEM Technology (Shanghai) Limited to others and to a single party shall not exceed 40% of the stockholders' equity of ACHEM Technology (Shanghai) Limited.  
If borrowers are foreign companies whose voting rights are directly and indirectly wholly-owned by the ultimate parent company of ACHEM Technology (Shanghai) Limited, the limit on loans is 100% of the stockholders' equity of ACHEM Technology (Shanghai) Limited.
  - (10) Limit on loans granted by ACHEM Technology (Dongguan) Adhesive Products Co., Ltd. to others and to a single party shall not exceed 40% of the stockholders' equity of ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.  
If borrowers are foreign companies whose voting rights are directly and indirectly wholly-owned by the ultimate parent company of ACHEM Technology (Dongguan) Adhesive Products Co., Ltd., the limit on loans is 100% of the stockholders' equity of ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.
  - (11) Limit on loans granted by ASIA PLASTICS to others and to a single party shall not exceed 40% of the stockholders' equity of ASIA PLASTICS.  
If borrowers are foreign companies whose voting rights are directly and indirectly wholly-owned by the ultimate parent company of ASIA PLASTICS, the limit on loans is 1000% of the stockholders' equity of ASIA PLASTICS.
  - (12) Limit on loans granted by ACHEM Technology China to others and to a single party shall not exceed 40% of the stockholders' equity of ACHEM Technology China. If borrowers are foreign companies whose voting rights are directly and indirectly wholly-owned by the ultimate parent company of ACHEM Technology China, the limit on loans is 100% of the stockholders' equity of ACHEM Technology China.
  - (13) The total and individual lending amount of Wanchio Adhesive Product (Jiangsu) Co., Ltd. shall not exceed 40% of its net assets.  
However, the loans among foreign entities to which the ultimate parent company of Wanchio Adhesive Product (Jiangsu) Co., Ltd. directly or indirectly has 100% voting rights, the total and individual lending amount shall not exceed 3000% of net assets of the lender company.
  - (14) Limit on ACHEM Opto-Electronic Corporation's total loans to others is 40% of the Company's net assets.
  - (15) Limit on loans granted by AOE Holding Limited to others and to a single party shall not exceed 40% of the stockholders' equity. But for foreign companies whose voting rights are directly and indirectly wholly-owned by the parent company of AOE Holding Limited, the limit on loans is 100% of the stockholders' equity of AOE Holding Limited.
  - (16) ASIA PLASTICS's Board of Directors held in December 2023 approved the cancellation of ASIA PLASTICS's loans to Wan Chio Petrochemical (Jiangsu) Co., Ltd. The situation of exceeding the limit of the loan amount was improved accordingly.
- Note 8: The amounts of funds to be loaned to others which have been approved by the board of directors of a public company in accordance with Article 14, Item 1 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" should be included in its published balance of loans to others at the end of the reporting period to reveal the risk of loaning the public company bears, even though they have not yet been appropriated.  
However, this balance should exclude the loans repaid when repayments are done subsequently to reflect the risk adjustment. In addition, if the board of directors of a public company has authorized the chairman to loan funds in instalments or in revolving within certain lines and within one year in accordance with Article 14, Item 2 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies", the published balance of loans to others at the end of the reporting period should also include these lines of loaning approved by the board of directors, and these lines of loaning should not be excluded from this balance even though the loans are repaid subsequently, for taking into consideration they could be loaned again thereafter.

Yem Chio Co., Ltd. and Subsidiaries  
Endorsement/Guarantee provided to others  
For the year ended December 31, 2023  
(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

Table 2

No. (Note 1)	Endorser/Guarantor	Endorsee/Guaranteee		Limit on endorsement/ guarantee Given on behalf of each party (Note 3)	Maximum balance for the period (Note 4)	Ending balance (Note 5)	Actual Borrowing Amount (Note 6)	Amount of endorsement/guarant ee collateralized by properties	Percentage of accumulated guarantee amount to net assets value from the latest financial statement	Limit of total guarantee/endorsement amount (Note 3)	Provision of endorsements/guarantees by parent company to subsidiary (Note7)	Provision of endorsements/guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/guarantees to the party in Mainland China (Note 7)	Footnote
		Company name	Relationship (Note 2)											
0	The Company	Wong Chio Development., Ltd.	2	\$ 11,997,544	\$ 150,000	\$ -	\$ -	\$ -	-	\$ 17,996,316	Y	N	N	-
0	The Company	ACHEM Technology (Vietnam) Ltd.	2	11,997,544	32,425	30,705	-	-	-	17,996,316	Y	N	N	-
0	The Company	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	2	11,997,544	418,592	401,412	-	-	3	17,996,316	Y	N	Y	-
0	The Company	ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.	2	11,997,544	153,700	-	-	-	-	17,996,316	Y	N	Y	-
1	ACHEM Technology Corporation	ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.	2	5,854,371	154,460	30,000	19,443	-	1	5,854,371	Y	N	Y	-
1	ACHEM Technology Corporation	ACHEM Technology Holding Limited	2	5,854,371	1,107,000	829,035	-	-	14	5,854,371	Y	N	N	-
1	ACHEM Technology Corporation	Ningbo Yem Chio Co., Ltd.	2	5,854,371	200,025	194,715	27,260	-	3	5,854,371	Y	N	Y	-
1	ACHEM Technology Corporation	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	2	5,854,371	213,360	121,156	-	-	2	5,854,371	Y	N	Y	-
1	ACHEM Technology Corporation	ACHEM Technology (Vietnam) Ltd.	2	5,854,371	38,910	36,846	305	-	1	5,854,371	Y	N	N	-
2	ACHEM Technology (Shanghai) Limited	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	2	1,358,389	271,436	268,274	138,464	-	19	1,358,389	N	N	Y	-

Note1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

- (1) The Company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories:

- (1) Having business relationship.
- (2) The endorser/guarantor parent company owns directly or indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.
- (3) The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.
- (4) The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.
- (5) Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.
- (6) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
- (7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note 3: Fill in limit on endorsements/guarantees provided for a single party and ceiling on total amount of endorsements/guarantees provided as prescribed in the endorser/guarantor company's "Procedures for Provision of Endorsements and Guarantees", and state each individual party to which the endorsements/guarantees have been provided and the calculation for ceiling on total amount of endorsements/guarantees provided in the footnote.

- (1) Calculation for ceiling on endorsements/guarantees provided by the Company to others and to a single party is based on 150% and 100% of the Company's net equity in the latest financial statements, respectively.
- (2) Calculation for ceiling on endorsements/guarantees provided by ACHEM Technology Corporation to others and to a single party is based on 100% of stockholders' equity in the latest financial statements.
- (3) For ACHEM Technology (Shanghai) Limited, the ceiling on total amount of endorsements/guarantees provided and the limit on endorsements/guarantees provided for a single party are both calculated based on 100% of net assets disclosed on the latest financial statements.

Note 4: Fill in the year-to-date maximum outstanding balance of endorsements/guarantees provided as of the reporting period.

Note 5: Fill in the amount approved by the Board of Directors or the chairman if the chairman has been authorized by the Board of Directors based on subparagraph 8, Article 12 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.

Note 6: Fill in the actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

Note 7: Fill in 'Y' for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.

Yem Chio Co., Ltd. and Subsidiaries  
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)  
December 31, 2023  
(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

Table 3

Securities held by	Type of securities (Note 1)	Name of securities	the securities issuer (Note 2)	General ledger account	As of December 31, 2023				Footnote (Note 4)
					(Including stock dividends)	Book value (Note 3)	Ownership	Fair value	
The Company	Common stock	ASE Technology Holding Co., Ltd.	None	Financial assets at fair value through other comprehensive income - current	1,390,897	\$ 187,771	0.03%	\$ 187,771	1,390,000
The Company	Common stock	Quanta Computer Inc.	"	"	213,000	47,818	0.01%	47,818	-
The Company	Common stock	LITE-ON Technology Corp.	"	"	90,000	10,530	0.00%	10,530	1,000
The Company	Common stock	HON HAI PRECISION IND. CO., LTD.	"	"	3,295,000	344,328	0.02%	344,328	3,010,000
The Company	Common stock	Formosa Plastics Corporation	"	"	500,000	39,600	0.01%	39,600	500,000
The Company	Common stock	Fubon Financial Holding Co., Ltd.	"	"	1,636,025	106,014	0.01%	106,014	224,000
The Company	Common stock	MediaTek Inc.	"	"	164,000	166,460	0.01%	166,460	164,000
The Company	Common stock	Taiwan Semiconductor Manufacturing Co., Ltd.	"	"	260,000	154,180	0.00%	154,180	74,000
The Company	Common stock	Yuanta Taiwan Top 50 ETF	"	"	62,000	8,398	0.00%	8,398	1,000
The Company	Common stock	EVERGREEN MARINE CORP. (TAIWAN) LTD.	"	"	671,000	96,289	0.03%	96,289	-
The Company	Common stock	UNI-PRESIDENT ENTERPRISES CORP.	"	"	87,000	6,481	0.00%	6,481	-
The Company	Common stock	U-Ming Marine Transport Corporation	"	"	191,000	9,951	0.02%	9,951	-
The Company	Common stock	Tong Hsing Electronic Industries, LTD.	"	"	235,000	37,013	0.11%	37,013	-
The Company	Common stock	Unipex Global Co., Ltd	"	Financial assets at fair value through other comprehensive income - non-current	171,900	5,597	17.19%	5,597	-
YEM CHIO	Common stock	Yem Chio Co., Ltd.	Ultimate parent company	Financial assets at fair value through other comprehensive income - non-current	16,822,281	297,754	2.56%	297,754	Note 5
YEM CHIO	Common stock	Vanguard S&P 500 ETF	None	"	1,882	25,310	0.00%	25,309	-
ACHEM Technology Corporation	Common stock	Yuanta Taiwan Top 50 ETF	"	Financial assets at fair value through profit or loss - current	34,000	4,605	0.00%	4,605	-
ACHEM Technology Corporation	Common stock	Fubon FSTE TWSE Taiwan 50 ETF	"	"	150,000	11,572	0.02%	11,572	-
ACHEM Technology Corporation	Common stock	CTBC Taiwan ESG Leading Semiconductor ETF	"	"	520,000	8,523	0.05%	8,523	-
ACHEM Technology Corporation	Common stock	Fubon Taiwan Core Semi ETF	"	"	396,000	5,540	0.07%	5,540	-
ACHEM Technology Corporation	Common stock	LITE-ON Technology Corp.	"	"	117,000	13,689	0.00%	13,689	-
ACHEM Technology Corporation	Common stock	HON HAI PRECISION IND. CO., LTD.	"	"	507,000	52,982	0.00%	52,982	-
ACHEM Technology Corporation	Common stock	Taiwan Semiconductor Manufacturing Co., Ltd.	"	"	120,000	71,160	0.00%	71,160	-
ACHEM Technology Corporation	Common stock	GIGA-BYTE TECHNOLOGY CO., LTD.	"	"	18,000	4,788	0.00%	4,788	-
ACHEM Technology Corporation	Common stock	Micro-Star International Co., Ltd.	"	"	1,000	204	0.00%	204	-
ACHEM Technology Corporation	Common stock	Quanta Computer Inc.	"	"	92,000	20,654	0.00%	20,654	-
ACHEM Technology Corporation	Common stock	EVERGREEN MARINE CORP. (TAIWAN) LTD.	"	"	15,000	2,153	0.00%	2,153	-
ACHEM Technology Corporation	Common stock	U-Ming Marine Transport Corporation	"	"	28,000	1,459	0.00%	1,459	-
ACHEM Technology Corporation	Common stock	Fubon Financial Holding Co., Ltd.	"	"	382,350	24,776	0.00%	24,776	-
ACHEM Technology Corporation	Common stock	E.SUN Financial Holding Co., Ltd.	"	"	125,000	3,225	0.00%	3,225	-
ACHEM Technology Corporation	Common stock	ASE Technology Holding Co., Ltd.	"	"	94,000	12,690	0.00%	12,690	-
ACHEM Technology Corporation	Common stock	Sercomm Corporation	"	"	14,000	1,883	0.01%	1,883	-
ACHEM Technology Corporation	Common stock	Quanta Storage Inc.	"	"	76,000	6,232	0.03%	6,232	-
ACHEM Technology Corporation	Common stock	Tong Hsing Electronic Industries, LTD.	"	"	96,000	15,120	0.05%	15,120	-
ACHEM Technology Corporation	Common stock	INPAQ Technology Co., Ltd.	"	"	60,000	5,010	0.04%	5,010	-
ACHEM Technology Corporation	Common stock	International Engineering & Construction Corp.	"	Financial assets at fair value through other comprehensive income - non-current	7,212,885	-	7.99%	-	-
ACHEM Technology Corporation	Bank debenture	Citigroup Inc.	"	Financial assets at fair value through other comprehensive income - non-current	-	53,933	-	53,934	-
ValueLine Investment Corporation	Common stock	Yem Chio Co., Ltd.	Ultimate parent company	Financial assets at fair value through other comprehensive income - non-current	406,409	7,193	0.06%	7,193	Note 5
ValueLine Investment Corporation	Common stock	Lucky-Heart Co., Ltd.	None	"	800,000	-	6.96%	-	-
ValueLine Investment Corporation	Common stock	Taiwan Virtual Reality Technologies Inc.	"	"	1,600,000	-	10.00%	-	-
ACHEM Technology Holding Limited	Beneficiary certificates	Augustus Multi - Strategy Fund	"	Financial assets at fair value through profit or loss - current	58,721	-	0.00%	-	-
ACHEM Technology Holding Limited	Common stock	Yem Chio Co., Ltd.	Ultimate parent company	Financial assets at fair value through other comprehensive income - non-current	1,194,138	21,136	0.18%	21,136	Note 5
AOE Holding Limited	Bank debenture	Codeis Securities S.A.	None	Financial assets at fair value through profit or loss - current	-	-	-	-	-
Foshan Inder Adhesive Product Co., Ltd	Capital guarantee products	Structured Investment Deposit in Bank of China	"	Financial assets at fair value through profit or loss - current	-	216,317	-	216,317	-
Foshan Inder Adhesive Product Co., Ltd	Capital guarantee products	Structured Investment Deposit in Bank of Communications	"	"	-	259,580	-	259,580	-
Master Package (Shanghai) Material Technology Co., Ltd.	Wealth management products	Wealth management products launched by Bank of China	"	Financial assets at fair value through profit or loss - current	-	51,924	-	51,924	-

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities within the scope of IFRS 9 'Financial Instruments.'

Note 2: Leave the column blank if the issuer of marketable securities is non-related party.

Note 3: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Note 4: The number of shares of securities and their amounts pledged as security should be stated in the footnote if the securities presented herein have such conditions.

Note 5: The stocks are held by the Company's subsidiary; hence, the investment is accounted for treasury shares.

Yem Chio Co., Ltd. and Subsidiaries  
Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital  
For the year ended December 31, 2023  
(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

Table 4

Investor	Marketable securities (Note 2)	General ledger account (Note 1)	Counterparty (Note 3)	Relationship with the investor (註3)	Balance as at January 1, 2023		Addition (Note 4)		Disposal (Note 4)				Balance as at December 31, 2023	
					Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Selling price	Book value	Gain (loss) on disposal	Number of shares (in thousands)	Amount
The Company	Common stock: Quanta Computer Inc.	(2)	-	-	2,851	\$ 206,127	321	\$ 46,262	2,959	\$ 414,622	\$ 204,653	\$ 209,969	213	\$ 47,818
Foshan Inder Adhesive Product Co., Ltd.	Capital guarantee products : Financial product launched by Bank of China	(1)	-	-	-	-	-	943,141	-	726,824	726,824	-	-	216,317
Foshan Inder Adhesive Product Co., Ltd.	Capital guarantee products : Structured Investment Deposit in Bank of Communications	(1)	-	-	-	264,413	-	1,583,438	-	1,588,271	1,588,271	-	-	259,580
Master Package (Shanghai) Material Technology Co., Ltd.	Financial product: Financial product launched by Bank of China	(1)	-	-	-	52,896	-	479,131	-	480,060	480,060	-	-	51,924

Note 1: The numbers filled in general ledger account are as follows:

- (1) Financial assets at fair value through profit or loss
- (2) Financial assets at fair value through other comprehensive income

Note 2: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.

Note 3: Fill in the columns the counterparty and relationship if securities are accounted for under the equity method; otherwise leave the columns blank.

Note 4: The gain on disposal of financial assets at fair value through other comprehensive income will be directly transferred to retained earnings and not be reflected in the profit or loss.

Yem Chio Co., Ltd. and Subsidiaries  
Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more  
For the year ended December 31, 2023  
(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

Table 5

Real estate acquired by	Real estate acquired	Transaction date	Transaction amount	Payment status	Counterparty	Relationship with the Counterparty	If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below:				Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments
							Original owner who sold the real estate to the counterparty	Relationship between the original owner and the acquirer	Date of the original transaction	Amount			
The Company	Office building in 5F and parking lots in Neihu District, Taipei City	2023.8.11	\$ 400,000  (Including business tax \$4,190)	Full Paid	Xin Chio Co., Ltd.	Subsidiary	Wong Chio Development., Ltd.	It was dissolved and consolidated in the Company	2015.6.25	\$ 390,000	According to appraisal report issued by the Panasia Real Estate, the estimated value is \$410,199.	The Company purchase this property for office usage requirement in responses to business expansion.	-
The Company	Land in Zhoumei Section, Beitou District, Taipei City.	2023.8.11	\$ 707,357	Based on the terms in the contracts	A group of 5 people	Third party	N/A	N/A	N/A	N/A	According to appraisal report issued by the Panasia Real Estate, the estimated value is \$720,831.	The Company purchase this land for the usage of construction and development in the future.	-
The Company	Eight tracts of land in No.553, Taishan Section, Taishan District, New Taipei City	2023.10.23	\$ 347,618	Based on the terms in the contracts	Jing Cheng Construction Co., Ltd.	Third party	N/A	N/A	N/A	N/A	According to appraisal report issued by the Cathay Real Estate, the estimated value is \$362,016.	The Company purchase this land for the usage of construction and development in the future.	-
The Company	Twelve tracts of land in No.754-1, Taishan Section, Taishan District, New Taipei City	2023.12.19	\$ 375,298	Based on the terms in the contracts	A group of 5 people	Third party	N/A	N/A	N/A	N/A	According to appraisal report issued by the Cathay Real Estate, the estimated value is \$376,729.	The Company purchase this land for the usage of construction and development in the future.	-

Note 1: The appraisal result should be presented in the 'Basis or reference used in setting the price' column if the real estate acquired should be appraised pursuant to the regulations.

Note 2: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT\$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

Note 3: Date of the event referred to herein is the date of contract signing date, date of payment, date of execution of a trading order, date of title transfer, date of board resolution, or other date that can confirm the counterparty and the monetary amount of the transaction, whichever is earlier.

Yem Chio Co., Ltd. and Subsidiaries  
Disposal of real estate reaching \$300 million or 20% of paid-in capital or more  
For the year ended December 31, 2023  
(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

Table 6

Real estate disposed by	Real estate	Transaction date (Note 1)	Acquisition date	Carrying amount	Disposal amount	Status of collection of proceeds	Gain (loss) on disposal	Counterparty	Relationship with the seller	Reason for disposal	Basis or reference used in setting the price	Other commitments
Xin Chio Co., Ltd.	Office building in 5F and 24 parking lots in Neihu District, Taipei City	2023.8.10	2015.08.27	\$ 373,136	\$ 400,000  (Including business tax \$4,190)	Full collected	\$ 22,674	The Company	Parent company	The primary office location had been moved to Taishan Building, and the office in Neihu is underutilized.	According to appraisal report issued by the Cathay Real Estate, the estimated value is \$390,150.	-

Note 1: Date of the event referred to herein is the date of contract signing, date of payment, date of execution of a trading order, date of title transfer, date of board resolution, or other date that can confirm the counterparty and the monetary amount of the transaction, whichever is earlier.

Yem Chio Co., Ltd. and Subsidiaries

Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

Table 7

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases (sales)	Amount	Percentage of total purchases (sales) (%)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable) (%)	
The Company	ACHEM Technology Corporation	Subsidiary	Sales	\$ 516,730	19.44%	30 days after monthly billings	Note 3	Note 3	\$ 36,117	9.37%	None
The Company	Xin Chio Co., Ltd.	Subsidiary	Sales	107,249	4.04%	90 days after monthly billings	Note 3	Note 3	38,182	9.90%	None
The Company	ACHEM Industry America Inc.	An indirect subsidiary	Sales	117,584	4.42%	60 days after the receipt of shipment	Note 3	Note 3	36,838	9.55%	None
ACHEM Technology Corporation	Foshan Inder Adhesive Product Co., Ltd.	Subsidiary	Purchases	170,679	6.18%	100 days after shipment	Note 3	Note 3	(69,832)	(17.45%)	None
ACHEM Technology Corporation	Ningbo Yem Chio Co., Ltd.	Subsidiary	Purchases	191,131	6.92%	60 days after monthly billings	Note 3	Note 3	(36,831)	(9.20%)	None
ACHEM Technology Corporation	ACHEM Industry America Inc.	Subsidiary	Sales	138,253	3.11%	60 days after monthly billings	Note 3	Note 3	24,266	2.77%	None
Wanchio Adhesive Product (Jiangsu) Co., Ltd.	ACHEM Technology Corporation	Parent company	Sales	226,742	9.78%	60 days after monthly billings	Note 3	Note 3	28,978	3.85%	None
Wanchio Adhesive Product (Jiangsu) Co., Ltd.	ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.	Sister company	Sales	294,437	12.69%	60 days after monthly billings	Note 3	Note 3	99,811	13.24%	None

Note1: If terms of related-party transactions are different from third-party transactions, explain the differences and reasons in the 'Unit price' and 'Credit term' columns.

Note 2: In case related-party transaction terms involve advance receipts (prepayments) transactions, explain in the footnote the reasons, contractual provisions, related amounts, and differences in types of transactions compared to third-party transactions.

Note 3: The description of the transaction is not significantly different with third parties and as such, no need to disclose.

Yem Chio Co., Ltd. and Subsidiaries  
Receivables from related parties reaching \$100 million or 20% of paid-in capital or more  
December 31, 2023  
(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

Table 8

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2023 (Note 1)	Turnover rate (Note 2)	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
The Company	Wang Chio petrochemical (Jiangsu) Co., Ltd.	An indirect subsidiary	Other receivables \$ 624,774	-	\$ -	-	\$ -	\$ -
Xin Chio Co., Ltd.	ACHEM Technology Corporation	Associate	Other receivables 328,994	-	-	-	-	-
ACHEM Technology Corporation	ACHEM Technology Holding Limited	Subsidiary	Other receivables 192,413	-	-	-	-	-
ACHEM Technology Corporation	UINN HOTEL	Sister company	Other receivables 110,432	-	-	-	-	-
ACHEM Technology (Shanghai) Limited	Wang Chio petrochemical (Jiangsu) Co., Ltd.	Sister company	Other receivables 592,366	-	-	-	-	-
ACHEM Technology (Shanghai) Limited	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Sister company	Other receivables 271,773	-	-	-	-	-
ACHEM Technology Holding Limited	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	An indirect subsidiary	Other receivables 377,110	-	-	-	-	-
ACHEM Technology Holding Limited	WAN CHIO	Associate	Other receivables 150,927	-	-	-	-	-
ASIACHEM International Corporation	ACHEM Technology Holding Limited	Sister company	Other receivables 676,991	-	-	-	-	-
ASIACHEM International Corporation	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Sister company	Other receivables 157,192	-	-	-	-	-
ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.	Wang Chio petrochemical (Jiangsu) Co., Ltd.	Sister company	Other receivables 204,018	-	-	-	-	-
ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Sister company	Other receivables 145,082	-	-	-	-	-
Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Wang Chio petrochemical (Jiangsu) Co., Ltd.	Associate	Other receivables 373,117	-	-	-	-	-

Note 1: Fill in separately the balances of accounts receivable - related parties, notes receivable - related parties, other receivables-related parties.

Note 2: Other receivables is not applicable to use turnover days calculation.

Yem Chio Co., Ltd. and Subsidiaries  
Significant inter-company transactions during the reporting period  
For the year ended December 31, 2023  
(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

Table 9

No. (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				Account	Amount	Transaction terms	Percentage of consolidated operating revenues or total assets (Note 3)
0	The Company	ACHEM Technology Corporation	(1)	Sales	\$ 516,730	30 days after monthly billings	3.91%
0	The Company	Wang Chio petrochemical (Jiangsu) Co., Ltd.	(1)	Other receivables	624,774	Depends on negotiation	2.01%
1	Xin Chio Co., Ltd.	ACHEM Technology Corporation	(3)	Other receivables	328,994	Depends on negotiation	1.06%
2	ACHEM Technology Corporation	Foshan Inder Adhesive Product Co., Ltd.	(1)	Purchase	170,679	100 days after shipment	1.29%
2	ACHEM Technology Corporation	Ningbo Yem Chio Co., Ltd.	(1)	Purchase	191,131	60 days after monthly billings	1.45%
2	ACHEM Technology Corporation	ACHEM Industry America Inc.	(1)	Sales	138,253	60 days after monthly billings	1.05%
3	ACHEM Technology (Shanghai) Limited	Wang Chio petrochemical (Jiangsu) Co., Ltd.	(3)	Other receivables	592,366	Depends on negotiation	1.90%
4	ACHEM Technology Holding Limited	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	(1)	Other receivables	377,110	Depends on negotiation	1.21%
5	ASIACHEM International Corporation	ACHEM Technology Holding Limited	(3)	Other receivables	676,991	Depends on negotiation	2.17%
6	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	ACHEM Technology Corporation	(2)	Sales	226,742	60 days after monthly billings	1.71%
6	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.	(3)	Sales	294,437	60 days after monthly billings	2.23%
6	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Wang Chio petrochemical (Jiangsu) Co., Ltd.	(3)	Other receivables	373,117	Depends on negotiation	1.20%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

- (1) Parent company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories:

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: The Company may decide to disclose or not to disclose transaction details in this table based on the Materiality Principle.

Yem Chio Co., Ltd. and Subsidiaries  
Information on investees (not including investees in Mainland China)  
For the year ended December 31, 2023  
(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

Table 10

Investor	Investee (Note 1 - 2)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023			Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 3)	Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Carrying amount			
The Company	YEM CHIO	BVI	Manufacturing of adhesives and polystyrene sheets; investment holdings	\$ 1,446,758	\$ 1,446,758	47,117,523	100.00%	\$( 762,942)	\$ 28,171	\$ 12,007	Subsidiary
The Company	UINN HOTEL	Taiwan	Hotel management and related business	25,740	25,740	-	100.00%	(35,918)	20,089	(7,728)	Subsidiary
The Company	Wong Chio Development., Ltd.	Taiwan	Undertaking civil engineering and hydraulic engineering	345,077	345,077	34,507,664	100.00%	302,149	6,660	7,262	Subsidiary
The Company	ACHEM Technology Corporation	Taiwan	Manufacturing of adhesives and polystyrene sheets; investment holdings	3,999,048	3,999,048	399,904,848	100.00%	5,731,324	675,688	688,802	Subsidiary
The Company	Xin Chio Co., Ltd.	Taiwan	Sales of wrapping material	299,264	299,264	25,740,120	38.86%	82,199	131,017	38,220	Subsidiary
The Company	Yanrun Development Co., Ltd.	Taiwan	Operating real estate related business	8,000	8,000	1,320,000	40.00%	(5,478)	(5,724)	(2,289)	Associate
The Company	King Sun New Tech Co., Ltd.	Taiwan	Construction and Management of Solar	72,105	-	1,650,000	27.50%	75,949	37,023	3,844	Associate
YEM CHIO	ASIA PLASTICS	BVI	Sales of adhesives and polystyrene sheets; investment holdings	357,191	357,191	11,632,500	45.00%	(203,484)	(472,614)	-	An indirect subsidiary
YEM CHIO	WAN CHIO	BVI	Sales of raw materials; investment holdings	899,657	899,657	40,400,000	68.47%	(715,698)	311,969	-	An indirect subsidiary
ACHEM Technology Corporation	ASIACHEM International Corporation	BVI	Investment of adhesives and related products	357,237	357,237	23,269	100.00%	1,402,874	33,636	-	An indirect subsidiary
ACHEM Technology Corporation	ACHEM Technology Holding Limited	BVI	Investment of high technology industry	3,098,876	3,098,876	100,924	100.00%	3,921,212	338,986	-	An indirect subsidiary
ACHEM Technology Corporation	ValueLine Investment Corporation	Taiwan	Investment holdings	249,287	249,287	826,089	100.00%	72,533	1,078	-	An indirect subsidiary
ACHEM Technology Corporation	ACHEM Opto-Electronic Corporation	Taiwan	Manufacturing of electronic parts and components	362,935	321,550	24,575,000	100.00%	527,092	21,631	-	An indirect subsidiary
ACHEM Technology Corporation	Xin Chio Co., Ltd.	Taiwan	Sales of wrapping material	242,903	242,903	14,930,000	22.54%	311,160	131,017	-	Associate
ACHEM Technology Corporation	Pantech Tape Co., Ltd.	Taiwan	Manufacturing and sales of various adhesives products	41,160	-	1,200,000	100.00%	39,429	(1,731)	-	An indirect subsidiary
ACHEM Technology Holding Limited	ACHEM Technology Americas Ltd.	Cayman Islands	Investment of high technology industry	418,908	418,908	13,643,000	100.00%	1,121,675	17,349	-	An indirect subsidiary
ACHEM Technology Holding Limited	ACHEM Technology China	Cayman Islands	Investment of high technology industry	2,094,360	2,094,360	68,209,075	100.00%	3,433,908	515,671	-	An indirect subsidiary
ACHEM Technology Holding Limited	ACHEM Technology (Vietnam) Ltd.	Vietnam	Manufacturing and sales of various adhesives products	368,460	368,460	-	100.00%	182,755	(27,795)	-	An indirect subsidiary
ACHEM Technology Holding Limited	WAN CHIO	BVI	Sales of raw materials; investment holdings	571,113	571,113	18,600,000	31.53%	(329,574)	311,969	-	An indirect subsidiary
ACHEM Technology Holding Limited	ASIA PLASTICS	BVI	Sales of raw materials; investment holdings	536,370	536,370	14,217,500	55.00%	(248,702)	(472,614)	-	An indirect subsidiary
ACHEM Technology Holding Limited	ACHEM Technology (M) SDN. Bhd.	Malaysia	Business of import, export and distribution	4,268	4,268	353,152	90.00%	20,788	2,201	-	An indirect subsidiary
ACHEM Technology Americas Ltd.	ACHEM Industry America Inc.	U.S.A.	Manufacturing and sales of various adhesives products	267,134	267,134	50,000	100.00%	1,003,466	17,565	-	An indirect Subsidiary
ACHEM Opto-Electronic Corporation	AOE Holding Limited	BVI	Investment of high technology industry	64,996	64,996	4,234	100.00%	543,372	21,223	-	An indirect subsidiary
ACHEM Technology China	LANDMART	Samoa	Investment of high technology industry	859,740	859,740	28,000,000	100.00%	1,359,216	58,863	-	An indirect subsidiary

Note 1: If a public company is equipped with an overseas holding company and takes consolidated financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

Note 2: If situation does not belong to Note 1, fill in the columns according to the following regulations:

- (1) The columns of 'Investee', 'Location', 'Main business activities', 'Initial investment amount' and 'Shares held as at December 31, 2023' should fill orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the 'footnote' column.
- (2) The 'Net profit (loss) of the investee for the year ended December 31, 2023' column should fill in amount of net profit (loss) of the investee for this period.
- (3) The 'Investment income (loss) recognised by the Company for the year ended December 31, 2023' column should fill in the Company (public company) recognised investment income (loss) of its direct subsidiary and recognised investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognised investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary's net profit (loss) for this period has included its investment income (loss) which shall be recognised by regulations.

Note 3: Indirect subsidiary's income is recognised by subsidiary.

Yem Chio Co., Ltd. and Subsidiaries  
Information on investments in Mainland China - Basic Information  
For the year ended December 31, 2023  
(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

Table 11

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income of investee for the year ended December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 2)	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Footnote (Note 2)
					Remitted to Mainland China	Remitted back to Taiwan							
Ningbo Yem Chio Co., Ltd.	Sales of adhesives and polystyrene sheets	\$ 344,816	2	\$ 879,726	\$ -	\$ -	\$ 879,726	\$ 181,359	100.00%	\$ 181,359	\$( 439,655)	\$ -	B
Master Package (Shanghai) Material Technology Co., Ltd.	Wholesale, import and export of various wrapping materials, computer software, hardware and peripherals	187,300	1	187,300	-	-	187,300	2,605	61.40%	1,685	70,593	-	B
ACHEM (Tianjin) Adhesive Product Co., Ltd. (liquidated and deregistered)	Sales of various adhesives products	-	1	22,151	-	63	-	-	61.40%	-	-	-	Note 4
ACHEM Technology (Wuhan) Limited	Sales of various adhesives products	31,319	1	35,751	-	-	35,751	365	61.40%	236	3,615	-	B
Foshan Inder Adhesive Product Co., Ltd.	Manufacturing and sales of various adhesives products	433,723	2	170,658	-	-	170,658	37,080	62.30%	23,101	507,824	-	B
Fuzhou Fuda Plastic Products Co., Ltd.	Manufacturing and sales of various adhesives products and material	39,917	2	32,240	-	-	32,240	(154)	100.00%	(154)	60,363	-	B
ACHEM Technology (Chengdu) Limited	Manufacturing and sales of adhesives and BOPP film	4,606	2	4,606	-	-	4,606	1,192	100.00%	1,192	9,803	-	B
ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.	Manufacturing and sales of adhesives and BOPP film	230,656	2	230,656	-	-	230,656	104,210	100.00%	104,210	970,627	-	B
ACHEM Technology (Shanghai) Limited	Manufacturing and sales of adhesives and BOPP film	494,351	2	494,351	-	-	494,351	58,886	100.00%	58,886	1,358,402	-	B
Winda Opto-Electronics Co., Ltd.	Manufacturing and sales of polarizing film, photoelectric material, optical thin-film and polarizing adhesives	626,093	2	152,800	-	-	152,800	145,358	31.42%	45,671	990,961	392,697	B
Wan Chio Petrochemical (Jiangsu) Co., Ltd.	Manufacturing and sale of various plastic materials	2,456,400	2	1,470,770	-	-	1,470,770	629,307	100.00%	629,307	(1,789,166)	-	B
Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Manufacturing and sale of various plastic materials	921,150	2	921,150	-	-	921,150	328,433	100.00%	328,433	518,796	-	B

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 3)
Yem Chio Co., Ltd.	\$1,110,504	\$1,130,463	\$7,624,396
ACHEM Technology Corporation	\$3,272,658	\$3,272,658	\$3,577,526
Xin Chio Co., Ltd.	\$223,051	\$223,051	\$641,215

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
- (3) Others.

Note 2: In the 'Investment income (loss) recognised by the Company for the year ended December 31, 2023' column:

- (1) It should be indicated if the investee was still in the incorporation arrangements and had not yet any profit during this period.
- (2) Indicate the basis for investment income (loss) recognition in the number of one of the following four categories:
  - A. The financial statements were audited and attested (reviewed) by international accounting firm which has cooperative relationship with accounting firm in R.O.C.
  - B. The financial statements were audited (reviewed) by R.O.C. parent company's CPA.
  - C. The financial statements for the same periods ended were not audited (reviewed) by auditors.
  - D. Others.

Note 3: (1) Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023 is USD 36,167 thousand and investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) is USD 36,817 thousand.

(2) ACHEM Technology Corporation's accumulated amount of remittance to Mainland China as of December 31, 2023 was USD 102,362 thousand, (in addition there is USD 2,342 thousand to be remitted) and the amount approved by MOEA was USD 123,818 thousand.

(3) Xin Chio Co., Ltd.'s accumulated amount of remittance to Mainland China as of December 31, 2023 was USD 7,264 thousand, and the amount approved by MOEA was USD 7,264 thousand.

Note 4: The company received approval from the Investment Commission of the Ministry of Economic Affairs to invest USD 721 thousand in ACHEM (Tianjin) Adhesive Product Co., Ltd. ACHEM (Tianjin) was liquidated and deregistered in 2022 and the Company had collected the remaining liquidation amount 63 thousand in 2023.

In July 2023, Investment Commission of MOEA had approved the cancellation of this investment in ACHEM (Tianjin) of USD 721 thousand.

Yem Chio Co., Ltd.  
Major shareholders information  
December 31, 2023

Table 12

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
ASIA PLASTICS CO., LTD.	52,974,405	7.96%
YING CHUNG CO., LTD.	51,698,666	7.77%
INGS CHYUANG INTERNATIONAL CO., LTD.	42,748,839	6.42%

Note: The major shareholders' information was derived from the data using the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of the quarter and was calculated by Taiwan Depository & Clearing Corporation.

The share capital which was recorded on the financial statements of the Company may be different from the actual number of shares in dematerialised form due to the difference of calculation basis.