

Stock Code : 4306



炎洲集團
YC GROUP

YEM CHIO CO., LTD.
2022 Annual Report

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

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5.Overseas Securities Exchange

None

6.Corporate Website

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One. Letter To Shareholders

Dear shareholders,

In comparison with 2021, the revenue of our tape business declined in 2022 because downstream customers were in the inventory adjustment period. Meanwhile, since there were no completed construction projects and no houses were delivered for recognition as revenue from the construction business, the consolidated revenue of NT\$ 14.671 billion in 2022 presented a drop of 15% in comparison with 2021. However, the gross margin remained stable without being affected by the inflation. We will continue keeping the contribution margin of the existing products at a fixed or higher level. As the result of the implementation shows, the gross margin of 18% in 2022 rose from the level of 17% in 2021, and the gross margin of the tape business remained at a high level. These and the exchange profit from depreciation of New Taiwan Dollar resulted in the EPS of \$1.72 in 2022, which was better than the EPS of \$1.47 in 2021 by about 17%. As the disposal of Wan Chio Petrochemical, a subsidiary in Mainland China, has completed, the benefit of the Group in the streamlining of the organization has merged and our financial structure has been optimized evidently.

The “past” has missed and the “future” has not come. The “present” is the right time to free ourselves from the burden of investment for a decade and stage a comeback for the future. I will lead the Company to improve continuously and, for this, we have established the following business operation policy in the hope to eventually become a benchmark enterprise in the tape industry.

- (1) Dispose idle assets systematically and continuously.
- (2) Strive for high gross margin level of tape products.
- (3) Facilitate the specialty chemistry business in the expansion of its scale and the profitability.
- (4) Enter the green energy industry in response to the trends.
- (5) Implement carbon emission management and put energy saving and carbon reduction into practice.
- (6) Make use of digital transformation as a new momentum of growth.

As for the tape and packaging material business in 2023, the inflation and rising interest rate may result in recession of the global economy. The prosperity of the economic activities will decline and the demand for packaging materials will drop as a result. We take a conservative attitude toward the performance of the business. As for the construction business, the “Wangchiao Yipin” and “Wangchiao Wangniahui” projects will be completed and the houses will be delivered soon. The new plant in the Huwei Science Park, a branch under the Central Taiwan Science Park, will be officially launched for our specialty chemistry business. The new plant is expected to start the mass production and make contribution to the revenue during the period between 2025 and 2026. The option of expanding the business scale and increasing the profitability through merger and acquisition in the future is not excluded.

In the end, I would like to thank all shareholders again for their support, and I will do my best to work with great diligence in the hope that I can continue to provide better performance to our shareholders in the future.

Sincerely yours,

Chairman



Business report

I. Operating Performance in 2022

(I) Business plan implementation results

- (1) Sales: The net consolidated sales revenue in 2022 was NT\$14,671,393 thousand, a 14.6% decrease from 2021. The contribution of the tape manufacturing department was NT\$12,575,318 thousand at a rate of 85.7%.
- (2) Production: In 2022, about 1.540,460 billion m² of glue was used for tapes and the production volume of the films was 90,111 tons.

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

Item	2022
Operating Revenue	14,671,393
Operating Costs	12,079,984
Operating Margin	2,591,409
Operating Expenses	1,541,144
Operating Profit	1,050,265
Net Non-operating Income	314,539
Income before Tax	1,364,804
Income tax expense	235,976
Income from continuing operations	1,128,828
Loss on discontinued operations	577
Net income	1,128,251

(III) Financial Revenue and Expenditure and Profitability analysis

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

Income: (Unit: NT\$ thousand)

Item	2022	2021	Percent Change
Operating Income	14,671,393	17,181,794	-14.6%
Non-Operating Income	1,673,757	1,256,290	33.2%
Total	16,345,150	18,438,084	-11.4%

Expenditure: (Unit: NT\$ thousand)

Item	2022	2021	Percent Change
Operating Cost	12,079,984	14,275,031	-15.4%
Operating Expense	1,541,144	1,602,864	-3.9%
Non-Operating Expense	1,359,218	329,724	312.2%
Total	14,980,346	16,207,619	17.7%

- (IV) Revenue structure analysis: The company's consolidated net revenue in 2022 was NT\$14.67 billion. The total net revenue of each department of the company is illustrated as follows:

(Unit: NT\$ thousand)

Item	Amount	Percentage
Tape Manufacturing Department	12,575,318	85.7%
Distribution Business Group	1,660,028	11.3%
Real Estate Business Group	42,757	0.3%
Special Chemistry Department	393,290	2.7%

(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 2022. The overall actual operating status and performance were considerably the same as the internal operating budgets.

III. Overview of the 2023 business plan:

(I) Business policies

The consolidated revenue of the Group in 2022 was lower than that of the previous year. The main reasons were global inflation, higher ocean freight, the Russo-Ukrainian War, an insufficient supply of (raw) materials, and higher inventories of customers. Nevertheless, the Company continued developing green and environment-friendly new products and updating manufacture equipment gradually to improve the automation performance and steadily increase the production efficiency for the existing capacity of the factory.

In addition, the special chemistry business focuses on photosensitive materials, developing agents, cleaning agents, and silane-based electronic materials, with the assembly house in the semiconductor industry as the end customer. These materials are currently shipped from the Yangmei Tape Plant steadily. 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 is planning to make an investment of about NT\$860 million to 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 m² 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 remaining Russo-Ukrainian War 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.

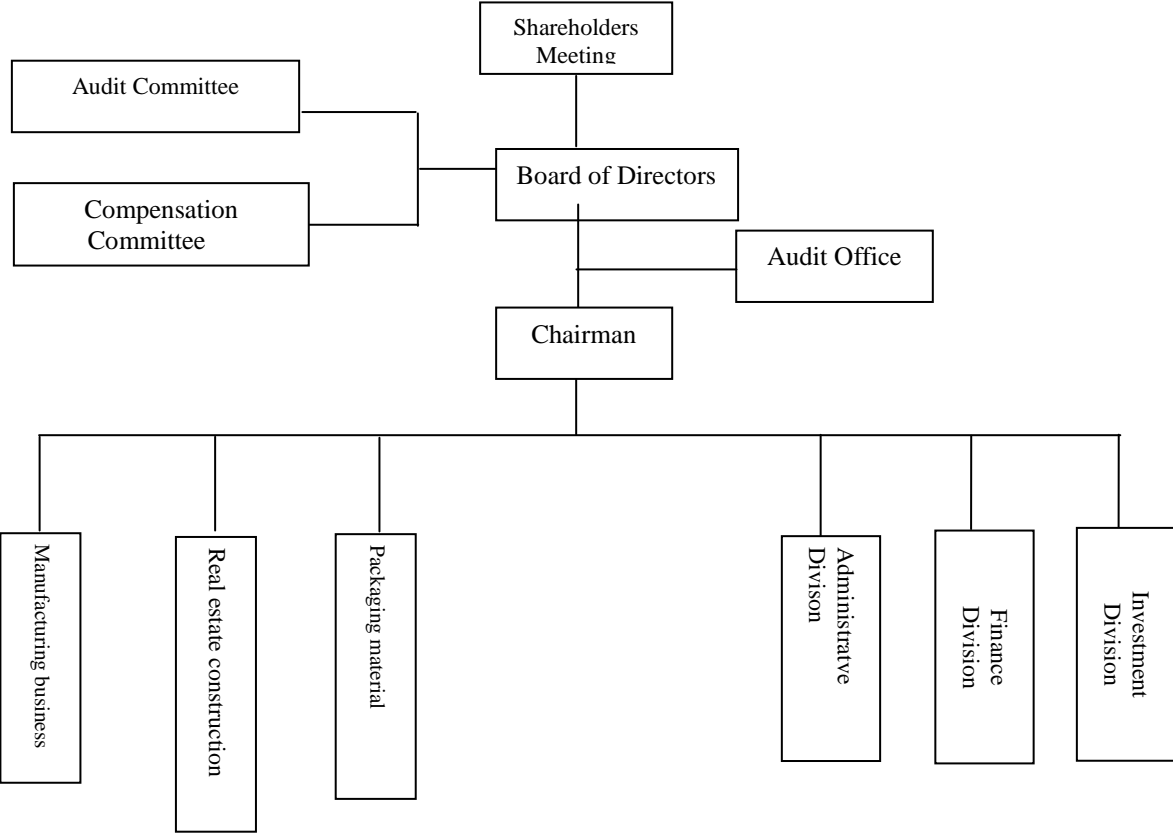
- In April, Changhua No. 2 Plant added an OPP production line.
 In July, Changhua Plant 3 started construction of the BOPA Film.
 The amount of capital was increased to NT\$721,606,640.
- 2004: In March, the Ningbo plant in mainland China added its second BOPP film production line.
 In April, the BOPA 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 Xin Zhuang "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.

Three. Corporate Governance Report

I. Organization

(I) Organizational Structure



(II) Main Business Operations

Department	Functions
Audit 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.
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.
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	37,720,070	6.62%	42,748,839	6.66%	-	-	-	-	-	-	-	-	-	-	-
		Representative: Lee, Chih-Hsieh	M 61-70	-	-	-	-	-	-	5,000,000	0.78%	4,479,704	0.70%	-	-	23rd ROC Youth Entrepreneurship, Chairman and General Manager of YEMCHIO Company, Master of Business Administration from Bellington University, USA	The company: none Other companies: Chairman of ENCHUAN International and Director of Behavior Tech Computer Corp.	CEO CEO	Lee, Shu-Wei Lee, Chi-Cheng	Father and Son	-
Dir	ROC	Asia Plastics Co., Ltd.	-	06.17, 2022	3	06.28, 2013	37,152,456	6.52%	52,974,405	8.73%	-	-	-	-	-	-	-	-	-	-	-
		Representative: Sishan Lin	M 61-70	-	-	-	-	-	-	2,955,946	0.46%	2,113,693	0.33%	-	-	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	-	-	-	-
Independent Director	ROC	YanJun Chen	M 51-60	06.17, 2022	3	06.20, 2019	-	-	-	-	-	-	-	-	1.Chairman, General Manager, Chief Investment Strategy Officer of Can Star Netcom (Stock) Company 2.Chairman, Chief Executive Officer, Chief Risk Control Officer, General Manager of Group Finance of TSANN KUEN ENTERPRISE CO., LTD. 3.Chairman of Can Star International Travel Service (Stock) Company 4.Vice Chairman and Chief Strategy Officer of HOLA Hotel (Stock) Company 5.Chief Financial Officer of HOLA (Stock) Company Group, Deputy General Manager of Business and Marketing Development Center, National Taiwan University Institute of International Enterprise	The Company: None Other Companies: Chairman of Junlin Co., Ltd., Independent Director of Universal Vision Biotechnology Co., Ltd., Director of Auras Technology Co., Ltd., Independent Director of TECO Electro Devices Co., Ltd.	-	-	-	-	
Independent Director	ROC	Shun Fu Chen	M 51-60	06.17, 2022	3	06.20, 2019	-	-	-	-	-	-	-	-	Partner Accountant of PwC Taiwan Department of Accounting, National Chung Hsing University	The Company: None Head of Lucheng Management Other Companies: Consulting Co., Ltd., Independent Director of Xinchio Global Co., Ltd., Independent Director of Solidwizard Technology Co., Ltd., Independent Director of Aurotek Corporation.	-	-	-	-	
Independent Director	ROC	Jian Chuan Wang	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 131 to 140 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

04/18/2023

Name of corporate shareholder	Major shareholders of corporate shareholders	Shareholding ratio%
Ings Chyuang 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 Chyuang 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

04/18/2023

Name of corporate shareholder	Major shareholders of corporate shareholders	Shareholding ratio%
Asia Plastics Co., Ltd.	Ings Chyuang 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 Chyuang 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 Chyung International Co., Ltd. Representative: Li, Zhi-Xian	Master of Business Administration from Bellington University, USA The Founder of the Company, Chairman of YEMCHIO Company, 13th Chairman of TAAT, 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
Independent Director Chen, Yan-Jun	National Taiwan University Institute of International Enterprise, the convener of the Audit 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 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).	2
Independent Director Chen, Shun-Fa	Department of Accounting, National Chung Hsing University, member of the Remuneration Committee and Audit 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., Xin Chio Global Co., Ltd., and Aurotek Corporation, has work experience in the areas of commerce, finance, accounting or otherwise necessary for the business of the 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	3

<p>Independent Director Wang, Jian-Chuan</p>	<p>PhD in Economics, Purdue University, the convener and member of the Remuneration 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.</p>	<p>parent or subsidiary or a subsidiary of the same parent company).</p> <p>(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).</p> <p>(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).</p> <p>(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.</p> <p>(10) Does not have a spouse, or a relative within the second degree of kinship as any other director of the Company.</p> <p>(11) Does not fall under any of the conditions defined in Article 30 of the Company Act.</p> <p>(12) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.</p>	<p>None</p>
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(2) Diversification and Independence of the Board of Directors:

Diversification of the Board of Directors:

The Company's Board of Directors consists of five directors, all of which are male. The directors are aged between 50 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 2022 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:

Core of diversity Name		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	v		v					v	v	v	v	v	v	
	Lin, Ssu-Shan		Male			v					v	v	v	v	v	v	
Independent Director	Chen, Yen-Chun		Male		v		v	v	v	v	v	v	v	v	v	v	v
	Chen, Shun-Fa		Male		v		v	v	v	v	v	v	v	v	v	v	v
	Wang, Chien-Chuan	Male			v	v				v	v	v	v	v	v	v	

The Independence Status of the Board of Directors:

Independence of the Board of Directors: The Board of Directors of the company consists of five directors, three of which are independent directors, accounting for 60% of all, two of the general directors, one is an external director, and no spouse or relative within the second degree of consanguinity among the 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, 2023

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position (Note 3)	Managers who are Spouses or Within Two Degrees of Kinship			Remarks
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
General Manager ¹	ROC	Lee, Chih-Hsieh	M	07 01,2017	5,000,000	0.78%	4,479,704	0.70%	-	-	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.	CEO CEO	Lee, Shu-Wei Lee, Chi-Cheng	Father Son	Note 1 Note 4
General Manager ¹	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 1
CEO	ROC	Lee, Chi-Cheng	M	07 01,2018	2,529,236	0.39%	519,287	0.08%	-	-	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	General manager CEO	Lee, Chih-Hsieh Lee, Shu-Wei	Father and son Brothers	
CEO	ROC	Jiang, Wen-Rong	M	07 01,2018	417,347	0.07%	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	-	-	-	
CEO/ Financial Officer ⁴	ROC	Lee, Shu-Wei	M	04.01.2020	2,760,436	0.43%	-	-	-	-	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	CEO General manager	Lee, Chih-Hsieh Lee, Chi-Cheng	Father and son Brothers	
Financial Officer ⁴	ROC	Yungchieh, Chang	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 ACHEM 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 ⁵	ROC	Liu, Shueh-Ju	M	02.06.2018	7,415	0.00%	-	-	-	-	Master of Accounting, Cultural University	None	-	-	-	Note 2
Accounting Officer ⁵	ROC	Yuntin, Chou	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 2
Corporate Governance Officer ⁶	ROC	Yanzhong, Zheng	F	05 13,2021	334,451	0.05%	39,111	0.01%			Fu Jen Catholic University, Department of Accounting, National Taiwan University of	Supervisor of WH Group (Vietnam) Company, Director of Chuangfu Investment Company	-	-	-	

											Science and Technology, Graduate School of Management, EMBA Head of Audit Department of Zicheng United Certified Public Accountants					
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Note 1: General Manager Lee, Chih-Hsieh resigned on March 25, 2022, Fong, Shu-Feng took over on March 25, 2022.

Note 2: Accounting Officer Liu, Xue-Ru resigned on March 25, 2022, Chou, Yun-Ting took over on March 25, 2022.

Note 3: Please refer to pages 131 to 140 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 (%) ⁸		Relevant Remuneration Received by Directors who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) And to Net Income (%) ⁸		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary ⁹
		Base Compensation (A) ²		Severance Pay (B)		Directors Compensation(C) ³		Allowances (D) ⁴				Salary, Bonuses, and Allowances (E) ⁵		Severance Pay (F)		Employee Compensation (G) ⁶						
		The company	All companies in the consolidated financial statements ⁷	The company	Companies in the consolidated financial statements ⁷	The company	Companies in the consolidated financial statements ⁷	The company	Companies in the consolidated financial statements ⁷	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements ⁷	The company	Companies in the consolidated financial statements ⁷	Cash	Stock	Cash	Stock	The company	Companies in the consolidated financial statements	
Chairman	Ings Chyung International Co., Ltd Representative : Lee, Chih-Hsieh	60	60	-	-	-	-	-	-	60/ 0.0058%	60/ 0.0058%	2,278	2,278	-	-	85	-	85	-	2,423/ 0.233%	2,423 0.233%	None
Director	Asia Plastics Co., Ltd. Representative : Sishan Lin	60	60	-	-	-	30	30	-	90/ 0.087%	90/ 0.087%	-	-	-	-	-	-	-	-	90/ 0.0087%	90/ 0.0087%	None
Independent Director	Yan Jun Chen	60	60	-	-	-	30	30	-	90/ 0.0087%	90/ 0.0087%	-	-	-	-	-	-	-	-	90/ 0.0087%	90/ 0.0087%	None
Independent Director	Jian Chuan Wang	60	60	-	-	-	30	30	-	90/ 0.0087%	90/ 0.0087%	-	-	-	-	-	-	-	-	90/ 0.0087%	90/ 0.0087%	None
Independent Director	Shun Fa Chen	60	120	-	-	-	30	60	-	90/ 0.0087%	180/ 0.0173%	-	-	-	-	-	-	-	-	90/ 0.0087%	180/ 0.0173%	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

12.31.2022

Title	Name	Salary (A) ²		Severance Pay (B)		Bonuses and Allowances (C) ³		Employee Compensation (D) ⁴				Ratio of total compensation (A+B+C+D) and to net income (%) ⁸		Compensation Paid to the President and Vice Presidents from an Invested Company Other than the Company's Subsidiary ⁹
		The company	Companies in the consolidated financial statements ⁵	The company	Companies in the consolidated financial statements ⁵	The company	Companies in the consolidated financial statements ⁵	The company		Companies in the consolidated financial statements ⁵		The company	Companies in the consolidated financial statements ⁵	
								Cash	Stock	Cash	Stock			
General Manager	Lee, Chih-Hsieh	4385	8696	216	324	953	7115	310	0	356	0	5864/ 0.57%	16491/ 1.59%	NONE
President (Note 1)	Fang, Shu-Fen													
Manufacturing Business Group CEO	Lee, Chi-Cheng													
Distribution Business Group CEO	Jiang, Wen-Rong													
Real estate business group CEO/ Financial Officer ³	Lee, Shu-Wei													

*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.

Note 1: President Lee, Chih-Hsieh left office on March 25, 2022 and Fang, Shu-Fen succeeded on March 25, 2022.

* Table of Range of Remuneration

Range of Remuneration	Name of President and Vice Presidents	
	Companies in the consolidated financial statements ⁶	Companies in the consolidated financial statements ^{7,E}
Under NT\$ 2,000,000	Lee, Chih-Hsieh	Lee, Chih-Hsieh
NT\$2,000,000~NT\$4,999,999	Fang, Shu-Fen, Lee, Shu-Wei	Lee, Shu-Wei, , Fang, Shu-Fen, Lee, Chi-Cheng,
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	5

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-subsidary 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-subsidary investment business or the parent company, the remuneration received by the company's general manager and deputy general managers from the non-subsidary 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-subsidary 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 ¹	Name ¹	Employee Compensation - in Stock (Fair Market Value)	Employee Compensation - in Cash	Total	Ratio of Total Amount to Net Income (%)
Executive Officers	President (left office on March 25, 2022)	Lee, Chih-Hsieh	0	523	523	0.05%
	President (succeeded on March 25, 2022)	Fang, Shu-Fen				
	CEO	Lee, Chi-Cheng				
	CEO	Jiang, Wen-rong				
	CEO/Financial Officer	Lee, Shu-Wei				
	Financial Officer	Chang, Yung-Chieh				
	Accounting manager (left office on March 25, 2022)	Liu, Shueh-Ju				
	Accounting manager (newly appointed on March 25, 2022)	Chou, Yun-Tin				
	Chief 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 2021		Ratio of total remuneration to the net income in 2022	
	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements
Director	0.75%	2.57%	0.61%	1.64%
General Manager and Deputy General Manager				

Note 1: The total amount of remuneration in the current period as a percentage of net income after tax is less than that of the previous period, primarily as a result of the growing profit in the current period.

Note 2: 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.

(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 2022. 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
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.(I) 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
03.25.2022 (1 st meeting in 2022)	<ol style="list-style-type: none"> Proposal for cancellation of the endorsement and guarantee for subsidiaries to acquire loan facilities from financial institutions. Proposal that AICHEM 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 Wanchio Adhesive Product (Jiangsu) Co., Ltd. as an exchange for its newly issued shares. Proposal for re-designation of the accounting manager Proposal for partial amendment of the "Procedures for Acquisition or Disposal of Assets" 	The proposals were approved by all the independent directors.
05.12.2022 (2 nd meeting in 2022)	<ol style="list-style-type: none"> Proposal for loaning funds to subsidiaries Proposal for provision of endorsement and guarantee for subsidiaries to apply for (cancellation of) loan facilities to (from) financial institutions. 	The proposals were approved by all the independent directors.

08.11.2022 (4 th meeting in 2022)	Proposal for provision of endorsement and guarantee for subsidiaries to apply to financial institutions for loan facilities.	The proposals were approved by all the independent directors.
11.10.2022 (5 th meeting in 2022)	<ol style="list-style-type: none"> 1. Proposal for loaning funds to subsidiaries 2. Proposal for cancellation of the endorsement and guarantee for subsidiaries to acquire loan facilities from financial institutions. 3. Proposal for merger with “Chuang-Yi Investment Co., Ltd.” 4. Proposal for determination of the reference date for the merger 	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:

1. As for Proposal 14 raised to the Board of Directors on 03.25.2022 for regular assessment of the remuneration to the managerial officers, Chairman Lee, Chih-Hsieh left the meeting and did not participate in the discussion and voting for recusal as he is a managerial officer of the Company and has a conflict of interest in the proposal.
2. As for Proposal 17 raised to the Board of Directors on 03.25.2022 for reviewing the qualifications of the nominees Chen, Yen-Chun, Chen, Shun-Fa and Wang, Chien-Chuan, who are also the current independent directors, for election as independent directors, the nominee whose qualifications are being reviewed in sequence left the meeting and did not participate in the discussion and voting for recusal as he/she has a conflict of interest in the proposal.
3. As for Proposal 6 raised to the Board of Directors on 08.11.2022 for reviewing the appointment of the Remuneration Committee members, Chen, Yen-Chun, Chen, Shun-Fa and Wang, Chien-Chuan, who are also the current independent directors, left the meeting respectively and did not participate in the discussion and voting for recusal when the voting is being conducted on the current independent director concerned in sequence as he/she has a conflict of interest in the proposal.

III. The implementation of the Board of Directors evaluation:

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Execute once a year	2022/1/1~2022/12/31	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	The measurement items for the performance evaluation of the Board of Directors include the following aspects: The measurement items for the performance evaluation of the Board of Directors include the following

				<p>aspects:</p> <p>(1) Participation in company operations, (2) Improvement of the quality of board decisions,</p> <p>(3) Board of Directors composition and structure,</p> <p>(4) Director selection and continuous education,</p> <p>(5) Internal control.</p> <p>The functional committee's self-performance evaluation measures include the following aspects:</p> <p>(1) Participation in company operations,</p> <p>(2) Awareness of the responsibilities of the functional committee, (3) Improvement of the decision-making quality of the functional committee,</p> <p>(4) Composition of the functional committee, and member selection, (5) Internal control.</p>
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The Company has carried out the 2022 self-evaluation of the Board of Directors. The result will be reported to the Board meeting in Q1 2023 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 4.96 points on average (perfect score = 5 points). The Board of Directors operated effectively, openly, transparently, and efficiently. Directors suggested that analysis of the changes in the industry can be enhanced. The result of the self-evaluation of the Audit 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. 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 Committee (or Attendance of Supervisors at Board Meetings)

The audit committee of the company is composed of all independent directors. The operation of the audit 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) The management and control of the company's existing or potential risks.

The focus of the audit 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.

Information on Audit Committee members:

December 31, 2022

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				3

A total of 4 (A) meetings of the the Audit Committee were held in 2022. The attendance of the independent directors were as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks
Independent Director	Yen-Chun, Chen	4	0	100%	Set up the first audit committee in 2019/6/20
Independent Director	Jian Chuan Wang	3	1	75%	
Independent Director	Shun Fa Chen	4	0	100%	

Other items worth noting:

I. If the operation of the Audit 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 Committee, and the company's handling of the Audit 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 Committee resolution, and how the Company manage the Committee's opinions
03.25.2022 (The 14th meeting of the 1st term)	1. the Company's 2021 business report, financial reports and consolidated financial reports 2. Proposal for 2021 earnings distribution 3. Proposal for cancellation of the endorsement	The proposal was approved by all the present members unanimously. The proposal was approved by all the present directors unanimously.

	<p>and guarantee for subsidiaries to acquire loan facilities from financial institutions.</p> <p>4. Proposal that AICHEM 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 Wanchio Adhesive Product (Jiangsu) Co., Ltd. as an exchange for its newly issued shares.</p> <p>5. Proposal for the 2021 “effectiveness evaluation of the internal control system” and the “Statement on Internal Control System”</p> <p>6. Proposal for partial amendment of the “Procedures for Acquisition or Disposal of Assets”</p> <p>7. Proposal for establishment of the “Sustainability Report Compilation and Verification Procedure”</p> <p>8. Proposal for re-designation of the accounting manager</p>	
05.12.2022 (The 15th meeting of the 1st term)	<p>1. Proposal for provision of endorsement and guarantee for subsidiaries to apply for (cancellation of) loan facilities to (from) financial institutions.</p> <p>2. Proposal for loaning funds to subsidiaries</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>
08.11.2022 (The 1st meeting of the 2nd term)	<p>Proposal for provision of endorsement and guarantee for subsidiaries to apply to financial institutions for loan facilities.</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>
11.10.2022 (The 2nd meeting of the 2nd term)	<p>1. Proposal for the Company’s 2022 Q3 consolidated financial reports</p> <p>2. Proposal for loaning funds to subsidiaries</p> <p>3. Proposal for cancellation of the endorsement and guarantee for subsidiaries to acquire loan facilities from financial institutions.</p> <p>4. Proposal for merger with “Chuang-Yi Investment Co., Ltd.”</p> <p>5. Proposal for determination of the reference date for the merger</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>

(II) Except for the previous matters, other matters that have not been approved by the audit 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: None

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.	(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 keeps 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) 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. 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 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 2022. Chairman Lee, Chih-Hsieh is responsible for the establishment of the Company's	(1) None
(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?	✓			
(3) Does the company establish a standard to measure				

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons											
	Yes	No	Abstract Illustration												
<p>the performance of the Board, and implement it annually?</p> <p>(4) Does the company regularly evaluate the independence of CPAs?</p>	✓	✓	<p>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" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Management goal</th> <th style="text-align: left;">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 directors</td> <td>Achieved</td> </tr> <tr> <td>Sufficient and diverse professional knowledge and skill</td> <td>Achieved</td> </tr> </tbody> </table> <p>(2) The company set up a salary and remuneration committee in</p>	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 directors	Achieved	Sufficient and diverse professional knowledge and skill	Achieved		(2) None
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 directors	Achieved														
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>November 2011, and an audit committee in June 2019, but has not yet set up various other functional committees.</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 2022 performance evaluation were submitted to the Board of Directors in March 2023. They will be used as a basis for the remuneration to and a nomination for re-election of individual directors.</p> <p>(4) The company refers to the Bulletin No. 10 of the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, "Integrity, impartiality, objectivity, and independence" to formulate evaluation items, and regularly report to the Board of Directors (Last Board Meeting is on May 12, 2022) every year to evaluate the independence and competence of CPAs. After evaluation, their independence and competence are all compliant.</p>	<p>(3) None</p> <p>(4) None</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>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>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</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>the Board of Directors.</p> <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>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 stakeholders: (This was incorporated in the Board of Directors report dated March 15, 2023.) Yem Chio was invited to the investor conference organized by SinoPac Securities on December 27, 2022</p> <p>1. Date of investor conference: 12/27/2022 2. Time of investor conference: 15:00 3. Place of investor conference: Online 4. Excerpts of investor conference: The Company was invited to the investor conference organized by SinoPac Securities and described the business operation status of the Company, fully disclosed our financial information, and communicated with the stakeholders and exchanged opinions with them about related issues.</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>5. Questions and replies:</p> <p>A. Investor’s question: Please describe the future outlook. Reply of the Company: As we look into 2023, the “Wangnianhui” and “Yipin” projects of the Construction Department will be completed and make a contribution to the revenue, in addition to the profit from the existing tape, film, specialty chemical and distribution businesses. The possibility that the Group will expand the business scale and improve its profitability through merger and acquisition in the future will not be ruled out.</p> <p>B. Investor’s question: Please describe the progress of the construction projects in 2023. Reply of the Company: The total sales of the two cases of “Wangnianhui” and “Yipin” are about 4 billion. The construction is expected to complete and make a contribution to the revenue from 2023 Q2. We will try our best to finish both projects by the end of 2023.</p> <p>C. Investor’s question: Please describe the disposition of discontinued operations. Reply of the Company: We have fulfilled all of our contractual obligations. The case has entered the last stage.</p> <p>D. Investor's question: Please describe the construction progress of the new plant for specialty chemicals in Huwei Science Park and when it will contribute to the profit. Reply of the Company: The construction procedure of the new plant for specialty chemicals in Huwei Science Park has been started. Phase I construction is expected to complete in Q2 2024 and the contribution to the profit of the Group will start in 2025.</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
7. Information Disclosure				
(1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	✓		(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.	(1) None
(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	✓		(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 process of the investor	(2) None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
investor conferences)? (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?		✓	conference has been disclosed on our website. (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.	(3) Strive to announce and declare early
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 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)?	✓		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 welfare system and a good education and training system to establish a good relationship with employees. 2. In March 2019, a human rights policy was formulated to protect the rights and interests of employees. 3. The company immediately provides relevant laws and regulations updated by the securities regulatory authority for the directors to read, so that the directors can immediately understand the latest laws and regulations. 4. The Company renewed the liability insurance for the directors in June 2022.	None
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. 1. The result of the 8th corporate governance evaluation in 2021 and the ranking range: 36%~50%. The ranking of the 9th corporate governance evaluation in 2022 is in progress. 2. We will continue paying attention to the ESG (Environmental, Social and Governance) issues and promote different energy-saving and carbon-reduction programs.				

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

2022.12.31

Title ¹	Criteria		Meets the Independence Criteria ³	Number of Other Public Companies in Which the Individual is Concurrently Serving as a Remuneration Committee Member
	Qualifications and Experience ²	Name		
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 12, 2019 to June 19, 2022. A total of 2 (A) Remuneration Committee meetings were held in 2020. 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	2	0	100	
Committee member	Yan Jun Chen	2	0	100	
Committee member	Shun Fa Chen	2	0	100	

Other items worth noting:

- 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.
- 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:
 - The first annual meeting was held on March 23, 2022.
 - 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 November 10, 2022.

Proposal 1: In line with the expiration of the term of the current Board of Directors and the reelection, the three independent directors, Mr. Chen, Yen-Chun, Mr. Chen, Shun-Fa and Mr. Wang, Chien-Chuan, were reappointed as the members of the new Remuneration Committee. One of the members was planned to be slated and recommended as the convener of the new Committee.

Member Chen, Yen-Chun recommended Member Wang, Chien-Chuan as the convener of the new Committee and Member Chen, Shun-Fa supported the recommendation. Member Wang, Chien-Chuan was approved to act as the convener as voted.

Proposal 2: Review of the performance evaluation of the managerial officers and the policy, system, standard and structure of their remuneration. The evaluation standard can be adjusted appropriately depending on the industry and the attribute of the development (e.g. establishment of a new business); in addition, top management is responsible for the development direction of the Company in the future. It is recommended to incorporate new business development results as an additional evaluation item, and authorize the Company to make modifications for appropriate adjustment and finalize the addition.

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 ¹			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration ²	
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>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 2022: (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"> 1. To organize cross-departmental energy-saving teams in each plant. 2. To plan and integrate various energy saving proposals (including energy information and energy efficiency evaluation). 3. To implement various energy saving programs in each department. 4. To track each energy saving proposal. 5. To attend an energy saving meeting. <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 on May 12, 2022, August 11, 2022, and November 10, 2022(quarterly).</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>	None
2. Corporate Governance Implementation. Does the company declare its corporate social responsibility policy and examine the results of the implementation?	✓		<p>1. A digital transformation project team was formed in 2022</p> <p>Major short-term goals:</p> <p>(1). The construction of the EMS (the energy management platform of the Group) at Changhua Film Plant and Yangmei 2nd Plant will be completed in April 2023.</p>	None

			<p>(2). Changhua Film Plant and Yangmei Special Chemistry Plant are selected to set up the MES (production management system) for a specific period of time.</p> <p>2. In 2021, the company formally established an environment-related energy saving and carbon reduction team to implement the company's various energy saving policies to reduce carbon emissions, with the goal of reducing energy consumption by 30% within 5 years from May 2021.</p>	
<p>3. Sustainable Environment Development</p> <p>(1) Does the company establish proper environmental management systems based on the characteristics of their industries?</p>	✓		<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: 2020/09/11~2023/08/30 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
<p>(2) Is the Company committed to improving resource efficiency and to the use of renewable materials with low environmental impact??</p>	✓		<p>1. In 2022, energy efficiency was implemented in three aspects of hardware, control and management. The implementation was extended to a total of 129 cases, including hardware equipment improvement/replacement: 54 cases; addition/adjustment of control operations: 55 cases; and improvement of management systems: 20 cases, resulting in a reduction of power consumption by 13,178 MWh in comparison with the base year (7.8% decrease).</p> <p>2. 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
<p>(3) Does the Company evaluate current and future climate change potential risks and opportunities and take measures related to climate related topics?</p>	✓		<p>1. The Company attaches much importance to the issue of carbon emissions. Since 2018, the Company has supported the government and 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</p>	None

		<p>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, Ministry of Economic Affairs, in combination with our management of reasonable power consumption. Assessment for the setup of solar photovoltaic equipment at the Yangmei Plant will be performed for a planned capacity of about 400kW. The system will be launched at the end of 2023. Assessment for the setup of green power equipment will be performed at Changhua Plant.</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>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 820 1664 1066"> <thead> <tr> <th rowspan="2">Year</th> <th colspan="2">2022</th> <th colspan="2">2021</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 (tCO₂e/year)</td> <td>6,219.70</td> <td>29,981.73</td> <td>7,946.99</td> <td>33,929.18</td> </tr> <tr> <td>Percentage in total emissions (%)</td> <td>16.8%</td> <td>83.2%</td> <td>19.0%</td> <td>81.0%</td> </tr> </tbody> </table> <p>Greenhouse gas emissions in each scope (Changhua Tape Plant)</p> <table border="1" data-bbox="1016 1134 1664 1347"> <thead> <tr> <th rowspan="2">Year</th> <th colspan="2">2022</th> <th colspan="2">2021</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 (tCO₂e/year)</td> <td>1,985.27</td> <td>1,891.95</td> <td>3,563</td> <td>2,613</td> </tr> <tr> <td>Percentage in total emissions (%)</td> <td>51.2%</td> <td>48.8%</td> <td>58.0%</td> <td>42.0%</td> </tr> </tbody> </table> <p>Waste disposal amount (Changhua Film Plant)</p>	Year	2022		2021		Scope 1	Scope 2	Scope 1	Scope 2	GHG emissions in each scope					GHG emissions (tCO ₂ e/year)	6,219.70	29,981.73	7,946.99	33,929.18	Percentage in total emissions (%)	16.8%	83.2%	19.0%	81.0%	Year	2022		2021		Scope 1	Scope 2	Scope 1	Scope 2	GHG emissions in each scope					GHG emissions (tCO ₂ e/year)	1,985.27	1,891.95	3,563	2,613	Percentage in total emissions (%)	51.2%	48.8%	58.0%	42.0%	
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Year	2022		2021	
Disposal method	Incineration	Recycle	Incineration	Recycle
Disposal amount (ton/year)	54.85	10,681.12	51.19	11,931.53
Percentage disposal amount (%)	0.5%	99.5%	0.4%	99.6%

Waste disposal amount (Changhua Tape Plant)

Year	2022	2021
Disposal method	Incineration	Incineration
Disposal amount (ton/year)	15.20	10.90
Percentage disposal amount (%)	100%	100%

Water consumption (Changhua Film Plant)

Year	2022	2021
Water consumption (ton/year)	15,646	18,594
Percentage water consumption (%)	100%	100%

Water consumption (Changhua Tape Plant)

Year	2022	2021
Water consumption (ton/year)	18,532	27,116
Percentage water consumption (%)	100%	100%

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

(I) 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.

We implement energy saving, carbon reduction and stimulate the

		<p>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 recycles 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>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, etc.).</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 in 2022 to provide different dishes.</p> <p>4. In January 2021, the health management unit was arranged to conduct a cardiovascular disease prevention seminar and provide external resources for non-company annual health checks.</p>	None

			5. In February 2021, a stress treatment seminar was provided as a welfare item for employees after work.	
(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>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 15, 2021.</p> <p>3 Promote the proposal improvement system to strengthen the improvement of the working environment and personnel safety.</p> <p>4. There were 36 occupational accidents in 2022 and 36 employees were affected, occupying 3% of 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>	None
(4) Does the company provide its employees with career development and training sessions?	✓		<p>Yes. Corresponding courses are arranged for new employees, regular employees, middle and top management to develop their career skills.</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,</p>	None

			<p>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 is listed on the website.	None
(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?	✓		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.	None
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?	✓		The corporate social responsibility report has been compiled with reference to internationally accepted standards or guidelines and the reports are listed on the company's website. The report has not been verified by a third-party unit yet.	None
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.				
7. Other important information to facilitate a better understanding of the Company's implementation of sustainable development:				
<ol style="list-style-type: none"> 1. 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. 2. In March 2019, a human rights policy was formulated to protect the rights and interests of employees. 3. 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. 4. Since June 2019, the company purchased liability insurance for directors every year, and the insurance has been renewed in 2020. 5. Sustainable development and social responsibility were implemented in 2022 and the implementation status was incorporated in the report to the Board of Directors on November 10, 2022. Implementation item: Presentation of the ESG report, donations to Hondao Senior Citizen's Welfare Foundation, and formation of the Group's digital transformation project team. 				

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. 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 ¹			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 ¹			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"> ● Issues 1~4 - classification of ideas ● Issues 1~4 - ideation and convergence <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 ¹			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 ¹			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.	
<p>1. 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.</p>				
<p>2. 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.</p>				

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

7. 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/>

8. Other Important Information Regarding Corporate Governance: None.

9. 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 15, 2023

Based on the results of self-assessment, the company's internal control system in 2022 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, 2022, 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 15, 2023. All the five 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.

10. 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 2022 to the publication date of the annual report, the company was penalized for a total of 0 cases.

11. 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 July 17, 2022

(1) Recognition of the 2021 business report and financial statements. Implementation status: Resolution passed.

(2) Recognition of the 2021 earnings appropriation case. Implementation status: Issuance of Cash dividends on August 10, 2022.

(3) Proposal for amendment of the "Articles of Incorporation".

Implementation status: Handle company-related affairs in accordance with the revised articles of association.

(4) Proposal for approval of the amendments to "Procedures for Acquisition or Disposal of Assets"

Implementation status: The amended procedures are applicable for addressing related matters

(5) Election of 5 directors (including 3 independent directors).

Implementation status: Elect directors pursuant to regulations.

(6) 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 2022 and as of April 19, 2023:

Date of Meeting	Important Resolutions
2022/03/25	<ol style="list-style-type: none"> 1. Approved the company's business report, financial report and consolidated financial report of 2021. 2. Approval of the surplus distribution in 2021. 3. Approval of a subsidiary applying for a credit line from a financial institution, endorsed and guaranteed by the company. 4. Approval of the company's proposal to apply for credit lines from financial institutions. 5. Approval of the transfer of 62.3% equity interest of Foshan Inder Adhesive Product Co., Ltd. ("Foshan Inder") to WanChio Adhesive Product (JiangSu) Co., Ltd. ("WanChio Adhesive"), a 100% indirectly owned subsidiary, Achem Technology China Limited ("Achem China"), in exchange for new shares issued by WanChio Adhesive. 6. Approval of the conversion of the eighth and ninth secured convertible bonds to issuance of new stocks, and drafting of the reference date for the issuance of new shares. 7. Approval of the replacement of the general manager of the company. 8. Approved the employee remuneration distribution proposal in 2021. 9. Approval of the replacement of the accounting supervisor of the company. 10. Approval of the "Internal Control System Effectiveness Assessment" and "Draft Statement of the Internal Control System" in 2021. 11. Approved to amend part of the company's "Articles of Incorporation". 12. Approval of the amended part of the provisions of the company's "Procedures for the acquisition or disposal of assets". 13. Approval of the drafting of the "Procedures for the Preparation and Verification of the Corporate Social Responsibility Report". 14. Approval of the regular evaluation of the salary and remuneration of the company's managers. 15. Approval of the amendment to the Company's "Director Remuneration Management Act". 16. Approval of the election of directors (including independent directors) for the 2022 Annual Shareholders' Meeting.

	<p>17. Approval of the nomination of candidates for directors (including independent directors) by the Board of Directors.</p> <p>18. Approval of the release of the company's newly appointed directors from the prohibition of non-competition.</p> <p>19. Approval to convene the company's 2022 shareholders' meeting.</p>
May 12, 2022	<p>1. Approval of the proposal for the application to financial institutions for loan facilities.</p> <p>2. Approval of the proposal for loaning funds to subsidiaries.</p> <p>3. Approval of the proposal for provision of endorsement and guarantee for subsidiaries to apply for (cancellation of) loan facilities to (from) financial institutions.</p> <p>4. Approval of the proposal for authorization to monitor and manage senior executives who are engaged in transaction of derivatives.</p> <p>5. Approval of the proposal for the assessment of the independence and competency of CPAs.</p>
June 17, 2022	Approval of the proposal for election of the Chairman.
August 11, 2022	<p>1. Approval of the proposal for the application to financial institutions for loan facilities.</p> <p>2. Approval of the proposal for provision of endorsement and guarantee for subsidiaries to apply to financial institutions for loan facilities.</p> <p>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.</p> <p>4. Approval of the proposal for the establishment of a branch in Central Taiwan Science Park.</p> <p>5. Approval of the proposal for partial amendment of the "Material Internal Information Procedures."</p> <p>6. Approval of the proposals for appointment of the Remuneration Committee members.</p>
November 10, 2022	<p>1. Approval of the Company's 2022 Q3 consolidated financial reports.</p> <p>2. Approval of the proposal for the application to financial institutions for loan facilities.</p> <p>3. Approval of the proposal for loaning funds to subsidiaries.</p> <p>4. Approval of the proposal for cancellation of the endorsement and guarantee for subsidiaries to acquire loan facilities from financial institutions.</p> <p>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.</p> <p>6. Approval of the proposal for merger with "Chuang-Yi Investment Co., Ltd."</p> <p>7. Approval of the proposal for determination of the reference date for the merger.</p> <p>8. Approval of the proposal for the 2023 audit plan.</p> <p>9. Approval of the proposal for the amendment of the Company's "Material Internal Information Procedures."</p> <p>10. Approval of the review of the policies, systems, standards and structures of the performance evaluation and remuneration of managerial officers.</p>
March 15, 2023	<p>1. Approval of the Company's 2022 business report, financial reports and consolidated financial reports.</p> <p>2. Approval of the proposal for 2022 earnings distribution.</p> <p>3. Approval of the proposal for the appointment of CPAs for 2023 and the assessment of their independence and competency.</p> <p>4. Approval of the proposal for the application to financial institutions for loan facilities.</p> <p>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.</p> <p>6. Approval of the proposal for the 2022 "effectiveness evaluation of the internal control system" and the "Statement on Internal Control System".</p> <p>7. Approval of the proposal for 2022 remuneration to employees.</p> <p>8. Approval of the proposal for the remuneration to managerial officers.</p> <p>9. Approval for Proposal for the addition of directors.</p> <p>10. Approval of the proposal for the list of director candidates.</p> <p>11. Approval of the proposal for lifting the restriction of competitive behavior of new directors.</p> <p>12. Approval of the proposal for the convention of the 2023 annual general meeting of shareholders.</p> <p>13. Approval of the establishment of the regulations governing the finance and business relationships between the related parties of the Company.</p>

12. 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.
13. 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:

As of 4.19.2023

Title	Name	Date on Board	Dismissal date	Reason for Resignation Or Dismissal
General Manager	Lee, Chih-Hsieh	2017.07.01	2022.03.25	In line with the needs of operational development.
Accounting Officer	Liu, Shueh-Ju	2018.02.06	2022.03.25	Job transfer

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
PwC Taiwan	Yifan Lin	2022.01.01 -2022.12.31	3,820	1,556	5,376	
	Jinchan Chen					

Note: Non-audit public expenses refer to the payment of 1. Tax visa 2. Tax service 3. Financial report translation 4. Project consultation.

- Audit fee paid during the replacement of the accounting firm and the replacement year is less than the audit fee of the previous year: None.
- Audit fee has been reduced by more than 10% compared with the previous year: None.

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 opinions between CPA and issuer	Yes		Accounting principle or practice
			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
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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

3. 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	2022 (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/General Manager	Lee, Chih-Hsieh	(27,711,344)	(4,022,216)	0	0
Director	Asia Plastics Co., Ltd.	8,817,853	0	310,000	0
Director representative	Sishan Lin (newly appointed on 2019.06.20)	0	0	0	0
Independent Director	Yen-Chun, Chen (newly appointed on 2019.06.20)	0	0	0	0
Independent Director	Jian Chuan Wang (newly appointed on 2019.06.20)	0	0	0	0
Independent Director	Shunfa Chen (newly appointed on 2019.06.20)	0	0	0	0
General Manager	Shufeng,Fang (newly appointed on 2022.3.25)	0	0	0	0
Deputy General Manager/Finance Officer	Lee, Shu-Wei	(3,000,000)	0	0	0
Deputy General Manager	Jiang Wenrong (newly appointed on 2019.06.20)	0	0	0	0
Deputy General Manager	Lee, Chi-Cheng (newly appointed on 2019.06.20)	(3,000,000)	0	0	0
Financial Officer	Yungchieh, Chang (Newly appointed on 2021.05.13)	0	0	0	0
Accounting Officer	Yuntin,Chou (Newly appointed on 2022.03.25)	0	0	0	0
Accounting Officer	Liu, Shueh-Ju (dismissed on 2022.03.25)	0	0	0	0
Corporate Governance Officer	Yanzhong,Zheng (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 ³		Remarks
	Shares	%	Shares	%	Shares	%	Shares	%	Shares
Asia Plastics Co., Ltd. Representative: Yujuan Wang	52,974,405	8.14%	—	—	—	—	註	註	
	4,479,704	0.69%	5,000,000	0.77%	—	—			
Ying Chung Co., Ltd. Representative: Yujuan Wang	51,698,666	7.94%	—	—	—	—	註	註	
	4,479,704	0.69%	5,000,000	0.77%	—	—			
Ings Chyuang International Co., Ltd. Representative: Lee, Chih-Hsieh	42,748,839	6.57%	—	—	—	—	註	註	
	5,000,000	0.77%	4,479,704	0.69%	—	—			
Trust property account in custody of Hua Nan Commercial Bank, Ltd. - Lee, Chih-Hsieh	27,711,344	4.26%	—	—	—	—	—	—	
Yangjun Zheng	23,835,613	3.66%	—	—	—	—	—	—	
Investment account of BVI YEM CHIO company entrusted to keep by Mega International Commercial Bank	16,822,281	2.58%	—	—	—	—	—	—	
Yong Chen International Limited Company Representative: Lee, Chi-Cheng	9,389,140	1.44%	—	—	—	—	—	—	
	2,529,236	0.39%	519,287	0.08%	—	—			
Jhou Ji International Limited Company Representative: Lee, Shu-Wei	8,701,506	1.34%	—	—	—	—	—	—	
	2,760,436	0.42%	—	—	—	—			
Liu, Hong-Run	6,443,011	0.99%	—	—	—	—	—	—	
Lee, Chih-Hsieh	5,000,000	0.77%	4,479,704	0.69%	—	—	註	註	

Note: Lee, Chih-Hsieh serves as directors of Ying Chung Co., Ltd. and Ings Chyuang International Co., Ltd. Lee, Chih-Hsieh serves as Supervisor of Asia Plastics Co., Ltd. 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	38.59%	14,930,000	22.38%	40,670,120	60.97%
Wongchio CO., LTD.	34,507,664	100%	0	0	34,507,664	100%

Note: Refers to the company's investment using the equity method on December 31, 2022.

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

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.

As of 4.18.2023

Share Type	Authorized Capital			Remarks
	Shares Outstanding (Note)	Un-issued Shares	Total Shares	
Registered common stock	641, 489, 684 股	358, 510, 316 股	1, 000, 000, 000 股	

Note: Refers to listed stock

(II) Status of Shareholders

As of 4.18.2023

Shareholders Numbers	Government Agencies	Financial Institutions	Other Juridical Persons	Domestic Natural Persons	Foreign Institutions & Natural Persons	Total
Number of Shareholders	1	6	289	65,657	111	66,064
Shareholding (shares)	4	30,144,490	195,430,063	386,673,850	38,741,216	650,989,623
Percentage	0.00%	4.63%	30.02%	59.40%	5.95%	100.00%

Shareholding ratio of investors from Mainland China: None

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

As of 4.18.2023

Class of Shareholding (Unit: Share)	Number of Shareholders	Shareholding (Shares)	Percentage (%)
1 ~ 999	37,600	3,977,379	0.61%
1,000 ~ 5,000	17,843	38,076,351	5.85%
5,001 ~ 10,000	4,470	30,584,655	4.70%
10,001 ~ 15,000	2,388	27,714,410	4.26%
15,001 ~ 20,000	846	14,729,684	2.26%
20,001 ~ 30,000	1,123	26,409,615	4.06%
30,001 ~ 40,000	473	16,145,507	2.48%
40,001 ~ 50,000	304	13,690,081	2.10%
50,001 ~ 100,000	508	35,626,156	5.47%
100,001 ~ 200,000	276	37,148,756	5.71%
200,001 ~ 400,000	123	33,088,858	5.08%
400,001 ~ 600,000	36	16,981,013	2.61%
600,001 ~ 800,000	16	10,803,873	1.66%
800,001~1,000,000	9	7,794,075	1.20%
1,000,001 or over	49	338,219,210	51.95%
Total	66,064	650,989,623	100.00%

The company does not issue preferred shares.

(IV) List of Major Shareholders

As of 4.18.2023

Shareholder's Name	Shares	Percentage
Asia Plastics Co., Ltd.	52,974,405	8.14%
Ying Chung Co., Ltd.	51,698,666	7.94%
Ings Chyung International Co., Ltd.	42,748,839	6.57%
Trust property account in custody of Hua Nan Commercial Bank, Ltd. - Lee, Chih-Hsieh	27,711,344	4.26%
Yangjun Zheng	23,835,613	3.66%
Investment account of BVI YEM CHIO company entrusted to keep by Mega International Commercial Bank	16,822,281	2.58%
Yong Chen International Limited Company Representative: Lee, Chi-Cheng	9,398,140	1.44%
Jhou Ji International Limited Company Representative: Lee, Shu-Wei	8,701,506	1.34%
Liu, Hong-Run	6,443,011	0.99%
Lee, Chih-Hsieh	5,000,000	0.77%

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

Unit: NT\$

Items		Year		Current year and as of March 31, 2022	
		2021	2022		
Market price per share ¹	Highest	20.80	16.35	16.65	
	Lowest	13.90	12.75	14.20	
	Average	17.82	14.86	15.64	
Net Worth per Share ²	Before Distribution	17.14	18.37	-	
	After Distribution	16.11	17.34	-	
Earnings per Share	Weighted Average Shares (thousand shares)	590,114 thousand shares	605,119 thousand shares	-	
	Diluted Earnings (Loss) Per Share	1.47	1.72	-	
	Adjusted Diluted Earnings (Loss) Per Share	1.47	1.72	-	
Dividends per Share	Cash Dividends		0.99993307	1 (note 9)	-
	Stock Dividends	-	-	-	-
		-	-	-	-
Accumulated Undistributed Dividends		-	-	-	
Return on Investment	Price / Earnings Ratio ⁵		11.22	8.53	-
	Price / Dividend Ratio ⁶		16.50	14.68	-

	Cash Dividend Yield Rate ⁷	6.06%	6.81%	-
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Note:

- 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.
- 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.
- If retrospective adjustment is required due to circumstances such as bonus shares, the earnings per share before and after adjustment shall be shown.
- 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.
- Price / Earnings Ratio = Average Market Price / Earnings per Share
- Price / Dividend Ratio = Average Market Price / Cash Dividends per Share
- Cash Dividend Yield Rate = Cash Dividends per Share / Average Market Price
- 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.
- 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

Item \ Year	Cash Dividends	Stock Dividends
2022	NT\$1	NT\$0

Note: The year 2022 is based on the distribution plan according to the resolution of the Board of Directors on March 15, 2023. 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 2023.

(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 15, 2023, 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\$5,524,408 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 2022, and the remuneration of employees is NT\$51,000 less than the estimated number in the accounts of 2022. 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 2023.

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 2021 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\$852,000 less than the estimated amount in the 2021 account. The difference is The figure will be treated as a change in estimate as a profit and loss adjustment item in 2022.

(IX) Buyback of Treasury Stock

As of 4.18.2023

Treasury stocks: Batch Order	13 th Batch	14 th 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 (%)	1.36%	2.46%

II. Bonds

(I) Corporate Bonds

Corporate Bond Type ²	8 th secured convertible corporate bond ⁵	9 th secured convertible corporate bond ⁵
Issue date	2019/06/14	2019/06/14
Denomination	NT\$100,000	NT\$100,000
Issuing and transaction location ³	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\$164,200,000	NT\$160,600,000
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 ⁴	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, 2023, the amount converted into ordinary shares was NT\$264,507,000.	As of March 31, 2023, the amount converted into ordinary shares was NT\$267,753,480.
	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 2.29% 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 2.24% 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 ¹		8 th Secured Convertible Corporate Bond	
Year		2022	The current year as of March 31, 2023 ⁴
Market price of the convertible bond ²	Highest	135.0	148.0
	Lowest	119.0	129.75
	Average	128.41	143.10
Convertible Price		11.2	11.2
Issue date and conversion price at issuance		June 14, 2019 Conversion price: 14	
Conversion methods ³		Issue new shares	
Corporate bond type ¹		9 th Secured Convertible Corporate Bond	
Year		2022	The current year as of March 31, 2023 ⁴
Market price of the convertible bond ²	Highest	135.15	148.0
	Lowest	120.45	128.15
	Average	130.26	142.89
Convertible Price		11.2	11.2

Issue date and conversion price at issuance	June 14, 2019 Conversion price: 14
Conversion methods ³	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) Semiconductor raw material solvent purification, electronic grade solvent.
- (H) Residential and building development and sales and real estate buying and selling business.

(2) Revenue distribution

Major Divisions	Total Sales for 2022 (NT\$thousands)	(%) of Total Sales
Tape	10,318,414	70%
Package	1,660,028	11%
Thin film	2,256,904	16%
Build	-	0%
Other	436,047	3%
Total	14,671,393	100%

(3) Main products

- (A) BOPP film, PVC soft film, PE film.
- (B) Packaging tape category, 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 for the optoelectronic industry, waste solvent recovery, purification and reuse, High-purity special raw material solvent purification.

(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.

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.

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

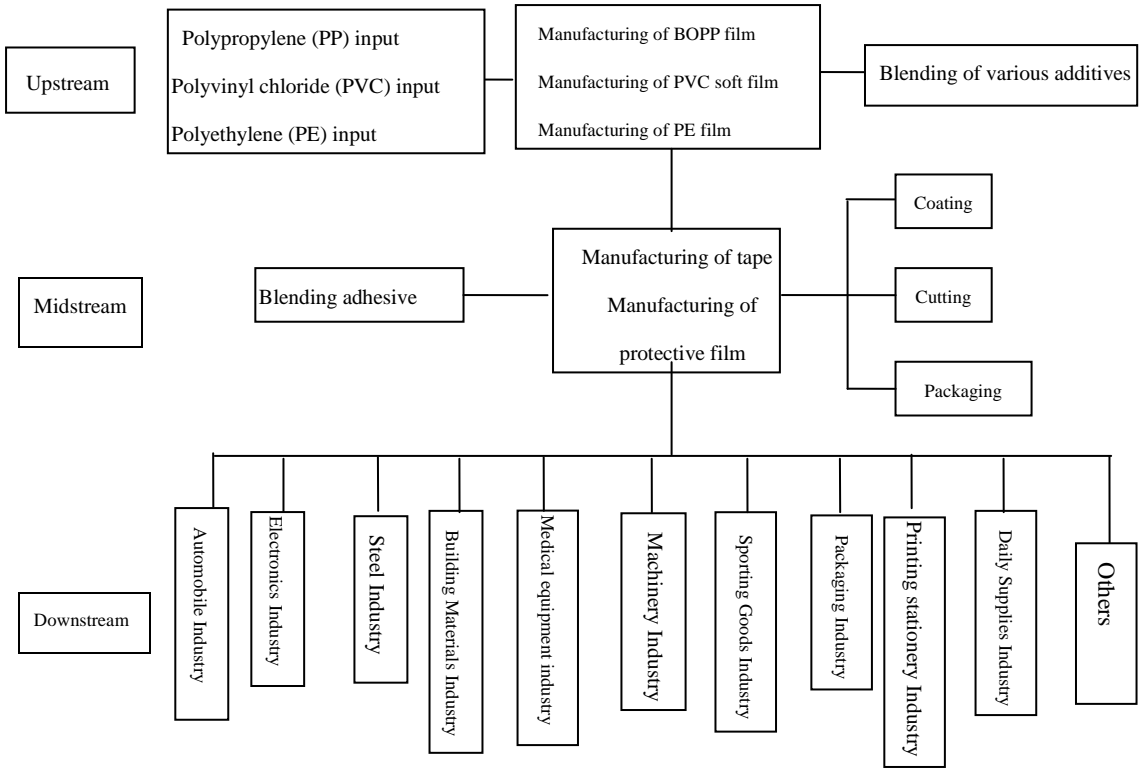
The upstream raw materials of the BOPP film industry include polypropylene (PP) and various additives, and the downstream are various tape processing manufacturers, color printing and food packaging factories. The film can be widely used in food ingredients, agricultural products, food packaging, staple 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, KK Enterprise, King Arrow, Imptapes
Cellophane tape	Symbio, Globetape
Water-based kraft paper tape	Fuda tape, Chiuer Jiuey
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 2022 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
2022	35,763	1. Environment-friendly hot-melt tape with a high recycling rate. 2. UV-resistant PE protective tape that has strong stickiness, is attachable to boards of low surface energy, and can be used in the construction industry. 3. Low-odour environment-friendly semiconductor PVC tape.

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	2023-2024	Market acceptance
Development of biodegradable environment-friendly packaging tapes (using cellulose and C+ film, etc.)	Film materials have been continuously collected from suppliers; basic data have been established; trial run has been performed and sample products have been made	NT\$6 million	2023-2024	Validation of related certification; market acceptance
Low-temperature resistant hot-melt adhesive as a substitute for solvent-borne rubber	Related samples have been provided to customers for final testing and assessment	NT\$2 million	2023-2024	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 2022, the export accounted for about 80% 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	10,318,414	5%	95%
Packaging	1,660,028	99%	1%
Material Film	2,256,904	12%	88%
Construction	-	0%	0%
Others	436,047	100%	0%
Total	14,671,393	20%	80%

(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 AICHEM 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	2022	2021
		Main supplier	Main supplier
Polypropylene (PP)		Sabic Asia Pacific Pte, Sumitomo, Formosa Plastics, Formosa Chemicals, Zhongjing Petrochemical, China Petrochemicals, Nan Shing	Sabic Asia Pacific Pte, Mitsubishi, Yung Chang Shuen, Sumitomo, Formosa Plastics, Formosa Chemicals, China Petrochemicals
Polypropylene film Original BOPP		Nan Ya Plastics, Shuangliang, Kai Chen (Kae Cherng), Lan Tian, Jiayue	Nan Ya Plastics, Forop, Shuangliang, Jiayue
PVC film SPVC original cloth		Nan Ya Plastics, Shih-Kuen Plastics, Yingtai	Nan Ya Plastics, China General Plastics, Shih-Kuen Plastics, Yingtai

Vinyl acetate	Chemfront, Everest, Bigo, Ping Chen, Bingding, Long Yi	Chemfront, Everest, Bingding, Long Yi
Isooctyl acrylate	Formosa Plastics, Guojiao, BASF, Bingding, Long Yi	Formosa Plastics, BASF, Bingding, Long Yi
Ethyl acetate	Wintak, Chemfront, Methyl, Young Sun, Pin Cheng, Chi Mei, Hong-Chuan,	Wintak, Chemfront, Methyl, Young Sun, 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. 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, 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	2022			2021		
	Capacity	Quantity	Amount	Capacity	Quantity	Amount
Main Products	(Thousand m ² /tons)	(Thousand m ² /tons)	(NT\$ thousands)	(Thousand m ² /tons)	(Thousand m ² /tons)	(NT\$ thousands)
Tape	2,073,665	1,547,112	7,103,262	2,265,824	1,761,736	7,123,369
Thin film	107,000	90,111	3,907,126	100,800	102,428	3,542,388
Acrylic Acid	-	-	-	-	-	-
Total	2,180,665	1,637,223	11,010,388	2,366,624	1,864,164	10,665,757

5.2.7 Sales in the last two years

Year	2022				2021			
	Local		Export		Local		Export	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Main Products	(Thousand m ² /tons)	(NT\$ thousands)	(Thousand m ² /tons)	(NT\$ thousands)	(Thousand m ² /tons)	(NT\$ thousands)	(Thousand m ² /tons)	(NT\$ thousands)
Tape	79,847	545,022	1,262,487	9,773,391	91,308	537,792	1,578,321	8,489,941
Packaging Material	-	1,635,309	-	24,719	-	1,416,465	-	143,393
Film	5,464	276,861	32,972	1,980,043	19,379	852,458	29,744	1,287,589
Construction	-	-	-	-	-	681,646	-	-
Others	-	436,047	-	-	-	514,909	-	-
Total	85,311	2,893,238	1,295,458	11,778,154	110,687	4,003,270	1,609,298	9,945,446

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		2021	2022	2023 as of 3/31
Number of Employees	Direct Labor	1314	1318	1308
	Indirect Labor	934	862	875
	Total	2,248	2180	2183
Average Age		37.8	40.7	39
Average Years of Service		7.23	10.3	9
Education	Ph.D.	0.14%	0.14%	0.14%
	Masters	2.76%	2.50%	2.38%
	Bachelor's Degree	29.82%	33.09%	32.54%
	Senior High School	43.37%	37.52%	36.21%
	Below Senior High School	23.90%	26.75%	28.64%

(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 1182 employees in 2022 (including Yem Chio, Achem, Wong Chio, Xin Chio, and UINN Hotel; the same below), with male and female employees accounting for 73% and 27%, 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 2021 and 2022:

Diversification indicator of females	Number of female employees in 2021	Total number of employees in 2021	Percentage in 2021	Number of female employees in 2022	Total number of employees in 2022	Percentage in 2022
Female employees	338	1255	27%	323	1182	27%
Female managers	13	96	14%	13	96	14%

Nationality indicator	Number of employees by nationality in 2021	Total number of employees in 2021	Percentage in 2021	Number of employees by nationality in 2022	Total number of employees in 2022	Percentage in 2022
Taiwanese	969	1255	77.2%	916	1182	77.5%
Foreigner	286	1255	22.8%	266	1182	22.5%

Other diversification indicators	Number of employees by item in 2021	Total number of employees in 2021	Percentage in 2021	Number of employees by item in 2022	Total number of employees in 2022	Percentage in 2022
People with disabilities	12	1255	1%	16	1182	1.4%
Under 30 years old	249	1255	19.8%	197	1182	16.7%
31-50 years old	801	1255	63.8%	773	1182	65.4%
Over 50 years old	205	1255	16.3%	212	1182	17.9%

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 2021 and 2022 and up to the publication date of the annual report: None

(II) The key pollution prevention measures in 2022 are described below. The expenses amounted to NT\$100,830 thousand.

Item	2022
Operation and maintenance of pollution prevention equipment	About NT\$38,235 thousand
Environmental testing, calibration	About NT\$6,061 thousand
Payment of pollution prevention (control) fee	About NT\$48,403 thousand
Other environmental improvement costs	About NT\$8,131 thousand

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

	2023	2024 - 2025
Pollution prevention (control) equipment to be purchased and expense	1. Addition of preventive equipment for reduction of VOCs emissions	1. Addition of preventive equipment for reduction of VOCs emissions
	2. Addition of preventive equipment for increase of solvent recovery amount	2. Addition of preventive equipment for increase of solvent recovery amount
	3. Addition of wastewater treatment facilities	3. Repair of old preventive equipment
	4. Environment-related test fee	4. Environment-related test fee
	5. Preventive equipment maintenance fee, change and extension of permit	5. Preventive equipment maintenance fee, change and extension of permit
	6. Maintenance of resource recycling facilities, change of permission document	6. Maintenance of resource recycling facilities, change of permission document
	7. Sewage treatment expense	7. Sewage treatment expense
Expected improvement status	1. Reduction of VOCs emissions	1. Reduction of VOCs emissions
	2. Increase of solvent recovery amount	2. Increase of solvent recovery amount
	3. Appropriate treatment of wastewater	3. Compliance with requirements of

	generated from additional preventive equipment to meet regulations	environmental regulations
	4. Compliance with requirements of environmental regulations	4. Reduction of pollution emissions
	5. Reduction of pollution emissions	5. Recycling of resources for sustainable cyclic utilization
	6. Recycling of resources for sustainable cyclic utilization	
Amount of capital expenditure	NT\$109,000 thousand	104,000 thousand
Effect on net profit after improvement	1. Decrease of solvent usage to reduce manufacturing cost	1. Decrease of solvent usage to reduce manufacturing cost
	2. Decrease of pollution emissions to reduce pollution fee and avoid pecuniary punishment	2. Decrease of pollution emissions to reduce pollution fee and avoid pecuniary punishment
Effect on competitive position after improvement	1. Corporate sustainable operations, product fitting the trends	1. Corporate sustainable operations, product fitting the trends
	2. Improvement of corporate image and enhancement of confidence among shareholders and customers	2. Improvement of corporate image and enhancement of confidence among shareholders and customers
	3. Maintenance of market competitiveness	3. Fulfillment of corporate social responsibility

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: We carelessly extended the working hours in violation of Article 32, Paragraph 2 of the Labor Standards Act to meet the needs of the production capacity, and were punished with a fine of NT\$80,000 by Letter Fu-Lao-Dong-Tzu No. 1110298607.

(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
01.03~05.2022	Irregular	/	SDS (Safety Data Sheet) Table of Contents (update)	At least updated once every 3 years
01.03~06.2022	Irregular	/	Covid-19 prevention work and pandemic information announcement	
01.04~10.2022	Regular	Once/quarter	Regulation checking in 12/2021 and regulation list update	
01.06.2022	Regular	Prior to the 10th day every month	Statistical number of persons who declare in the occupational accident monthly report in 12/2021	
01.13.2022	Regular	Once/month	Psychological counselor (Ms. Chang, Tsui-Hua: Director of Taoyuan Lifeline)	
01.10~13.2022	Regular	Once/quarter	Replenishment of medicines in factory's medical box	
01.19.2022	Irregular	/	Deregulation of pandemic prevention restrictions in line with the consecutive holidays from 1/30 to 2/5 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)	
01.20.2022	Regular	Once/six months	Monitoring of operating environment	First half of 2022
01.21.2022	Regular	Once/six months	Report on the usage of dangerous goods in 1st Plant in the second half of 2021	
01.21.2022	Regular	Once/month	Occupational health service (Dr. Hsiao, orthopedics: Bone and muscle)	
01.22~24.2022	Irregular	/	Submission of report on name list of foreign workers for registration and receiving rapid test agents in response to the prevention of the COVID-19 pandemic	
01.24.2022	Regular	Once/quarter	Occupational Safety and Health Committee (2021 Q4)	Yangmei 3rd Plant (including PE Plant)
01.24.2022	Regular	Once/quarter	Occupational Safety and Health Committee (2022 Q4)	Special Chemistry Plant
01.25.2022	Irregular	/	Purchase of additional 200 COVID-19 rapid test agents for emergency prevention cases in response to changes in the domestic pandemic.	
01.25~26.2022	Irregular	/	Assistance in planning stations for 161 foreign workers in the plant (1/25: 81 workers, 1/26: 80 workers) and teaching them correct operation approaches to finish COVID-19 rapid and general tests (all negative) and give a reply to Taoyuan City Government on 1/27 as scheduled.	Taoyuan City Government
01.26.2022	Regular	Once/quarter	Occupational Safety and Health Committee (2022 Q4)	Yangmei 1st Plant
01.26.2022	Irregular	/	Assistance in reserving vaccination for foreign workers (2/11: a total of 9 workers)	
01.27.2022	Regular	Once/month	Occupational health service (Dr. He: occupational safety physician)	
01.27.2022	Irregular	/	COVID-19 Risk Management Regulations for the Period of the Chinese Lunar New Year	
01.28.2022	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.)	
01.28.2022	Regular	Every year	Factory boundary patrol (before annual leave of the Chinese Lunar New Year)	
01.28.2022	Regular	Every year	Reporting annual release amount of toxic chemicals at Yangmei Plant	
02.07.2022	Irregular	/	A total of 8 employees reported abnormality in health statements under pandemic investigation for 2022 Chinese Lunar New Year. (Three of them have been informed to conduct self-health management and report for 7 days.)	
02.07.2022	Regular	Once/month	Occupational health service (Dr. He: Occupational safety physician)	

02.09.2022	Regular	Prior to the 10th day every month	Statistical number of persons who declare in the occupational accident monthly report in 01/2022	
02.18.2022	Regular	Once or twice a month	Occupational health service (Dr. Hsiao, orthopedics: Bone and muscle)	
02.24.2022	Regular	Once/month	Psychological counselor (Ms. Chang, Tsui-Hua: Director of Taoyuan Lifeline)	
02.18~24.2022	Irregular	/	Statistical number of persons under “Take Care of Your Life with Peace of Mind” (for planning health checkups and health promotion activities in April), arrangement of sessions, and weight loss activities (from mid-Feb. to end April)	Health promotion activity
03.04~08.2022	Irregular	/	Health Promotion Regulations for Middle-aged, Elderly and Senior Workers and Follow-ups (Special Chemistry Plant: 53 workers)	
03.02.2022	Irregular	/	Health management follow-up notification for employees of moderate and high risk as indicated in the health checkup in 2021 (at the end of December)	
03.03.2022	Regular	Once/month	Occupational health service (Dr. Du: Occupational medicine specialist)	
03.08.2022	Regular	Prior to the 10th day every month	Statistical number of persons who declare in the occupational accident monthly report in 02/2022	
03.10.2022	Regular	Once/month	Psychological counselor (Ms. Chang, Tsui-Hua: Director of Taoyuan Lifeline)	
03.21~25.2022	Regular	Once/six months	Internal audit of ISO system (first half of the year)	First half of 2022
03.22.2022	Regular	Once/month	Occupational health service (Dr. He: Occupational safety physician)	
03.25.2022	Irregular	/	A total of 79 employees in influenza vaccination activity (including dissemination of four-cancer screenings)	Health promotion
03.28.2022	Irregular	/	Education and training on occupational safety and health	New employee
03.30.2022	Regular	Every year	Assessment of maternity-related hazards within factory	Yangmei Plant
04.01.2022	Regular	Once/quarter	Occupational health service (Dr. Hsiao, orthopedics: Bone and muscle)	Changed to once/quarter from April 2022
04.01.2022	Regular	Once/month	Occupational health service (Dr. Du: Occupational medicine specialist)	
04.03.2022	Regular	Once/six months	Inspection of high-pressure equipment, LV distributor insulation test, and cleaning and maintenance	
04.08.2022	Regular	Prior to the 10th day every month	Statistical number of persons who declare in the occupational accident monthly report in 03/2022	
04.11.2022	Irregular	/	“Take Care of Your Life with Peace of Mind” and 2022 infectious disease prevention plan ~ AIDS and venereal disease prevention activity	Blood drawing conducted by ACADEMIA SINICA (Living Area on 3rd floor) and with the department of health promoting AIDS screening services in communities (Living Area in atrium on 1st floor).
04.13.2022	Regular	Once/six months	AED equipment maintenance and function test (Yang Der Instruments: 1 set)	Maintenance of equipment at certified AED safe place
04.13.2023	Regular	Once/month	Psychological counselor (Ms. Chang, Tsui-Hua: Director of Taoyuan Lifeline)	
04.14.2022	Irregular	/	AIDS and venereal disease prevention activity	Living Area in atrium on 1st floor
04.14.2022	Regular	Once/six months	High temperature operation in boiler area, cooling tower legionella pneumophila testing	Boundary noise testing canceled and changed to 6/29~6/30 due to bad weather

04.06~12.2022	Regular	Once every two years	Fecal occult blood testing for prevention of colorectal cancer (voluntary participation)	1. Free for persons 50 to 74 years old 2. Out-of-pocket at NTS\$180
04.18.2022	Regular	Once/quarter	Occupational Safety and Health Committee (2022 Q1)	Yangmei 3rd Plant (including PE Plant)
04.20.2022	Regular	Once/six months	Blood donation activity	
04.21.2022	Irregular	/	Start of COVID-19 rapid testing within factory	Living Area on 1st floor - old duty room
04.18~22.2022	Regular	Once/quarter	Replenishment of medicines in factory's medical box	
04.25.2022	Regular	Once/quarter	Occupational Safety and Health Committee (2022 Q1)	Special Chemistry Plant
04.27.2022	Regular	Once/quarter	Occupational Safety and Health Committee (2022 Q1)	Yangmei 1st Plant
04.28.2022	Regular	Once/month	Occupational health service (Dr. He: Occupational safety physician)	
05.04.2022	Regular	Once/month	Occupational health service (Dr. Du: Occupational medicine specialist)	
05.04.2022	Regular	Once/quarter	Occupational Safety and Health Committee (2022 Q1)	Yangmei 2nd Plant
05.05.2022	Regular	Prior to the 10th day every month	Statistical number of persons who declare in the occupational accident monthly report in 04/2022	
05.05.2022	Irregular	/	Announcement: From 5/9 (Mon.), suppliers or customers and other visitors shall present the certificate proving that three doses of vaccine have been received or a negative result of a rapid test taken within 3 days has been acquired before entering the plant. (Fill out an affidavit.)	
05.07.2022	Irregular	/	Announcement of pandemic prevention information: The person who has been incorporated as a confirmed case (home care) or a close contact (home isolation) in the category of high risk shall come to the infirmary first when returning to the factory on the first day to take a rapid test, and can only enter the factory after a negative result is acquired.	
05.09.2022	Irregular	/	Rapid test station established in the Living Area on the 3rd floor. 144 employees received rapid test (including 3 employees who returned to the factory after isolation and 141 employees who ever contacted a confirmed case); a total of 19 confirmed cases (3 local and 16 foreign workers)	The rapid test station in the Living Area on the 3rd floor was changed to a dwelling place for confirmed positive cases. The outdoor basketball court was changed to an outdoor rapid test station in an emergency.
05.12.2022	Regular	Once/month	Occupational health service (Dr. He: Occupational safety physician)	Safety and health personnel cooperated with the occupational physician to take care of confirmed cases of foreign workers who lodged in the Living Area on the 3rd floor.
05.12.2022	Irregular	/	Name list reporting system for the persons subject to COVID-19 follow-up monitoring (confirmed positive case, close contact)	Electronic digital reporting record (for occupational medical care follow-up recording purposes)
05.12.2022	Irregular	/	Setup of the outdoor COVID-19 rapid test station at the basketball court (positive rapid test result→arrangement of PCR test in hospital)	Start up of the high-risk COVID-19 prevention and control plan

05.18.2022	Regular	Once/month	Psychological counselor (Ms. Chang, Tsui-Hua: Director of Taoyuan Lifeline)	
06.02.2022	Regular	Once/month	Occupational health service (Dr. Du: Occupational medicine specialist)	
06.07.2022	Regular	Prior to the 10th day every month	Statistical number of persons who declare in the occupational accident monthly report in 05/2022	
06.09.2022	Irregular	/	Audit of public dangerous goods within the factory	
06.10.2022	Regular	Once/month	Occupational health service (Dr. He: Occupational safety physician)	
06.14.2022	Regular	Every year	Completion of 2022 fire-fighting equipment inspection and repair operation	Yangmei Plant
06.14.2022	Regular	Every year	Completion of 2022 fire-fighting equipment inspection and repair operation	PE Plant
06.16.2022	Regular	Once a week	Industrial safety patrol within factory	Yangmei 1st Plant
06.23.2022	Regular	Once every three years	Education and training on safety and health - retraining of forklift operators (41 workers)	
06.23.2022	Irregular	/	Announcement of foreign worker sleep-out project - sleep-out during the consecutive holidays for Moon Festival from 9/9 to 9/11 (Cooperate with epidemic prevention vaccines to promote and encourage the willingness to administer vaccines)	NT\$160 bonus card (for consumption in the store in the factory) for the employees who have received three doses of vaccine. The card was distributed at two stages (1st stage: 06/30–07/08; 2nd stage: 08/22–08/31 for the employees who received the third dose after 07/01).
06.27.2022	Regular	Every year	2022 health checkup for the employees engaging in special operations (128 employees)	
06.27.2022	Regular	Once/month	Checking of education and training courses: Dissemination for Prevention of Violence, Illegal Infringement and Sexual Harassment at Workplace Psychological counselor (Ms. Chang, Tsui-Hua: Director of Taoyuan Lifeline)	Employees at a level higher than deputy shift leader must participate in the course. Other employees were encouraged to take it.
06.28.2022	Regular	Once every three years	General safety and health course and common knowledge of chemical hazards (statutory cause)	Three hours every three years; As a chemical plant, Yangmei Plant added a 3-hour course on common knowledge of chemical hazards in the afternoon (normally six hours per class).
06.29~30.2022	Regular	Once/six months	Factory boundary noise testing	
07.05.2022	Regular	Prior to the 10th day every month	Statistical number of persons who declare in the occupational accident monthly report in 06/2022	
07.06.2022	Irregular	/	Contractor punishment certification document (violation and punishment on contractor: Jung Chang Machinery for parking violation that obstructed fire-fighting facilities)	
07.07.2022	Regular	Once/month	Occupational health service (Dr. Du: Occupational medicine specialist)	
07.11.2022	Regular	Every year	Update of ISO-45001 process and risk assessment documents (2022 documentation)	Notification to all departments to complete the update and give a reply prior to 8/19

07.12.2022	Regular	Every year	Completion of 2022 fire-fighting equipment inspection and repair operation	Special Chemistry Plant
07.12.2022	Regular	Every year	Completion of 2022 fire-fighting equipment inspection and repair operation	Yangmei 2nd Plant
07.14.2022	Irregular	/	Move Your Body to Gain Your Muscle, Lose Your Fat, and Never Be Fat Again	Promotion of health: Education and training (a workshop on how to lose weight) 13:00~14:00; place: The big meeting room in the Research and Development Center
07.15.2022	Regular	Once/month	Psychological counselor (Ms. Chang, Tsui-Hua: Director of Taoyuan Lifeline)	
07.18.2022	Regular	Once/quarter	Occupational Safety and Health Committee (2022 Q2)	Yangmei 3rd Plant (including PE Plant)
07.20.2022	Regular	Once/quarter	Occupational Safety and Health Committee (2022 Q2)	Yangmei 2nd Plant
07.20.2022	Regular	Once/quarter	Occupational health service (Dr. Hsiao, orthopedics: Bone and muscle)	
07.25.2022	Regular	Once/quarter	Occupational Safety and Health Committee (2022 Q2)	Special Chemistry Plant
07.26.2022	Regular	Once/six months	Monitoring of operating environment	Second half of 2022
07.27.2022	Regular	Once/quarter	Occupational Safety and Health Committee (2022 Q2)	Yangmei 1st Plant
07.28.2022	Regular	Once/month	Occupational health service (Dr. He: Occupational safety physician)	
08.04.2022	Regular	Once/month	Occupational health service (Dr. Du: Occupational medicine specialist)	
08.04.2022	Regular	Prior to the 10th day every month	Statistical number of persons who declare in the occupational accident monthly report in 07/2022	
08.08.2022	Regular	Completion of reporting prior to July every year	Safety inspection of public buildings in Yangmei Plant	Postponement to August due to COVID-19.
08.11.2022	Regular	Once/month	Psychological counselor (Ms. Chang, Tsui-Hua: Director of Taoyuan Lifeline)	
08.12.2022	Irregular	/	Yangmei 2nd Plant of AICHEM Technology Corporation - 2022 foreigner project of remote monitoring and audit consulting plan	Reply of online audit data to the request of the Department of Labor, Taoyuan City Government (completion of the reply on 9/12 after submission of additional documents several times)
08.12.2022	Irregular	/	The personnel of the Department of Environmental Protection came to the site for an audit and verification of a toxic chemical accident drill without warning	
08.12.2022	Regular	Every year	Implementation of plans by police offices and civil defence corps	
08.17.2022	Irregular	/	Setup as required by laws, organization of toxic chemical accident response personnel according to laws, training needs and acquisition of certificates, setup and registration of 2 persons holding certificates at technique level. (Yangmei 1st Plant: Technique level* 2 persons; operation level: 1 person)	Technique level: Kao, Ming-Chun, Chen, I-Hung
08.17~18.2022	Regular	Every year	Completion of 2022 fire-fighting equipment inspection and repair operation	Yangmei 1st Plant & public facilities
08.25.2022	Regular	Once/month	Occupational health service (Dr. He: Occupational safety physician)	
08.29.2022	Irregular	/	Education and training on occupational safety and health	New employee

08.31.2022	Regular	Once/six months	AED equipment maintenance and function test	Maintenance of equipment at certified AED safe place
09.01.2022	Regular	Once/month	Occupational health service (Dr. Du: Occupational medicine specialist)	
09.05.2022	Irregular	/	In response to the rising risk of the local Omicron BA.5 pandemic and the gathering of families and friends during the consecutive holidays for the Moon Festival, which might increase the opportunity of cross-infection, one rapid test agent was distributed to each employee for rapid testing after the holidays ended and before they came to work.	Rapid test agents were purchased collectively and distributed free of charge for the prevention of the pandemic.
09.06.2022	Regular	Prior to the 10th day every month	Statistical number of persons who declare in the occupational accident monthly report in 08/2022	
09.07.2022	Irregular	Once/six months	Blood donation activity	Health promotion
09.11.2022	Regular	Once/six months	Inspection of high-pressure equipment, LV distributor insulation test, and cleaning and maintenance	
09.13.2022	Irregular	/	Joint inspection of electrical safety and public dangerous goods at Yangmei 2nd Plant	
09.19.2022	Regular	Once/month	Occupational health service (Dr. He: Occupational safety physician)	
09.12~16.2022	Regular	Once/six months	Internal audit of ISO system (second half of the year)	Second half of 2022
09.20~28.2022	Irregular	/	Registration for 2022 influenza vaccination	
09.29.2022	Regular	Once/month	Psychological counselor (Ms. Chang, Tsui-Hua: Director of Taoyuan Lifeline)	
09.28~29.2022	Regular	Every year	Reporting of priority and controlled chemicals	Yangmei Plant
10.06.2022	Regular	Once/month	Occupational health service (Dr. Du: Occupational medicine specialist)	
10.06.2022	Regular	Prior to the 10th day every month	Statistical number of persons who declare in the occupational accident monthly report in 09/2022	
10.20.2022	Regular	Once/month	Psychological counselor (Ms. Chang, Tsui-Hua: Director of Taoyuan Lifeline)	
10.20.2022	Irregular	/	The personnel of the Taiwan Taoyuan District Prosecutors Office came to the factory to investigate the fire and explosion of the electrical equipment in Yangmei 2nd Plant.	
10.24.2022	Regular	Once/quarter	Occupational Safety and Health Committee (2022 Q3)	Special Chemistry Plant 14:30
10.24.2022	Regular	Once/six months	high temperature operation in boiler area, cooling tower legionella pneumophila testing	
10.26.2022	Regular	Once/quarter	Occupational Safety and Health Committee (2022 Q3)	Yangmei 1st Plant 08:30 AM
10.26.2022	Regular	Once/quarter	Occupational Safety and Health Committee (2022 Q3)	Yangmei 2nd Plant 2:00 PM
10.27.2022	Regular	Once/month	Occupational health service (Dr. He: Occupational safety physician)	
11.03.2022	Regular	Once/month	Occupational health service (Dr. Du: Occupational medicine specialist)	
11.04.2022	Regular	Prior to the 10th day every month	Statistical number of persons who declare in the occupational accident monthly report in 10/2022	
11.11.2022	Irregular	/	“Left for influenza and Right for COVID-19”: Influenza vaccination taken on the left arm while COVID-19 taken on the right arm.	2:00 PM~4:00 PM Living Area on 3rd floor (Taoyuan Ten Chen General Hospital: Influenza and Next-gen Moderna vaccination)
11.11.2022	Regular	Once/quarter	Occupational health service (Dr. Hsiao, orthopedics: Bone and muscle)	
11.11.2022	Regular	Once/six months	AED equipment maintenance and function test	Maintenance of equipment at certified AED safe place
11.14.2022	Regular	Once a year	ISO 14001:2015 & ISO 45001:2018 external system review	

			(continued)	
11.15.2022	Regular	Every six months	Full factory fire safety inspection (Fire department security team)	
11.17.2022	Regular	Once/month	Occupational health service (Dr. He: Occupational safety physician)	
11.23.2022	Regular	Once/month	Psychological counselor (Ms. Chang, Tsui-Hua: Director of Taoyuan Lifeline)	
11.24.2022	Regular	Once/quarter	Occupational Safety and Health Committee (2022 Q3)	Yangmei 3rd Plant (including PE Plant) 08:30 AM
11.25.2022	Regular	Once every two years	2023 parking permit application platform - updated announcement 11.25.2022	
11.25.2022	Regular	Once a year	Checking of traffic accident dissemination, education and training & airtight test of respiratory protective devices	Special Chemistry Plant
12.01.2022	Regular	Once/month	Occupational health service (Dr. Du: Occupational medicine specialist)	
12.06.2022	Irregular	/	Organization of toxic chemical accident response personnel according to laws, training needs and acquisition of certificates, completion of online registration and setup as required by the competent authority (setup at Yangmei 1st Plan: Operation level*1)	Operation level: Hsu Chih-Hao
12.06.2022	Irregular	/	Positive thought, stress relief and emotional resilience	Education and Training: The big meeting room in Research and Development Center
12.06.2022	Regular	Prior to the 10th day every month	Statistical number of persons who declare in the occupational accident monthly report in 11/2022	
12.08.2022	Regular	Once/month	Occupational health service (Dr. He: Occupational safety physician)	
12.15.2022	Regular	Once/month	Psychological counselor (Ms. Chang, Tsui-Hua: Director of Taoyuan Lifeline)	
12.21.2022	Regular	Once a year	Education and training on occupational safety for contractors	
12.22.2022	Regular	Once a year	Environment, safety and health review meeting	
12.28.2022	Regular	Once or twice a year	Education and training on safety and health - retraining of first-aid personnel	1:00 PM~4:00 PM Living Area on 3rd floor in dormitory
12.28.2022	Irregular	/	Checkout of epidemic prevention materials	
12.29.2022	Regular	Once every three years	Education and training on safety and health for foreign workers (statutory course)	Three hours every three years
12.29.2022	Regular	Once every six months	Self-protection, fire-fighting and toxic chemical accident drills	Due to COVID-19, the drills were combined and held in the second half of (i.e. at the end of) the year

Office space:

1. May 23, 2022 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 (2/23/2022, 5/13/2022, 8/23/2022 and 11/15/2022)
6. A simple desktop healthcare box is available in the office.

2022 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	P001	Regular inspection, air pollution fee (particulate, NOX)	July		7/8 (Fri.)
		P002	Regular inspection, air pollution fee (particulate, NOX)	Once every 5 years		7/19 (Tues.)
		P003	Trial run, air pollution fee (particulate, NOX)	Once every 5 years		8/03 (Wed.)
		P004	Trial run, air pollution fee (particulate, NOX)	Once every 5 years		7/27 (Wed.)
	1st Plant M11 boiler	P111	Regular inspection, air pollution fee (particulate, NOX)	March	3/4 (Fri.)	
	1st Plant M02 tape	P011(VIC#4)	Trial run, control front + back, NMHC, each 4 hours	In line with application for permit	1/20 (Thur.)	
		P012(VIC#7)	Trial run, control front + back, NMHC, each 4 hours	In line with application for permit	4/27 (Wed.)	
		P013(VIC#10)	Trial run, control front + back, NMHC, each 4 hours	In line with application for permit	4/25 (Mon.)	
		P014(VIC#2)	Trial run, control front + back, NMHC, each 4 hours	In line with application for permit	5/5 (Wed.)	
		P015(VIC#5)	Trial run, control front + back, NMHC, each 4 hours	In line with application for permit	4/29 (Fri.)	
		P016(VIC#6)	Trial run, control front + back, NMHC, each 4 hours	In line with application for permit	4/28 (Thur.)	
	Wastewater plant	P017	Trial run, control back, NMHC, one hour (once every 5 years)	Once every 5 years		
		P018	Trial run, control back, NMHC, one hour (once every 5 years)	Once every 5 years		
	2nd Plant M01 boiler	P201	Regular inspection, air pollution fee (particulate, NOX)	February	2/22 (Tues.)	
	2nd Plant M04 boiler	P401	Regular inspection, air pollution fee (particulate, NOX)	July		7/28 (Thur.)
	2 Plant M02 tape manufacturing process	P203(VIC#11)	Regular inspection, control front + back, NMHC, each 4 hours + particulate	March, September	3/11 (Fri.)	
		P204(VIC#9)	Regular inspection, control front + back, NMHC, each 4 hours	March, September	3/15 (Tues.)	
		P205(VIC#8)	Regular inspection, control front + back, NMHC, each 4 hours	March, September	3/22 (Tues.)	
		P206(VIC#1)	Regular inspection, control front + back, NMHC, each 4 hours	March, September	3/4 (Fri.)	
		P208	Regular inspection, control back, 4 hours	March, September	3/3 (Thur.)	
	3rd Plant M01 tape	P301(R.A.UV)	Regular inspection, control front + back, NMHC, each 4 hours	March, September	3/17 (Thur.)	9/14 (Wed.)
			Control back, particulate (permit change)			
		P302(R1.A)	Regular inspection, control equipment front + back, NMHC, each 4 hours, NOX	March, September	3/9 (Wed.)	12/15 (Thur.)

			Regular inspection, control equipment back, particulate	March, September		
	PE Plant M12 boiler	P121	Regular inspection, air pollution fee (NOX)	May	6/14 (Tues.)	
	PE Plant M13 tape	P131 (hexane)	Regular inspection, control front + back, NMHC, each 4 hours	March, September	3/2 (Wed.)	
	PE Plant M13 tape	P132 (toluene)	Regular inspection, control front + back, NMHC, each 4 hours + toluene	March, September	3/8 (Tues.)	
	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	P601	Trial run, NMHC control equipment front + back, 4 hours	July		8/3 (Wed.)
	Special Chemistry Plant M06 manufacturing process	P602	Trial run, NMHC control equipment front + back, 4 hours	July		8/4 (Thur.)
	Special Chemistry Plant M06 manufacturing process	P603	Trial run, air pollution fee (particulate, NOX)	July		
	Special Chemistry Plant M06 manufacturing process	P604	Trial run, air pollution fee (particulate, NOX)	July		
	Special Chemistry Plant M06 manufacturing process	P605	Trial run, air pollution fee (particulate, NOX)	July		
	Special Chemistry Plant (self-evaluation)	P902	Trial THC control equipment back, 4 hours	July		
	Special Chemistry Plant (self-evaluation)	P101	Trial run, THC control equipment back, 4 hours	July		
	Special Chemistry Plant	P102	Trial run, air pollution fee (particulate, NOX) ~ changed to natural gas boiler			
	Special Chemistry Plant boundary	3 點	Odour	October		
	Special Chemistry Plant boundary	3 點	VOCs			
Water pollution	Cooling tower	Inlet/outlet	VOCs in water (63 items)	December		12/8
	1st Plant EA wastewater	M01	pH, water temperature, SS, COD, BOD, ADMI, ammonia nitrogen, free available residual chlorine	June, December	6/14	12/8
	Wastewater discharged from the boiler and uncontacted cooling water	M02	pH, water temperature, SS, COD, BOD, ADMI, ammonia nitrogen, free available residual chlorine	June, December	6/14	12/8

Wastewater discharged from the boiler in PE Plant and uncontacted cooling water	M03	pH, water temperature, SS, COD, BOD, ADMI, ammonia nitrogen, free available residual chlorine	June, December	6/14	12/8
Process wastewater from PE Plant	M04	pH, water temperature, SS, COD, BOD, ADMI, ammonia nitrogen, free available residual chlorine	June, December	6/14	12/8
Process wastewater from Special Chemistry Plant	M05	pH, water temperature, SS, COD, BOD, ADMI, ammonia nitrogen, free available residual chlorine	June, December	6/14	12/8
Cooling water from Special Chemistry Plant	M06	pH, water temperature, SS, COD, BOD, ADMI, ammonia nitrogen, free available residual chlorine	June, December	6/14	12/8
Scrubber wastewater	M07	pH, water temperature, SS, COD, BOD, ADMI, ammonia nitrogen, free available residual chlorine	June, December	6/14	12/8
Household sewage	M08	pH, water temperature, SS, COD, BOD, ADMI, ammonia nitrogen, free available residual chlorine	June, December	6/14	12/8
Household sewage (toilet)	M09	pH, water temperature, SS, COD, BOD, ADMI, ammonia nitrogen, free available residual chlorine	June, December	6/14	12/8
Process wastewater from 2nd Plant	M10	pH, water temperature, SS, COD, BOD, ADMI, ammonia nitrogen, free available residual chlorine	June, December	6/14	12/8
Hydrogel wastewater from 2nd Plant	M11	pH, water temperature, SS, COD, BOD, ADMI, ammonia nitrogen, free available residual chlorine	June, December	6/14	12/8
Scrubber wastewater from 2nd Plant	M12	pH, water temperature, SS, COD, BOD, ADMI, ammonia nitrogen, free available residual chlorine	June, December	6/14	12/8
Scrubber wastewater	M13	pH, water temperature, SS, COD, BOD, ADMI, ammonia nitrogen, free available residual chlorine		6/14	12/8
Outfall	D01	pH, water temperature, SS, COD, BOD, ADMI, ammonia nitrogen, free available residual chlorine	March, June, September, December	2/23, 6/14	9/15, 12/8
Outfall	D02	pH, water temperature, SS, COD, BOD, ADMI, ammonia nitrogen, free available residual chlorine	March, June, September, December	2/23, 6/14	9/15, 12/8
1st Plant recycling	Waste glue	pH, flash point, TCLP	August		8/17 (Wed.)
1st Plant recycling	Active carbon	TCLP (Hexavalent chromium, total chromium, copper, cadmium, lead, mercury, arsenic, selenium, barium)	August		8/17 (Wed.)
2nd Plant recycling	Waste glue	pH, flash point, TCLP	August		8/17 (Wed.)
2nd Plant recycling	Active carbon	TCLP	August		8/17 (Wed.)
3rd Plant manufacturing process	Waste glue (including release agent)	pH, flash point, TCLP	August		8/17 (Wed.)
3rd Plant manufacturing process	Waste oil mixture	pH, flash point	August		8/17 (Wed.)
3rd Plant manufacturing process	Active carbon	TCLP	August		8/17 (Wed.)
PE Plant	Waste glue	pH, flash point, TCLP	August		8/17 (Wed.)

	PE Plant	Active carbon	TCLP	August		8/17 (Wed.)
	Wastewater plant	Mixed sludge	TCLP (hexavalent chromium, total chromium, copper, cadmium, lead, mercury, arsenic, selenium, barium), moisture content	August		8/17 (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	4/26	10/26
Water dispenser	1st Plant	11 sets	Coliform group	Testing in rotation every quarter	Q1: 1/18, Q2: 4/26	Q3: 7/11, Q4: 10/26
	2nd Plant	13 sets	Coliform group	Testing in rotation every quarter	Q1: 1/18, Q2: 4/26	Q3: 7/11, Q4: 10/26
	3rd Plant	3 sets	Coliform group	Testing in rotation every quarter	Q1: 1/18, Q2: 4/26	Q3: 7/11, Q4: 10/26
	PE Plant	4 sets	Coliform group	Testing in rotation every quarter	Q1: 1/18, Q2: 4/26	Q3: 7/11, Q4: 10/26
	Research and Development Center	2 sets	Coliform group	Testing in rotation every quarter	Q1: 1/18, Q2: 4/26	Q3: 7/11, Q4: 10/26
	Special Chemistry Plant	3 sets	Coliform group	Testing in rotation every quarter	Q1: 1/18, Q2: 4/26	Q3: 7/11, Q4: 10/26
	Factory Affairs Section	6 sets	Coliform group	Testing in rotation every quarter	Q1: 1/18, Q2: 4/26	Q3: 7/11, Q4: 10/26
Release of toxic chemicals	1st Plant M02 manufacturing process	Cooling tower (1&8)	Butyl acrylate, vinyl acetate	Once a year		9/27
	1st Plant M02 manufacturing process	Process wastewater	Butyl acrylate, vinyl acetate	Once a year		9/27
	1st Plant M02 manufacturing process	Arylic glue	Butyl acrylate, vinyl acetate	Once a year		9/27
	1st Plant M02 manufacturing process	Active carbon	Butyl acrylate, vinyl acetate	Once a year		9/27
	1st Plant M02 manufacturing process	Flue P011~P016	Butyl acrylate, vinyl acetate	Once a year		7/12: P011, 7/13: P012, 7/14: P013, 7/15: P014, 7/19: P015, 7/20: 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 210 cyber attacks per month, including 33 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 ¹				
		2018	2019	2020	2021 (After adjustment)	2022
Current assets		7,664,298	8,166,546	8,171,540	11,565,684	10,247,004
Property, Plant and Equipment		3,684,541	3,367,152	3,499,157	3,361,809	3,218,674
Intangible assets		236	210	188	166	144
Other assets		9,099,082	9,403,621	9,094,369	7,286,547	8,481,232
Total assets		20,448,157	20,937,529	20,765,254	22,214,206	21,947,054
Current liabilities	Before distribution	5,926,763	7,548,639	8,165,158	8,463,797	6,393,440
	After distribution	5,671,565	7,714,904	8,501,268	9,086,363	7,019,227
Non-current liabilities		5,774,188	4,361,953	3,179,161	3,396,850	4,415,906
Total liabilities	Before distribution	11,700,951	11,910,592	11,344,319	11,860,647	10,809,346
	After distribution	11,445,753	12,076,857	11,680,429	12,483,213	11,435,133
Equity attributable to shareholders of the parent		—	—	—	—	—
Capital stock		5,300,623	5,718,342	5,850,478	6,382,873	6,414,897
Capital surplus	Before distribution	2,640,718	2,751,507	2,592,442	2,384,602	2,638,722
	After distribution	2,640,718	2,585,242	2,592,442	2,384,602	2,638,722
Retained earnings	Before distribution	1,810,834	916,821	1,717,382	2,106,814	2,494,762
	After distribution	1,555,636	916,821	1,381,272	1,484,248	1,868,975
Other equity interest		(473,920)	55,037	(176,879)	(106,385)	3,672
Treasury stock		(531,049)	(414,770)	(562,488)	(414,345)	(414,345)
Non-controlling interest		—	—	—	—	—
Total equity	Before distribution	8,747,206	9,026,937	9,420,935	10,353,559	11,137,708
	After distribution	8,492,008	8,860,672	9,084,825	9,730,993	10,511,921

Note:

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

Consolidated Condensed balance sheet– Based on IFRS

(Unit: NT\$ thousands)

Item	Year	Financial Summary for The Last Five Years ¹				
		2018	2019	2020	2021	2022
Current assets		16,490,901	15,552,373	14,565,303	17,828,534	16,698,426
Property, Plant and Equipment		14,370,740	13,192,774	11,549,183	8,537,930	8,538,954
Intangible assets		258,490	269,763	186,007	172,849	186,009
Other assets		2,107,769	4,265,287	3,515,332	3,748,981	4,095,019
Total assets		33,227,900	33,280,197	29,815,825	30,288,294	29,518,408
Current liabilities	Before distribution	12,729,026	17,055,489	13,313,274	15,826,753	10,566,152
	After distribution	12,437,828	17,221,754	13,649,384	16,449,319	9,940,365
Non-current liabilities		11,129,705	6,653,459	6,525,758	3,454,063	7,131,100
Total liabilities	Before distribution	23,858,731	23,708,948	19,839,032	19,280,816	17,697,252
	After distribution	23,603,533	23,875,213	20,175,142	19,903,382	17,071,465
Equity attributable to shareholders of the parent company		8,747,206	9,026,937	9,420,935	10,353,559	11,137,708
Capital stock		5,300,623	5,718,342	5,850,478	6,382,873	6,414,897
Capital surplus	Before distribution	2,640,718	2,751,507	2,592,442	2,384,602	2,638,722
	After distribution	2,640,718	2,585,242	2,592,442	2,384,602	2,638,722
Retained earnings	Before distribution	1,810,834	916,821	1,717,382	2,106,814	2,494,762
	After distribution	1,555,636	916,821	1,381,272	1,484,248	1,868,975
Other equity interest		(473,920)	55,037	(176,879)	(106,385)	3,672
Treasury stock		(531,049)	(414,770)	(562,488)	(414,345)	(414,345)
Prior interests under joint-control		—	—	—	—	—
Non-controlling interest		621,963	544,312	555,858	653,919	683,448
Total equity	Before distribution	9,369,169	9,571,249	9,976,793	11,007,478	11,821,156
	After distribution	9,113,971	9,404,984	9,640,683	10,384,912	11,195,369

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 ¹				
	2018	2019	2020	2021 (After adjustment)	2022
Operating revenue	5,766,235	4,345,163	4,176,275	5,077,343	3,642,524
Gross profit	1,051,916	477,193	551,955	777,570	393,831
Income from operations	693,224	177,224	220,875	428,540	42,484
Non-operating income	(89,248)	(669,912)	635,986	527,357	1,056,822
Non-operating expenses	603,976	(492,688)	856,861	955,897	1,099,306
Income before tax	543,593	(509,016)	805,604	871,687	1,037,826
Net income (Loss)	—	—	—	—	—
Other comprehensive income	—	—	—	(3,925)	—
(income after tax)	543,593	(509,016)	805,604	867,762	1,037,826
Total comprehensive income	(229,224)	399,158	(236,959)	291,822	82,745
Net income attributable to shareholders of the parent	314,369	(109,858)	568,645	1,156,816	1,120,571
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	1.11	(0.99)	1.42	1.47	1.72

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 ¹				
	2018	2019	2020	2021	2022
Operating revenue	19,810,468	16,177,441	13,924,193	17,181,794	14,671,393
Gross profit	2,286,012	1,884,421	2,457,748	2,906,763	2,591,409
Income from operations	579,503	225,955	906,645	1,303,899	1,050,265
Non-operating income	220,239	(667,130)	1,053,384	926,566	314,539
Non-operating expenses	799,742	(441,175)	1,960,029	2,230,465	1,364,804
Income before tax	526,652	(564,376)	1,795,815	2,027,094	1,128,828
Net income (Loss)	—	—	(1,016,910)	(1,177,429)	(577)
Other comprehensive income	526,652	(564,376)	778,905	849,665	1,128,251
(income after tax)	(238,494)	387,127	(243,488)	249,103	89,400
Total comprehensive income	288,158	(177,249)	535,417	1,113,768	1,217,651
Net income attributable to shareholders of the parent	543,593	(509,016)	805,604	867,762	1,037,826
Net income attributable to non-controlling interest	—	—	—	—	—
Comprehensive income attributable to Shareholders of the parent company	(16,941)	(55,360)	(26,699)	(18,097)	90,425
Comprehensive income attributable to non-controlling interest	314,369	(109,858)	568,645	1,156,816	1,120,571
Earnings per share	—	—	—	—	—
Operating revenue	(26,211)	(67,391)	(33,228)	(43,048)	97,080
Gross profit	1.11	(0.99)	1.42	1.47	1.72

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
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
2018	PwC Taiwan	Yifan Lin, Shirong Weng	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				
		2018	2019	2020	2021	2022
Financial structure (%)	Debt Ratio	57.22	56.89	54.63	53.39	49.25
	Ratio of long-term capital to property, plant and equipment	394.12	397.63	360.09	409.02	483.23
Solvency (%)	Current ratio	129.32	108.19	100.08	136.65	160.27
	Quick ratio	34.55	35.03	33.28	65.29	55.27
	Interest earned ratio (times)	3.22	(1.70)	5.04	6.34	7.16
Operating performance	Accounts receivable turnover (times)	8.58	7.41	7.86	7.22	5.62
	Average collection period	42.54	49.25	46.43	50.55	64.94
	Inventory turnover (times)	0.79	0.72	0.70	0.80	0.54
	Accounts payable turnover (times)	9.09	8.89	17.26	19.60	15.93
	Average days in sales	459.96	506.27	520.19	455.17	676.60
	Property, plant and equipment turnover (times)	1.56	1.29	1.19	1.51	1.13
	Total assets turnover (times)	0.28	0.21	0.20	0.24	0.16
Profitability	Return on total assets (%)	3.17	(1.96)	4.30	4.37	4.95
	Return on stockholders' equity (%)	6.24	(5.73)	8.73	8.78	9.66
	Pre-tax income to paid-in capital (%)	11.39	(8.62)	15.03	14.98	17.16
	Profit ratio (%)	9.43	(11.71)	19.29	17.09	28.49
	Earnings per share (NT\$)	1.11	(0.99)	1.42	1.47	1.72
Cash flow	Cash flow ratio (%)	13.51	0.46	8.17	13.38	5.22
	Cash flow adequacy ratio (%)	22.04	114.08	204.97	155.90	84.89
	Cash reinvestment ratio (%)	3.64	(1.79)	4.01	5.67	(1.83)
Leverage	Operating leverage	1.29	2.43	1.91	1.48	5.78
	Financial leverage	1.28	5.42	2.06	1.26	(1.62)

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

(I) Operating capacity

The decline of the receivables turnover and the rise of the average collection days are primarily a result of the reduced net sales by NT\$1,434,819 thousand and the reduced receivables by NT\$461,298 thousand in 2022.

The decline of the inventory turnover and the rise of average days in sales are primarily a result of the reduced sales cost by NT\$1,051,080 thousand and increased inventory by 679,234 thousand in 2022.

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\$1,434,819 thousand in 2022.

(II) Profitability

The decline of the related ratio is primarily a result of the reduced net sales in 2022.

(III) 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				
		2018	2019	2020	2021	2022
Financial structure (%)	Debt Ratio	71.80	71.24	66.53	63.65	59.95
	Ratio of long-term capital to property, plant and equipment	142.64	122.98	142.89	169.38	221.95
Solvency (%)	Current ratio	129.55	91.19	109.40	112.65	158.04
	Quick ratio	62.50	45.36	50.80	57.39	72.36
	Interest earned ratio (times)	2.22	0.02	3.22	4.33	5.62
Operating performance	Accounts receivable turnover (times)	5.75	4.83	4.74	5.66	5.04
	Average collection period	63.47	75.56	77.00	64.48	72.42
	Inventory turnover (times)	2.03	1.85	1.60	1.85	1.42
	Accounts payable turnover (times)	11.20	11.31	11.05	12.34	11.29
	Average days in sales	179.80	197.29	228.12	197.29	257.04
	Property, plant and equipment turnover (times)	1.38	1.23	1.21	2.01	1.72
	Total assets turnover (times)	0.57	0.49	0.44	0.57	0.49
Profitability	Return on total assets (%)	2.65	(0.61)	3.22	3.37	4.22
	Return on stockholders' equity (%)	5.61	(5.96)	7.97	8.10	9.88
	Pre-tax income to paid-in capital (%)	15.09	(7.72)	16.54	16.50	21.30
	Profit ratio (%)	2.66	(3.49)	5.58	4.95	7.69
	Earnings per share (NT\$)	1.11	(0.99)	1.42	1.47	1.72
Cash flow	Cash flow ratio (%)	11.17	7.64	12.97	(0.60)	16.54
	Cash flow adequacy ratio (%)	20.89	55.27	102.80	87.56	95.63
	Cash reinvestment ratio (%)	4.30	5.30	6.82	(3.01)	4.64
Leverage	Operating leverage	2.50	5.50	2.02	1.55	1.58
	Financial leverage	7.10	(0.86)	1.72	1.21	1.20

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

(I) Financial structure:

The rise of the long-term capital to property, plant and equipment ratio is primarily a result of the increased non-current liabilities in 2022 in comparison with 2021.

(II) Solvency

The rise of the current ratio and quick ratio is primarily a result of the increased current liabilities in 2022 in comparison with 2021.

The rise of the interest coverage ratio is primarily a result of the growing profit and reduced interest expense in 2022.

(III) Operating capacity

The decline of the average days in sales is primarily a result of the reduced sales cost in 2022 in comparison with 2021.

(IV) Profitability

The rise of the related ratio is primarily a result of the growing profit in 2022.

(V) Cash flow ratio

The change of the related ratio is primarily a result of the increased 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 = $(\text{Total equity} + \text{non-current liabilities}) / \text{property, plant and equipment}$.
2. Solvency
- (1) Current ratio = $\text{Current assets} / \text{Current liabilities}$.
 - (2) Quick ratio = $(\text{Current assets} - \text{inventory} - \text{prepaid expenses}) / \text{current liabilities}$.
 - (3) Interest earned ratio = $\text{Net income before tax and interest expense} / \text{interest expense}$.
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 Committee's audit report on the financial reports in the most recent year

Audit Committee's Report for the Most Recent Year

The company's 2022 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 PwC'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 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 - 2023 Annual General Meeting

Convener of the Audit Committee: Yen-Chun, Chen

March 15, 2023

IV. Consolidated financial reports for the most recent year: Please refer to Attachment 1 from page 149 to page 272 .

V. Separate financial reports for the most recent year: Please refer to Attachment 2 from page 273 to page 379 .

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

Item \ Year	12.31.2022	12.31.2021	Difference		Remark ¹
			Amount	%	
Current Assets	\$16,698,426	\$17,828,534	-\$1,130,108	(6)	²
Fixed Assets	12,819,982	12,459,760	360,222	3	
Total Assets	29,518,408	30,288,294	(769,886)	(3)	
Current Liabilities	10,566,152	15,826,753	(5,260,601)	(33)	
Long-term Liabilities	7,131,100	3,454,063	3,677,037	106	³
Total Liabilities	17,697,252	19,280,816	(1,583,564)	(8)	
Capital stock	6,414,897	6,382,873	32,024	1	
Capital surplus	2,638,722	2,384,602	254,120	11	
Retained Earnings	2,494,762	2,106,814	387,948	18	⁴
Other Adjustments	3,672	(106,385)	110,057	(103)	⁵
Total Stockholders' Equity	(414,345)	(414,345)	0	0	⁶
Capital stock	683,448	653,919	29,529	5	
Capital surplus	11,821,156	11,007,478	813,678	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 decline of the current liabilities for the current period is primarily a result of the repayment of loans for the current period.

Note 3: The increase of the non-current liabilities for the current period is primarily a result of the increased long-term loans for the current period.

Note 4: 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. The future plan

1. Continuous and planned disposal of idle assets.
2. Strive for a high gross profit rate of tape products.
3. To expand and expand specialized industries with high profits.
4. Stepping into the green energy industry in response to the trend.
5. Carry out carbon emission management and practice energy saving and carbon reduction.
6. Seek new momentum for growth through digital transformation.

II. Analysis of Financial Performance

(I Comparative analysis of financial performance

Unit: NT\$ thousands

Item \ Year	2021	2020	Difference		Analysis of changes in financial ratios:
			Amount	%	
Net Sales	\$14,671,393	\$ 17,181,794	(2,510,401)	(15)	
Cost of Sales	(12,079,984)	(14,275,031)	2,195,047	15	
Gross Profit	2,591,409	2,906,763	(315,354)	(11)	
Operating Expenses	(1,541,144)	(1,602,864)	61,720	4	
Operating Income	1,050,265	1,303,899	(253,634)	(19)	
Non-operating income and expenses	314,539	926,566	(612,027)	(66)	Details in (2).1
Income Before Tax	1,364,804	2,230,465	(865,661)	(39)	Details in (2).2
Tax Expense	(235,976)	(203,371)	(32,605)	(16)	
Loss on discontinued operations	(577)	(1,177,429)	(1,176,852)	(100)	Details in (2).3
Net Income	1,128,251	849,665	278,586	33	Details in (2).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 of the non-operating revenue and expense is primarily a result of the reduced profit on disposal of non-current assets held for sale.
2. The decrease of the profit before tax is primarily as result of the reduced operating revenue of the Tape Manufacturing Department in 2022.
3. The decrease of the losses from discontinued operations is primarily a result of the disposal of non-current assets held for sale in 2021.
4. The increase of the net profit for the current period is primarily a result of the reduced losses from discontinued operations.

III. Analysis of Cash Flow

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

Item	Year	2022/12/31	2021/12/31	Variance (%)
	Cash Flow Ratio (%)		16.54	(0.60)	2,857
Cash Flow Adequacy Ratio (%)		95.63	87.56	9
Cash Reinvestment Ratio (%)		4.64	(3.01)	254

Analysis of change in financial ratio:

Increased cash flow ratio: Primarily as a result of the increased net cash flow from operating activities in 2022.

(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
\$2,163,330	\$4,049,033	(\$ 2,863,488)	\$3,348,875	\$ -	\$ -

1. Analysis of expected changes in cash flow

(1) Operating activities: Stable sales income of the main tape business is expected. The “Wangchio Wangniahui” and “Wangchio Yipin” projects will be completed and the houses will be delivered in the near future, and these will bring a net cash flow from operating activities.

(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.

(3) Financing activities: A net cash outflow is expected due to repayment of the maturable convertible corporate bonds, implementation or earnings distribution, and repayment of bank loans using surplus.

2. Remedial measures and flow analysis of estimated cash shortage: None

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				
				2027 (Expected)	2026 (Actual)	2025 (Actual)	2014 (Actual)	2013 (Actual)
Specialized Plant of Huwei Science Park	Own funds and loans	2025	1,110,920	-	-	225,300	567,460	318,160

(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 2022 investment profit was NT\$795,961,000

Reinvestment policy	Reasons for Gain or Loss	Action Plan	Investment Plan for the Next 12 Months
Various investments at home and abroad	<p>1. Effort was made to keep the contribution margin of the existing tape products at a fixed or higher level.</p> <p>2. The development of new suppliers for collectively purchased products in big quantity demonstrated its benefit.</p> <p>3. The exchange profit from depreciation of New Taiwan Dollar made contribution to the revenue.</p> <p>4. As the disposal of Wan Chio Petrochemical, a subsidiary in Mainland China, has completed, there is no any single company suffering huge operating losses any more.</p>	None	<p>(A) Continue to invest in the research and development of product technology as well as upgrade and automation of plant equipment</p> <p>(B) Increase personnel training and improve employee productivity</p> <p>(C) Commit to investing in new businesses, based on circular economy, etc.</p> <p>(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.</p>

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, the company has continued to use the cash inflow from operations to repay bank loans, resulting in a decrease in the company's bank loans. Although the market rate of interest in 2022 remained at a high level due to increase of the interest rate by the Central Bank. 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) Future Research & Development Projects and Corresponding Budget

The applications of Environmental adhesives in PVC electrical components and semiconductors, the development of biodegradable and eco-friendly packaging tapes (using cellulose and C+ film, etc.), and the alternative low-temperature hot glue to replace some solubilized rubbers which will be developed into new businesses, with estimated research and development costs of NT\$150 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:

On June 17, 2013, the company promulgated the "Internet Account Access Regulation", meanwhile announced and implemented it, to define the rules of using the company's internal computers, login account and network access to secure the entire electronic information of the company.

In addition, the group's Network Intrusion Response Management Regulation were promulgated on January 30, 2018 to 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.

The group's important core information systems are all built with virtual server architecture, in accordance with the high reliability system management, and the automated off-site backup system was installed in the fourth quarter of 2021 to minimize the risk of business interruption due to cyber security incidents and to reduce the RTO (Recovery Time Objective) for system recovery.

- (VI) The Impact of Changes in Corporate Image on Corporate Risk Management and Company Response Measures: Not applicable
- (VII) Expected Benefits from Risks Associated with Merger and Acquisition Plans: Not applicable
- (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.
- (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. (The case is pending.)

(XIII) Other Major Risks: None

VII. Other important matters: None

Eight. Special Disclosure

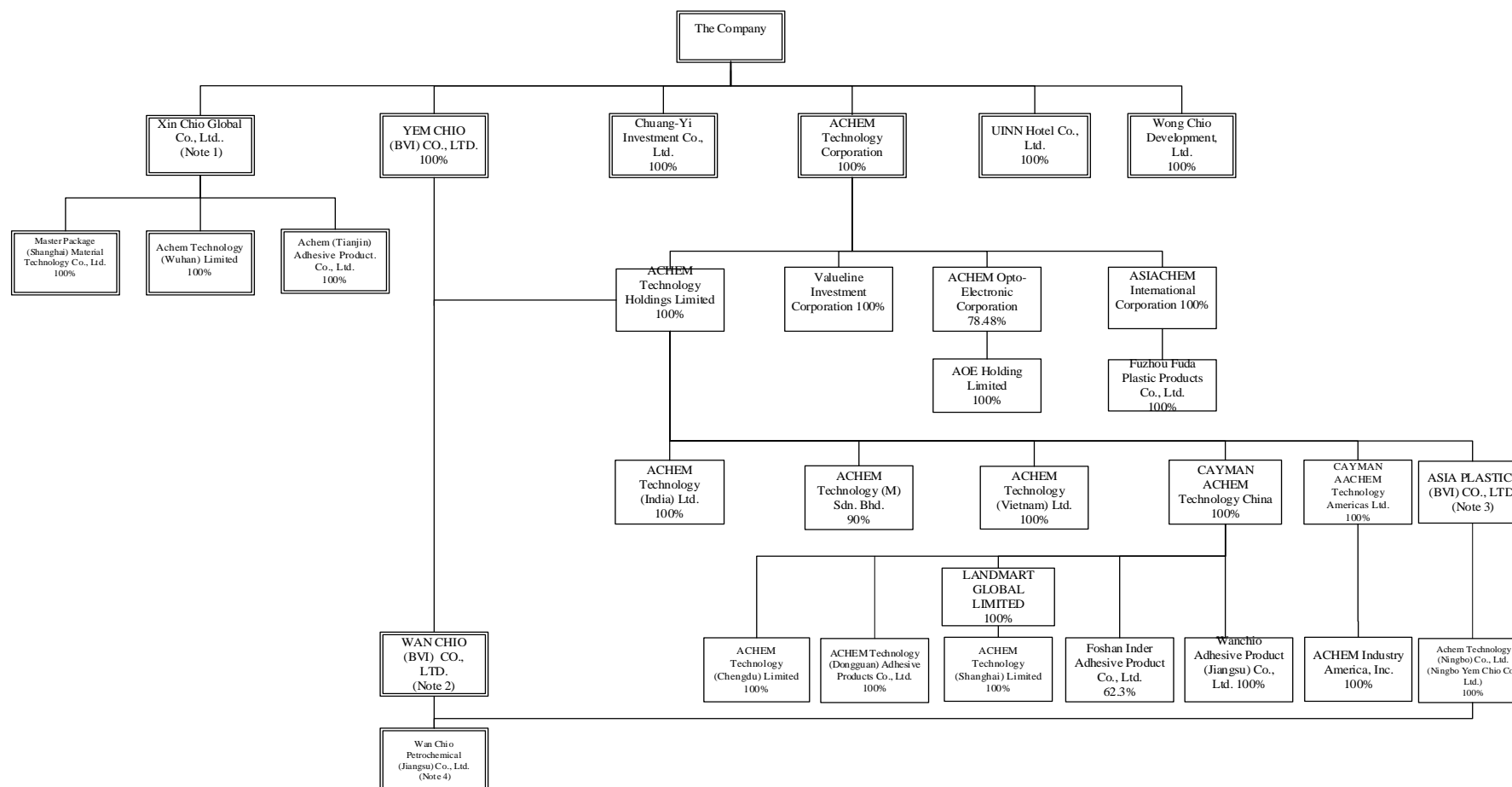
Yem Chio Co., Ltd.

2022 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: Chuang-Yi Investment Co., Ltd. ceased to exist and was merged into the Company on the December 1, 2022, the reference date for the merger.
- 6: The cancellation of ACHEM (Tianjin) was completed in December 2022.

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.	1,446,994	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.	1,811,890	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	2,251,743	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
Chuangyi Investment Co., Ltd.	2015/3/3	7F, No. 397, Xingshan Rd., Neihu Dist., Taipei City	-	Professional investment company

Name	Date of establishment	Address	Paid-in capital (Note)	Main business or production projects
Xin Chio Global Co., Ltd. (formerly TERMTEK Computer Co., Ltd)	1983/12/3	5F, No. 397, Xingshan Rd., Neihu Dist., Taipei City	667,035	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
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	168,848	Wholesale, import and export of various packaging materials, computer software & hardware and related equipment
Achem (Tianjin)Adhesive Products Co., Ltd. (formerly Asia Chemicals (Tianjin) Adhesive Products Co., Ltd.)	2002/2/6	Industrial Zone, Shuangqiaohe Town, Jinnan District, Tianjin City	23,528	Production and sales of various adhesive products (Liquidated and canceled)
Achem Technology (Wuhan) Co., Ltd.	2003/11/6	Special No.1, Sandianji Town, Dongxihu District, Wuhan	28,234	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	357,295	Investment in tape related products and operation of related business

Name	Date of establishment	Address	Paid-in capital (Note)	Main business or production projects
Fuzhou Fuda Plastic Co., Ltd.	1993/3/24	Shadun Village, Shangjie Town, Minhou County, Fujian Province	35,984	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.	3,099,381	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	418,977	Investment and operation of hi-tech business
Achem Industry America	1993/8/1	13226 Alondra Blvd. Cerritos, CA 90703 USA	15,355	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	2,735	Import, export and distribution business
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.	2,094,701	Investment and operation of hi-tech business

Name	Date of establishment	Address	Paid-in capital (Note)	Main business or production projects
Achem Technology (Chengdu) Co., Ltd. (formerly Asia Chemicals Technology Co., Ltd.)	2000/5/12	No. 139, Shenxianshu South Road, Chengdu High-tech Zone	4607	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	230,694	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	433,794	Production and sales of various adhesive products
Achem Adhesive Products (Jiangsu) Co., Ltd	2013/11/6	No. 1, Wanzhou Road, Libao Town, Haian County, Jiangsu Province	921,300	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

Name	Date of establishment	Address	Paid-in capital (Note)	Main business or production projects
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.	65,007	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	344,811	Production and sales of various adhesive products
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.	793,854	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	344,872	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	859,800	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	494,431	Production of adhesives and resin-based composite materials and polypropylene film

Note: Conversion is based on the spot exchange rate on December 31, 2022. The spot exchange rates on December 31, 2022 were as follows:

1 USD = 30.7100 NTD

1 RMB = 4.408 NTD

1 MYR = 6.8708 NTD

1 VND = 0.0013 NTD

(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	Jianyu Lin		
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: Lee, Shu-Wei	34,507,664	100.00%
	Director	YEM CHIO Co., Ltd. Representative: Chang, Yung-Chieh		
	Director	YEM CHIO Co., Ltd. Representative: Chou, Yun-Ting		
	Supervisor	YEM CHIO Co., Ltd. Representative: Zheng, Yan-Zhong		
Xin Chio Global Co., Ltd.	Director	YEM CHIO Co., Ltd. Representative: Jiang, Wen-Rong	25,740,120	38.59%
	Director	YEM CHIO Co., Ltd. Representative: Shuyuan Lin		
	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: Jianyu Lin		
	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: Yongjie Zhang		
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: Longxing Chen		
	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: Yujuan Wang		
	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: Longxing Chen	—	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: Longxing Chen	—	100.00%
	Director	Cayman Achem Technology (China) Co., Ltd. Representative: Lee, Chi-Cheng		
	Director	Cayman Achem Technology (China) Co., Ltd. Representative: Yen, Ming-Chun		
	Supervisor	Cayman Achem Technology (China) Co., Ltd. Representative: Yanzhong Zheng		
	General Manager	Longxing Chen		

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: Yanzhong Zheng		
	General Manager	Longxing Chen	—	—
Yizhou (Dongguan) adhesive Product Co., Ltd. (Formerly: Achem Technology (Dongguan) adhesive Product)	Director	Cayman Achem Technology (China) Co., Ltd. Representative: Longxing Chen	—	100.00%
	Director	Cayman Achem Technology (China) Co., Ltd. Representative: Shuhua Rao		
	Director	Cayman Achem Technology (China) Co., Ltd. Representative: Niying Sun		
	General Manager	Longxing Chen	—	—

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: Longxing Chen		
	Director	Cayman Achem Technology (China) Co., Ltd. Representative: Yongjie Zhang		
	Director	Cayman Achem Technology (China) Co., Ltd. Representative: Boyang Chao		
	Director	Foshan Plastics Group Co., Ltd. Representative: Guanghui Jin	—	37.70%
	Director	Foshan Plastics Group Co., Ltd. Representative: Yuzhen Huang		
	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	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: Yanzhong Zheng		

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	—	—
LANDMART GOLBAL LIMITED	Director	Cayman Achem Technology (China) Co., Ltd. Representative: Lee, Chih-Hsieh	28,000,000	100.00%

(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, 994	\$(558, 720)	\$—	\$(558, 720)	\$—	\$(575)	\$34, 919	\$0. 74
WAN CHIO (BVI) CO., LTD.	1, 811, 890	(1, 226, 953)	147, 802	(1, 374, 755)	—	(68)	(3, 199)	(0. 05)
Achem Petrochemical (Jiangsu) Co., Ltd.	2, 251, 743	708, 885	3, 162, 827	(2, 453, 942)	—	(33, 990)	(577)	—
UINNtravel Co., Ltd (Formerly: Youguan Boutique Leisure Hotel Co., Ltd.)	25, 740	89, 338	146, 486	(57, 148)	42, 757	7, 450	4, 457	—
Wongchio Construction Co., Ltd. (Formerly: Yuzhou Construction Co., Ltd.)	345, 077	1, 179, 963	865, 559	314, 404	253, 369	(11, 649)	(12, 937)	(0. 37)
Chuangyi Investment Co., Ltd.	—	—	—	—	—	—	—	—
Xin Chio Global Co., Ltd. (Formerly: TCK Technology Co., Ltd)	667, 035	1, 744, 328	824, 122	920, 206	1, 636, 391	135, 856	113, 052	1. 83

Name	Capital	Total assets	Total liabilities	Net worth	Operating income	Operating profit	Current profit and loss(After tax)	Earnings per share (\$NT)(After tax)
Master Bao (Shanghai) Material Technology Co., Ltd.	\$187,331	\$120,369	\$5,857	\$114,512	\$28,281	\$(7,897)	\$(4,172)	\$—
Achem (Tianjin)Adhesive Products Co., Ltd. (Formerly: Asia Chemicals (Tianjin) Adhesive Products Co., Ltd.)	—	—	—	—	—	(15)	(166)	—
Achem Technology (Wuhan) Co., Ltd.	31,324	7,272	1,641	5,631	4,486	514	521	—
Achem Technology Co., Ltd.	3,999,048	11,914,419	6,013,396	5,901,023	5,432,675	535,331	743,275	1.86
BVI Achem Technology International Co., Ltd.	357,295	1,379,360	—	1,379,360	—	(219)	65,324	2,807.34
Fuzhou Fuda Plastic Co., Ltd.	39,923	61,641	—	61,641	—	—	179	—
Achem Technology (Malaysia) Co., Ltd.	2,735	52,377	30,556	21,821	101,434	(45)	(55)	(0.14)
BVI Achem Technology Holdings Co., Ltd.	3,099,381	5,146,969	1,512,414	3,634,555	—	208,585	111,960	1,109.35

Name	Capital	Total assets	Total liabilities	Net worth	Operating income	Operating profit	Current profit and loss(After tax)	Earnings per share (\$NT)(After tax)
Cayman Achem Technology (Americas) Co., Ltd.	\$418,977	\$1,104,757	\$—	\$1,104,757	\$—	\$(203)	\$8,587	\$0.63
Achem Industry America	15,355	1,293,770	307,454	986,316	1,306,987	(7,762)	8,790	175.80
Cayman Achem Technology (China) Co., Ltd.	2,094,701	2,979,708	—	2,979,708	—	(592)	194,601	2.85
Achem Technology (Chengdu) Co., Ltd. (Formerly: Asia Chemicals (Chengdu)Technology Co., Ltd.)	4,607	33,102	24,311	8,791	44,778	(2,073)	(2,069)	-
Yizhou (Dongguan) adhesive Product Co., Ltd. (Formerly: Achem Technology (Dongguan) adhesive Product)	230,694	1,185,288	300,830	884,458	1,170,437	51,788	47,420	-
Inder (Foshan) adhesive Product Co., Ltd	433,794	909,220	110,368	798,852	982,333	67,932	108,159	-
Achem Adhesive Products (Jiangsu) Co., Ltd	921,300	1,753,991	1,554,771	199,220	1,664,198	78,665	34,916	-

Name	Capital	Total assets	Total liabilities	Net worth	Operating income	Operating profit	Current profit and loss(After tax)	Earnings per share (\$NT)(After tax)
Chuangfu Investment Co., Ltd.	\$8,261	\$70,579	\$68	\$70,511	\$—	\$(255)	\$800	\$0.97
Achem Opto-Electronic Corporation (Formerly: Achem Photoelectronic Co., Ltd.)	245,750	579,868	9,283	570,585	65,065	64,750	62,607	2.55
BVI Achem Opto-Electronic Holdings Co., Ltd.	65,007	530,928	3	530,925	—	(222)	65,065	15,367.38
Achem Technology (Vietnam) Ltd. (Formerly: Asia Chemicals Technology (Vietnam) Ltd.)	344,811	307,939	97,391	210,548	116,318	(16,879)	(19,684)	—
Achem Technology (India) Private Limited company	—	—	—	—	—	—	—	—
ASIA PLASTICS (BVI) CO., LTD.	793,854	9,949	25,857	(15,908)	—	(83)	27,389	1.77
Yemchio (Ningbo) adhesive Product Co., Ltd	344,872	(211,103)	391,184	(602,287)	1,070,793	103,534	87,909	—
LANDMART GLOBAL LIMITED	859,880	1,325,501	—	1,325,501	—	(38)	47,456	1.69
Achem Technology (Shanghai) Ltd. (Formerly: Achem (Shanghai) Adhesive Products Co., Ltd.	494,431	1,447,344	122,345	1,324,999	—	(5,298)	47,491	—

Note: The capital, total assets, total liabilities and net value were converted at the spot exchange rate of foreign currencies on December 31, 2022. The spot

exchange rate on December 31, 2022 is as follows:

1 USD = 30.7100NTD

1 RMB =4.4080 NTD

1 MYR = 6.9708NTD

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 2022. The average exchange rates for 2022 were as follows:

1 USD =29.7925 NTD

1 RMB =4.4217NTD

1 MYR =6.7621NTD

1 VND = 0.0013 NTD

(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 2022 consolidated financial statements of affiliated companies (January 1, 2022 to December 31, 2022) 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 15, 2023

(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 3.31.2023

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	2022	—	—	—	16,822,281 \$242,241	—	0	0
				2023/1/1~4/19	—	—	—				
Chuangfu Investment Co., Ltd.	NT\$8,261 thousands	Private capital	100	2022	—	—	—	406,409 \$5,852	—	—	—
				2023/1/1~4/29	—	—	—				
BVI Achem Technology Holdings Co., Ltd.	US\$97,924 thousands	Private capital	100	2022	—	—	—	1,194,138 \$17,196	—	—	—
				2023/1/1~4/19	—	—	—				

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 respond to the operational demands and to reinforce corporate governance, the board of directors approved the removal of Zhi-Xian Li, the chairman of the board, from the position of general manager and the appointment of Shu-Feng Fong as a new one on March 25, 2022.

(II) 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 56-57. The newly commissioned CPA firm starts performing the certification of the financial reports from 2023 Q1.

Nine 、 Appendix

I. Appendix1 Most recent financial report and notes

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Yem Chio Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Yem Chio Co., Ltd. and its subsidiaries (the “Group”) as at December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (refer to the *Other matter* section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and 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. 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 judgement, were of most significance in our audit of the Group's 2022 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2022 consolidated financial statements are stated as follows:

Valuation of inventory

Description

Refer to Note 4(14) for accounting policy on inventory valuation, Note 5(2) for uncertainty of accounting estimates and assumptions applied on inventory valuation and Note 6(6) for details of inventories. As of December 31, 2022, the inventories and allowance for valuation loss amounted to NT\$8,697,636 thousand and NT\$138,405 thousand, respectively.

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 are measured at the lower of cost and net realisable value, and an allowance for inventory valuation losses is provided based on the net realisable value and usable condition of individually identified obsolete or slow-moving inventories.

Considering that the Group's inventories and the allowance for inventory valuation losses are material to the financial statements and the determination of net realisable value for obsolete or slow-moving inventories involves judgements and estimates, we identified the valuation of inventory as a key audit matter.

How our audit addressed the matter

As the above key audit matter is applicable for different consolidated entities based on our audits and the reports of other auditors, we performed the following audit procedures on the above key audit matter:

1. Assessed and obtained an understanding of the provision policies in relation to the allowance for inventory valuation losses.

2. For packaging material business:

- (1) Obtained the net realisable value valuation report of inventories, assessed the calculation logic, verified the related records, and selected samples to check the source data of net realisable value.
- (2) Obtained the details of the individually identified obsolete or slow-moving inventories, reviewed the related supporting documents, and verified the records.
- (3) Obtained an understanding of the Group's warehousing control procedures. Reviewed annual physical inventory count plan and participated in the annual inventory count event in order to assess the classification of obsolete inventory and effectiveness of obsolete inventory internal control.

3. For land development and construction business:

Obtained 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. Tested data in order to check the reasonableness of the net realisable value of construction-in-progress and land held for building.

Valuation of investment property

Description

Refer to Note 4(19) for accounting policy on investment property, Note 5(2) for uncertainty of accounting estimates and assumptions applied on fair value valuation and Note 6(11) for details of investment property. As of December 31, 2022, the fair value of investment property was NT\$2,251,475 thousand.

The Group's investment property is valued by external experts using the fair value model. Additionally, the Group's investment property is material to the financial statements. 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 considered the valuation of investment property as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Assessed the qualifications and independence of appointed external appraisers in accordance with the Group policy.
2. Reviewed whether the valuation method used in the appraisal report is consistent with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
3. For investment properties accounted for using the income approach, assessed whether the lease income and rental growth rate are reasonable by referencing to the market rental rate.

Other matter –Audits by other auditors

We did not audit the financial statements of certain subsidiaries and investments 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 subsidiaries and associates, is based solely on the reports of the other auditors. Total assets of these subsidiaries and the balances of these investments accounted for under the equity method amounted to NT\$1,651,221 thousand and NT\$1,781,336 thousand, both constituting 6% of consolidated total assets as at December 31, 2022 and 2021, respectively, and net operating revenue amounted to NT\$1,524,718 thousand and NT\$1,651,276 thousand, both constituting 10% of consolidated total operating revenue for the years then ended, respectively.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion with other matter section on the parent company only financial statements of Yem Chio Co., Ltd. as at and for the year ended December 31, 2022.

We have audited and expressed an unqualified opinion with other matter section dated March 25, 2022 on the parent company only financial statements of Yem Chio Co., Ltd. as at and for the year ended December 31, 2021. On December 1, 2022, the Company conducted a short-form merger with the subsidiary, Chuang-Yi Investment Co., Ltd. The Company retrospectively restated the parent company only financial statements as at and for the year ended December 31, 2021 as the subsidiary was considered as consolidated at the beginning in accordance with the Accounting Research and Development Foundation Interpretation 101-301. We have audited and expressed an unqualified opinion with other matter section and emphasis of matter section on the restated parent company only financial statements as at and for the year ended December 31, 2021.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 judgement and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

We also provide those charged with governance with 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 the consolidated financial statements of the current period 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.

Lin, Yi-Fan

Chen, Ching Chang

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 15, 2023

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 generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers 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, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2022		December 31, 2021		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 2,163,330	7	\$ 1,756,534	6
1110	Financial assets at fair value through profit or loss - current	6(2)	464,745	2	290,269	1
1120	Financial assets at fair value through other comprehensive income - current	6(3) and 8	959,378	3	1,390,689	5
1136	Current financial assets at amortised cost	6(4) and 8	656,772	2	300,821	1
1150	Notes receivable, net	6(5)	298,140	1	370,345	1
1170	Accounts receivable, net	6(5), 7 and 8	2,074,306	7	2,872,052	9
1200	Other receivables		712,737	3	80,422	-
130X	Inventories, net	6(6) and 8	8,559,231	29	8,226,568	27
1410	Prepayments		493,091	2	518,778	2
1460	Non-current assets held for sale - net	6(13)(14)	-	-	1,783,926	6
1470	Other current assets	7	316,696	1	238,130	1
11XX	Total current assets		<u>16,698,426</u>	<u>57</u>	<u>17,828,534</u>	<u>59</u>
Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	111,351	-	62,601	-
1535	Non-current financial assets at amortised cost	6(4) and 8	155,793	-	270,431	1
1550	Investments accounted for under equity method	6(7)	1,000,298	3	621,865	2
1600	Property, plant and equipment, net	6(8) and 8	8,538,954	29	8,537,930	28
1755	Right-of-use assets	6(9) and 8	342,724	1	299,277	1
1760	Investment property, net	6(11) and 8	2,251,475	8	2,203,498	7
1780	Intangible assets, net	6(12)	186,009	1	172,849	1
1840	Deferred income tax assets	6(30)	184,830	1	194,879	1
1900	Other non-current assets	8	48,548	-	96,430	-
15XX	Total non-current assets		<u>12,819,982</u>	<u>43</u>	<u>12,459,760</u>	<u>41</u>
1XXX	Total assets		<u>\$ 29,518,408</u>	<u>100</u>	<u>\$ 30,288,294</u>	<u>100</u>

(Continued)

YEM CHIO CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(15) and 8	\$ 4,582,817	16	\$ 6,761,518	22
2110	Short-term notes and bills payable	6(16)	730,000	2	640,000	2
2130	Current contract liabilities	6(25) and 7	739,884	3	635,234	2
2150	Notes payable		246,204	1	360,288	1
2170	Accounts payable		658,567	2	878,969	3
2200	Other payables		616,913	2	639,421	2
2220	Other payables - related parties	7	10,097	-	4,829	-
2230	Current income tax liabilities		187,092	1	197,081	1
2260	Liabilities directly related to non-current assets held for sale	6(13)	-	-	25,865	-
2280	Current lease liabilities		36,423	-	31,144	-
2320	Long-term liabilities, current portion	6(17)(19)(20) and 8	2,676,737	9	5,190,264	17
2399	Other current liabilities	6(18)	81,418	-	462,140	2
21XX	Total current liabilities		<u>10,566,152</u>	<u>36</u>	<u>15,826,753</u>	<u>52</u>
	Non-current liabilities					
2530	Corporate bonds payable	6(17)(19) and 8	411,777	1	196,047	1
2540	Long-term borrowings	6(17)(20) and 8	5,964,871	20	2,481,892	8
2570	Deferred income tax liabilities	6(30)	462,913	2	444,573	2
2580	Non-current lease liabilities		141,165	-	112,168	-
2600	Other non-current liabilities	6(21)	150,374	1	219,383	1
25XX	Total non-current liabilities		<u>7,131,100</u>	<u>24</u>	<u>3,454,063</u>	<u>12</u>
2XXX	Total liabilities		<u>17,697,252</u>	<u>60</u>	<u>19,280,816</u>	<u>64</u>
	Equity attributable to owners of parent					
	Share capital	6(22)				
3110	Common stock		6,404,897	22	6,380,540	21
3130	Certificate of entitlement to new shares from convertible bonds		10,000	-	2,333	-
	Capital surplus	6(23)				
3200	Capital surplus		2,638,722	9	2,384,602	8
	Retained earnings	6(24)				
3310	Legal reserve		467,875	1	359,243	1
3320	Special reserve		477,708	2	490,572	2
3350	Unappropriated retained earnings		1,549,179	5	1,256,999	4
	Other equity interest					
3400	Other equity interest		3,672	-	(106,385)	(1)
3500	Treasury stocks	6(22)	(414,345)	(1)	(414,345)	(1)
31XX	Equity attributable to owners of the parent		<u>11,137,708</u>	<u>38</u>	<u>10,353,559</u>	<u>34</u>
36XX	Non-controlling interest		683,448	2	653,919	2
3XXX	Total equity		<u>11,821,156</u>	<u>40</u>	<u>11,007,478</u>	<u>36</u>
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		<u>\$ 29,518,408</u>	<u>100</u>	<u>\$ 30,288,294</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
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except for earnings (loss) per share amounts)

Items	Notes	Year ended December 31				
		2022		2021		
		AMOUNT	%	AMOUNT	%	
4000	Sales revenue	6(25) and 7	\$ 14,671,393	100	\$ 17,181,794	100
5000	Operating costs	6(6)(29) and 7	(12,079,984)	(82)	(14,275,031)	(83)
5950	Net operating margin		<u>2,591,409</u>	<u>18</u>	<u>2,906,763</u>	<u>17</u>
	Operating expenses	6(29)				
6100	Selling expenses		(971,208)	(7)	(1,061,761)	(6)
6200	General and administrative expenses		(521,508)	(4)	(498,876)	(3)
6300	Research and development expenses		(35,763)	-	(38,578)	-
6450	Impairment loss determined in accordance with IFRS 9	12(2)	(12,665)	-	(3,649)	-
6000	Total operating expenses		<u>(1,541,144)</u>	<u>(11)</u>	<u>(1,602,864)</u>	<u>(9)</u>
6900	Operating profit		<u>1,050,265</u>	<u>7</u>	<u>1,303,899</u>	<u>8</u>
	Non-operating income and expenses					
7100	Interest income		8,685	-	5,045	-
7010	Other income	6(26) and 7	264,982	2	230,097	1
7020	Other gains and losses	6(27)	85,310	-	741,142	4
7050	Finance costs	6(28)	(166,833)	(1)	(187,314)	(1)
7060	Share of profit of associates and joint ventures accounted for under equity method	6(7)	<u>122,395</u>	<u>1</u>	<u>137,596</u>	<u>1</u>
7000	Total non-operating income and expenses		<u>314,539</u>	<u>2</u>	<u>926,566</u>	<u>5</u>
7900	Profit before income tax		<u>1,364,804</u>	<u>9</u>	<u>2,230,465</u>	<u>13</u>
7950	Income tax expense	6(30)	(235,976)	(1)	(203,371)	(1)
8000	Profit for the year from continuing operations		<u>1,128,828</u>	<u>8</u>	<u>2,027,094</u>	<u>12</u>
8100	Loss from discontinued operations	6(13)(14)	(577)	-	(1,177,429)	(7)
8200	Profit for the year		<u>\$ 1,128,251</u>	<u>8</u>	<u>\$ 849,665</u>	<u>5</u>

(Continued)

YEM CHIO CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except for earnings (loss) per share amounts)

Items	Notes	Year ended December 31				
		2022		2021		
		AMOUNT	%	AMOUNT	%	
Other comprehensive income						
Components of other comprehensive income that will not be reclassified to profit or loss						
8311	Actuarial gains on defined benefit plans	6(21)	\$ 48,128	-	\$ 15,983	-
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)	(274,842)	(2)	363,807	2
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(30)	(9,625)	-	(3,196)	-
8310	Other comprehensive (loss) income that will not be reclassified to profit or loss		(236,339)	(2)	376,594	2
Components of other comprehensive income that will be reclassified to profit or loss						
8361	Financial statements translation differences of foreign operations		310,752	2	(105,217)	(1)
8367	Unrealised losses from investments in debt instruments measured at fair value through other comprehensive income	6(3)	(9,331)	-	(3,724)	-
8370	Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method		24,318	-	(3,550)	-
8360	Other comprehensive income (loss) that will be reclassified to profit or loss		325,739	2	(112,491)	(1)
8300	Other comprehensive income for the year		\$ 89,400	-	\$ 264,103	1
8500	Total comprehensive income for the year		\$ 1,217,651	8	\$ 1,113,768	6
Profit (loss) attributable to:						
8610	Owners of the parent		\$ 1,037,826	7	\$ 867,762	5
8620	Non-controlling interest		90,425	1	(18,097)	-
			\$ 1,128,251	8	\$ 849,665	5
Comprehensive income (loss) attributable to:						
8710	Owners of the parent		\$ 1,120,571	7	\$ 1,156,816	6
8720	Non-controlling interest		97,080	1	(43,048)	-
			\$ 1,217,651	8	\$ 1,113,768	6
Earnings (loss) per share (in dollars) 6(31)						
Basic earnings (loss) per share						
9710	Basic earnings per share from continuing operations		\$ 1.72		\$ 3.38	
9720	Basic loss per share from discontinued operations		-	(1.91)		
9750	Basic earnings per share		\$ 1.72		\$ 1.47	
Diluted earnings (loss) per share						
9810	Diluted earnings per share from continuing operations		\$ 1.58		\$ 3.04	
9820	Diluted loss per share from discontinued operations		-	(1.72)		
9850	Diluted earnings per share		\$ 1.58		\$ 1.32	

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

YEM CHIO CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Equity attributable to owners of the parent													
	Capital			Retained Earnings				Other Equity Interest					Non-controlling interest	Total equity
	Notes	Share capital - common stock	Certificate of entitlement to new shares from convertible bond	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 surplus	Treasury stocks	Total		
2021														
Balance at January 1, 2021		\$ 5,700,402	\$ 150,076	\$ 2,592,442	\$ 279,187	\$ 637,634	\$ 800,561	(\$ 536,781)	(\$ 79,674)	\$ 439,576	(\$ 562,488)	\$ 9,420,935	\$ 555,858	\$ 9,976,793
Profit for the year		-	-	-	-	-	867,762	-	-	-	-	867,762	(18,097)	849,665
Other comprehensive income (loss) for the year		-	-	-	-	-	12,787	(105,221)	381,488	-	-	289,054	(24,951)	264,103
Total comprehensive income (loss)		-	-	-	-	-	880,549	(105,221)	381,488	-	-	1,156,816	(43,048)	1,113,768
Appropriations and distribution of retained earnings for the year ended December 31, 2020														
Cash dividends		-	-	-	-	-	(348,445)	-	-	-	-	(348,445)	-	(348,445)
Stock dividends		348,445	-	-	-	-	(348,445)	-	-	-	-	-	-	-
Legal reserve		-	-	-	80,056	-	(80,056)	-	-	-	-	-	-	-
Reversal of special reserve		-	-	-	-	(147,062)	147,062	-	-	-	-	-	-	-
Disposal of equity investment valued at fair value through other comprehensive income	6(3)	-	-	-	-	-	205,773	-	(205,773)	-	-	-	-	-
Changes in ownership interests in subsidiaries	6(23)	-	(1,929)	-	-	-	-	-	-	-	(1,929)	-	(1,929)	-
Disposal of treasury shares by subsidiaries	6(22)	-	-	-	-	-	-	-	-	8,870	8,870	-	-	8,870
Cancellation of treasury stocks	6(22)(23)	(93,800)	-	(45,473)	-	-	-	-	-	139,273	-	-	-	-
Conversion of convertible bonds	6(22)(23)	-	277,750	72,503	-	-	-	-	-	-	-	350,253	-	350,253
Conversion of certificates of bonds-to-share		425,493	(425,493)	-	-	-	-	-	-	-	-	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6(23)(32)	-	-	(243,740)	-	-	-	-	-	-	(243,740)	243,740	-	-
Subsidiaries holding the Company's stocks are regarded as treasury stocks and receive cash dividends	6(23)	-	-	10,799	-	-	-	-	-	-	-	10,799	-	10,799
Decrease in non-controlling interest		-	-	-	-	-	-	-	-	-	-	-	(102,631)	(102,631)
Balance at December 31, 2021		\$ 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
2022														
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
Profit for the year		-	-	-	-	-	1,037,826	-	-	-	-	1,037,826	90,425	1,128,251
Other comprehensive income (loss) for the year		-	-	-	-	-	38,503	328,415	(284,173)	-	-	82,745	6,655	89,400
Total comprehensive income (loss)		-	-	-	-	-	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)	-	-	-	-	-	-	-
Reversal of special reserve		-	-	-	-	(12,864)	12,864	-	-	-	-	-	-	-
Disposal of equity investment valued at fair value through other comprehensive income	6(3)	-	-	-	-	-	(65,815)	-	65,815	-	-	-	-	-
Adjustments recognised not based on the shareholding ratio	6(7)(23)	-	-	232,209	-	-	-	-	-	-	-	232,209	-	232,209
Changes in ownership interests in subsidiaries	6(23)	-	(17)	-	-	-	-	-	-	-	(17)	-	(17)	-
Conversion of convertible bonds	6(22)(23)	-	32,024	3,214	-	-	-	-	-	-	-	35,238	-	35,238
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	6(23)	-	-	18,423	-	-	-	-	-	-	-	18,423	-	18,423
Gains from exercise of disorgement	6(23)	-	-	291	-	-	-	-	-	-	-	291	-	291
Decrease in non-controlling interest		-	-	-	-	-	-	-	-	-	-	-	(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

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

YEM CHIO CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit from continuing operations before tax		\$ 1,364,804	\$ 2,230,465
Loss from discontinued operations before tax		(577)	(1,177,429)
Profit before tax		1,364,227	1,053,036
Adjustments			
Adjustments to reconcile profit (loss)			
Loss (gain) on financial assets at fair value through profit or loss	6(2)(27)	75,791 (	24,174)
Expected credit impairment loss	12(2)	12,665	3,649
Gain on disposal of non-current assets held for sale	6(13)(27)	(57,204 ) (	851,666)
Share of profit of associates and joint ventures accounted for under equity method	6(7)	(122,395 ) (	137,596)
Depreciation	6(8)(9)(29)	584,363	640,635
Loss on disposal of property, plant and equipment	6(27)	288	1,823
Loss on write-off of property, plant and equipment	6(8)(27)	10	22,978
Impairment loss on non-current assets classified as held for sale	6(14)(27)	-	844,535
Prepayments reclassified to (gain) loss	6(27)	(78,313)	255,352
(Gain) loss on fair value adjustment of investment property	6(11)(27)	(39,610)	2,681
Amortization	6(12)(29)	4,820	10,008
Employees' compensation	6(29)	5,575	5,576
Interest income		(8,685 ) (	5,045)
Dividend income	6(26)	(137,065 ) (	89,059)
Loss (gain) on disposal of investments in subsidiaries		2,332 (	7,712)
Interest expense	6(28)	166,833	202,548
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		72,205 (	41,246)
Accounts receivable, net		785,081 (	574,703)
Other receivables		8,355	53,077
Inventories		(229,666 ) (	1,180,304)
Prepayments		25,687	25,888
Other current assets		(78,566 ) (	43,850)
Changes in operating liabilities			
Current contract liabilities		104,650	155,879
Notes payable		(114,084)	65,163
Accounts payable		(220,402)	83,567
Other payables		(23,957 ) (	139,571)
Other current liabilities		(2,658)	1,666
Other non-current liabilities		(15,411)	(37,775)
Cash inflow generated from operations		2,084,866	295,360
Interest received		8,849	3,839
Dividends received		137,035	89,053
Interest paid		(251,069 ) (	269,970)
Income tax paid		(232,533)	(212,669)
Net cash flows from (used in) operating activities		1,747,148	(94,387)

(Continued)

YEM CHIO CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2022	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through profit or loss		(\$ 2,121,808)	(\$ 2,665,434)
Proceeds from disposal of financial assets at fair value through profit or loss		1,875,320	2,820,161
Acquisition of financial assets at fair value through other comprehensive income		(1,130,315)	(1,174,950)
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(3)	1,224,698	1,325,800
(Increase) decrease in financial assets at amortised cost		(241,313)	91,096
Proceeds from disposal of non-current assets held for sale		-	1,043,350
Acquisition of property, plant and equipment	6(33)	(461,582)	(342,000)
Proceeds from disposal of property, plant and equipment		622	800
Decrease (increase) in other non-current assets		59,943	(45,207)
Acquisition of investments accounted for using equity method		(21,193)	(27,862)
Decrease in liabilities directly related to non-current assets held for sale		(11,689)	(34,917)
Increase in other current liabilities		935,058	432,282
Increase in other non-current liabilities		776	1,332
Net cash flows from investing activities		<u>108,517</u>	<u>1,424,451</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
(Decrease) increase in short-term borrowings	6(34)	(2,238,046)	393,168
Increase in short-term notes and bills payable	6(34)	90,000	160,000
Proceeds from long-term borrowings	6(34)	4,182,901	3,958,639
Repayment of long-term borrowings	6(34)	(2,975,098)	(5,195,019)
Decrease in lease liabilities	6(34)	(39,350)	(28,010)
Payment of cash dividends	6(24)	(622,566)	(348,445)
Change in non-controlling interest		22,001	(108,238)
Proceeds from disposal of treasury shares by subsidiaries		-	8,870
Gains from exercise of disgorgement	6(23)	291	-
Net cash flows used in financing activities		<u>(1,579,867)</u>	<u>(1,159,035)</u>
Effect of exchange rate fluctuations on cash and cash equivalents		130,998	(63,289)
Net increase in cash and cash equivalents		406,796	107,740
Cash and cash equivalents at beginning of year		1,756,534	1,648,794
Cash and cash equivalents at end of year		<u>\$ 2,163,330</u>	<u>\$ 1,756,534</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
YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

- (1) 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 herein 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.
- (2) 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. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were authorised for issuance by the Board of Directors on March 15, 2023.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

- (1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2022 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 3, ‘Reference to the conceptual framework’	January 1, 2022
Amendments to IAS 16, ‘Property, plant and equipment: proceeds before intended use’	January 1, 2022
Amendments to IAS 37, ‘Onerous contracts— cost of fulfilling a contract’	January 1, 2022
Annual improvements to IFRS Standards 2018–2020	January 1, 2022

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2023 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”).

(2) Basis of preparation

A. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:

- (1) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
- (2) Financial assets and liabilities at fair value through other comprehensive income measured at fair value.
- (3) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.
- (4) Investment property remeasured at fair value.

B. The preparation of financial statements in compliance with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

- (a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
- (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income 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.

- (d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.
- (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2022	December 31, 2021	
Yem Chio Co., Ltd.	YEM CHIO (BVI) Co., Ltd. (YEM CHIO)	Manufacturing 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.	Manufacturing of wrapping materials and computer hardware, software and peripherals for cloud service; business of import and export; design, research, development and distributing for the aforementioned products	41.76	41.76	
	Chuang-Yi Investment Co., Ltd.	Investment holdings	-	100	Note 4 and 8
	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	
	WONG CHIO (Samoa) Co., Ltd. (WONG CHIO)	Investment holdings	-	-	
YEM CHIO	ASIA PLASTICS (BVI) Co., Ltd. (ASIA PLASTICS)	Manufacturing of adhesives and polystyrene sheets; investment holdings	45	45	
	WAN CHIO (BVI) Co., Ltd. (WAN CHIO)	Manufacturing and marketing of raw materials; investment holdings	68.47	68.47	Note 5

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2022	December 31, 2021	
ACHEM Technology Corporation	ASIACHEM International Corporation	Investment holdings	100	100	
	ACHEM Opto-Electronic Corporation	Manufacturing of electronic parts and components	87.09	78.48	Note 6
	Valueline Investment Corporation	Investment holdings	100	100	
	ACHEM Technology Holdings Limited	Investment of high technology industry	100	100	
	Xin Chio Co., Ltd.	Manufacturing of wrapping materials and computer hardware, software and peripherals for cloud service; business of import and export; design, research, development and distributing for the aforementioned products	24.22	24.22	
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	-	100	Note 7
	ACHEM Technology (Wuhan) Limited	Sales of various adhesive products	100	100	
	Chuang-Yi Investment Co., Ltd.	Investment holdings	-	-	Note 4

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2022	December 31, 2021	
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.	Sales of various adhesive products	100	100	Note 1
	ASIA PLASTICS (BVI) Co., Ltd. (ASIA PLASTICS)	Sales of adhesives and polystyrene sheets; investment holdings	55	55	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2022	December 31, 2021	
ACHEM Technology China	ACHEM Technology Huizhou Adhesive Products Ltd.	Discontinued operations	-	-	Note 3
	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.	Manufacturing and sales of various adhesive products	100	100	
	LANDMART Global Limited (LANDMART)	Manufacturing and sales of various adhesives products; investment holdings	100	100	Note 2
ACHEM Technology Americas Ltd.	ACHEM Industry America Inc.	Manufacturing and sales of various adhesive products	100	100	
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	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2022	December 31, 2021	
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 2

Note 1: ACHEM Technology (India) Ltd. underwent liquidation in May 2017.

Note 2: 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.

Note 3: ACHEM Technology Huizhou Adhesive Products Ltd. has undergone liquidation in April 2021. Accordingly, the Group lost control over the subsidiary and recognised gain on disposal of investment in the amount of \$7,712, which was recognised in other gains and losses in the consolidated statements of comprehensive income.

Note 4: On April 1, 2021, Chuang-Yi Investment Co., Ltd. increased capital by issuing 694,286 new shares. Xin Chio Co., Ltd. acquired all the new shares, equivalent to 26.76% equity interest for a cash consideration of \$129,998. The registration of the change was completed on May 4, 2021. In addition, on November 10, 2021, the Company and the subsidiary, Xin Chio Co., Ltd., entered into an agreement to repurchase 26.76% equity interest in the subsidiary, Chuang-Yi Investment Co., Ltd., for a consideration amounting to \$149,665. The registration of the change was completed on November 25, 2021.

Note 5: YEM CHIO entered into a shares repurchase agreement with WAN CHIO's non-controlling interest – Toyota Tsusho Corporation. YEM CHIO acquired an additional 18.81% of outstanding shares of WAN CHIO for a total cash consideration of USD \$1. The registration of the change was completed on November 30, 2021.

Note 6: 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.

Note 7: 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 8: Chuang-Yi Investment Co., Ltd. was dissolved and consolidated in the Company since

the effective date of the merger, December 1, 2022.

C. Related parties in the consolidated financial statements:

Names and relationship of related parties

Associate

Winda Opto-Electronics Co., Ltd.

Yanrun Development Co., Ltd.

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

D. Subsidiaries not included in the consolidated financial statements: None.

E. Adjustments for subsidiaries with different balance sheet dates: None.

F. Significant restrictions: None.

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

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

The operating results and financial position of all the group entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
- (b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
- (c) All resulting exchange differences are recognised in other comprehensive income.

(5) Classification of current and non-current items

- A. The Group's operating cycle on construction projects is usually longer than 1 year. The assets and liabilities in relation to constructions and long-term construction contracts are classified as current or non-current based on operating cycle (usually 4 to 5 years). Other assets and liabilities are classified as current or non-current based on a year.
- B. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
 - (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
 - (b) Assets held mainly for trading purposes;
 - (c) Assets that are expected to be realised within twelve months from the balance sheet date;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.
- C. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
 - (a) Liabilities that are expected to be paid off within the normal operating cycle;
 - (b) Liabilities arising mainly from trading activities;
 - (c) Liabilities that are to be paid off within twelve months from the balance sheet date;

- (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. 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.

(6) Cash equivalents

- A. Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.
- B. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) Financial assets at fair value through profit or loss

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.
- D. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

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

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:
 - (a) The objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets; and
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:
 - (a) The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.
 - (b) Except for the recognition of impairment loss, interest income and gain or loss on foreign exchange which are recognised in profit or loss, the changes in fair value of debt instruments

are taken through other comprehensive income. 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.

(9) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:
- (a) The objective of the Group's business model is achieved by collecting contractual cash flows.
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(11) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortised cost, at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

The Group derecognises a financial asset when one of the following conditions is met:

- A. The contractual rights to receive the cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows of the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows of the financial asset have been transferred and the Group has not retained control of the financial asset.

(13) Lease receivables / leases (lessor)

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(14) Inventories

- A. 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.
- B. 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.

(15) Non-current assets held for sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than through continuing use, and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

(16) Investments accounted for using equity method / associates

- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
- B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- C. When changes in an associate's equity are not recognised in profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

- E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- F. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

(17) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated and the main production equipment of Wan Chio Petrochemical (Jiangsu) Co., Ltd. is depreciated using the units-of-output depreciation method to allocate the cost. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. 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 must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

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

(18) Leasing arrangements (lessee) — right-of-use assets / lease liabilities

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of the following:
- (a) Fixed payments, less any lease incentives receivable; and
 - (b) The exercise price of a purchase option, if the lessee is reasonably certain to exercise that option.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
- (a) The amount of the initial measurement of lease liability;
 - (b) Any lease payments made at or before the commencement date; and
 - (c) Any initial direct costs incurred by the lessee.
- D. The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(19) 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.

(20) Intangible assets

- A. 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.

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

(21) Impairment of non-financial assets

A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

B. The recoverable amounts of goodwill shall be evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.

C. 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.

(22) Notes and accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term accounts and notes payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(23) Derecognition of financial liabilities

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

(24) Convertible bonds payable

Convertible corporate bonds issued by the Group contain conversion options (that is, the bondholders have the right to convert the bonds into the Group's common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options and put options. The Group classifies the bonds payable and derivative features embedded in convertible corporate bonds on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial asset, a financial liability and an equity instrument. Convertible corporate bonds are accounted for as follows:

A. Embedded call options and put options

Call options and put options embedded in convertible corporate bonds are recognised initially at net fair value as 'financial assets or financial liabilities at fair value through profit or loss'. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognised as 'gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss'.

B. Bonds payable of convertible corporate bonds

Bonds payable of convertible corporate bonds is initially recognised at fair value and subsequently stated at amortised cost. Any difference between the proceeds and the redemption value is accounted for as the premium or discount on bonds payable and presented as an addition to or deduction from bonds payable, which is amortised in profit or loss as an adjustment to the 'finance costs' over the period of bond circulation using the effective interest method.

C. Embedded conversion options (meet the definition of equity)

Conversion options embedded in convertible corporate bonds issued by the Group, which meet the definition of an equity instrument, are initially recognised in 'capital surplus—share options' at the residual amount of total issue price less amounts of 'financial assets or financial liabilities at fair value through profit or loss' and 'bonds payable—net' as stated above. Conversion options are not subsequently remeasured.

D. Any transaction costs directly attributable to the issuance of convertible corporate bonds are allocated to the liability and equity components in proportion to the allocation of proceeds.

E. When bondholders exercise conversion options, the liability component of the bonds (including 'bonds payable' and 'financial assets or financial liabilities at fair value through profit or loss') shall be remeasured on the conversion date. The book value of common shares issued due to the conversion shall be based on the adjusted book value of the above-mentioned liability component plus the book value of capital surplus –share options.

(25) 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.

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.

(26) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expenses in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expenses when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.
- ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- iii. Past service costs are recognised immediately in profit or loss.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Group's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Group recognises expense as it can no longer withdraw an offer of termination benefits or it recognises related restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after the balance sheet date shall be discounted to their present value.

D. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(27) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-market vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

(28) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit

or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred income tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.
- D. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred income tax assets are reassessed.

(29) Share capital

- A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.
- B. Where the Group repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(30) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(31) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises expenses for the related costs for which the grants are intended to compensate.

(32) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Chief Operating Decision-Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

None.

(2) Critical accounting estimates and assumptions

A. Evaluation of 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. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash on hand and revolving funds	\$ 2,150	\$ 1,858
Checking accounts and demand deposits	1,591,440	1,719,375
Time deposits	569,740	7,621
Bonds sold under repurchase agreements	-	27,680
	<u>\$ 2,163,330</u>	<u>\$ 1,756,534</u>

A. 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.

B. Cash and cash equivalents that were pledged as collateral were reclassified to financial assets at amortised cost. Details are provided in Notes 6(4) and 8.

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Wealth management products	\$ 52,896	\$ -
Capital guarantee products	264,413	-
Listed stocks	150,511	272,746
Bank debentures	-	19,590
Beneficiary certificates	88,616	79,873
	<u>556,436</u>	<u>372,209</u>
Valuation adjustments	(91,772)	(82,691)
	<u>\$ 464,664</u>	<u>\$ 289,518</u>

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current items:		
Financial assets designated as at fair value through profit or loss		
Derivative financial instruments - bonds payable	\$ 177	\$ 159
Valuation adjustments	(96)	592
	<u>\$ 81</u>	<u>\$ 751</u>

A. Amounts recognised in profit or loss in relation to financial assets at fair value through profit or

loss are listed below:

	Year ended December 31	
	2022	2021
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	(\$ 64,781)	\$ 24,580
Debt instruments	102	16
	<u>(\$ 64,679)</u>	<u>\$ 24,596</u>

Financial assets designated as at fair value through profit or loss

Derivative instruments	(\$ 660)	(\$ 422)
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B. Amounts recognised in profit or loss in relation to financial liabilities at fair value through profit or loss are listed below:

	Year ended December 31	
	2022	2021
Financial liabilities designated as at fair value through profit or loss		
Derivative instruments	(\$ 10,452)	\$ -

C. As of December 31, 2022 and 2021, the issuance of convertible bonds by the Company amounting to \$81 and \$751, respectively, was recognised under ‘financial assets designated as at fair value through profit or loss on initial recognition’ due to their compound instrument feature.

(a) For the years ended December 31, 2022 and 2021, the Group has recognised the changes in fair value amounting to (\$660) and (\$422), respectively, which are not attributable to the changes in credit risk of the assets.

(b) For the terms of the 8th and 9th secured convertible bonds issued by the Company, refer to Note 6(19).

D. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current items:		
Equity instruments		
Listed stocks	\$ 975,640	\$ 1,204,239
Valuation adjustments	(16,262)	186,450
	<u>\$ 959,378</u>	<u>\$ 1,390,689</u>
Non-current items:		
Debt instruments		
Bank debenture	\$ 61,098	\$ 55,070
Valuation adjustments	(8,513)	818
	<u>52,585</u>	<u>55,888</u>
Equity instruments		
Listed stocks	58,694	-
Unlisted shares	115,675	115,675
Valuation adjustments	(115,603)	(108,962)
	<u>58,766</u>	<u>6,713</u>
	<u>\$ 111,351</u>	<u>\$ 62,601</u>

- A. 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 \$1,018,144 and \$1,397,402 as at December 31, 2022 and 2021, respectively.
- B. Due to adjustments on strategic investments for the years ended December 31, 2022 and 2021, the Group sold its investments in stocks at fair value of \$1,224,698 and \$1,325,800, respectively.

C. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Year ended December 31	
	2022	2021
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	(\$ 274,842)	\$ 363,807
Cumulative (losses) gains reclassified to retained earnings due to derecognition	(\$ 65,815)	\$ 205,773
Dividend income recognised in profit or loss		
Held at end of year	\$ 86,617	\$ 52,768
Derecognised during the year	44,000	24,012
	<u>\$ 130,617</u>	<u>\$ 76,780</u>

Debt instruments at fair value through other comprehensive income

Fair value change recognised in other comprehensive income	(\$ 9,331)	(\$ 3,724)
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D. As at December 31, 2022 and 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group was \$52,585 and \$55,888, respectively.

E. Details of the Group's certain financial assets at fair value through other comprehensive income pledged to others as collateral for short-term borrowings are provided in Note 8.

F. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(2).

(4) Financial assets at amortised cost

Items	December 31, 2022	December 31, 2021
Current items:		
Restricted demand deposits	\$ 316,623	\$ 298,515
Restricted time deposits	340,149	2,306
	<u>\$ 656,772</u>	<u>\$ 300,821</u>
Non-current items:		
Restricted demand deposits	\$ 98,011	\$ 165,432
Restricted time deposits	57,782	104,999
	<u>\$ 155,793</u>	<u>\$ 270,431</u>

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	Year ended December 31	
	2022	2021
Interest income	\$ 1,332	\$ 1,124

B. As at December 31, 2022 and 2021, the restricted 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.

C. As at December 31, 2022 and 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was \$812,565 and \$571,252, respectively.

D. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

(5) Notes and accounts receivable

	December 31, 2022	December 31, 2021
Notes receivable	\$ 298,140	\$ 370,345
Less: Allowance for uncollectible accounts	-	-
	<u>\$ 298,140</u>	<u>\$ 370,345</u>
Accounts receivable	\$ 2,182,456	\$ 2,970,081
Less: Allowance for uncollectible accounts	(108,150)	(98,029)
	<u>\$ 2,074,306</u>	<u>\$ 2,872,052</u>

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

	December 31, 2022		December 31, 2021	
	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable
Not past due	\$ 298,140	\$ 1,785,483	\$ 370,345	\$ 2,333,443
Up to 30 days	-	222,110	-	417,526
31 to 90 days	-	101,639	-	138,044
91 to 180 days	-	12,008	-	26,627
Over 180 days	-	61,216	-	54,441
	<u>\$ 298,140</u>	<u>\$ 2,182,456</u>	<u>\$ 370,345</u>	<u>\$ 2,970,081</u>

The above ageing analysis was based on past due date.

B. As of December 31, 2022 and 2021, accounts and notes receivable were all from contracts with customers.

C. Details of notes and accounts receivable pledged to others as collateral are provided in Note 8.

D. As of December 31, 2022 and 2021, the information on collateral pledged for accounts receivable were not disclosed due to the immaterial amount.

E. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(6) Inventories

A. Inventories were as follows:

	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Packaging Material Sales			
Channel business:			
Raw materials and supplies	\$ 747,320	(\$ 37,328)	\$ 709,992
Work-in-progress	296,419	(8,568)	287,851
Finished goods	352,372	(9,476)	342,896
Merchandise	432,724	(81,239)	351,485
Inventories in transit	52,508	-	52,508
	<u>1,881,343</u>	<u>(136,611)</u>	<u>1,744,732</u>
Land Development & Construction business:			
Construction-in-progress	6,418,849	(1,794)	6,417,055
Land held for building	397,444	-	397,444
	<u>6,816,293</u>	<u>(1,794)</u>	<u>6,814,499</u>
	<u>\$ 8,697,636</u>	<u>(\$ 138,405)</u>	<u>\$ 8,559,231</u>

	December 31, 2021		
	Cost	Allowance for valuation loss	Book value
Packaging Material Sales			
Channel business:			
Raw materials and supplies	\$ 870,134	(\$ 93,715)	\$ 776,419
Work-in-progress	311,016	(10,495)	300,521
Finished goods	446,905	(10,818)	436,087
Merchandise	453,276	(38,145)	415,131
Inventories in transit	183,930	-	183,930
	<u>2,265,261</u>	<u>(153,173)</u>	<u>2,112,088</u>
Land Development &			
Construction business:			
Construction-in-progress	4,979,289	-	4,979,289
Land held for building	1,136,985	(1,794)	1,135,191
	<u>6,116,274</u>	<u>(1,794)</u>	<u>6,114,480</u>
	<u>\$ 8,381,535</u>	<u>(\$ 154,967)</u>	<u>\$ 8,226,568</u>

B. The cost of inventories recognised as expense for the year:

	Year ended December 31	
	2022	2021
Cost of inventories sold	\$ 11,973,541	\$ 13,789,858
Cost of construction sold	778	376,480
Unamortised fixed production overhead	128,734	105,221
(Gain) loss on market price decline	(23,069)	3,472
	<u>\$ 12,079,984</u>	<u>\$ 14,275,031</u>

C. Amount of borrowing costs capitalised as part of inventory and the range of interest rates for such capitalisation are as follows:

	Year ended December 31	
	2022	2021
Amount capitalised	\$ 102,997	\$ 86,208
Range of interest rates	1.98%~2.88%	1.68%~2.26%

D. Information about the inventories that were pledged to others as collateral is provided in Note 8.

E. The Company acquired the land in Taishan Dist., New Taipei City in June 2021, and the land-transfer procedure had been completed. The inventory-lands under construction amounted to \$392,911.

(7) Long-term investments accounted for under the equity method

A. Details of long-term investments accounted for under the equity method are set forth below:

<u>Related parties</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Winda Opto-Electronics Co., Ltd.	\$ 1,003,486	\$ 617,736
Yanrun Development Co., Ltd.	(3,188)	4,129
	<u>\$ 1,000,298</u>	<u>\$ 621,865</u>

B. Investment income accounted for under the equity method for the years ended December 31, 2022 and 2021 is set forth below:

<u>Investee company</u>	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Winda Opto-Electronics Co., Ltd.	\$ 129,401	\$ 141,467
Yanrun Development Co., Ltd.	(7,006)	(3,871)
	<u>\$ 122,395</u>	<u>\$ 137,596</u>

C. (a) The basic information of the associate that is material to the Group is as follows:

<u>Company name</u>	<u>Principal place of business</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>Nature of relationship</u>	<u>Method of measurement</u>
Winda Opto-Electronics Co., Ltd.	China	31.42%	41.91%	Has significant influence over the Group	Equity method

(b) The summarized financial information of the associate that is material to the Group is as follows:

Balance sheet

	<u>Winda Opto-Electronics Co., Ltd.</u>	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current assets	\$ 3,212,896	\$ 1,522,124
Non-current assets	136,913	96,338
Current liabilities	(141,293)	(125,621)
Non-current liabilities	(12,640)	(17,234)
Total net assets	<u>\$ 3,195,876</u>	<u>\$ 1,475,607</u>
Share in associate's net assets	\$ 1,004,144	\$ 618,427
Negative goodwill	(658)	(691)
Carrying amount of the associate	<u>\$ 1,003,486</u>	<u>\$ 617,736</u>

Statement of comprehensive income

	Winda Opto-Electronics Co., Ltd.	
	Year ended December 31	
	2022	2021
Revenue	\$ 1,189,055	\$ 1,180,252
Profit for the year from continuing operations	309,942	337,541
Other comprehensive income (loss) , net of tax	58,105	(8,121)
Total comprehensive income	\$ 368,047	\$ 329,420
Dividends received from associates	\$ -	\$ -

- (c) 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.
- (d) 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, 2022 was \$1,524,074.
- (e) The carrying amount of the Group's interests in all individually immaterial associates and the Group's share of the operating results are summarised below:

As of December 31, 2022 and 2021, the carrying amount of the Group's individually immaterial associates amounted to \$3,188 and \$4,129, respectively.

	Year ended December 31	
	2022	2021
Profit or loss for the year from continuing operations	(\$ 7,006)	(\$ 3,871)
Other comprehensive income, net of tax	-	-
Total comprehensive loss	(\$ 7,006)	(\$ 3,871)

(8) Property, plant and equipment / Subsequent event

2022

	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Unfinished construction and equipment under acceptance	Total
At January 1								
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)
	<u>\$ 2,610,162</u>	<u>\$ 2,655,437</u>	<u>\$ 2,688,523</u>	<u>\$ 54,776</u>	<u>\$ 120,647</u>	<u>\$ 118,763</u>	<u>\$ 289,622</u>	<u>\$ 8,537,930</u>
Opening net book amount as at January 1	\$ 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 charge	-	(107,674)	(386,270)	(13,699)	(28,242)	(15,212)	-	(551,097)
Net exchange differences	<u>29,389</u>	<u>50,280</u>	<u>15,308</u>	<u>341</u>	<u>402</u>	<u>546</u>	<u>10,316</u>	<u>106,582</u>
Closing net book amount as at December 31	<u>\$ 2,681,783</u>	<u>\$ 2,630,479</u>	<u>\$ 2,531,501</u>	<u>\$ 45,405</u>	<u>\$ 105,419</u>	<u>\$ 104,572</u>	<u>\$ 439,795</u>	<u>\$ 8,538,954</u>
At December 31								
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)
	<u>\$ 2,681,783</u>	<u>\$ 2,630,479</u>	<u>\$ 2,531,501</u>	<u>\$ 45,405</u>	<u>\$ 105,419</u>	<u>\$ 104,572</u>	<u>\$ 439,795</u>	<u>\$ 8,538,954</u>

	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Unfinished construction and equipment under acceptance	Total
At January 1								
Cost	\$ 2,860,977	\$ 4,453,077	\$ 11,387,766	\$ 190,713	\$ 376,871	\$ 282,031	\$ 160,208	\$ 19,711,643
Accumulated depreciation and impairment	(839)	(1,507,530)	(6,169,472)	(130,718)	(235,533)	(118,368)	-	(8,162,460)
	<u>\$ 2,860,138</u>	<u>\$ 2,945,547</u>	<u>\$ 5,218,294</u>	<u>\$ 59,995</u>	<u>\$ 141,338</u>	<u>\$ 163,663</u>	<u>\$ 160,208</u>	<u>\$ 11,549,183</u>
Opening net book amount as at January 1	\$ 2,860,138	\$ 2,945,547	\$ 5,218,294	\$ 59,995	\$ 141,338	\$ 163,663	\$ 160,208	\$ 11,549,183
Additions	-	540	11,776	4,452	1,710	2,868	333,624	354,970
Disposals	-	-	(1,550)	(682)	(187)	(204)	-	(2,623)
Scraps	-	-	-	-	-	(22,978)	-	(22,978)
Transfers	59,420	8,788	109,658	7,126	11,074	6,619	(202,685)	-
Reclassifications	(301,589)	(166,750)	(2,203,460)	(324)	(2,204)	(9,563)	(1,406)	(2,685,296)
Depreciation charge	(49)	(117,143)	(422,568)	(15,638)	(30,883)	(21,341)	-	(607,622)
Net exchange differences	(7,758)	(15,545)	(23,627)	(153)	(201)	(301)	(119)	(47,704)
Closing net book amount as at December 31	<u>\$ 2,610,162</u>	<u>\$ 2,655,437</u>	<u>\$ 2,688,523</u>	<u>\$ 54,776</u>	<u>\$ 120,647</u>	<u>\$ 118,763</u>	<u>\$ 289,622</u>	<u>\$ 8,537,930</u>
At December 31								
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)
	<u>\$ 2,610,162</u>	<u>\$ 2,655,437</u>	<u>\$ 2,688,523</u>	<u>\$ 54,776</u>	<u>\$ 120,647</u>	<u>\$ 118,763</u>	<u>\$ 289,622</u>	<u>\$ 8,537,930</u>

- A. Amount of borrowing costs capitalised as part of property, plant and equipment and the range of the interest rates for such capitalisation are as follows:

	Year ended December 31	
	2022	2021
Amount capitalised	\$ 2,387	\$ 919
Range of the interest rates	1.19%~1.88%	1.83%~1.88%

- B. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.
- C. 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.
- D. 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 Group obtained the agreement and plans to pledge the land to ACHEM Technology Corporation as collateral; however, the process has not yet been completed.
- E. 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.
- F. 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 Group obtained the agreement and plans to pledge the land to ACHEM Technology Corporation as collateral; however, the process has not yet been completed.

(9) Leasing arrangements - lessee

- A. 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.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 59,174	\$ -
Land use right	186,460	179,724
Buildings and structures	97,090	119,553
	<u>\$ 342,724</u>	<u>\$ 299,277</u>

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 1,039	\$ 8,070
Land use right	4,464	24,943
Buildings and structures	27,763	-
	<u>\$ 33,266</u>	<u>\$ 33,013</u>

C. Land use rights are contracts signed by the Group for land use rights in Mainland China and Vietnam. The contract term is 44~50 years. Rents were paid in full at the time the contract was signed.

D. For the years ended December 31, 2022 and 2021, the additions to right-of-use assets were \$62,385 and 104,919, respectively.

F. The information on profit and loss accounts relating to lease contracts is as follows:

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 8,697	\$ 8,379
Expense on short-term lease contracts	13,674	9,400

G. For the years ended December 31, 2022 and 2021, the Group's total cash outflow for leases were \$53,024 and \$45,789, respectively.

H. The Group did not pledge right-of-use assets to others as collateral.

I. Reclassification:

In September 2021, the right-of-use assets of the second-tier subsidiary, Wan Chio Petrochemical (Jiangsu) Co., Ltd., was transferred as non-current assets held for sale. Refer to Note 6(13) for details.

(10) Leasing arrangements - lessor

A. The Group 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.

B. For the years ended December 31, 2022 and 2021, the Group recognised rent income in the amount of \$71,336 and \$74,807, respectively, based on the

operating lease agreement, which does not include variable lease payments.

C. The maturity analysis of the lease payments under the operating leases is as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
2022	\$ -	\$ 62,583
2023	71,250	59,675
2024	36,767	30,175
2025	7,792	2,940
2026	5,351	1,680
2027	2,449	6,450
After 2028	4,770	-
	<u>\$ 128,379</u>	<u>\$ 163,503</u>

(11) Investment property

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
At January 1	\$ 2,203,498	\$ 1,890,332
Reclassifications	-	320,311
Gain (loss) on fair value adjustments	39,610 (	2,681)
Exchange rate differences	8,367 (	4,464)
At December 31	<u>\$ 2,251,475</u>	<u>\$ 2,203,498</u>

A. Rental income from investment property and direct operating expenses arising from investment property are shown below:

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Rental revenue from investment property	<u>\$ 58,602</u>	<u>\$ 64,346</u>
Direct operating expenses arising from the investment property that generated rental income during the year	<u>\$ 8,927</u>	<u>\$ 7,915</u>
Direct operating expenses arising from the investment property that did not generate rental income during the year	<u>\$ 407</u>	<u>\$ 525</u>

B. Fair value basis of 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 13 years. As of December 31, 2022 and 2021, the related assumptions are as follows:

- (a) The location, valuation method, appraisal firm, appraiser and appraisal date are shown below:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
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, 2022	December 31, 2021

- (b) The information on the average leasing rate for the years ended December 31, 2022 and 2021, 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:

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Estimated rents (in dollars/per ping /monthly)	\$644~\$1,472	\$589~\$1,152
Local rents and rent quotes for similar objects	Approximate to estimated rents	Approximate to estimated rents
Income	\$ 58,602	\$ 64,346
Average leasing rates	89%~100%	93%~100%

- (c) The fair value of the Group's office buildings 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.

- (d) 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 mainland 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.

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Discount rates	2.47%~8.05%	2.50%~7.95%

C. The information on the Group's investment property is provided in Note 12(3).

D. Amount of borrowing costs capitalised as part of investment property and the range of the interest rates for such capitalisation: None.

E. Information about the investment property that was pledged to others as collateral is provided in Note 8.

F. Reclassifications:

In October 2021, the Land and the building in Zhongzheng District, Taipei City totalling \$320,311 were reclassified as 'investment property' from 'property, plant and equipment', and the difference of (\$39,531) between the fair value and carrying amount was recognised in other comprehensive income.

(12) Intangible assets

	<u>2022</u>		
	<u>Goodwill</u>	<u>Others</u>	<u>Total</u>
Opening net book amount as at January 1	\$ 154,053	\$ 18,796	\$ 172,849
Amortisation charge	-	(4,820)	(4,820)
Net exchange differences	<u>16,951</u>	<u>1,029</u>	<u>17,980</u>
Closing net book amounts at December 31	<u>\$ 171,004</u>	<u>\$ 15,005</u>	<u>\$ 186,009</u>
	<u>2021</u>		
	<u>Goodwill</u>	<u>Others</u>	<u>Total</u>
Opening net book amount as at January 1	\$ 158,528	\$ 27,479	\$ 186,007
Amortisation charge	-	(10,008)	(10,008)
Net exchange differences	<u>(4,475)</u>	<u>1,325</u>	<u>(3,150)</u>
Closing net book amounts at December 31	<u>\$ 154,053</u>	<u>\$ 18,796</u>	<u>\$ 172,849</u>

A. Details of amortisation on intangible assets are as follows:

	Year ended December 31	
	2022	2021
Operating costs	\$ 3,796	\$ 9,111
Administrative expenses	1,024	897
	<u>\$ 4,820</u>	<u>\$ 10,008</u>

B. Goodwill allocated to the cash-generating units of material packaging department:

	December 31, 2022	December 31, 2021
ACHEM Industry America Inc.	\$ 100,284	\$ 83,333
Xin Chio Co., Ltd.	70,720	70,720
	<u>\$ 171,004</u>	<u>\$ 154,053</u>

C. 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.

(13) Non-current assets held for sale and discontinued operations

- A. In August 2020, the land of the Group located in Linkou Dist., New Taipei City, was sold in accordance with the resolution of the Board of Directors. In December 2020, the Group completed the registration for destruction and met the condition for immediate disposal, thus, related assets amounting to \$186,501, were reclassified to non-current assets held for sale. In February 2021, the land transfer had been completed and \$851,666 was recognized as gain on disposal of non-current assets held for sale.
- B. 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, 2022, the Group had obtained RMB 293,380 thousand. The remaining amount was recognised under other receivables amounting to \$640,835 on December 31, 2022 and the Group collected RMB 58,152 thousand after the balance sheet date.

(a)The cash flow information of the discontinued operations is as follows:

	Year ended December 31	
	2022	2021
Operating cash flows	(\$ 271,758)	(\$ 108,745)
Investing cash flows	950,028	432,282
Financing cash flows	(676,579)	(321,430)
Total cash flows	<u>\$ 1,691</u>	<u>\$ 2,107</u>

(b)Assets of disposal group classified as held for sale:

	December 31, 2022	December 31, 2021
Property, plant and equipment	\$ -	\$ 1,580,145
Right-of-use assets	-	203,781
	<u>\$ -</u>	<u>\$ 1,783,926</u>

(c)Liabilities of disposal group classified as held for sale:

	December 31, 2022	December 31, 2021
Other current liabilities	<u>\$ -</u>	<u>\$ 25,865</u>

(d)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	2021
Costs	(\$ 19,806)	(\$ 103,883)
Operating expenses	(14,181)	(16,804)
Non-operating income and expenses	33,410	(1,056,742)
Profit before tax of discontinued operations	(577)	(1,177,429)
Income tax	-	-
Profit after tax of discontinued operations	<u>(\$ 577)</u>	<u>(\$ 1,177,429)</u>

(e) Profit (loss) from continuing and discontinued operations attributable to owners of the parent: Refer to Note 6(31).

(f) The disposal group held for sale was measured at the lower of its carrying amount or fair value less costs to sell. Information relating to fair value is provided in Note 12(3). The impairment loss of \$844,535 recognised in the loss from discontinued operations due to remeasurement of disposal group held for sale is described in Note 6(14).

(14) Impairment of non-financial assets

A. The Group recognised impairment loss of \$844,535 for the year ended December 31, 2021. Details of such loss are as follows:

	2021
	Recognised in profit or loss
Impairment loss — assets of disposal group classified as held for sale	<u>\$ 844,535</u>

There was no such situation in 2022.

B. The impairment loss reported by operating segments is as follows:

	2021
	Recognised in profit or loss
Discontinued operations	<u>\$ 844,535</u>

C. The Group's indirect subsidiary, Wan Chio Petrochemical (Jiangsu) Co., Ltd., has implemented the discontinuation strategy to reduce its losses. Therefore, 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 related assets have been reclassified as disposal group held for sale. The impairment loss of \$844,535 was recognised in loss from discontinued operations as a result of the remeasurement of the disposal group held for sale at the lower of its carrying amount or fair value less costs to sell.

(15) Short-term borrowings

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Bank borrowings-		
Secured bank borrowings	\$ 1,713,877	\$ 1,883,270
Unsecured bank borrowings	2,868,940	4,718,478
Other short-term borrowings	-	159,770
	<u>\$ 4,582,817</u>	<u>\$ 6,761,518</u>
Range of the interest rates	1.55%~7.00%	0.99%~5.00%

Details of assets pledged as collateral for short-term borrowings are provided in Note 8.

(16) Short-term bills payable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Commercial paper	\$ 730,000	\$ 640,000
Range of the interest rates	1.44%~2.28%	1.25%~1.41%

(17) Long-term liabilities, current portion

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Long-term borrowings		
Current portion		
-within one year	\$ 197,493	\$ 1,860,131
-within one operating cycle	2,281,000	2,886,772
Bonds payable - current portion	198,244	443,361
	<u>\$ 2,676,737</u>	<u>\$ 5,190,264</u>

(18) Other current liabilities

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Advance receipts	\$ 54,218	\$ 432,282
Others	27,200	29,858
	<u>\$ 81,418</u>	<u>\$ 462,140</u>

(19) Bonds payable

	<u>Domestic secured convertible bonds</u>	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>The Company</u>		
8th convertible bonds payable	\$ 209,900	\$ 226,600
Less: Discount on bonds payable	(3,380)	(5,516)
	<u>206,520</u>	<u>221,084</u>
9th convertible bonds payable	\$ 208,600	\$ 227,800
Less: Discount on bonds payable	(3,343)	(5,523)
	<u>205,257</u>	<u>222,277</u>
Less: Bonds payable - current portion	-	(443,361)
	<u>\$ 411,777</u>	<u>\$ -</u>
<u>Xin Chio Co., Ltd.</u>		
2nd convertible bonds payable	\$ 200,000	\$ 200,000
Less: Discount on bonds payable	(1,756)	(3,953)
	<u>198,244</u>	<u>196,047</u>
Less: Bonds payable - current portion	(198,244)	-
	<u>\$ -</u>	<u>\$ 196,047</u>

A. The terms of the domestic secured convertible corporate bonds by the Company are as follows:

(a)	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: (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: (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)	\$11.20	\$11.20
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	\$ 296,400	\$ 297,700
Redeemed amount	\$ -	\$ -
Repurchased amount	\$ -	\$ -

(b) 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, 2022 and 2021, the balance of “Capital surplus - stock options” changed to \$11,808 and \$12,852, 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:

(a)	2nd domestic secured convertible corporate bonds
Principal amount	\$200,000
Face rate	0%
Effective rate	1.12%
Outstanding period	3 years
Maturity date	October 15, 2023
Guarantee banks	First Bank
Collateral	Cash in banks of \$40,000
Repayment at maturity	The bonds are repayable in full by cash at face value at maturity.
Redemption	From the date after three months of the bonds issue (January 16, 2021) to 40 days (September 15, 2023) 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.
Conversion price (dollars/per share) (Adjusted)	\$18.70
Conversion period	During the period from the date after three months of issuance of bonds to the maturity date.
Converted amount	\$ -
Redeemed amount	\$ -

(b) 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, 2022 and 2021, the balance of “Capital surplus - stock options” was \$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.

(20) Long-term borrowings

Type of borrowings	December 31, 2022	December 31, 2021
Long-term bank borrowings		
Secured borrowings	\$ 6,943,364	\$ 5,318,971
Unsecured borrowings	1,500,000	1,909,824
	<u>8,443,364</u>	<u>7,228,795</u>
Less: Current portion		
-within one year	(197,493)	(1,860,131)
-within one operating cycle	(2,281,000)	(2,886,772)
	<u>\$ 5,964,871</u>	<u>\$ 2,481,892</u>
Range of the interest rates	1.43%~7.25%	1.20%~3.50%

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, 2022 and 2021, the amount drawn were \$1,205,000 and \$1,100,000, respectively.

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, 2022 and 2021, the amount drawn were \$2,600,000 and \$1,700,000, respectively.

C. In August 2017, ACHEM Technology Corporation entered into a syndicated loan agreement with the consortium banks led by First Bank. The primary terms of the agreement are as follows:

- (a) Tranche A: Five-year non-revolving line of \$1,200,000. The proceeds of the loan were used to repay existing financial liabilities (including but not limited to the credit line of 2012 syndicated loan) and increase medium-term working capital.
- (b) Tranche B: Five-year revolving line of \$1,800,000. The proceeds of the loan were used to repay existing financial liabilities (including but not limited to the credit line of 2012 syndicated loan) and 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 10% reduction for the first phase, 20% reduction for the second phase and 70% reduction for the third phase.

- (c) ACHEM Technology Corporation's revolving credit facility is subject to following terms and financial covenants:
- i. The ACHEM Technology Corporation shall pledge 12 lots, 35 factories at Yangmei District, Taoyuan City and 33 items of machinery and equipment as collateral; and
 - ii. ACHEM Technology Corporation 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/tangible net equity/ total stockholders' equity – intangible assets) of not higher than 200%; interest coverage ((income before tax + depreciation + amortisation + interest expense)/interest expense) of at least 300%.
- (d) The above syndicated loan agreement was fully paid in March 2022. As of December 31, 2021, the amount drawn was \$2,460,000.
- D. Wan Chio Petrochemical Co., Ltd. (Jiangsu) signed a syndicated loan agreement in December 2014, totalling US\$97 million, with Mega International Commercial Bank and other syndicated banks. The joint guarantor is the Company. The subsidiary re-signed a credit contract to repay the remaining balance amounting to US\$50,440 thousand in November 2018. The primary terms of the agreement are as follows:
- (a) The total line of the five-year non-revolving credit is US\$97 million. The proceeds of the loan were used to increase medium-term working capital.
 - (b) Wan Chio Petrochemical Co., Ltd. (Jiangsu) and the Company's revolving credit facility are subject to the following terms and financial covenants:
 - i. The land-use rights and factory equipment of Wan Chio Petrochemical Co., Ltd. (Jiangsu) shall not be pledged to others.
 - ii. The Company on each semi-annual and annual consolidated financial statements is required to maintain the following financial ratios: Current ratio of at least 100%; debt ratio (direct and contingent liabilities/ net tangible assets) not exceeding 300%; the number of times interest earned (including depreciation and amortisation) of at least 300%; net tangible assets of at least NT\$8 billion.
 - (c) The above syndicated loan agreement mentioned was fully paid in December 2021.
- E. 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, 2022 and 2021, the amounts drawn were \$3,000,000 and \$0, respectively.
- F. There was no violation of the loan covenant as of December 31, 2022 and 2021.
- G. In addition to the collaterals provided as stated in Note 8, as of December 31, 2022, the

Group had issued guarantee notes totalling \$16,428,550 for the bank loans.

H. The Group's borrowings should be paid in full by January 2032 at the latest in accordance with the contracts.

(21) Pensions

A. (a) 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.

(b) The amounts recognised in the balance sheet are determined as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Present value of defined benefit obligations	\$ 316,364	\$ 352,659
Fair value of plan assets	(211,461)	(199,363)
Net defined benefit liability	<u>\$ 104,903</u>	<u>\$ 153,296</u>

(c) Movements in net defined benefit liabilities are as follows:

2022	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Balance at January 1	\$ 352,659	(\$ 199,363)	\$ 153,296
Current service cost	1,626	-	1,626
Interest income (expense)	2,468	(1,396)	1,072
	<u>356,753</u>	<u>(200,759)</u>	<u>155,994</u>
Remeasurements:			
Return on plan assets	-	(15,664)	(15,664)
Change in financial assumptions	(9,531)	-	(9,531)
Experience adjustments	(22,933)	-	(22,933)
	<u>(32,464)</u>	<u>(15,664)</u>	<u>(48,128)</u>
	<u>324,289</u>	<u>(216,423)</u>	<u>107,866</u>
Pension fund contribution	-	(2,963)	(2,963)
Paid pension	(7,925)	7,925	-
Balance at December 31	<u>\$ 316,364</u>	<u>(\$ 211,461)</u>	<u>\$ 104,903</u>
2021	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Balance at January 1	\$ 376,013	(\$ 206,398)	\$ 169,615
Current service cost	2,193	-	2,193
Interest income (expense)	1,128	(619)	509
	<u>379,334</u>	<u>(207,017)</u>	<u>172,317</u>
Remeasurements:			
Return on plan assets	-	(3,389)	(3,389)
Change in demographic assumptions	195	-	195
Change in financial assumptions	(9,600)	-	(9,600)
Experience adjustments	(3,189)	-	(3,189)
	<u>(12,594)</u>	<u>(3,389)</u>	<u>(15,983)</u>
	<u>366,740</u>	<u>(210,406)</u>	<u>156,334</u>
Pension fund contribution	-	(3,038)	(3,038)
Paid pension	(14,081)	14,081	-
Balance at December 31	<u>\$ 352,659</u>	<u>(\$ 199,363)</u>	<u>\$ 153,296</u>

(d) 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, 2022 and 2021 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	Year ended December 31	
	2022	2021
Discount rate	1.20%	0.70%
Future salary increases	2.00%~3.00%	2.00%~3.00%

For the years ended December 31, 2022 and 2021, 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:

	<u>Discount rate</u>		<u>Future salary increases</u>	
	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>
<u>December 31, 2022</u>				
Effect on present value of defined benefit obligation	(\$ <u>4,582</u>)	\$ <u>4,703</u>	\$ <u>3,845</u>	(\$ <u>3,768</u>)
	<u>Discount rate</u>		<u>Future salary increases</u>	
	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>
<u>December 31, 2021</u>				
Effect on present value of defined benefit obligation	(\$ <u>5,668</u>)	\$ <u>5,829</u>	\$ <u>4,829</u>	(\$ <u>4,727</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.

(f) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2023 amounted to \$2,892.

(g) As of December 31, 2022, the weighted average duration of that retirement plan is 6~7 years.

B. (a) 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.

(b) The Company’s mainland 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.

(c) The pension costs under the defined contribution pension plans of the Company and local subsidiaries for the years ended December 31, 2022 and 2021 were \$30,929 and \$34,241, respectively.

(d) The contributions to pension costs under the local employment act of the overseas subsidiaries for the years ended December 31, 2022 and 2021 were \$31,069 and \$30,165, respectively.

C. 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.

(22) Share capital

A. As of December 31, 2022, the Company's authorised capital was \$10,000,000 (including reserve for issuance of employee share options of \$40,000), and the paid-in capital was \$6,404,897, consisting of ordinary stock with a par value of \$10 (in dollars) per share.

Movements in the number of the Company's ordinary shares (in thousand shares) outstanding are as follows:

	2022	2021
At January 1	604,143	541,949
Disposal of the Company's shares of stocks held by subsidiaries	-	607
Conversion of convertible bonds	3,202	27,775
Stock dividends of ordinary share	-	34,844
The Company's stocks held by subsidiaries recognised as treasury shares	-	(1,032)
At December 31	607,345	604,143

B. 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. 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.

C. For the year ended December 31, 2021, convertible bonds amounting to \$361,600 in total par value were requested for conversion into 27,775 thousand ordinary shares. The amount of 233 thousand of ordinary shares was recorded under 'certificate of entitlement to new shares from convertible bonds' because the registration of the change had not yet been completed as of December 31, 2021. The registration of the change had been completed during the year ended December 31, 2022.

D. On July 7, 2021, the Company's shareholders approved to capitalise shareholders' bonus amounting to \$348,445 which was distributed from 2020 earnings. A total of 34,844 thousand new shares were issued with a par value of \$10 per share. The registration of the change was completed.

E. On July 7, 2021, the Company's Board of Directors resolved to increase the authorised capital to \$10,000,000. The registration of the change was completed on July 22, 2021.

F. Treasury shares

	Number of shares (in thousands)	Carrying amount
At January 1, 2022 (and December 31, 2022)	34,144	\$ 414,345
	Number of shares (in thousands)	Carrying amount
At January 1, 2021	43,099	\$ 562,488
Eliminated shares	(9,380)	(139,273)
Disposal of the Company's shares of stocks held by subsidiaries	(607)	(8,870)
Distribution of the Company's stock dividends received by subsidiaries	1,032	-
At December 31, 2021	34,144	\$ 414,345

- (a) On March 4, 2021, the Company's Board of Directors approved to reduce capital by retiring 9,380 thousand treasury shares, and the effective date for the capital reduction was set on March 5, 2021. The registration of the change had been completed.
- (b) Pursuant to the R.O.C. Securities and Exchange Law, 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 Law, 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 Law, 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, 2022 and 2021 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	"	1,194	15,838
Valueline Investment Corporation	"	406	5,049
		18,422	\$ 243,995

(23) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	2022			
	Share premium	Stock options	Others	Total
At January 1	\$ 1,776,166	\$ 17,716	\$ 590,720	\$ 2,384,602
Recognition of changes in ownership interest in subsidiaries	-	-	(17)	(17)
Adjustments recognised not based on the shareholding ratio	-	-	232,209	232,209
Conversion of convertible bonds	4,258	(1,044)	-	3,214
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
At December 31	<u>\$ 1,780,424</u>	<u>\$ 16,672</u>	<u>\$ 841,626</u>	<u>\$ 2,638,722</u>
	2021			
	Share premium	Stock options	Others	Total
At January 1	\$ 1,764,372	\$ 28,235	\$ 799,835	\$ 2,592,442
Eliminated shares	(28,299)	-	(17,174)	(45,473)
Recognition of changes in ownership interest in subsidiaries	(42,929)	-	41,000	(1,929)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	(243,740)	(243,740)
Conversion of convertible bonds	83,022	(10,519)	-	72,503
Subsidiaries holding the Company's stocks are regarded as treasury stocks and receive cash dividends	-	-	10,799	10,799
At December 31	<u>\$ 1,776,166</u>	<u>\$ 17,716</u>	<u>\$ 590,720</u>	<u>\$ 2,384,602</u>

(24) Retained earnings / Subsequent event

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. The Company's dividend policy is summarized below:

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. (a) 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.

(b) 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.

E. The Company's appropriations of 2020 earnings for cash dividends and the modification of aforementioned appropriations had been approved through majority vote by the Board of Directors on March 4, 2021 and May 13, 2021, respectively, and has been approved by shareholders on July 7, 2021. The appropriations of 2020 earnings as amended were as follows:

	<u>Year ended December 31, 2020</u>	
	<u>Amount</u>	<u>Dividend per share (in dollars)</u>
Reversal of special reserve	(\$ 147,062)	
Legal reserve	80,056	
Cash dividends	348,445	\$ 0.60
Stock dividends	348,445	0.59
	<u>\$ 629,884</u>	

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 as amended were as follows:

	<u>Year ended December 31, 2021</u>	
	<u>Amount</u>	<u>Dividend per share (in dollars)</u>
Reversal of special reserve	(\$ 12,864)	
Legal reserve	108,632	
Cash dividends	622,566	\$ 1.00
	<u>\$ 718,334</u>	

G Subsequent event:

The 2022 earnings distribution proposed at the meeting of Board of Directors on March 15, 2023 is detailed as follows:

	<u>Year ended December 31, 2022</u>	
	<u>Amount</u>	<u>Dividend per share (in dollars)</u>
Special reserve	\$ 34,048	
Legal reserve	101,051	
Cash dividends	625,787	\$ 1.00
	<u>\$ 760,886</u>	

The Company's appropriations of 2022 earnings, except for cash dividends which had been resolved by the Board of Directors and only has to be reported to shareholders, have not yet been approved by shareholders as of March 15, 2023.

(25) Operating revenue

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services at a point in time in the following major product lines:

	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>

	Year ended December 31, 2021				
	Tape manufacturing business segment	Packaging materials business segment	Real estate business segment	Specialty chemical business segment	Total
Total segment revenue	\$ 17,661,967	\$ 1,837,122	\$ 560,926	\$ 449,331	\$ 20,509,346
Inter-segment revenue	(3,313,997)	-	-	(13,555)	(3,327,552)
Revenue from external customer contracts	<u>\$ 14,347,970</u>	<u>\$ 1,837,122</u>	<u>\$ 560,926</u>	<u>\$ 435,776</u>	<u>\$ 17,181,794</u>

B. Contract liabilities

The Group has recognised the following revenue-related contract liabilities:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>January 1, 2021</u>
Contract liabilities:			
Contract liabilities - Advance sales receipts	\$ 50,387	\$ 68,468	\$ 68,278
Contract liabilities - Pre-sold house	<u>689,497</u>	<u>566,766</u>	<u>411,077</u>
	<u>\$ 739,884</u>	<u>\$ 635,234</u>	<u>\$ 479,355</u>

C. For the years ended December 31, 2022 and 2021, revenue recognised that was included in the contract liability balance at the beginning of the year amounted to \$42,636 and \$60,475, respectively.

(26) Other income

	Year ended December 31	
	2022	2021
Rental revenue	\$ 71,336	\$ 74,807
Dividend income	137,035	89,059
Revenue from government grants	-	11,029
Other income	57,120	72,386
	<u>265,491</u>	<u>247,281</u>
Less: Other income attributable to discontinued operations	509	17,184
	<u>\$ 264,982</u>	<u>\$ 230,097</u>

(27) Other gains and losses

	Year ended December 31	
	2022	2021
Losses on disposal of property, plant and equipment	(\$ 288)	(\$ 1,823)
Losses on write-off of property, plant and equipment	(10)	(22,978)
Gains on disposal of non-current assets held for sale (Note)	57,204	851,666
(Losses) gains on disposal of investments in subsidiaries	(2,332)	7,712
(Losses) gains on financial assets (liabilities) at fair value through profit or loss	(75,791)	24,174
Foreign exchange gain (loss)	81,667	(15,808)
Gains (losses) on fair value adjustment of investment property	39,610	(2,681)
Impairment loss on non-current assets classified as held for sale	-	(844,535)
Prepayments reclassified to gain (loss)	78,313	(255,352)
Other gains and losses	(59,748)	(57,925)
	<u>118,625</u>	<u>(317,550)</u>
Less: Other gains and losses attributable to discontinued operations	33,315	(1,058,692)
	<u>\$ 85,310</u>	<u>\$ 741,142</u>

Note: Gain on disposal of non-current assets held for sale included gains from lease modification and losses from the sale of ground objects. Refer to Note 6(13) for details.

(28) Finance costs

	Year ended December 31	
	2022	2021
Interest expense:		
Bank borrowings	\$ 258,169	\$ 274,039
Convertible bonds	5,860	7,257
Lease liabilities	8,697	8,379
Less: Capitalisation of qualifying assets	(105,384)	(87,127)
	167,342	202,548
Less: Finance costs attributable to discontinued operations	509	15,234
	<u>\$ 166,833</u>	<u>\$ 187,314</u>

(29) Expenses by nature (including discontinued operations)

	Year ended December 31	
	2022	2021
Employee benefit expense		
Wages and salaries	\$ 1,298,025	\$ 1,365,635
Labor and health insurance fees	82,636	85,000
Pension costs	82,007	67,108
Other personnel expenses	115,475	115,921
	1,578,143	1,633,664
Depreciation	584,363	640,635
Amortization	4,820	897
	<u>\$ 2,167,326</u>	<u>\$ 2,275,196</u>

- A. 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%.
- B. For the years ended December 31, 2022 and 2021, employees' compensation was accrued at \$5,575 and \$5,576, respectively; while no directors' remuneration was accrued. The aforementioned amount was recognised in salary expenses. The employees' compensation was estimated and accrued based on 0.5% of distributable profit of current year for the year ended December 31, 2022.
- For 2021, the employees' compensation resolved by the Board of Directors amounted to \$4,724. The difference of (\$852) between the amount resolved by the Board of Directors and the amount of \$5,576 recognised in the 2021 financial statements, had been adjusted in the profit or loss for 2022.

Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(30) Income tax

A. Tax expense

Components of income tax expense:

	Year ended December 31	
	2022	2021
Current tax:		
Current tax on profits for the year	\$ 213,061	\$ 281,488
Tax on undistributed surplus earnings	18,399	-
Prior year income tax over estimation	(14,248)	(14,710)
Total current tax	<u>217,212</u>	<u>266,778</u>
Deferred tax:		
Origination and reversal of temporary differences	18,764	(63,407)
Income tax expense	<u>\$ 235,976</u>	<u>\$ 203,371</u>

B. The income tax relating to components of other comprehensive income is as follows:

	Year ended December 31	
	2022	2021
Remeasurement of defined benefit obligations	<u>\$ 9,625</u>	<u>\$ 3,196</u>

C. Reconciliation between income tax expense and accounting profit:

	Year ended December 31	
	2022	2021
Tax calculated based on profit before tax and statutory tax rate	\$ 425,710	\$ 219,759
Effects from items disallowed by tax regulation	1,031	9,347
Tax exempt income by tax regulation	(193,472)	(110,275)
Taxable loss not recognised as deferred tax assets	28	62,915
Prior year income tax over estimation	(14,248)	(14,710)
Tax on undistributed surplus earnings	18,339	-
Land value increment tax	-	77,472
Effect from Alternative Minimum Tax	-	9,916
Others	(1,412)	(51,053)
Income tax expense	<u>\$ 235,976</u>	<u>\$ 203,371</u>

D. Amounts of deferred tax assets or liabilities as a result of temporary differences and tax losses are as follows:

	2022			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences:				
-Deferred tax assets:				
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
	<u>194,879</u>	<u>(10,724)</u>	<u>675</u>	<u>184,830</u>
-Deferred tax liabilities:				
Fair value adjustment of investment property	(91,466)	(1,704)	-	(93,170)
Unrealised profit 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)
	<u>(444,573)</u>	<u>(8,040)</u>	<u>(10,300)</u>	<u>(462,913)</u>
	<u>(\$ 249,694)</u>	<u>(\$ 18,764)</u>	<u>(\$ 9,625)</u>	<u>(\$ 278,083)</u>

2021

	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences:				
-Deferred tax assets:				
Provision for inventory obsolescence	\$ 19,148	(\$ 1,904)	\$ -	\$ 17,244
Accrued pension liabilities	31,327	(38)	(369)	30,920
Prepayments for land value increment tax	56,569	-	-	56,569
Operating loss carryforwards	13,744	(2,246)	-	11,498
Others	<u>72,495</u>	<u>6,153</u>	<u>-</u>	<u>78,648</u>
	<u>193,283</u>	<u>1,965</u>	<u>(369)</u>	<u>194,879</u>
-Deferred tax liabilities:				
Fair value adjustment of investment property	(148,748)	57,282	-	(91,466)
Unrealised profit from sales	(11,108)	-	-	(11,108)
Reserve for land revaluation increment tax	(228,975)	-	-	(228,975)
Investment income accounted for using the equity method	(36,590)	87	-	(36,503)
Gain on disposal of plant	(68,543)	306	-	(68,237)
Others	<u>(9,224)</u>	<u>3,767</u>	<u>(2,827)</u>	<u>(8,284)</u>
	<u>(503,188)</u>	<u>61,442</u>	<u>(2,827)</u>	<u>(444,573)</u>
	<u>(\$ 309,905)</u>	<u>\$ 63,407</u>	<u>(\$ 3,196)</u>	<u>(\$ 249,694)</u>

E. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets for the Company's other domestic subsidiaries as of December 31, 2022 and 2021 are as follows:

(a.) Domestic subsidiaries

December 31, 2022				
<u>Year incurred</u>	<u>Amount estimated/ filed/ assessed</u>	<u>Unused amount</u>	<u>Unrecognised deferred tax assets</u>	<u>Expiry year</u>
2012-2022	Estimated/ filed/ assessed	<u>\$ 319,365</u>	<u>\$ 269,821</u>	2032

December 31, 2021				
<u>Year incurred</u>	<u>Amount estimated/ filed/ assessed</u>	<u>Unused amount</u>	<u>Unrecognised deferred tax assets</u>	<u>Expiry year</u>
2012-2021	Estimated/ filed/ assessed	<u>\$ 303,691</u>	<u>\$ 270,310</u>	2031

(b.) Foreign subsidiaries

December 31, 2022				
<u>Year incurred</u>	<u>Amount estimated/ filed/ assessed</u>	<u>Unused amount</u>	<u>Unrecognised deferred tax assets</u>	<u>Expiry year</u>
2017-2021	Assessed	\$ 263,835	\$ 208,861	2026
2019	Assessed	3,500	-	
		<u>\$ 267,335</u>	<u>\$ 208,861</u>	

December 31, 2021				
<u>Year incurred</u>	<u>Amount estimated/ filed/ assessed</u>	<u>Unused amount</u>	<u>Unrecognised deferred tax assets</u>	<u>Expiry year</u>
2016-2020	Assessed	\$ 390,634	\$ 390,634	2025
2018-2019	Assessed	55,454	-	
		<u>\$ 446,088</u>	<u>\$ 390,634</u>	

- F. Wan Chio Petrochemical (Jiangsu) Co., Ltd. was established as a foreign wholly owned manufacturing enterprise in Mainland China. According to local regulations, when companies start to generate profit, they are entitled to the income tax exemption for the first 2 years and 50% income tax exemption for the third to fifth year. However, the Company has not utilised this benefit because it has not generated any profit yet. Foshan Inder Adhesive Product Co., Ltd. has been assessed as highest technology enterprise by Guangdong Provincial Department of Science and Technology on December 4, 2009, and reviewed once every three years after assessment. Thus, the enterprise income tax rate was reduced to 15% from 2009 until 2021. 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.
- G. The status of the Company's and its domestic subsidiaries' income tax returns is as follows:

	<u>Latest year approved</u>
ACHEM Opto-Electronic Corporation.	2021
The Company, Xin Chio Co., Ltd., Valueline Investment Corporation, Wong Chio Development, Ltd. and UINN Hotel.	2020
Achem Technology Corporation.	2019

(31) Earnings (loss) per share

	Year ended December 31, 2022		
	<u>Amount after tax</u>	Retroactive adjustment weighted average number of ordinary shares outstanding (shares in thousands)	<u>Earnings (loss) per share (in dollars)</u>
<u>Basic earnings (loss) per share</u>			
Profit from continuing operations attributable to the parent	\$ 1,038,403	<u>605,119</u>	\$ 1.72
Loss from discontinued operations attributable to the parent	(<u>577</u>)		<u>-</u>
Profit attributable to ordinary shareholders of the parent	<u>\$ 1,037,826</u>		<u>\$ 1.72</u>
<u>Diluted earnings (loss) per share</u>			
Profit from continuing operations attributable to the parent	\$ 1,038,403	605,119	
Assumed conversion of all dilutive potential ordinary shares			
Treasury stocks transferred to employees	-	15,721	
Employees' compensation	-	238	
Subsidiaries' domestic convertible bonds	(9,115)	-	
Domestic convertible bonds	<u>2,930</u>	<u>32,545</u>	
Profit from continuing operations attributable to the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 1,032,218	<u>653,623</u>	\$ 1.58
Loss from discontinued operations attributable to the parent	(<u>577</u>)		<u>-</u>
Profit attributable to parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 1,031,641</u>		<u>\$ 1.58</u>

Year ended December 31, 2021

	<u>Amount after tax</u>	<u>Retroactive adjustment weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings (loss) per share (in dollars)</u>
<u>Basic earnings (loss) per share</u>			
Profit from continuing operations attributable to the parent	\$ 1,993,435	<u>590,114</u>	\$ 3.38
Loss from discontinued operations attributable to the parent	(1,125,673)		(1.91)
Profit attributable to ordinary shareholders of the parent	<u>\$ 867,762</u>		<u>\$ 1.47</u>
<u>Diluted earnings (loss) per share</u>			
Profit from continuing operations attributable to the parent	\$ 1,993,435	590,114	
Assumed conversion of all dilutive potential ordinary shares			
Treasury stocks transferred to employees	-	17,415	
Employees' compensation	-	414	
Subsidiaries' domestic convertible bonds	(7,652)	-	
Domestic convertible bonds	<u>4,068</u>	<u>46,659</u>	
Profit from continuing operations attributable to the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 1,989,851	<u>654,602</u>	\$ 3.04
Loss from discontinued operations attributable to the parent	(1,125,673)		(1.72)
Profit attributable to parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 864,178</u>		<u>\$ 1.32</u>

(32) Transactions with non-controlling interest

Acquisition of additional equity interest in a subsidiary

YEM CHIO entered into a shares repurchase agreement with WAN CHIO's non-controlling interest – Toyota Tsusho Corporation on September 30, 2021. YEM CHIO acquired an additional 18.81% of outstanding shares of WAN CHIO for a total cash consideration of USD \$1. The carrying amount of non-controlling interest in WAN CHIO was (\$243,740) at the acquisition date. This transaction resulted in a decrease in the non-controlling interest by (\$243,740) and a decrease in the equity attributable to owners of the parent by \$243,740.

(33) Supplemental cash flow information

Investing activities with partial cash payments

	Year ended December 31	
	2022	2021
Purchase of property, plant and equipment	\$ 456,133	\$ 354,970
Add: Opening balance of payable on equipment and construction	53,423	40,453
Less: Ending balance of payable on equipment and construction	(47,974)	(53,423)
Cash paid during the year	<u>\$ 461,582</u>	<u>\$ 342,000</u>

(34) Changes in liabilities from financing activities

	2022					
	Short-term borrowings	Long-term borrowings	Short-term notes and bills payable	Corporate bonds payable	Lease liabilities	Liabilities from financing activities-gross
At January 1	\$ 6,761,518	\$ 7,228,795	\$ 640,000	\$ 639,408	\$ 143,312	\$ 15,413,033
Changes in cash flow from financing activities	(2,238,046)	1,207,803	90,000	-	(39,350)	(979,593)
Impact of changes in foreign exchange rate	59,345	6,766	-	-	2,544	68,655
Changes in other non-cash items	-	-	-	(29,387)	71,082	41,695
At December 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>

	2021					
	Short-term borrowings	Long-term borrowings	Short-term notes and bills payable	Corporate bonds payable	Lease liabilities	Liabilities from financing activities-gross
At January 1	\$ 6,393,320	\$ 8,499,017	\$ 480,000	\$ 983,541	\$ 66,062	\$ 16,421,940
Changes in cash flow from financing activities	393,168	(1,236,380)	160,000	-	(28,010)	(711,222)
Impact of changes in foreign exchange rate	(24,970)	(33,842)	-	-	(8,038)	(66,850)
Changes in other non-cash items	-	-	-	(344,133)	113,298	(230,835)
At December 31	<u>\$ 6,761,518</u>	<u>\$ 7,228,795</u>	<u>\$ 640,000</u>	<u>\$ 639,408</u>	<u>\$ 143,312</u>	<u>\$ 15,413,033</u>

7. RELATED PARTY TRANSACTIONS

(1) Names and relationship of major related parties: Refer to Note 4(3) C.

(2) Significant related party transactions and balances

A. Operating revenue

	Year ended December 31	
	2022	2021
Sales of products		
-Other related parties	<u>\$ 1,901</u>	<u>\$ 1,801</u>

Goods are sold based on the price lists in force and terms that are under mutual agreement.

B. Purchases:

	Year ended December 31	
	2022	2021
Purchases of goods:		
-Other related parties	<u>\$ 5,061</u>	<u>\$ 214</u>

The purchase terms and prices to related parties are based on mutual agreement.

C. Receivables from related parties (shown as accounts receivable):

	December 31, 2022	December 31, 2021
Accounts receivable:		
Other related parties	<u>\$ 269</u>	<u>\$ 102</u>

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, 2022	December 31, 2021
Other payables:		
Associates	<u>\$ 10,097</u>	<u>\$ 4,829</u>

E. Contract liabilities – Pre-sold house

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Contract liabilities - Pre-sold house		
Other related parties	\$ <u>4,648</u>	\$ <u>4,648</u>

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 revenue

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Associates	\$ <u>697</u>	\$ <u>405</u>

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 (shown as other current assets)

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Associates	\$ <u>135,465</u>	\$ <u>123,139</u>

H. Endorsements and guarantees provided to the Group by related parties

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Other related parties	\$ <u>21,567,405</u>	\$ <u>23,145,329</u>

(3) Key management compensation

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Salaries and other short-term employee benefits	\$ 24,709	\$ 26,570
Post-employment benefits	351	459
	<u>\$ 25,060</u>	<u>\$ 27,029</u>

8. PLEDGED ASSETS

The Group's assets pledged as collateral are as follows:

Pledged assets	Book value		Purpose
	December 31, 2022	December 31, 2021	
Financial assets at fair value through other comprehensive income	\$ 224,924	\$ 725,712	Long-term borrowings, short-term borrowings
Current - financial assets at amortised cost	2,340	2,306	Short-term borrowings, purchase and performance guarantee for construction
- Time deposits			
Non-current financial assets at amortised cost	98,011	165,432	Long-term borrowings, corporate bond guarantee and consideration trust for inventory purchases and sales, etc.
- Demand deposits			
- Time deposits	57,782	104,999	Leasehold land guarantees, performance guarantee for construction and guarantee for corporate bonds
Other current assets	59,552	-	
- Guarantee deposits paid			Guarantee for court litigation
Accounts receivable	131,906	166,971	Long-term borrowings
Inventories	6,737,687	6,120,893	Long-term borrowings, short-term borrowings
Property, plant and equipment	6,513,181	6,695,507	Long-term borrowings, short-term borrowings
Investment property	1,658,313	1,634,742	Long-term borrowings, short-term borrowings
Other non-current assets			
- Guarantee deposits paid	23,793	27,501	Performance guarantee
	<u>\$ 15,507,489</u>	<u>\$ 15,644,063</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

Except for those mentioned in Notes 6(20) and 7(2), the Group's significant commitments are as follows:

- A. As of December 31, 2022, the unused letters of credit amounted to \$231,994 for the purchase of goods and machinery as collateral.
- B. Capital expenditures contracted for at the balance sheet date but not yet incurred are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Property, plant and equipment	\$ 88,677	\$ 170,110
Consigned to construction companies to construct buildings	<u>1,009,707</u>	<u>1,152,308</u>
	<u>\$ 1,098,384</u>	<u>\$ 1,322,418</u>

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Refer to Notes 6(13) and (24).

12. OTHERS

(1) Capital management

The Group's key objectives when managing capital are to maintain the optimal credit rating and capital ratios to support the Group's operations and to maximise returns for shareholders. Related ratio of net debt divided by total capital is provided in the balance sheets of each reporting period.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 464,664	\$ 289,518
Financial assets designated as at fair value through profit or loss	81	751
	<u>\$ 464,745</u>	<u>\$ 290,269</u>
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	\$ 1,018,144	\$ 1,397,402
Qualifying debt instrument	52,585	55,888
	<u>\$ 1,070,729</u>	<u>\$ 1,453,290</u>
Financial assets at amortised cost		
Cash and cash equivalents	\$ 2,163,330	\$ 1,756,534
Financial assets at amortised cost	812,565	571,252
Notes receivable	298,140	370,345
Accounts receivable (including related parties)	2,074,306	2,872,052
Other receivables	712,737	80,422
Guarantee deposits paid	83,345	27,501
	<u>\$ 6,144,423</u>	<u>\$ 5,678,106</u>

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ 4,582,817	\$ 6,761,518
Short-term notes and bills payable	730,000	640,000
Notes payable	246,204	360,288
Accounts payable	658,567	878,969
Other payables (including related parties)	627,010	644,250
Bonds payable (including current portion)	610,021	639,408
Long-term borrowings (including current portion)	8,443,364	7,228,795
Guarantee deposits received	16,910	16,134
	<u>\$ 15,914,893</u>	<u>\$ 17,169,362</u>
Lease liabilities (including current portion)	<u>\$ 177,588</u>	<u>\$ 143,312</u>

B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial position and financial performance.
- (b) 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 cooperation 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.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. 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.

- ii. 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.
- iii. The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk.
- iv. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD and RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

December 31, 2022					
	Foreign currency amount			Book value	
	(In thousands)	Exchange rate		(NTD)	
(Foreign currency: functional currency)					
<u>Financial assets</u>					
<u>Monetary items</u>					
USD:NTD	\$	52,472	30.71	\$	1,611,415
USD:RMB		15,303	6.97		469,955
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD:NTD	\$	154	30.71	\$	4,729
USD:RMB		195	6.97		5,988
December 31, 2021					
	Foreign currency amount			Book value	
	(In thousands)	Exchange rate		(NTD)	
(Foreign currency: functional currency)					
<u>Financial assets</u>					
<u>Monetary items</u>					
USD:NTD	\$	53,573	27.68	\$	1,482,901
USD:RMB		25,499	6.37		705,812
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD:NTD	\$	252	27.68	\$	6,975
USD:RMB		1,691	6.37		46,807

- v. The total exchange gain (loss), including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2022 and 2021, amounted to \$81,667 and (\$15,808), respectively.
- vi. Analysis of foreign currency market risk arising from significant foreign exchange variation:

		December 31, 2022		
		Sensitivity analysis degree of variation	Effect on profit on loss	Effect on other comprehensive income
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
	USD:NTD	5%	\$ 80,571	\$ -
	USD:RMB	5%	23,498	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
	USD:NTD	5%	\$ 236	\$ -
	USD:RMB	5%	299	-
		December 31, 2021		
		Sensitivity analysis degree of variation	Effect on profit on loss	Effect on other comprehensive income
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
	USD:NTD	5%	\$ 74,145	\$ -
	USD:RMB	5%	35,291	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
	USD:NTD	5%	\$ 349	\$ -
	USD:RMB	5%	2,340	-

Price risk

- A. 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.
- B. 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, 2022 and 2021 would have increased/decreased by \$7,368 and \$13,488, 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 \$50,907 and \$69,870, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- A. The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During 2022 and 2021, the Group's borrowings at variable rate were mainly denominated in NTD, USD and RMB.
- B. 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.
- C. If the borrowing interest rate had increased/decreased by 5% with all other variables held constant, profit, net of tax for the years ended December 31, 2022 and 2021 would have decreased/increased by \$11,295 and \$11,274, respectively. The main factor is that changes in interest expense result from floating rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated as financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss.

- ii. 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.
- iii. The Group adopts the internal management policy, that is, the default occurs when the contract payments are past due over 240 days.
- iv. 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.
- v. The Group applies the simplified approach using the provision matrix to estimate expected credit loss to assess the Group's accounts receivable.
- vi. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
 - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
 - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
 - (iii) Default or delinquency in interest or principal repayments;
 - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- vii. 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.
- viii. The Group used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2022 and 2021, the provision matrix is as follows:

	Group				Total
	Individual	Not past due	Up to 90 days past due	Over 90 days past due	
<u>December 31, 2022</u>					
Expected loss rate	99.62%	0.05%~4.44%	0.24%~100%	4.52%~100%	
Total book value	\$ 73,505	\$ 1,782,694	\$ 313,420	\$ 12,837	\$ 2,182,456
Loss allowance	73,505	8,558	13,250	12,837	108,150

	Group				Total
	Individual	Not past due	Up to 90 days past due	Over 90 days past due	
<u>December 31, 2021</u>					
Expected loss rate	78.76%	0.07%~7.33%	0.33%~57.36%	3.63%~100%	
Total book value	\$ 80,978	\$ 2,333,443	\$ 536,698	\$ 18,962	\$ 2,970,081
Loss allowance	63,775	5,555	9,737	18,962	98,029

ix. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable and notes receivable are as follows:

	2022	
	Accounts receivable	Notes receivable
January 1	\$ 98,029	\$ -
Provision for impairment	12,665	-
Write-offs	(2,168)	-
Effect of exchange rate changes	(376)	-
At December 31	<u>\$ 108,150</u>	<u>\$ -</u>

	2021	
	Accounts receivable	Notes receivable
January 1	\$ 95,045	\$ 807
Provision for impairment	4,456	-
Reversal of impairment loss	-	(807)
Write-offs	(404)	-
Effect of exchange rate changes	(1,068)	-
At December 31	<u>\$ 98,029</u>	<u>\$ -</u>

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, and compliance with internal balance sheet ratio targets.

ii. The Group has the following undrawn borrowing facilities:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Floating rate:		
Expiring beyond one year	\$ 1,485,000	\$ 5,490,000

The undrawn borrowing facilities will be used to repay existing financial liabilities and increase medium-term working capital.

iii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled 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.

Non-derivative financial liabilities:

<u>December 31, 2022</u>	<u>Less than 1 year</u>	<u>Over 1 year</u>	<u>Total</u>
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 (including current portion)	200,000	418,500	618,500
Long-term borrowings (including current portion)	1,137,096	7,894,342	9,031,438
Finance lease liabilities (including current portion)	41,943	158,129	200,072
Other non-current liabilities	-	25,809	25,809

Non-derivative financial liabilities:

<u>December 31, 2021</u>	<u>Less than 1 year</u>	<u>Over 1 year</u>	<u>Total</u>
Short-term borrowings	\$ 6,790,764	\$ -	\$ 6,790,764
Short-term notes and bills payable	640,000	-	640,000
Notes payable	360,288	-	360,288
Accounts payable	878,969	-	878,969
Other payables (including related parties)	644,250	-	644,250
Bonds payable (including current portion)	454,400	200,000	654,400
Long-term borrowings (including current portion)	3,195,625	4,333,073	7,528,698
Lease liabilities (including current portion)	36,790	122,919	159,709
Other non-current liabilities	-	46,631	46,631

Derivative financial liabilities:

As of December 31, 2022 and 2021, there is no such situation.

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. 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 asset or liability, either directly or indirectly. The fair value of beneficiary certificates, corporate bonds, and bank debentures is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in unlisted stocks, call options and put options of corporate bonds, non-current assets held for sale and investment property is included in Level 3.

B. Financial instruments not measured at fair value

- (a) Except for those listed in the table below, the carrying amounts of cash and cash equivalents, financial assets at amortised cost, notes receivable, accounts receivable (including related parties), other receivables, short-term loans, short-term notes and bills payable, notes payable, accounts payable 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.

	December 31, 2022			
	Book value	Fair value		
		Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable (including current portion)	\$ 610,021	\$ -	\$ 600,704	\$ -

	December 31, 2021			
	Book value	Fair value		
		Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable (including current portion)	\$ 639,408	\$ -	\$ 639,949	\$ -

- (b) The methods and assumptions of fair value measurement are as follows:

Convertible debentures payable: Regarding the convertible bonds issued by the Group, 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.

- C. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2022 and 2021 is as follows:

(a) The related information on the nature of the assets and liabilities is as follows:

<u>December 31, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 147,355	\$ -	\$ -	\$ 147,355
Wealth management products	-	-	52,896	52,896
Capital guarantee products	-	-	264,413	264,413
Call options and put options of convertible corporate bonds	-	-	81	81
Financial assets at fair value through other comprehensive income				
Equity securities	1,011,431	-	6,713	1,018,144
Bank debentures	-	52,585	-	52,585
Investment property	-	-	2,251,475	2,251,475
	<u>\$ 1,158,786</u>	<u>\$ 52,585</u>	<u>\$ 2,575,578</u>	<u>\$ 3,786,949</u>
<u>December 31, 2021</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 269,751	\$ -	\$ -	\$ 269,751
Bank debentures	-	19,767	-	19,767
Call options and put options of convertible corporate bonds	-	-	751	751
Financial assets at fair value through other comprehensive income				
Equity securities	1,390,689	-	6,713	1,397,402
Bank debentures	-	55,888	-	55,888
Investment property	-	-	2,203,498	2,203,498
Non-current assets held for sale	-	-	1,783,926	1,783,926
	<u>\$ 1,660,440</u>	<u>\$ 75,655</u>	<u>\$ 3,994,888</u>	<u>\$ 5,730,983</u>

(b) The methods and assumptions the Group used to measure 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:

Market quoted price	<u>Listed shares</u> 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 mainland China subsidiaries are based on the rate of 10 years national debt issued by the Bank of China.

D. The following chart is the movement of Level 3 for the years ended December 31, 2022 and 2021:

	<u>2022</u>		<u>2021</u>	
	<u>Wealth management products</u>	<u>Capital guarantee products</u>	<u>Wealth management products</u>	<u>Capital guarantee products</u>
At January 1	\$ -	\$ -	\$ -	-
Gains and losses recognised in profit or loss (Note)	1,157	-	3,761	-
Acquired during the year	1,104,428	264,413	924,821	-
Sold during the year	(1,051,666)	-	(928,582)	-
Effect of exchange rate changes	(1,023)	-	-	-
At December 31	<u>\$ 52,896</u>	<u>\$ 264,413</u>	<u>\$ -</u>	<u>-</u>

Notes: Recorded as non-operating income and expenses.

- E. For the years ended December 31, 2022 and 2021, 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, 2022 and 2021 is provided in Note 6(11).
- 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.

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.

- 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, 2022	Valuation technique	Significant observable input	Range	Relationship of inputs to fair value
Non-derivative equity instrument					
Wealth management products	\$ 52,896	Discounted cash flow	Discount rate	Not applicable	The higher the discount rate, the lower the fair value
Capital guarantee products	264,413	Discounted cash flow	Discount rate	Not applicable	The higher the discount rate, the lower the fair value
Unlisted stocks	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	Discount 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%~24.85%	The higher the volatility, the higher the fair value
Item	Fair value at December 31, 2021	Valuation technique	Significant observable input	Range	Relationship of inputs to fair value
Unlisted stocks	\$ 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	2,203,498	Income approach	Discount rate	(Note)	The higher the discount rate, the lower the fair value
Call options and put options of convertible corporate bonds	751	Binary tree valuation model	Volatility	21.03%~28.21%	The higher the volatility, the higher the fair value
Non-current assets held for sale	1,783,926	Market approach	Not applicable	Not applicable	Not applicable

Note: Information on discount rate and income capitalisation rate is provided in Note 6(11).

- I. The Group 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.

(4) Other matter

The Group's operations, ability to continue as a going concern and the financing risks have not been affected by the Covid-19 pandemic and the various preventive measures imposed by the government. Based on the Group's assessment, the pandemic had no significant impact on the Group's assets impairment.

Since the start of the pandemic, the Group has complied with the related measures issued by the Central Epidemic Command Center and the epidemic prevention requirements under the Communicable Disease Control Act.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: Refer to table 1.
- B. Provision of endorsements and guarantees to others: Refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): 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: Refer to table 4.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: Refer to table 5.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Refer to table 6.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Refer to table 7.
- I. Trading in derivative instruments undertaken during the reporting periods: Refer to Notes 6(2).
- J. Significant inter-company transactions during the reporting periods: Refer to table 8.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 9.

(3) Information on investments in Mainland China

- A. Basic information: Refer to table 10.

- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Refer to items (1) A, B, G, H and J above.

(4) Major shareholders information

Major shareholders information: Refer to table 11.

14. SEGMENT INFORMATION

(1) General 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.

(2) Measurement of segment information

- A. All accounting policies of the operating segments are the same as those summarized in Note 4 of the financial statements, except for pension plans adopted by the overseas operating segments that are based on the local government's regulations.
- B. The Chief Operating Decision-Maker assesses the performance of the operating segments based on income before income tax.

(3) Information about segment profit or loss, assets and liabilities

The segment information provided to the Chief Operating Decision-Maker for the reportable segments is as follows:

	Year ended December 31, 2022					
	Tape manufacturing segment	Packaging material business segment	Real estate business segment	Specialty chemical segment	Adjustments and eliminations	Consolidated
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 segment revenue	<u>\$ 15,140,732</u>	<u>\$ 1,660,028</u>	<u>\$ 42,757</u>	<u>\$ 400,214</u>	<u>(\$ 2,572,338)</u>	<u>\$ 14,671,393</u>
Segment profit (Note)	<u>\$ 769,962</u>	<u>\$ 128,458</u>	<u>(\$ 10,638)</u>	<u>\$ 56,243</u>	<u>\$ 72,253</u>	<u>\$ 1,016,278</u>

	Year ended December 31, 2021					
	Tape manufacturing segment	Packaging material business segment	Real estate business segment	Specialty chemical segment	Adjustments and eliminations	Consolidated
Revenue from external customers	\$ 14,347,970	\$ 1,837,122	\$ 560,926	\$ 435,776	\$ -	\$ 17,181,794
Inter-segment revenue	3,313,997	-	-	13,555	(3,327,552)	-
Total segment revenue	<u>\$ 17,661,967</u>	<u>\$ 1,837,122</u>	<u>\$ 560,926</u>	<u>\$ 449,331</u>	<u>(\$ 3,327,552)</u>	<u>\$ 17,181,794</u>
Segment profit (Note)	<u>\$ 867,764</u>	<u>\$ 103,757</u>	<u>\$ 72,787</u>	<u>\$ 63,223</u>	<u>\$ 75,681</u>	<u>\$ 1,183,212</u>

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.

(4) Reconciliation for segment income (loss)

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, 2022 and 2021 is provided as follows:

	Year ended December 31	
	2022	2021
Reportable segments income	\$ 1,016,278	\$ 1,183,212
Non-operating income and expenses	347,949	(130,176)
Less: Loss before tax attributable to discontinued operations	(577)	(1,177,429)
Profit before tax from continuing operations	<u>\$ 1,364,804</u>	<u>\$ 2,230,465</u>

(5) 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	
	2022	2021
Tape	\$ 10,318,414	\$ 11,747,266
BOPP Film	2,256,904	2,600,704
Packaging materials	1,660,028	1,837,122
Real estate business	-	523,960
Others	436,047	472,742
	<u>\$ 14,671,393</u>	<u>\$ 17,181,794</u>

(6) Geographical information

The Group's operations are located in Taiwan, Mainland 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			
	2022		2021	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	\$ 9,568,990	\$ 8,129,786	\$ 11,474,783	\$ 8,177,451
China	3,577,449	1,291,689	4,055,525	1,256,598
USA	1,306,987	917,231	1,483,549	844,778
Others	217,967	1,005,212	167,937	1,003,656
	<u>\$ 14,671,393</u>	<u>\$ 11,343,918</u>	<u>\$ 17,181,794</u>	<u>\$ 11,282,483</u>

Note: Revenue is classified based on the location of sales departments.

(7) Information on significant customers

There was no sale to a single customer constituting more than 10% of the Group's consolidated net sales in 2022 and 2021.

Yem Chio Co., Ltd. and Subsidiaries
Loans to others
For the year ended December 31, 2022

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

NO. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2022 (Note 3)	Balance at December 31, 2022 (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	ACHEM Technology Holdings Limited	Other receivables	Y	\$ 322,150	\$ 307,100	\$ -	2.00%	2	\$ -	Working capital	\$ -	None	-	\$ 2,227,542	\$ 4,455,083	-
0	The Company	UINN Hotel	Other receivables	Y	180,000	180,000	4,000	2.00%	2	-	Working capital	-	None	-	2,227,542	4,455,083	-
0	The Company	Wong Chio Development., Ltd.	Other receivables	Y	500,000	500,000	-	2.00%-2.50%	2	-	Working capital	-	None	-	2,227,542	4,455,083	-
0	The Company	Chuang-Yi Investment Co., Ltd.	Other receivables	Y	480,000	-	-	2.00%-2.50%	2	-	Working capital	-	None	-	2,227,542	4,455,083	-
0	The Company	ACHEM Technology Corporation	Other receivables	Y	1,800,000	900,000	-	2.00%-2.50%	2	-	Working capital	-	None	-	2,227,542	4,455,083	-
0	The Company	Wan Chio Petrochemical (Jiangsu) Co., Ltd.	Other receivables	Y	1,062,909	1,013,253	1,013,253	0.00%	2	-	Working capital	-	None	-	2,227,542	4,455,083	-
1	YEM CHIO	ACHEM Technology Holdings Limited	Other receivables	Y	154,138	-	-	2.00%	2	-	Working capital	-	None	-	-	-	-
2	ACHEM Technology Corporation	Chuang-Yi Investment Co., Ltd.	Other receivables	Y	610,000	-	-	1.75%-2.00%	2	-	Working capital	-	None	-	1,180,205	2,065,358	-
2	ACHEM Technology Corporation	ACHEM Technology Holdings Limited	Other receivables	Y	793,750	614,200	537,425	2.00%	2	-	Working capital	-	None	-	1,180,205	2,065,358	-
2	ACHEM Technology Corporation	Wong Chio Development., Ltd.	Other receivables	Y	730,000	730,000	709,000	2.00%	2	-	Working capital	-	None	-	1,180,205	2,065,358	-
2	ACHEM Technology Corporation	UINN Hotel	Other receivables	Y	180,000	180,000	137,000	2.00%	2	-	Working capital	-	None	-	1,180,205	2,065,358	-
3	ACHEM Technology Holdings Limited	ACHEM Technology (Vietnam) Ltd.	Other receivables	Y	58,738	53,743	53,743	2.50%	2	-	Working capital	-	None	-	3,634,555	3,634,555	-
3	ACHEM Technology Holdings Limited	ASIA PLASTICS	Other receivables	Y	32,215	30,710	25,489	2.00%	2	-	Working capital	-	None	-	3,634,555	3,634,555	-
3	ACHEM Technology Holdings Limited	ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.	Other receivables	Y	121,740	55,278	55,278	2.50%	2	-	Working capital	-	None	-	3,634,555	3,634,555	-
3	ACHEM Technology Holdings Limited	WAN CHIO	Other receivables	Y	153,021	145,873	145,873	2.00%	2	-	Working capital	-	None	-	3,634,555	3,634,555	-
3	ACHEM Technology Holdings Limited	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Other receivables	Y	1,573,484	654,588	654,588	2.50%	2	-	Working capital	-	None	-	3,634,555	3,634,555	-
4	ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.	Ningbo Yem Chio Co., Ltd.	Other receivables	Y	81,108	79,344	79,344	2.00%	2	-	Working capital	-	None	-	884,233	884,233	-

NO. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2022 (Note 3)	Balance at December 31, 2022 (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			
4	ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.	Wan Chio Petrochemical (Jiangsu) Co., Ltd.	Other receivables	Y	\$ 383,010	\$ 308,560	\$ 308,560	0.00%	2	-	Working capital	\$ -	None	\$ -	\$ 884,233	\$ 884,233	-
4	ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Other receivables	Y	22,530	22,040	22,040	2.00%	2	-	Working capital	-	None	-	884,233	884,233	-
5	ASIACHEM International Corporation	ACHEM Technology Holdings Limited	Other receivables	Y	682,958	651,052	634,162	2.00%	2	-	Working capital	-	None	-	1,379,370	1,379,370	-
5	ASIACHEM International Corporation	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Other receivables	Y	154,916	151,547	151,547	2.00%	2	-	Working capital	-	None	-	1,379,370	1,379,370	-
6	ACHEM Technology (Shanghai) Limited	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Other receivables	Y	76,041	74,936	72,732	2.00%	2	-	Working capital	-	None	-	1,324,676	1,324,676	-
6	ACHEM Technology (Shanghai) Limited	Ningbo Yem Chio Co., Ltd.	Other receivables	Y	31,542	30,856	30,856	2.00%	2	-	Working capital	-	None	-	1,324,676	1,324,676	-
6	ACHEM Technology (Shanghai) Limited	Wan Chio Petrochemical (Jiangsu) Co., Ltd.	Other receivables	Y	745,743	729,524	729,524	0.00%	2	-	Working capital	-	None	-	1,324,676	1,324,676	-
7	Valueline Investment Corporation	ACHEM Technology Corporation	Other receivables	Y	35,000	27,000	27,000	1.50%-2.00%	2	-	Working capital	-	None	-	28,204	28,204	-
8	ACHEM Technology China	ACHEM Technology Holdings Limited	Other receivables	Y	32,215	30,710	12,284	2.00%	2	-	Working capital	-	None	-	2,979,708	2,979,708	-
9	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Ningbo Yem Chio Co., Ltd.	Other receivables	Y	155,457	79,344	79,344	2.80%-4.90%	2	-	Working capital	-	None	-	5,976,609	5,976,609	-
9	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Wan Chio Petrochemical (Jiangsu) Co., Ltd.	Other receivables	Y	1,010,921	402,671	402,671	0.00%	2	-	Working capital	-	None	-	5,976,609	5,976,609	-
10	ASIA PLASTICS	Wan Chio Petrochemical (Jiangsu) Co., Ltd.	Other receivables	Y	656,355	642,080	642,080	0.00%	2	-	Working capital	-	None	-	-	-	-
11	ACHEM Opto-Electronic Corporation	ACHEM Technology Corporation	Other receivables	Y	43,000	43,000	43,000	1.50%-2.00%	2	-	Working capital	-	None	-	228,234	228,234	-
12	AOE Holding Limited	ACHEM Technology Holdings Limited	Other receivables	Y	22,551	21,497	21,497	2.00%	2	-	Working capital	-	None	-	212,370	212,370	-
13	Master Package (Shanghai) Material Technology Co., Ltd.	ACHEM (Tianjin) Adhesive Product Co., Ltd.	Other receivables	Y	6,083	-	-	2.00%	2	-	Working capital	-	None	-	114,511	114,511	-
13	Master Package (Shanghai) Material Technology Co., Ltd.	Ningbo Yem Chio Co., Ltd.	Other receivables	Y	47,313	46,284	46,284	4.00%	2	-	Working capital	-	None	-	45,804	45,804	-
14	Xin Chio Co., Ltd.	Chuang-Yi Investment Co., Ltd.	Other receivables	Y	325,000	-	-	1.75%-2.00%	2	-	Working capital	-	None	-	368,082	368,082	-
14	Xin Chio Co., Ltd.	ACHEM Technology Corporation	Other receivables	Y	325,000	325,000	325,000	2.00%	2	-	Working capital	-	None	-	368,082	368,082	-

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, 2022.

Note 4: The column of 'Nature of loan' shall fill in 'Business transaction or 'Short-term financing'.

- (1) Business transaction.
- (2) Short-term financing.

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 the calculation for ceiling on total loans granted in the footnote.

- (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 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 100% of the stockholders' equity of Shanxi Heyangder Adhesive Produce Co., Ltd.
- (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 300% 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) As ASIA PLASTICS recognised impairment loss on assets of the associate, Wan Chio Petrochemical (Jiangsu) Co., Ltd., ASIA PLASTICS's loans to Wan Chio Petrochemical (Jiangsu) Co., Ltd. amounting to \$642,080 were over the limit.
However, ASIA PLASTICS has been actively developing improvement plans.

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 eventhough the loans are repaid subsequently, for taking into consideration they could be loaned again thereafter.

Yem Chio Co., Ltd. and Subsidiaries
Provision of endorsements and guarantees to others
For the year ended December 31, 2022

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2022 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2022 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary company to parent company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 2)											
0	The Company	YEM CHIO	2	\$ 11,137,708	\$ 229,805	\$ -	\$ -	\$ -	0	\$ 16,706,563	Y	N	N	-
0	The Company	WAN CHIO	2	11,137,708	64,458	-	-	-	0	16,706,563	Y	N	N	-
0	The Company	Wong Chio Development., Ltd.	2	11,137,708	150,000	150,000	-	-	1	16,706,563	Y	N	N	-
0	The Company	UINN Hotel	2	11,137,708	104,000	-	-	-	0	16,706,563	Y	N	N	-
0	The Company	ACHEM Technology (Vietnam) Ltd.	2	11,137,708	32,215	30,710	-	-	0	16,706,563	Y	N	N	-
0	The Company	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	2	11,137,708	257,720	245,680	220,400	-	2	16,706,563	Y	N	Y	-
0	The Company	ACHEM Technology (Dongguan) Adhesive Product Co., Ltd.	2	11,137,708	161,075	153,550	-	-	1	16,706,563	Y	N	Y	-
1	ACHEM Technology Corporation	ACHEM Technology (Dongguan) Adhesive Product Co., Ltd.	2	5,901,023	156,168	153,424	13,760	-	3	5,901,023	Y	N	Y	-
1	ACHEM Technology Corporation	ACHEM Technology Holdings Limited	2	5,901,023	1,256,385	1,105,560	-	-	20	5,901,023	Y	N	N	-
1	ACHEM Technology Corporation	Ningbo Yem Chio Co., Ltd.	2	5,901,023	201,285	198,360	16,490	-	4	5,901,023	Y	N	Y	-
1	ACHEM Technology Corporation	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	2	5,901,023	216,288	211,584	22,040	-	4	5,901,023	Y	N	Y	-
1	ACHEM Technology Corporation	ACHEM Technology (Vietnam) Ltd.	2	5,901,023	38,658	36,852	-	-	1	5,901,023	Y	N	N	-
2	ACHEM Technology (Shanghai) Limited	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	2	1,324,676	90,120	88,160	9,438	-	6	1,324,676	N	N	Y	-

Note 1: The numbers filled in for the endorsements/guarantees 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: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following six 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 authorised 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, 2022

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

		As at December 31, 2022							
Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	Number of shares	Book value (Note 3)	Ownership (%)	Fair value	Footnote (in shares) (Note 4)	
The Company	Common stock								
	ASE Technology Holding Co., Ltd.	None	Current financial assets at fair value through other comprehensive income	1,451,897	\$ 136,333	0.03%	\$ 136,333	113,000	
	Quanta Computer Inc.	"	"	2,851,000	206,127	0.07%	206,127	190,000	
	LITE-ON Technology Corp.	"	"	4,000	255	0.00%	255	1,000	
	HON HAI PRECISION IND. CO., LTD.	"	"	2,256,000	225,374	0.02%	225,374	827,000	
	CHIPBOND TECHNOLOGY CORPORATION	"	"	810,000	46,494	0.11%	46,494	136,000	
	Formosa Plastics Corporation	"	"	958,000	83,154	0.02%	83,154	176,000	
	Fubon Financial Holding Co., Ltd.	"	"	465,500	26,208	0.00%	26,208	224,000	
	MediaTek Inc.	"	"	146,000	91,250	0.01%	91,250	54,000	
	Taiwan Semiconductor Manufacturing Co., Ltd.	"	"	159,000	71,312	0.00%	71,312	81,000	
	Yuanta/P-shares Taiwan Top 50 ETF	"	"	263,000	28,983	0.01%	28,983	110,000	
	Micro-Star International Co., Ltd.	"	"	1,000	120	0.00%	120	-	
	China Steel Corporation.	"	"	10,000	298	0.00%	298	-	
	EVERGREEN MARINE CORP. (TAIWAN) LTD.	"	"	186,000	30,318	0.01%	30,318	-	
	3M Company	"	"	2,354	8,716	0.00%	8,716	-	
	Vanguard S&P 500 ETF	"	"	410	4,436	0.00%	4,436	-	
	Unipex Global Co., Ltd.	"	Non-current financial assets at fair value through other comprehensive income	171,900	5,597	17.19%	5,597	-	
YEM CHIO	Common stock								
	YC Co., Ltd.	Ultimate parent company	Non-current financial assets at fair value through other comprehensive income	16,822,281	\$ 242,241	2.64%	\$ 242,241	-	
	Quanta Computer Inc.	None	"	100,000	7,230	0.00%	7,230	-	
	Taiwan Semiconductor Manufacturing Co., Ltd.	"	"	11,000	4,934	0.00%	4,934	-	
	CHIPBOND TECHNOLOGY CORPORATION	"	"	358,000	20,549	0.05%	20,549	-	
	MediaTek Inc.	"	"	8,000	\$ 5,000	0.00%	\$ 5,000	-	
	Micro-Star International Co., Ltd.	"	"	120,000	\$ 14,340	0.01%	\$ 14,340	-	
ACHEM Technology Corporation	Common stock								
	Taiwan Semiconductor Manufacturing Co., Ltd.	None	Current financial assets at fair value through profit or loss	63,000	\$ 28,256	0.00%	\$ 28,256	-	
	MediaTek Inc.	"	"	5,000	3,125	0.00%	3,125	-	
	ASE Technology Holding Co., Ltd.	"	"	19,000	1,784	0.00%	1,784	-	
	HON HAI PRECISION IND. CO., LTD.	"	"	695,000	69,430	0.01%	69,431	-	
	EVERGREEN MARINE CORP. (TAIWAN) LTD.	"	"	47,000	7,661	0.00%	7,661	-	
	United Microelectronics Corp.	"	"	51,000	2,076	0.00%	2,076	-	
	DELTA ELECTRONICS, INC.	"	"	6,000	1,719	0.00%	1,719	-	
	Micro-Star International Co., Ltd.	"	"	24,000	2,868	0.00%	2,868	-	
	Quanta Computer Inc.	"	"	38,000	2,747	0.00%	2,747	-	
	Yuanta/P-shares Taiwan Top 50 ETF	"	"	107,000	11,791	0.00%	11,791	-	
	Fubon FTSE TWSE Taiwan 50 ETF	"	"	256,000	15,898	0.04%	15,898	-	

				As at December 31, 2022				
Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	Number of shares	Book value (Note 3)	Ownership (%)	Fair value	Footnote (in shares) (Note 4)
ACHEM Technology Corporation	Common stock International Engineering & Construction Corp. (IEC)	None	Non-current financial assets at fair value through other comprehensive income	7,212,885	-	7.99%	-	-
	International Steel Company	"	"	143,826	1,116	3.20%	1,116	-
ACHEM Technology Corporation	Bank debenture Citigroup Inc.	None	Non-current financial assets at fair value through other comprehensive income	-	\$ 52,585	-	\$ 52,585	-
Valueline Investment Corporation	Common stock YC Co., Ltd.	Ultimate parent company	Non-current financial assets at fair value through other comprehensive income	406,409	\$ 5,852	0.06%	\$ 5,852	-
	Lucky-Heart Co., Ltd.	None	"	800,000	-	6.96%	-	-
	Taiwan Virtual Reality Technologies Inc.	"	"	1,600,000	-	10.00%	-	-
ACHEM Technology Holdings Limited	Beneficiary certificates Augustus Multi - Strategy Fund	None	Current financial assets at fair value through profit or loss	58,721	\$ -	-	\$ -	-
	Common stock YC Co., Ltd.	Ultimate parent company	Non-current financial assets at fair value through other comprehensive income	1,194,138	\$ 17,196	0.19%	\$ 17,196	-
Foshan Inder Adhesive Product Co., Ltd.	Capital guarantee products Structured Investment Deposit in Bank of Communications	None	Current financial assets at fair value through profit or loss	-	\$ 264,413	-	\$ 264,413	-
Master Package (Shanghai) Material Technology Co., Ltd.	Financial product Financial product launched by Bank of China	None	Current financial assets at fair value through profit or loss	-	\$ 52,896	-	\$ 52,896	-

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: In response to the group's organizational planning, our company has decided through the board of directors' resolution on November 10th, 2022 to engage in a simple merger with Chuang-Yi Investment Co., Ltd. The merger effective date is December 1st, 2022.

All the valuable securities held by Chuang-Yi Investment Co., Ltd. will be transferred to the company.

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, 2022

Table 4

(Expressed in thousands of New Taiwan dollars)
(Except as otherwise indicated)

Investor	Marketable securities (Note 2)	General ledger account (Note 1)	Counterparty (Note 3)	Relationship with the investor (Note 3)	Balance as at January 1, 2022		Addition (Note 4)		Disposal (Note 4)			Other changes		Balance as at December 31, 2022		
					Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Selling price	Book value	Gains (losses) on disposal	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount
Foshan Inder Adhesive Product Co., Ltd.	Financial product: Financial product launched by Bank of China	1	-	-	-	-	-	\$ 608,150	-	\$ 608,150	\$ 608,150	\$ -	-	\$ -	-	\$ -
Foshan Inder Adhesive Product Co., Ltd.	Capital guaranteed products: Structured Investment Deposit in Bank of Communications	1	-	-	-	-	-	443,333	-	178,920	178,920	-	-	-	-	264,413
Master Package (Shanghai) Material Technology Co., Ltd.	Financial product: Financial product launched by Bank of China	1	-	-	-	-	-	313,941	-	262,038	262,038	-	-	-	-	52,896

Note 1: The numbers filled in general ledger account are as follows:

1. Current financial assets at fair value through profit or loss
2. Current financial asset measured at fair value through other comprehensive income
3. Non-current financial assets at fair value through profit or loss

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: Aggregate purchases and sales amounts should be calculated separately at their market values to verify whether they individually reach NT\$300 million or 20% of paid-in capital or more.

Note 5: 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.

Yem Chio Co., Ltd. and Subsidiaries
Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more
For the year ended December 31, 2022

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Real estate disposed by	Real estate	Transaction date		Book value	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
		or date of the event	Date of acquisition									
Wan Chio Petrochemical (Jiangsu) Co., Ltd.	Right of use of land, buildings, and equipment, etc.	2022/9/15	August 2012 to January 2020	\$ 1,896,753	\$ 1,953,957	(Note 2)	\$ 57,204	1. Nantong Development Area Chemical Industry Park Administration Office 2. Zibo Qixiang Tengda Chemical Co., Ltd.	-	1. Dispose idle property, plant and equipment to reduce Group losses. 2. Cooperate with the local governments to promote ecology prioritization and green development.	1. Relocation compensation contract for non residential housing in Nantong Economic & Technological Development Area Chemical Industry Park 2. Equipment purchase and sale contract	None

(RMB 438,760)

Note 1: Date of the event referred to herein is the date of board resolution.

Note 2: The consideration of \$1,313,122 (RMB 293,380 thousand) had been collected as of December 31, 2022. The remaining consideration of \$640,835 (RMB 145,380 thousand) was shown as other receivables.

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, 2022

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

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	\$ 475,149	13.04%	30 days after monthly billings	Note 4	Note 4	\$ 35,817	8.91%	None
The Company	ACHEM Industry America Inc.	An indirect subsidiary	Sales	144,594	3.97%	60 days after the receipt of shipment	Note 4	Note 4	22,472	5.59%	None
ACHEM Technology Corporation	Foshan Inder Adhesive Product Co., Ltd.	Subsidiary	Purchases	276,949	8.43%	100 days after shipment	Note 4	Note 4	50,411	13.30%	None
ACHEM Technology Corporation	Ningbo Yem Chio Co., Ltd.	Subsidiary	Purchases	384,116	11.69%	60 days after monthly billings	Note 4	Note 4	51,283	13.53%	None
ACHEM Technology Corporation	ACHEM Industry America Inc.	Subsidiary	Sales	135,935	2.50%	60 days after monthly billings	Note 4	Note 4	28,138	3.29%	None
Wanchio Adhesive Product (Jiangsu) Co., Ltd.	ACHEM Technology Corporation	Parent company	Sales	224,302	13.48%	60 days after monthly billings	Note 4	Note 4	30,896	6.51%	None
Wanchio Adhesive Product (Jiangsu) Co., Ltd.	ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.	Sister company	Sales	258,523	15.53%	60 days after monthly billings	Note 4	Note 4	70,057	14.76%	None
Ningbo Yem Chio Co., Ltd.	ACHEM Industry America Inc.	Sister company	Sales	123,255	11.51%	60 days after monthly billings	Note 4	Note 4	10,879	8.78%	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: 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 4: 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, 2022

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2022 (Note 1)	Turnover rate	Overdue receivables			Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken			
The Company	Wan Chio Petrochemical (Jiangsu) Co., Ltd.	An indirect subsidiary	Other receivables	\$ 1,013,253	-	\$ -	-	\$ -	\$ -
Xin Chio Co., Ltd.	ACHEM Technology Corporation	Associate	Other receivables	329,034	-	-	-	-	-
ACHEM Technology Corporation	ACHEM Technology Holdings Limited	Subsidiary	Other receivables	541,900	-	-	-	-	-
ACHEM Technology Corporation	Wong Chio Development., Ltd.	Sister company	Other receivables	712,175	-	-	-	-	-
ACHEM Technology Corporation	UINN Hotel	Sister company	Other receivables	137,442	-	-	-	-	-
ACHEM Technology (Shanghai) Limited	Wan Chio Petrochemical (Jiangsu) Co., Ltd.	Sister company	Other receivables	729,524	-	-	-	-	-
ACHEM Technology Holdings Limited	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	An indirect subsidiary	Other receivables	656,069	-	-	-	-	-
ACHEM Technology Holdings Limited	WAN CHIO	Associate	Other receivables	147,803	-	-	-	-	-
ASIACHEM International Corporation	ACHEM Technology Holdings Limited	Sister company	Other receivables	648,182	-	-	-	-	-
ASIACHEM International Corporation	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Sister company	Other receivables	157,102	-	-	-	-	-
ACHEM Technology (Dongguan) Adhesive Products Co., Ltd	Wan Chio Petrochemical (Jiangsu) Co., Ltd.	Sister company	Other receivables	308,560	-	-	-	-	-
Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Wan Chio Petrochemical (Jiangsu) Co., Ltd.	Associate	Other receivables	402,671	-	-	-	-	-
ASIA PLASTICS	Wan Chio Petrochemical (Jiangsu) Co., Ltd.	Associate	Other receivables	642,080	-	-	-	-	-

Note 1: Fill in separately the balances of accounts receivable-related parties, notes receivable-related parties, other receivables-related parties.

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.

Yem Chio Co., Ltd. and Subsidiaries
Significant inter-company transactions during the reporting period
For the year ended December 31, 2022

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
0	The Company	ACHEM Technology Corporation	(1)	Sales	\$ 475,149	30 days after monthly billings	3.24%
0	The Company	Wan Chio Petrochemical (Jiangsu) Co., Ltd.	(1)	Other receivables	1,013,253	Depends on negotiation	3.43%
1	Xin Chio Co., Ltd.	ACHEM Technology Corporation	(3)	Other receivables	329,034	Depends on negotiation	1.11%
2	ACHEM Technology Corporation	ACHEM Technology Holdings Limited	(1)	Other receivables	541,900	Depends on negotiation	1.84%
2	ACHEM Technology Corporation	Wong Chio Development., Ltd.	(3)	Other receivables	712,175	Depends on negotiation	2.41%
2	ACHEM Technology Corporation	Foshan Inder Adhesive Product Co., Ltd.	(1)	Purchase	276,949	100 days after shipment	1.89%
2	ACHEM Technology Corporation	Ningbo Yem Chio Co., Ltd.	(1)	Purchase	384,116	60 days after monthly billings	2.62%
3	ACHEM Technology (Shanghai) Limited	Wan Chio Petrochemical (Jiangsu) Co., Ltd.	(3)	Other receivables	729,524	Depends on negotiation	2.47%
4	ACHEM Technology Holdings Limited	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	(1)	Other receivables	656,069	Depends on negotiation	2.22%
5	ASIACHEM International Corporation	ACHEM Technology Holdings Limited	(3)	Other receivables	648,182	Depends on negotiation	2.20%

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
6	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	ACHEM Technology Corporation	(2)	Sales	\$ 224,302	60 days after monthly billings	1.53%
6	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	ACHEM Technology (Dongguan) Adhesive Products Co., Ltd	(3)	Sales	258,523	60 days after monthly billings	1.76%
6	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Wan Chio Petrochemical (Jiangsu) Co., Ltd.	(3)	Other receivables	402,671	Depends on negotiation	1.36%
7	ACHEM Technology (Dongguan) Adhesive Products Co., Ltd	Wan Chio Petrochemical (Jiangsu) Co., Ltd.	(3)	Other receivables	308,560	Depends on negotiation	1.05%
8	ASIA PLASTICS	Wan Chio Petrochemical (Jiangsu) Co., Ltd.	(3)	Other receivables	642,080	Depends on negotiation	2.18%

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.

Note 5: The transactions less than 1% of consolidated total assets or consolidated sales do not need to be disclosed. The disclosure is by asset or revenue.

Yem Chio Co., Ltd. and Subsidiaries
Information on investees (not including investees in Mainland China)
For the year ended December 31, 2022

Table 9

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value			
The Company	YEM CHIO	BVI	Manufacturing of adhesives and polystyrene sheets; investment holdings	\$ 1,446,994	\$ 1,446,994	47,117,523	100%	(\$ 826,083)	\$ 34,919	\$ 18,097	Subsidiary
The Company	Chuang-Yi Investment Co., Ltd.	Taiwan	Investment holdings	-	25,943	-	-	-	-	-	Note 4
The Company	UINN Hotel	Taiwan	Hotel management and related business	25,740	25,740	-	100%	(28,190)	4,457	(3,026)	Subsidiary
The Company	Wong Chio Development., Ltd.	Taiwan	Undertaking civil engineering and hydraulic engineering	345,077	345,077	34,507,664	100%	294,887	(15,445)	(14,844)	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%	5,768,267	743,275	756,723	Subsidiary
The Company	Xin Chio Co., Ltd.	Taiwan	Manufacturing, import and export of material packaging, computer software and hardware for cloud services and peripheral equipment, research and development, and distribution of design of above products	299,264	299,264	25,740,120	41.76%	66,929	113,052	46,017	Subsidiary
The Company	Yanrun Development Co., Ltd.	Taiwan	Operating real estate related business	8,000	8,000	1,320,000	40%	(3,188)	(12,420)	(7,006)	-
YEM CHIO	ASIA PLASTICS	BVI	Manufacturing of adhesives and polystyrene sheets; investment holdings	357,249	357,249	11,632,500	45%	(7,159)	27,389	-	An indirect subsidiary

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value			
YEM CHIO	WAN CHIO	BVI	Manufacturing and marketing of raw materials; investment holdings	\$ 899,803	\$ 899,803	40,400,000	68.47%	(\$ 941,295)	(\$ 3,199)	\$ -	An indirect subsidiary
ACHEM Technology Corporation	ASIACHEM International Corporation	BVI	Investment of adhesives and related products	357,295	357,295	23,269	100%	1,379,360	65,324	-	An indirect subsidiary
ACHEM Technology Corporation	ACHEM Technology Holdings Limited	BVI	Investment of high technology industry	3,099,381	3,099,381	100,924	100%	3,626,252	111,960	-	An indirect subsidiary
ACHEM Technology Corporation	Valueline Investment Corporation	Taiwan	Investment holdings	249,287	249,287	826,089	100%	70,511	800	-	An indirect subsidiary
ACHEM Technology Corporation	ACHEM Opto-Electronic Corporation	Taiwan	Manufacturing of electronic parts and components	321,550	300,563	21,401,231	87.09%	496,922	62,607	-	An indirect subsidiary
ACHEM Technology Corporation	Xin Chio Co., Ltd.	Taiwan	Manufacturing, import and export of material packaging, computer software and hardware for cloud services and peripheral equipment, research and development, and distribution of design of above products	242,903	242,903	14,930,000	24.22%	293,214	113,052	-	-
ACHEM Technology Holdings Limited	ACHEM Technology Americas Ltd.	Cayman Islands	Investment of high technology industry	418,977	418,977	13,643,000	100%	1,104,757	8,587	-	An indirect subsidiary
ACHEM Technology Holdings Limited	ACHEM Technology China	Cayman Islands	Investment of high technology industry	2,094,701	2,094,701	68,209,075	100%	2,979,708	194,601	-	An indirect subsidiary
ACHEM Technology Holdings Limited	ACHEM Technology (Vietnam) Ltd.	Vietnam	Manufacturing and sales of various adhesives products	368,520	368,520	-	100%	210,548	(19,684)	-	An indirect subsidiary
ACHEM Technology Holdings Limited	WAN CHIO	BVI	Manufacturing and marketing of raw materials; investment holdings	571,206	571,206	18,600,000	31.53%	(433,460)	(3,199)	-	An indirect subsidiary

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value			
ACHEM Technology Holdings Limited	ASIA PLASTICS	BVI	Manufacturing and marketing of raw materials; investment holdings	\$ 536,457	\$ 536,457	14,217,500	55%	(\$ 8,749)	\$ 27,389	\$ -	An indirect subsidiary
ACHEM Technology Holdings Limited	ACHEM Technology (M) SDN. BHD.	Malaysia	Business of import, export and distribution	4,269	4,269	353,152	90%	19,640	(55)	-	An indirect subsidiary
ACHEM Technology Americas Ltd.	ACHEM Industry America Inc.	U.S.A.	Manufacturing and sales of various adhesives products	267,177	267,177	50,000	100%	986,316	8,790	-	An indirect subsidiary
ACHEM Opto- Electronic Corporation	AOE Holding Limited	BVI	Investment of high technology industry	65,007	65,007	4,234	100%	530,925	65,065	-	An indirect subsidiary
ACHEM Technology China	LANDMART	Samoa	Investment of high technology industry	859,880	859,880	28,000,000	100%	1,325,501	47,456	-	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, 2022' 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, 2022' 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, 2022' 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.

Note 4: The company and subsidiary Chuang-Yi Investment Co., Ltd. underwent a simple merger by absorption on December 1, 2022

Yem Chio Co., Ltd. and Subsidiaries
Information on investments in Mainland China
For the year ended December 31, 2022

Table 10

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated	Amount remitted from Taiwan		Accumulated	Net income of investee for the year ended December 31, 2022	Ownership held by the Company (direct or indirect)	Investment	Book value of investments in Mainland China as of December 31, 2022	Accumulated	Footnote (Note 2)
				amount of remittance from Taiwan to Mainland China as of January 1, 2022	to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2022		amount of remittance from Taiwan to Mainland China as of December 31, 2022			(loss) recognised by the Company for the year ended December 31, 2022 (Note 2)		amount of investment income remitted back to Taiwan as of December 31, 2022	
Ningbo Yem Chio Co., Ltd.	Sales of adhesives and polystyrene sheets	\$ 344,872	2	\$ 879,869	\$ -	\$ -	\$ 879,869	\$ 87,909	100%	\$ 87,909	(\$ 647,980)	\$ -	B
Master Package (Shanghai) Material Technology Co., Ltd.	Wholesale, import and export of various wrapping materials, computer software, hardware and peripherals	187,331	1	187,331	-	-	187,331	(4,172)	65.98%	(2,753)	114,512	-	B
ACHEM (Tianjin) Adhesive Product Co., Ltd.	Sales of various adhesives products	-	1	22,155	-	-	22,155	(166)	65.98%	(110)	-	-	B
ACHEM Technology (Wuhan) Limited	Manufacturing and sales of various adhesives products	31,324	1	35,757	-	-	35,757	521	65.98%	344	5,631	-	B
Foshan Inder Adhesive Product Co., Ltd.	Manufacturing and sales of various adhesives products	433,794	2	170,686	-	-	170,686	108,159	62.30%	67,383	494,184	-	B
Fuzhou Fuda Plastic Products Co., Ltd.	Manufacturing and sales of various adhesives products and material	39,923	2	32,246	-	-	32,246	179	100%	179	61,641	-	B
ACHEM Technology Huizhou Adhesive Products Ltd.	Manufacturing and sales of adhesives and BOPP film	-	2	-	-	-	-	-	100%	-	-	-	C
ACHEM Technology (Chengdu) Limited	Manufacturing and sales of adhesives and BOPP film	4,607	2	4,607	-	-	4,607	(2,069)	100%	(2,069)	8,791	-	B
ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.	Manufacturing and sales of adhesives and BOPP film	230,694	2	230,694	-	-	230,694	47,420	100%	47,420	884,234	-	B

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, 2022	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2022		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Net income of investee for the year ended December 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2022 (Note 2)	Book value of investments in Mainland China as of December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2022	Footnote (Note 2)
				Remitted to Mainland China	Remitted back to Taiwan	Investment income (loss) recognised by the Company for the year ended December 31, 2022 (Note 2)							
ACHEM Technology (Shanghai) Limited	Manufacturing and sales of adhesives and BOPP film	\$ 494,431	2	\$ 494,431	-	-	\$ 494,431	\$ 47,491	100%	\$ 47,491	\$ 1,324,664	-	B
Winda Opto- Electronics Co., Ltd.	Manufacturing and sales of polarizing film, photoelectric material, optical thin-film and polarizing adhesives	626,195	2	153,490	-	(665)	152,825	309,942	29.38%	91,066	1,004,144	378,365	B
Wan Chio Petrochemical (Jiangsu) Co., Ltd.	Manufacturing and sale of various plastic materials	2,456,800	2	1,471,009	-	-	1,471,009	(577)	100%	(577)	(2,453,322)	-	B
Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Manufacturing and sale of various plastic materials	921,300	2	921,300	-	-	921,300	34,916	100%	34,916	199,220	-	B

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	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
YC CO., LTD.	\$ 1,110,685	\$ 1,130,647	\$ 7,092,694
ACHEM Technology Corporation	3,209,458	3,628,818	3,762,480
Xin Chio Co., Ltd.	245,242	245,242	552,124

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, 2022' 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 three categories:
 - A. The financial statements were audited and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.
 - B. The financial statements were audited and attested by R.O.C. parent company's CPA.
 - C. Unaudited and unattested (reiewed) financial statements for the same periods ended.
 - D. Others.

Note 3: The numbers in this table are expressed in New Taiwan Dollars.

Note 4: (1) The Company's accumulated amount of remittance to Mainland China as of December 31, 2020 was USD 36,167 thousand, and the amount approved by MOEA was USD 36,817 thousand.

(2) ACHEM Technology Corporation's accumulated amount of remittance to Mainland China as of December 31, 2022 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, 2022 was USD 7,986 thousand, and the amount approved by MOEA was USD 7,986 thousand.

Note 5 : The company received approval from the Investment Commission of the Ministry of Economic Affairs to invest USD 721,000 in ACHEM (Tianjin) Adhesive Product Co., Ltd.

ACHEM (Tianjin) Adhesive Product Co., Ltd. completed liquidation and deregistration in 2022, but the company has not yet applied to the Investment Commission of the Ministry of Economic Affairs to cancel the investment quota.

Yem Chio Co., Ltd. and Subsidiaries

Major shareholders information

December 31, 2022

Table 11

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
YING CHUNG CO., LTD.	50,923,666	7.93%
ASIA PLASTICS CO., LTD.	44,466,552	6.93%
INGS CHYUANG INTERNATIONAL CO., LTD.	42,748,839	6.66%

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 above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation. The share capital which was recorded on the financial statements may be shares in dematerialised form due to the difference in calculation basis.

II. Appendix 2 Separate financial reports for the most recent year

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Yem Chio Co., Ltd.4

Opinion

We have audited the accompanying parent company only balance sheets of Yem Chio Co., Ltd. (the "Company") as at December 31, 2022 and 2021, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (refer to *Other matter* section), the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years 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 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 evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Organization restructuring

As described in Notes 4(27) and 6(7) of the financial statements, the Company conducted a short-form merger with the subsidiary, Chuang-Yi Investment Co., Ltd., on December 1, 2022. The Company retrospectively restated the parent company only financial statements as at and for the year ended December 31, 2021 as the subsidiary was considered as consolidated from the beginning in accordance with the Accounting Research and Development Foundation Interpretation 101-301. Our opinion is not modified in respect of the Company's restated parent company only financial statements for the year ended December 31, 2021.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Company's 2022 parent company only financial statements. 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, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2022 parent company only financial statements are stated as follows:

Valuation of inventory

Description

Refer to Note 4(13) for accounting policy on inventory valuation, Note 5(2) for uncertainty of accounting estimates and assumptions applied on inventory valuation and Note 6(6) for details of inventories. As of December 31, 2022, the inventories and allowance for valuation loss amounted to NT\$6,374,429 thousand and NT\$12,744 thousand, respectively.

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 are measured at the lower of cost and net realisable value, and an allowance for inventory valuation losses is provided based on the net realisable value and usable condition of individually identified obsolete or slow-moving inventories.

Considering that the Company's inventories and the allowance for inventory valuation losses are material to the financial statements and the determination of net realisable value for obsolete or slow-moving inventories involves judgements and estimates, we identified the allowance for inventory valuation loss as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Assessed and obtained an understanding of provision policies in relation to the allowance for inventory valuation losses.
2. For packaging materials business:
 - (1) Obtained the net realisable value valuation report of inventories, assessed the calculation logic, verified the related records, and selected samples to check the source data of net realisable value.
 - (2) Obtained the details of the individually identified obsolete or slow-moving inventories, reviewed the related supporting documents, and verified the records.
 - (3) Obtained an understanding of the Company's warehousing control procedures. Reviewed annual physical inventory count plan and participated in the annual inventory count in order to assess the classification of obsolete inventory and effectiveness of obsolete inventory internal control.
3. For land development and construction business:

Obtained 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. Tested data in order to check the reasonableness of the net realisable value of construction-in-progress and land held for building.

Valuation of investment property

Description

Refer to Note 4(17) for accounting policy on investment property, Note 5(2) for uncertainty of accounting estimates and assumptions applied on fair value valuation and Note 6(11) for details of investment property. As of December 31, 2022, the fair value of investment property was NT\$2,123,774 thousand.

The Company's investment property is valued by external experts using the fair value model. Additionally, the Company's investment property is material to the financial statements. 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 considered the valuation of investment property as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Assessed the qualification and independence of appointed external appraisers in accordance with the Company policy.
2. Reviewed whether the valuation method used in the appraisal report is consistent with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
3. For investment properties accounted for using the income approach, assessed whether the lease income and rental growth rate are reasonable by referencing to the market rental rate.

Other matter – Audits by other auditors

We did not audit the financial statements of certain investees accounted for under the equity method. The balances of these investments amounted to NT\$1,223,311 thousand and NT\$1,116,201 thousand, constituting 6% and 5% of total assets, as at December 31, 2022 and 2021, respectively, and the comprehensive loss amounted to (NT\$10,348) thousand and (NT\$7,209) thousand, both constituting (1%) of total comprehensive income for the years then ended, respectively. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein is based solely on the audit reports of the other auditors.

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 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 only 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 the 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 judgement 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 Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 disclosures, 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 the parent company only financial statements of the current period 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.

Lin, Yi-Fan

Chen, Ching Chang

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 15, 2023

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 generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers 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, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2022		December 31, 2021 (As restated)		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 558,201	3	\$ 353,576	2
1110	Financial assets at fair value through profit or loss - current	6(2)	81	-	134,754	1
1120	Financial assets at fair value through other comprehensive income - current	6(3) and 8	959,378	4	1,390,690	6
1136	Financial assets at amortised cost - current	6(4)	392,067	2	196,623	1
1150	Notes receivable, net	6(5)	31,759	-	69,027	-
1170	Accounts receivable, net	6(5)	260,126	1	547,261	2
1180	Accounts receivable - related parties	7	109,989	1	246,884	1
1200	Other receivables		20,423	-	14,249	-
1210	Other receivables - related parties	7	1,030,746	5	2,417,445	11
1220	Current tax assets		202	-	-	-
130X	Inventories, net	6(6), 7 and 8	6,361,685	29	5,682,451	26
1470	Other current assets	7	522,347	2	512,724	2
11XX	Total current assets		<u>10,247,004</u>	<u>47</u>	<u>11,565,684</u>	<u>52</u>
Non-current assets						
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	104,793	-	209,132	1
1550	Investments accounted for under equity method	6(7)	6,130,083	28	4,894,822	22
1600	Property, plant and equipment, net	6(8) and 8	3,218,674	15	3,361,809	15
1755	Right-of-use assets	6(9) and 8	59,174	-	-	-
1760	Investment property, net	6(11), 7 and 8	2,123,774	10	2,098,276	10
1780	Intangible assets, net		144	-	166	-
1840	Deferred income tax assets	6(27)	52,765	-	76,256	-
1900	Other non-current assets	8	5,046	-	2,464	-
15XX	Total non-current assets		<u>11,700,050</u>	<u>53</u>	<u>10,648,522</u>	<u>48</u>
1XXX	Total assets		<u>\$ 21,947,054</u>	<u>100</u>	<u>\$ 22,214,206</u>	<u>100</u>

(Continued)

YEM CHIO CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2022		December 31, 2021 (As restated)	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(12) and 8	\$ 2,471,092	11	\$ 3,727,592	17
2110	Short-term notes and bills payable	6(13)	550,000	3	410,000	2
2130	Current contract liabilities	6(21) and 7	593,201	3	479,895	2
2150	Notes payable		40,079	-	76,465	-
2170	Accounts payable		108,905	-	151,526	1
2180	Accounts payable - related parties	7	14,129	-	16,694	-
2200	Other payables		128,489	1	135,930	1
2220	Other payables - related parties	7	754	-	361,142	2
2230	Current income tax liabilities		28,761	-	87,671	-
2280	Current lease liabilities		2,534	-	-	-
2320	Long-term liabilities, current portion	6(14)(15)(16) and 8	2,448,500	11	3,006,078	13
2399	Other current liabilities		6,996	-	10,804	-
21XX	Total current liabilities		<u>6,393,440</u>	<u>29</u>	<u>8,463,797</u>	<u>38</u>
Non-current liabilities						
2530	Corporate bonds payable	6(15) and 8	411,778	2	-	-
2540	Long-term borrowings	6(16) and 8	2,964,750	14	2,409,045	11
2570	Deferred income tax liabilities	6(27)	88,583	-	85,149	-
2580	Non-current lease liabilities		56,846	-	-	-
2600	Other non-current liabilities	6(7)(17)	893,949	4	902,656	4
25XX	Total non-current liabilities		<u>4,415,906</u>	<u>20</u>	<u>3,396,850</u>	<u>15</u>
2XXX	Total liabilities		<u>10,809,346</u>	<u>49</u>	<u>11,860,647</u>	<u>53</u>
Equity						
Share capital		6(18)				
3110	Common stock		6,404,897	29	6,380,540	29
3130	Certificate of entitlement to new shares from convertible bonds		10,000	-	2,333	-
Capital surplus		6(19)				
3200	Capital surplus		2,638,722	12	2,384,602	10
Retained earnings		6(20)				
3310	Legal reserve		467,875	2	359,243	2
3320	Special reserve		477,708	2	490,572	2
3350	Unappropriated retained earnings		1,549,179	7	1,256,999	6
Other equity interest						
3400	Other equity interest		3,672	1	(106,385)	-
3500	Treasury stocks	6(18)	(414,345)	(2)	(414,345)	(2)
3XXX	Total equity		<u>11,137,708</u>	<u>51</u>	<u>10,353,559</u>	<u>47</u>
Significant contingent liabilities and unrecognised contract commitments		9				
Significant events after the balance sheet date		11				
3X2X	Total liabilities and equity		<u>\$ 21,947,054</u>	<u>100</u>	<u>\$ 22,214,206</u>	<u>100</u>

YEM CHIO CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

Items	Notes	Year ended December 31				
		2022		2021 (As restated)		
		AMOUNT	%	AMOUNT	%	
4000	Sales revenue	6(21) and 7	\$ 3,642,524	100	\$ 5,077,343	100
5000	Operating costs	6(6)(26) and 7	(3,248,693)	(89)	(4,299,773)	(84)
5950	Net operating margin		<u>393,831</u>	<u>11</u>	<u>777,570</u>	<u>16</u>
	Operating expenses	6(26)				
6100	Selling expenses		(227,257)	(6)	(224,449)	(5)
6200	General and administrative expenses		(124,090)	(4)	(122,066)	(2)
6300	Research and development expenses		-	-	(2,515)	-
6000	Total operating expenses		(351,347)	(10)	(349,030)	(7)
6900	Operating profit		<u>42,484</u>	<u>1</u>	<u>428,540</u>	<u>9</u>
	Non-operating income and expenses					
7100	Interest income	6(22) and 7	12,334	-	17,055	-
7010	Other income	6(23) and 7	192,867	5	170,209	4
7020	Other gains and losses	6(24)	124,386	4	620,649	12
7050	Finance costs	6(25) and 7	(68,726)	(2)	(88,025)	(2)
7070	Share of profit (loss) of associates and joint ventures accounted for using equity method	6(7)				
			<u>795,961</u>	<u>22</u>	<u>(192,531)</u>	<u>(4)</u>
7000	Total non-operating income and expenses		<u>1,056,822</u>	<u>29</u>	<u>527,357</u>	<u>10</u>
7900	Profit before income tax		<u>1,099,306</u>	<u>30</u>	<u>955,897</u>	<u>19</u>
7950	Income tax expense	6(27)	(61,480)	(1)	(84,210)	(2)
8000	Profit for the year from continuing operations		<u>1,037,826</u>	<u>29</u>	<u>871,687</u>	<u>17</u>
8160	Profit (loss) attributable to non-controlling interests before business combination under common control		-	-	(3,925)	-
8200	Profit for the year		<u>\$ 1,037,826</u>	<u>29</u>	<u>\$ 867,762</u>	<u>17</u>
	Other comprehensive income (loss)					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Actuarial (losses) gains on defined benefit plans	6(17)	(\$ 3,373)	-	\$ 1,846	-
8316	Unrealised (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	6(3)	(213,299)	(6)	389,534	8
8330	Share of other comprehensive (loss) income of associates and joint ventures accounted for using equity method		(20,342)	(1)	9,756	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(27)	<u>675</u>	-	(369)	-
8310	Other comprehensive (loss) income that will not be reclassified to profit or loss		(236,339)	(7)	<u>400,767</u>	<u>8</u>
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		304,097	8	(101,671)	(2)
8380	Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method		<u>14,987</u>	<u>1</u>	<u>(7,274)</u>	<u>-</u>
8360	Other comprehensive income (loss) that will be reclassified to profit or loss		<u>319,084</u>	<u>9</u>	<u>(108,945)</u>	<u>(2)</u>
8300	Other comprehensive income for the year		<u>\$ 82,745</u>	<u>2</u>	<u>\$ 291,822</u>	<u>6</u>
8400	Comprehensive income attributable to non-controlling interests before business combination under common control		-	-	(2,768)	-
8500	Total comprehensive income for the year		<u>\$ 1,120,571</u>	<u>31</u>	<u>\$ 1,156,816</u>	<u>23</u>
	Earnings per share (in dollars)					
9750	Basic earnings per share	6(28)	\$ 1.72		\$ 1.47	
9850	Diluted earnings per share	6(28)	\$ 1.58		\$ 1.32	

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
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Capital			Retained Earnings			Other Equity Interest			Equity attributable to non-controlling interest before business combination under common control	Total	
		Share capital - 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 surplus			Treasury stocks
2021 (As restated)													
Balance at January 1, 2021		\$ 5,700,402	\$ 150,076	\$ 2,592,442	\$ 279,187	\$ 637,634	\$ 800,561	(\$ 536,781)	(\$ 79,674)	\$ 439,576	(\$ 562,488)	\$ -	\$ 9,420,935
Profit for the year		-	-	-	-	-	867,762	-	-	-	-	3,925	871,687
Other comprehensive income (loss)		-	-	-	-	-	12,787	(105,221)	381,488	-	-	2,768	291,822
Total comprehensive income (loss)		-	-	-	-	-	880,549	(105,221)	381,488	-	-	6,693	1,163,509
Appropriations and distribution of retained earnings for the year ended December 31, 2020	6(20)												
Cash dividends		-	-	-	-	-	(348,445)	-	-	-	-	-	(348,445)
Stock dividends		348,445	-	-	-	-	(348,445)	-	-	-	-	-	-
Legal reserve		-	-	-	80,056	-	(80,056)	-	-	-	-	-	-
Reversal of special reserve		-	-	-	-	(147,062)	147,062	-	-	-	-	-	-
Disposal of equity investment valued at fair value through other comprehensive income	6(3)	-	-	-	-	-	219,292	-	(219,292)	-	-	-	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income of subsidiaries		-	-	-	-	-	(13,519)	-	13,519	-	-	-	-
Disposal of treasury shares by subsidiaries	6(18)	-	-	-	-	-	-	-	-	-	8,870	-	8,870
Cancellation of treasury stocks	6(18)(19)	(93,800)	-	(45,473)	-	-	-	-	-	-	139,273	-	-
Conversion of convertible bonds	6(18)(19)	-	277,750	72,503	-	-	-	-	-	-	-	-	350,253
Changes in ownership interests in subsidiaries	6(19)	-	-	(1,929)	-	-	-	-	-	-	-	-	(1,929)
Conversion of certificates of bonds-to-share		425,493	(425,493)	-	-	-	-	-	-	-	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6(19)	-	-	(243,740)	-	-	-	-	-	-	-	-	(243,740)
The Company's stocks held by subsidiaries deemed as cash dividends distributed to treasury stocks	6(19)	-	-	10,799	-	-	-	-	-	-	-	-	10,799
Reorganization		-	-	-	-	-	-	-	-	-	-	(6,693)	(6,693)
Balance at December 31, 2021		\$ 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
2022													
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
Profit for the year		-	-	-	-	-	1,037,826	-	-	-	-	-	1,037,826
Other comprehensive income (loss)		-	-	-	-	-	38,503	328,415	(284,173)	-	-	-	82,745
Total comprehensive income (loss)		-	-	-	-	-	1,076,329	328,415	(284,173)	-	-	-	1,120,571
Appropriations and distribution of retained earnings for the year ended December 31, 2021	6(20)												
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	6(3)	-	-	-	-	-	(10,871)	-	10,871	-	-	-	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income of subsidiaries		-	-	-	-	-	(54,944)	-	54,944	-	-	-	-
Conversion of convertible bonds	6(18)(19)	-	32,024	3,214	-	-	-	-	-	-	-	-	35,238
Adjustments recognised not based on the shareholding ratio	6(19)	-	-	232,209	-	-	-	-	-	-	-	-	232,209
Changes in ownership interests in subsidiaries	6(19)	-	-	(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	6(19)	-	-	18,423	-	-	-	-	-	-	-	-	18,423
Gains from exercise of disgorgement	6(19)	-	-	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

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
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2022	2021 (As restated)
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 1,099,306	\$ 955,897
Adjustments			
Adjustments to reconcile profit (loss)			
Loss (gain) on financial assets at fair value through profit or loss	6(2)(24)	48,470	(21,028)
Gain on disposal of non-current assets held for sale	6(11)(24)	-	(661,905)
Share of (profit) loss of associates and joint ventures accounted for under equity method	6(7)	(795,961)	192,531
Depreciation	6(8)(26)	203,085	204,508
Loss on disposal of property, plant and equipment	6(24)	20	165
Gain on fair value adjustment of investment property	6(11)(24)	(25,498)	(7,810)
Amortization	6(26)	22	22
Employees' compensation	6(26)	5,575	5,576
Interest income	6(22)	(12,334)	(17,055)
Dividend income	6(23)	(107,062)	(79,695)
Interest expense	6(25)	68,726	88,025
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		37,268	(26,816)
Accounts receivable, net		287,135	(197,556)
Accounts receivable - related parties		136,895	(128,752)
Other receivables		(6,174)	44,483
Other receivables - related parties		(2,460)	(392)
Inventories		(585,220)	(575,213)
Other current assets		(9,201)	36,153
Changes in operating liabilities			
Current contract liabilities		113,306	145,481
Notes payable		(36,386)	38,572
Accounts payable		(42,621)	11,062
Accounts payable - related parties		(2,565)	976
Other payables		(12,751)	(10,352)
Other payables - related parties		(5,388)	1,429
Other current liabilities		(3,808)	1,916
Other non-current liabilities		(55)	923
Cash inflow generated from operations		352,324	1,145
Interest received		28,311	17,055
Dividends received		205,381	1,363,823
Interest paid		(159,180)	(163,482)
Income tax paid		(92,993)	(86,177)
Net cash flows from operating activities		<u>333,843</u>	<u>1,132,364</u>

(Continued)

YEM CHIO CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2022	2021 (As restated)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
(Increase) decrease in financial assets at amortised cost		(\$ 91,105)	\$ 7,099
Decrease (increase) in other receivables - related parties		1,373,182	(1,357,090)
Proceeds from disposal of investments accounted for using equity method - subsidiaries		-	(26,610)
Acquisition of investments accounted for using equity method		-	(8,000)
Acquisition of property, plant and equipment	6(29)	(59,448)	(68,552)
Proceeds from disposal of property, plant and equipment		95	12
Decrease in financial assets at fair value through profit or loss		86,196	34,661
Acquisition of financial assets at fair value through other comprehensive income		(923,599)	(1,166,444)
Proceeds from disposal of financial assets at fair value through other comprehensive income		1,141,612	1,317,224
Proceeds from disposal of non-current assets held for sale	6(11)	-	1,043,350
(Increase) decrease in other non-current assets		(2,582)	488
Net cash flows from (used in) investing activities		<u>1,524,351</u>	<u>(223,862)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Decrease in short-term borrowings	6(30)	(1,256,500)	(427,741)
Increase in short-term notes and bills payable	6(30)	140,000	110,000
Decrease in other payables - related parties	6(30)	(355,000)	(597,817)
Proceeds from long-term borrowings	6(30)	1,174,000	3,506,958
Repayment of long-term borrowings	6(30)	(732,512)	(3,072,297)
Decrease in lease liabilities	6(30)	(1,282)	-
Payment of cash dividends	6(20)	(622,566)	(348,445)
Gains from exercise of disgorgement	6(19)	291	-
Net cash flows used in financing activities		<u>(1,653,569)</u>	<u>(829,342)</u>
Net increase in cash and cash equivalents		204,625	79,160
Cash and cash equivalents at beginning of year		353,576	274,416
Cash and cash equivalents at end of year		<u>\$ 558,201</u>	<u>\$ 353,576</u>

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
YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

- (1) 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 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.
- (2) 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.
- (3) Names and relationship of related parties:

<u>Names and relationship of related parties</u>	<u>Abbreviated company name</u>	<u>Note</u>
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 AICHEM Technology Corporation		
ASIACHEM International Corporation	-	
ACHEM Opto-Electronic Corporation	-	
Valueline Investment Corporation	-	
ACHEM Technology Holdings Limited	-	

Names and relationship of related parties	Abbreviated company name	Note
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.	-	
Subsidiaries of ASIACHEM International Corporation		
Fuzhou Fuda Plastic Products Co., Ltd.	-	Note 1
Subsidiaries of AICHEM 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	
Subsidiaries of ASIA PLASTICS		
Achem Technology (Ningbo) Co., Ltd.	Ningbo Yem Chio Co., Ltd.	
Subsidiaries of AICHEM 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 AICHEM Technology Americas Ltd.		
ACHEM Industry America Inc.	-	
Subsidiary of AICHEM 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.	-	
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: AICHEM 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.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These financial statements were authorised for issuance by the Board of Directors on March 15, 2023.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2022 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 3, ‘Reference to the conceptual framework’	January 1, 2022
Amendments to IAS 16, ‘Property, plant and equipment: proceeds before intended use’	January 1, 2022
Amendments to IAS 37, ‘Onerous contracts—cost of fulfilling a contract’	January 1, 2022
Annual improvements to IFRS Standards 2018–2020	January 1, 2022

Except for the following, the above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC effective from 2023 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The financial statements of the Company have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(2) Basis of preparation

- A. Except for the following items, these financial statements have been prepared under the historical cost convention:
- (a) Financial assets at fair value through profit or loss.
 - (b) Financial assets and liabilities at fair value through other comprehensive income measured at fair value.
 - (c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.
 - (d) Investment property remeasured at fair value.
- B. The preparation of financial statements in compliance with the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

(3) Foreign currency translation

Items included in the financial statements of the Company’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The financial statements are presented in New Taiwan dollars, which is the Company’s functional and the Company’s presentation currency.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

The operating results and financial position of all the group entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
- (b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
- (c) All resulting exchange differences are recognised in other comprehensive income.

(4) Classification of current and non-current items

- A. The Company's operating cycle on building sales business is usually longer than 1 year. The assets and liabilities in relation to constructions are classified as current or non-current based on operating cycle (usually 4 to 5 years). Other assets and liabilities are classified as current or non-current based on a year.
- B. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
 - (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
 - (b) Assets held mainly for trading purposes;
 - (c) Assets that are expected to be realised within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

C. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be paid off within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be paid off within twelve months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. 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.

(5) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(6) Financial assets at fair value through profit or loss

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.

C. At initial recognition, the Company measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Company subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

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

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.

- C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value:

The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(8) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:
- (a) The objective of the Company's business model is achieved by collecting contractual cash flows.
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. The Company's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(9) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(10) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortised cost, at each reporting date, the Company recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Company recognises the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

The Group derecognises a financial asset when one of the following conditions is met:

- A. The contractual rights to receive the cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows of the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.

- C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Group has not retained control of the financial asset.

(12) Lease receivables / leases (lessor)

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(13) Inventories

- A. 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.
- B. 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.

(14) Investments accounted for using equity method / subsidiaries and associates

- A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
- B. Unrealised gains on transactions between the Company and its subsidiaries are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company recognise loss continuously in proportion to its ownership.
- D. Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

- E. Associates are all entities over which the Company has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
- F. The Company's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- G. When changes in an associate's equity are not recognised in profit or loss or other comprehensive income of the associate and such changes do not affect the Company's ownership percentage of the associate, the Company recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- H. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- I. Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- J. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

K. In accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the profit or loss and other comprehensive income or loss presented on the parent company only financial statements are consistent with those presented on the consolidated financial statements. In addition, owner's equity presented on the parent company only is consistent with equity attributable to owners of parent presented on the consolidated financial statements.

(15) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. 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 must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	1 ~ 60 years
Machinery and equipment	1 ~ 25 years
Transportation equipment	1 ~ 8 years
Office equipment	1 ~ 10 years

(16) Leasing arrangements (lessee) – right-of-use assets / lease liabilities

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of the following:

- (a) Fixed payments, less any lease incentives receivable; and
- (b) The exercise price of a purchase option, if the lessee is reasonably certain to exercise that option.

The Company subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

- (a) The amount of the initial measurement of lease liability;
- (b) Any lease payments made at or before the commencement date; and
- (c) Any initial direct costs incurred by the lessee.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(17) 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.

(18) Notes and accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term accounts and notes payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(19) Convertible bonds payable

Convertible corporate bonds issued by the Company contain conversion options (that is, the bondholders have the right to convert the bonds into the Company's common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options and put options. The Company classifies the bonds payable and derivative features embedded in convertible corporate bonds on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial asset, a financial liability and an equity instrument. Convertible corporate bonds are accounted for as follows:

A. Embedded call options and put options

Call options and put options embedded in convertible corporate bonds are recognised initially at net fair value as 'financial assets or financial liabilities at fair value through profit or loss'. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognised as 'gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss'.

B. Bonds payable of convertible corporate bonds

Bonds payable of convertible corporate bonds is initially recognised at fair value and subsequently stated at amortised cost. Any difference between the proceeds and the redemption value is accounted for as the premium or discount on bonds payable and presented as an addition to or deduction from bonds payable, which is amortised in profit or loss as an adjustment to the 'finance costs' over the period of bond circulation using the effective interest method.

C. Embedded conversion options (meet the definition of equity)

Conversion options embedded in convertible corporate bonds issued by the Company, which meet the definition of an equity instrument, are initially recognised in 'capital surplus—share options' at the residual amount of total issue price less amounts of 'financial assets or financial liabilities at fair value through profit or loss' and 'bonds payable—net' as stated above. Conversion options are not subsequently remeasured.

D. Any transaction costs directly attributable to the issuance of convertible corporate bonds are allocated to the liability and equity components in proportion to the allocation of proceeds.

E. When bondholders exercise conversion options, the liability component of the bonds (including 'bonds payable' and 'financial assets or financial liabilities at fair value through profit or loss') shall be remeasured on the conversion date. The book value of common shares issued due to the conversion shall be based on the adjusted book value of the above-mentioned liability component plus the book value of capital surplus –share options.

(20) Derecognition of financial liabilities

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

(21) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expenses in that period when the employees render service.

B. Pensions

(a) Defined contribution plan

For the defined contribution plan, the contributions are recognised as pension expenses when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plan

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plan is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Company uses interest rates of government bonds (at the balance sheet date) instead.
- ii. Remeasurements arising on the defined benefit plan are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- iii. Past service costs are recognised immediately in profit or loss.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Company's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Company recognises expense as it can no longer withdraw an offer of termination benefits or it recognises related restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after the balance sheet date shall be discounted to their present value.

D. Employees' compensation and directors' remuneration

Employees' compensation and directors' and remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(22) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-market vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

(23) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax of 5% is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred income tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the balance sheet. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

D. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred income tax assets are reassessed.

(24) Share capital

- A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.
- B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(25) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(26) 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.

(27) Reorganization

On December 1, 2022, the Company conducted a short-form merger with the subsidiary, Chuang-Yi Investment Co., Ltd. and the merger was an intra-company reorganization. In accordance with the Accounting Research and Development Foundation Interpretation 101-301, the merger was accounted for using book value method and the prior period financial statements were retrospectively restated as if the merger occurred from the beginning.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Company's accounting policies

None.

(2) Critical accounting estimates and assumptions

A. Evaluation of 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.

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. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash on hand and revolving funds	\$ 398	\$ 429
Checking accounts and demand deposits	557,803	325,467
Bonds sold under repurchase agreements	<u>-</u>	<u>27,680</u>
	<u>\$ 558,201</u>	<u>\$ 353,576</u>

A. 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.

B. 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 at fair value through profit or loss

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ -	\$ 135,588
Valuation adjustment	<u>-</u>	<u>(1,585)</u>
	<u>\$ -</u>	<u>\$ 134,003</u>

Current items:

Financial assets designated as at fair value through profit or loss

Derivative financial instruments - bonds payable	(\$ 203)	(\$ 221)
Valuation adjustment	<u>284</u>	<u>972</u>
	<u>\$ 81</u>	<u>\$ 751</u>

A. Amounts recognized in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	Year ended December 31	
	2022	2021
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	(\$ 44,326)	\$ 21,150
Financial assets designated as at fair value through profit or loss		
Derivative financial instruments - bonds payable	(\$ 660)	(\$ 122)

B. Amounts recognised in profit or loss in relation to financial liabilities at fair value through profit or loss are listed below:

	Year ended December 31	
	2022	2021
Financial liabilities designated as at fair value through profit or loss		
Derivative instruments	(\$ 3,484)	\$ -

C. As of December 31, 2022 and 2021, the amounts recognised in profit or loss in relation to financial liabilities at fair value through profit or loss are (\$3,484) and \$0, respectively.

D. As of December 31, 2022 and 2021, the issuance of convertible bonds by the Company amounting to \$81 and \$751, respectively, was recognized under ‘financial assets designated as at fair value through profit or loss on initial recognition’ due to their compound instrument feature.

(a) For the years ended December 31, 2022 and 2021, the Company has recognized the changes in fair value amounting to (\$660) and (\$122), respectively, which are not attributable to the changes in credit risk of the assets.

(b) For the terms of the 8th and 9th secured convertible bonds issued by the Company, refer to Note 6(15).

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current items:		
Equity instruments		
Listed stocks	\$ 975,640	\$ 1,204,239
Valuation adjustments	(16,262)	186,451
	<u>\$ 959,378</u>	<u>\$ 1,390,690</u>
Non-current items:		
Equity instruments		
Unlisted shares	\$ 1,719	\$ 1,719
Valuation adjustments	3,878	3,878
	<u>\$ 5,597</u>	<u>\$ 5,597</u>

- A. The Company has elected to classify equity investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income.
- B. Due to adjustments on strategic investments for the years ended December 31, 2022 and 2021, the Company sold its investments in stocks at fair value of \$1,141,612 and \$1,325,730, respectively.
- C. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	(\$ 213,299)	\$ 389,534
Cumulative losses reclassified to retained earnings due to derecognition	(\$ 10,871)	\$ 240,685
Dividend income recognised in profit or loss		
Held at end of year	\$ 63,604	\$ 50,470
Derecognised during the year	43,458	24,012
	<u>\$ 107,062</u>	<u>\$ 74,482</u>

- D. Details of the Company's financial assets at fair value through other comprehensive income pledged to others as collateral are provided in Note 8.

(4) Financial assets at amortised cost

Items	December 31, 2022	December 31, 2021
Current items:		
Restricted demand deposits	\$ 207,807	\$ 196,623
Restricted time deposits	184,260	-
	\$ 392,067	\$ 196,623
Non-current items:		
Restricted demand deposits	\$ 47,011	\$ 104,133
Restricted time deposits	57,782	104,999
	\$ 104,793	\$ 209,132

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	Year ended December 31	
	2022	2021
Interest income	\$ 1,290	\$ 104

B. The restricted demand deposits in the current items were restricted domestic presold house project trust funds, which may not be drawn within the term of trust.

C. As at December 31, 2022 and 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Company was \$496,860 and \$405,755, respectively.

D. Details of the Company's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

(5) Notes and accounts receivable

	December 31, 2022	December 31, 2021
Notes receivable	\$ 31,759	\$ 69,027
Less: Allowance for uncollectible accounts	-	-
	\$ 31,759	\$ 69,027
	December 31, 2022	December 31, 2021
Accounts receivable	\$ 275,958	\$ 563,093
Less: Allowance for uncollectible accounts	(15,832)	(15,832)
	\$ 260,126	\$ 547,261

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

	December 31, 2022	
	<u>Notes receivable</u>	<u>Accounts receivable</u>
Not past due	\$ 31,759	\$ 201,569
Up to 30 days	-	43,973
31 to 90 days	-	29,468
91 to 180 days	-	-
Over 180 days	-	948
	<u>\$ 31,759</u>	<u>\$ 275,958</u>
	December 31, 2021	
	<u>Notes receivable</u>	<u>Accounts receivable</u>
Not past due	\$ 69,027	\$ 360,848
Up to 30 days	-	147,228
31 to 90 days	-	54,322
91 to 180 days	-	-
Over 180 days	-	695
	<u>\$ 69,027</u>	<u>\$ 563,093</u>

The above ageing analysis was based on past due date.

- B. As of December 31, 2022 and 2021, accounts and notes receivable were all from contracts with customers. As of January 1, 2021, the balance of receivables from contracts with customers amounted to \$391,916.
- C. The Company does not hold any collateral for accounts and notes receivable.
- D. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(6) Inventories

A. Inventories were as follows:

	<u>December 31, 2022</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Book value</u>
Packaging Materials Sales			
Channel business:			
Raw materials and supplies	\$ 220,675	(\$ 5,582)	\$ 215,093
Finished goods	188,382	(5,368)	183,014
	<u>409,057</u>	<u>(10,950)</u>	<u>398,107</u>
Land Development &			
Construction business:			
Construction-in-progress	5,567,928	(1,794)	5,566,134
Land held for building	397,444	-	397,444
	<u>5,965,372</u>	<u>(1,794)</u>	<u>5,963,578</u>
	<u>\$ 6,374,429</u>	<u>(\$ 12,744)</u>	<u>\$ 6,361,685</u>
	<u>December 31, 2021</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Book value</u>
Packaging Materials Sales			
Channel business:			
Raw materials and supplies	\$ 223,567	(\$ 5,582)	\$ 217,985
Finished goods	135,606	(5,368)	130,238
	<u>359,173</u>	<u>(10,950)</u>	<u>348,223</u>
Land Development &			
Construction business:			
Construction-in-progress	4,410,099	-	4,410,099
Land held for building	925,923	(1,794)	924,129
	<u>5,336,022</u>	<u>(1,794)</u>	<u>5,334,228</u>
	<u>\$ 5,695,195</u>	<u>(\$ 12,744)</u>	<u>\$ 5,682,451</u>

B. The cost of inventories recognised as expense for the year:

	Year ended December 31	
	2022	2021
Cost of inventories sold	\$ 3,247,915	\$ 3,922,427
Cost of construction sold	778	376,480
Loss on market price decline	-	866
	<u>\$ 3,248,693</u>	<u>\$ 4,299,773</u>

C. Amount of borrowing costs capitalised as part of inventory and the range of interest rates for such capitalisation are as follows:

	Year ended December 31	
	2022	2021
Amount capitalised	\$ 94,300	\$ 76,680
Range of interest rates	1.98%~2.88%	1.68%~2.26%

D. Information about the inventories that were pledged to others as collateral is provided in Note 8.

E. The Company acquired the land in Taishan Dist., New Taipei City in June 2021, and the land-transfer procedure had been completed. The inventory-lands under construction amounted to \$392,911.

(7) Long-term investments accounted for under the equity method

A. Details of long-term equity investments accounted for under the equity method are set forth below:

Shown as assets	December 31, 2022		December 31, 2021	
	Percentage of ownership	Book value	Percentage of ownership	Book value
ACHEM Technology Corporation	100.00	\$ 5,768,267	100.00	\$ 4,521,370
Wong Chio Development, Ltd.	100.00	294,887	100.00	309,731
Xin Chio Co., Ltd.	41.76	66,929	41.76	59,592
Yanrun Development Co., Ltd.	40.00	-	40.00	4,129
		<u>\$ 6,130,083</u>		<u>\$ 4,894,822</u>
Shown as liabilities				
Yanrun Development Co., Ltd.	40.00	(\$ 3,188)		
UINN Hotel Co., Ltd.	100.00	(28,190)	100.00	(\$ 25,164)
YEM CHIO	100.00	(826,083)	100.00	(844,322)
		<u>(\$ 857,461)</u>		<u>(\$ 869,486)</u>

B. Investment income (loss) accounted for under the equity method for the years ended December 31, 2022 and 2021 is set forth below:

Investee company	Year ended December 31	
	2022	2021
ACHEM Technology Corporation	\$ 756,723	\$ 60,708
YEM CHIO	18,097 (	391,541)
Wong Chio Development, Ltd.	(14,844) (	11,239)
UINN Hotel Co., Ltd.	(3,026)	117,272
Xin Chio Co., Ltd.	46,017	36,140
Yanrun Development Co., Ltd.	(7,006) (	3,871)
	<u>\$ 795,961</u>	<u>(\$ 192,531)</u>

C. Refer to Note 4(3) in the consolidated financial statements for the year ended December 31, 2022 for the information regarding the Company's subsidiaries.

D. To integrate Group resources, reduce operating costs and the consideration for tax mitigation, the Company conducted a short-form merger with Chuang-Yi Investment Co., Ltd. as resolved by the Board of Directors on November 10, 2022. Under the merger, the Company was the surviving company. On January 12, 2023, the Company obtained the approval for the registration of the change from Taipei City Government and the effective date of the merger was set on December 1, 2022.

(8) Property, plant and equipment

	2022						
	<u>Land</u>	<u>Buildings and structures</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Unfinished construction and equipment under acceptance</u>	<u>Total</u>
At January 1							
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)
	<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>
Opening net book amount as at January 1	\$ 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 charge	-	(41,953)	(155,944)	(143)	(4,006)	-	(202,046)
Closing net book amount as at December 31	<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>
At December 31							
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)
	<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>

2021

	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Unfinished construction and equipment under acceptance	Total
At January 1							
Cost	\$ 704,023	\$ 1,703,924	\$ 3,064,343	\$ 2,136	\$ 46,053	\$ 29,110	\$ 5,549,589
Accumulated depreciation and impairment	-	(528,793)	(1,486,339)	(1,422)	(33,878)	-	(2,050,432)
	<u>\$ 704,023</u>	<u>\$ 1,175,131</u>	<u>\$ 1,578,004</u>	<u>\$ 714</u>	<u>\$ 12,175</u>	<u>\$ 29,110</u>	<u>\$ 3,499,157</u>
Opening net book amount as at January 1	\$ 704,023	\$ 1,175,131	\$ 1,578,004	\$ 714	\$ 12,175	\$ 29,110	\$ 3,499,157
Additions	-	-	-	-	-	68,552	68,552
Disposals	-	-	(177)	-	-	-	(177)
Transfers	19,501	4,370	33,503	-	1,124	(58,498)	-
Reclassifications	-	-	-	-	-	(1,215)	(1,215)
Depreciation charge	-	(46,290)	(153,658)	(233)	(4,327)	-	(204,508)
Closing net book amount as at December 31	<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>
At December 31							
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)
	<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>

- A. No borrowing cost was capitalised as part of property, plant and equipment for the years ended December 31, 2022 and 2021.
- B. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.
- C. 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 stockholders’ equity adjustments. The Company recognised this “Unrealised revaluation increment” into special reserve amounting to \$170,769 in proportion to shares held.

(9) Leasing arrangements – lessee

- A. 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.
- B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>December 31, 2022</u>	<u>Year ended December 31, 2022</u>
	<u>Carrying amount</u>	<u>Depreciation charge</u>
Land	\$59,174	\$1,039

There was no such situation in 2021.

- C. For the years ended December 31, 2022 and 2021, the additions to right-of-use assets were \$60,213 and \$0, respectively.
- D. The information on profit and loss accounts relating to lease contracts is as follows:

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 449	\$ -
Expense on short-term lease contracts	3,233	5,551

- E. For the years ended December 31, 2022 and 2021, the Company’s total cash outflow for leases were \$4,515 and \$5,551, respectively.
- F. The Company has no right-of-use assets pledged to others as collateral.

(10) Leasing arrangements - lessor

- A. 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.

B. For the years ended December 31, 2022 and 2021, the Company recognised rent income in the amount of \$34,880 and \$42,622, respectively, based on the operating lease agreement, which does not include variable lease payments.

C. The maturity analysis of the lease payments under the operating leases is as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
2022	-	21,294
2023	10,836	12,384
2024	15,675	8,056
2025	11,268	2,940
2026	5,351	1,680
After 2027	7,219	6,450
	<u>\$ 50,349</u>	<u>\$ 52,804</u>

(11) Investment property

	<u>2022</u>		
	<u>Related party</u>	<u>Non-related party</u>	<u>Total</u>
At January 1	\$ 830,541	\$ 1,267,735	\$ 2,098,276
Gain on fair value adjustment	4,375	21,123	25,498
At December 31	<u>\$ 834,916</u>	<u>\$ 1,288,858</u>	<u>\$ 2,123,774</u>
	<u>2021</u>		
	<u>Related party</u>	<u>Non-related party</u>	<u>Total</u>
At January 1	\$ 1,123,156	\$ 967,310	\$ 2,090,466
Reclassifications	(294,970)	294,970	-
Gain on fair value adjustment	2,355	5,455	7,810
At December 31	<u>\$ 830,541</u>	<u>\$ 1,267,735</u>	<u>\$ 2,098,276</u>

A. Rental income from investment property and direct operating expenses arising from investment property are shown below:

	Year ended December 31, 2022		
	<u>Related party</u>	<u>Non-related party</u>	<u>Total</u>
Rental revenue from investment property	\$ 5,989	\$ 23,425	\$ 29,414
Direct operating expenses arising from the investment property that generated rental income during the year	<u>\$ 1,430</u>	<u>\$ 3,968</u>	<u>\$ 5,398</u>
Direct operating expenses arising from the investment property that did not generate rental income during the year	<u>\$ -</u>	<u>\$ 407</u>	<u>\$ 407</u>

	Year ended December 31, 2021		
	<u>Related party</u>	<u>Non-related party</u>	<u>Total</u>
Rental revenue from investment property	\$ 15,297	\$ 20,731	\$ 36,028
Direct operating expenses arising from the investment property that generated rental income during the year	<u>\$ 2,015</u>	<u>\$ 3,078</u>	<u>\$ 5,093</u>
Direct operating expenses arising from the investment property that did not generate rental income during the year	<u>\$ -</u>	<u>\$ 246</u>	<u>\$ 246</u>

B. Fair value basis of investment property

The Company's investment property mainly comprises office buildings and hotels located in Neihu District, Shihlin District, Zhongzheng District, Taipei City, etc. The Company earns rental income from leasing and the lease terms are between 1 to 13 years. As of December 31, 2022 and 2021, the related assumptions are as follows:

- (a) The location, valuation method, appraisal firm, appraiser and appraisal date are shown below:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Object	Office buildings and hotels	Office buildings and hotels
Location	Neihu District, Shihlin District and Zhongzheng District, Taipei City	Neihu District, Shihlin District and Zhongzheng 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, 2022	December 31, 2021

- (b) The information on the average leasing rate for the previous year, changes in income generated in the past, and comparison between local rents and rents for objects similar to the Company's office buildings and hotels is provided in the table below:

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Estimated rents (in dollars/per ping /monthly)	\$1,012~\$1,412	\$935~\$1,474
Local rents and rent quotes for similar objects	Approximate to estimated rents	Approximate to estimated rents
Income	\$1,429~\$17,606	\$2,880~\$18,828
Average leasing rates	89%~100%	94%~100%

- (c) The fair value of the Company's office buildings and hotels are 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. The future cash outflow is estimated based on the Company's current operations and possible future changes. The future cash outflow refers to expenses directly related to operations, such as land value tax, house insurance fees, management fees and repair expense that were actually incurred for the year.

- (d) 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.

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Discount rates	2.46%~2.67%	2.25%~2.60%

C. The information on the investment property is provided in Note 12(3).

D. Amount of borrowing costs capitalised as part of investment property and the range of the interest rates for such capitalisation: None.

E. Information about the investment property that was pledged to others as collateral is provided in Note 8.

(12) Short-term borrowings

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Bank borrowings-		
Secured bank borrowings	\$ 1,121,000	\$ 1,423,162
Unsecured bank borrowings	1,350,092	2,144,660
Other short-term borrowings	-	159,770
	<u>\$ 2,471,092</u>	<u>\$ 3,727,592</u>
Range of the interest rates	1.65%~2.02%	1.23%~1.55%

Details of assets pledged as collateral for short-term borrowings are provided in Note 8.

(13) Short-term bills payable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Commercial paper	\$ 550,000	\$ 410,000
Range of the interest rates	1.438%~2.275%	1.29%~1.41%

(14) Long-term liabilities, current portion

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Long-term borrowings		
Current portion		
-within one year	\$ 167,500	\$ 107,867
-within one operating cycle	2,281,000	2,454,850
Corporate bonds payable, current portion	-	443,361
	<u>\$ 2,448,500</u>	<u>\$ 3,006,078</u>

(15) Bonds payable

	Domestic secured convertible bonds	
	December 31, 2022	December 31, 2021
8th convertible bonds payable	\$ 209,900	\$ 226,600
Less: Discount on bonds payable	(3,380)	(5,516)
	206,520	221,084
9th convertible bonds payable	208,600	227,800
Less: Discount on bonds payable	(3,342)	(5,523)
	205,258	222,277
Less: Corporate bonds payable, current portion	-	(443,361)
	<u>\$ 411,778</u>	<u>\$ -</u>

A.	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:

	8th domestic secured convertible corporate bonds	9th domestic secured convertible corporate bonds
Redemption	(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.	(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)	\$11.20	\$11.20
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	\$296,400	\$297,700
Redeemed amount	\$ -	\$ -
Repurchased amount	\$ -	\$ -

- B. With regards to the issuance of convertible bonds, the equity conversion options of 8th and 9th issue 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, 2022 and 2021, the balance of “Capital surplus - stock options” changed to \$11,808 and \$12,852, respectively, due to execution of conversion of bonds into common stock. 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 (liabilities) at fair value through profit or loss” in accordance with IFRS 9.

(16) Long-term borrowings

Type of borrowings	December 31, 2022	December 31, 2021
Medium and long-term secured borrowings	\$ 3,913,250	\$ 4,371,762
Medium and long-term unsecured borrowings	1,500,000	600,000
	5,413,250	4,971,762
Less: Current portion		
-within one year	(167,500)	(107,867)
-within one operating cycle	(2,281,000)	(2,454,850)
	\$ 2,964,750	\$ 2,409,045
Range of the interest rates	1.43%~2.88%	1.70%~2.45%

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) at least 150%; consolidated tangible net worth of not less than \$7 billion.

(e) As of December 31, 2022 and 2021, the amount drawn were \$1,205,000 and \$1,100,000.

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 facility is revolving during the facility period. 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, 2022 and 2021, the amount drawn were \$2,600,000 and \$1,700,000, respectively.

C. In addition to the collaterals provided as stated in Note 8, as of December 31, 2022, the Company has issued guarantee notes totaling \$12,474,130 for the bank loans.

D. The Company's borrowings should be repaid in full by August 2031 at the latest in accordance with the contracts.

(17) Pensions

- A. (a) 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 contributes 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.

(b) The amounts recognised in the balance sheet are determined as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Present value of defined benefit obligations	\$ 35,701	\$ 31,632
Fair value of plan assets	(6,043)	(5,107)
Net defined benefit liability	<u>\$ 29,658</u>	<u>\$ 26,525</u>

(c) Movements in net defined benefit liabilities are as follows:

<u>2022</u>	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
Balance at January 1	\$ 31,632	(\$ 5,107)	\$ 26,525
Current service cost	48	-	48
Interest expense (income)	<u>221</u>	<u>(36)</u>	<u>185</u>
	<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	<u>5,025</u>	<u>-</u>	<u>5,025</u>
	<u>3,800</u>	<u>(427)</u>	<u>3,373</u>
	<u>35,701</u>	<u>(5,570)</u>	<u>30,131</u>
Pension fund contribution	-	(473)	(473)
Balance at December 31	<u>\$ 35,701</u>	<u>(\$ 6,043)</u>	<u>\$ 29,658</u>

2021	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Balance at January 1	\$ 34,712	(\$ 6,097)	\$ 28,615
Current service cost	128	-	128
Interest expense (income)	104	(18)	86
	<u>34,944</u>	<u>(6,115)</u>	<u>28,829</u>
Remeasurements:			
Return on plan assets	-	(111)	(111)
Change in demographic assumptions	22	-	22
Change in financial assumptions	(923)	-	(923)
Experience adjustments	(834)	-	(834)
	<u>(1,735)</u>	<u>(111)</u>	<u>(1,846)</u>
	<u>33,209</u>	<u>(6,226)</u>	<u>26,983</u>
Pension fund contribution	-	(458)	(458)
Paid pension	(1,577)	1,577	-
Balance at December 31	<u>\$ 31,632</u>	<u>(\$ 5,107)</u>	<u>\$ 26,525</u>

(d) 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 "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 rate, the 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, 2022 and 2021 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	Year ended December 31	
	2022	2021
Discount rate	1.20%	0.70%
Future salary increases	2.00%	2.00%

For the years ended December 31, 2022 and 2021, 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 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%
<u>December 31, 2022</u>				
Effect on present value of defined benefit obligation	(\$ 588)	\$ 604	\$ 509	(\$ 498)
	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
<u>December 31, 2021</u>				
Effect on present value of defined benefit obligation	(\$ 543)	\$ 559	\$ 471	(\$ 462)

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.

- (f) Expected contributions to the defined benefit pension plan of the Company for the year ended December 31, 2023 amount to \$485.
- (g) As of December 31, 2022, the weighted average duration of that retirement plan is 7 years.

- B. (a) 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. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of 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.
- (b) The pension costs under the defined contribution pension plan of the Company for the years ended December 31, 2022 and 2021 were \$8,460 and \$8,582, respectively.

(18) Share capital

- A. As of December 31, 2022, the Company’s authorised capital was \$10,000,000 (including reserve for issuance of employee share options of \$40,000), and the paid-in capital was \$6,404,897, consisting of ordinary stock with a par value of \$10 (in dollars) per share.

Movements in the number of the Company’s ordinary shares including certificate of entitlement to new shares from convertible bonds (in thousand shares) outstanding are as follows:

	<u>2022</u>	<u>2021</u>
At January 1	604,143	541,949
Disposal of the Company's treasury shares by subsidiaries	-	607
Conversion of convertible bonds	3,202	27,775
Stock dividends of ordinary share	-	34,844
The Company’s stocks held by subsidiaries recognised as treasury shares	-	(1,032)
At December 31	<u>607,345</u>	<u>604,143</u>

- B. 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. 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.
- C. For the year ended December 31, 2021, convertible bonds amounting to \$361,600 in total par value were requested for conversion into 27,775 thousand ordinary shares. The amount of 233 thousand ordinary shares was recorded under ‘certificate of entitlement to new shares from convertible bonds’ because the registration of the change had not yet been completed as of December 31, 2021. The registration of the change had been completed during the year ended December 31, 2022.
- D. On July 7, 2021, the Company’s shareholders approved to capitalise shareholders’ bonus amounting to \$348,445 which was distributed from 2020 earnings. A total of 34,844 thousand new shares were issued with a par value of \$10 per share. The registration of the change had been completed.

E. On July 7, 2021, the Company's Board of Directors resolved to increase the authorised capital to \$10,000,000. The registration of the change was completed on July 22, 2021.

F. Treasury shares

	Number of shares (in thousands)	Carrying amount
At January 1, 2022 and December 31, 2022	34,144	\$ 414,345
	Number of shares (in thousands)	Carrying amount
At January 1, 2021	43,099	\$ 562,488
Eliminated shares	(9,380)	(139,273)
Disposal of the Company's shares of stocks held by subsidiaries	(607)	(8,870)
Distribution of the Company's stock dividends received by subsidiaries	1,032	-
At December 31, 2021	34,144	414,345

- (a) On March 4, 2021, the Company's Board of Directors approved to reduce capital by retiring 9,380 thousand treasury shares, and the effective date for the capital reduction was set on March 5, 2021. The registration of the change had been completed.
- (b) Pursuant to the R.O.C. Securities and Exchange Law, 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 Law, 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 Law, 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, 2022 are as follows:

<u>Name of company holding the shares</u>	<u>Reason for reacquisition</u>	<u>Number of Shares (thousand shares)</u>	<u>Carrying amount</u>
YEM CHIO	Investment	16,822	\$ 223,108
ACHEM Technology Holdings Limited	"	1,194	15,838
Valueline Investment Corporation	"	406	5,049
		<u>18,422</u>	<u>\$ 243,995</u>

(f) Details of the Company's common stock held by the subsidiaries as at December 31, 2021 are as follows:

<u>Name of company holding the shares</u>	<u>Reason for reacquisition</u>	<u>Number of Shares (thousand shares)</u>	<u>Carrying amount</u>
YEM CHIO	Investment	16,822	\$ 223,108
ACHEM Technology Holdings Limited	"	1,194	15,838
Valueline Investment Corporation	"	406	5,049
		<u>18,422</u>	<u>\$ 243,995</u>

(19) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	2022			
	Share premium	Stock options	Others	Total
At January 1	\$ 1,776,166	\$ 17,716	\$ 590,720	\$ 2,384,602
Recognition of changes in ownership interest in subsidiaries	-	-	(17)	(17)
Adjustments recognised not based on the shareholding ratio	-	-	232,209	232,209
Conversion of convertible bonds The Company's stocks held by subsidiaries deemed as cash dividends distributed to treasury stocks	4,258	(1,044)	-	3,214
Gains from exercise of disgorgement	-	-	18,423	18,423
At December 31	<u>\$ 1,780,424</u>	<u>\$ 16,672</u>	<u>\$ 841,626</u>	<u>\$ 2,638,722</u>

	2021			
	Share premium	Stock options	Others	Total
At January 1	\$ 1,764,372	\$ 28,235	\$ 799,835	\$ 2,592,442
Eliminated shares	(28,299)	-	(17,174)	(45,473)
Recognition of changes in ownership interest in subsidiaries	(42,929)	-	41,000	(1,929)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	(243,740)	(243,740)
Conversion of convertible bonds The Company's stocks held by subsidiaries deemed as cash dividends distributed to treasury stocks	83,022	(10,519)	-	72,503
At December 31	<u>\$ 1,776,166</u>	<u>\$ 17,716</u>	<u>\$ 590,720</u>	<u>\$ 2,384,602</u>

(20) Retained earnings / Subsequent event

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. The Company's dividend policy is summarized below:

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. (a) 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.

(b) 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.

E. The Company's appropriations of 2020 earnings for cash dividends and the modification of aforementioned appropriations had been approved through majority vote by the Board of Directors on March 4, 2021 and May 13, 2021, respectively, and had been approved by shareholders on July 7, 2021. The appropriations of earnings as amended were as follows:

	<u>Year ended December 31, 2020</u>	
	<u>Amount</u>	<u>Dividend per share (in dollars)</u>
Reversal of special reserve	(\$ 147,062)	
Legal reserve	80,056	
Cash dividends	348,445	\$ 0.60
Stock dividends	348,445	0.59
	<u>\$ 629,884</u>	

F. The Company's appropriations of 2021 earnings for cash dividends had been approved by the Board of Directors and shareholders on March 25, 2022 and June 17, 2022, respectively. The appropriations of earnings were as follows:

	<u>Year ended December 31, 2021</u>	
	<u>Amount</u>	<u>Dividend per share (in dollars)</u>
Reversal of special reserve	(\$ 12,864)	
Legal reserve	108,632	
Cash dividends	622,566	\$ 1.00
	<u>\$ 718,334</u>	

G. Subsequent event:

The 2022 earnings distribution proposed at the meeting of Board of Directors on March 15, 2023 is detailed as follows:

	<u>Year ended December 31, 2022</u>	
	<u>Amount</u>	<u>Dividend per share (in dollars)</u>
Special reserve	\$ 34,048	
Legal reserve	101,051	
Cash dividends	625,787	\$ 1.00
	<u>\$ 760,886</u>	

The Company's appropriations of 2022 earnings, except for cash dividends which had been resolved by the Board of Directors and only has to be reported to shareholders, have not yet been approved by shareholders as of March 15, 2023.

(21) Operating revenue

A. Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of goods and services at a point in time in the following major product lines:

	Year ended December 31, 2022		
	<u>Packaging materials business segment</u>	<u>Real estate business segment</u>	<u>Total</u>
Revenue from non-related parties	\$ 2,889,851	\$ -	\$ 2,889,851
Revenue from related parties	<u>752,673</u>	<u>-</u>	<u>752,673</u>
Total segment revenue	<u>\$ 3,642,524</u>	<u>\$ -</u>	<u>\$ 3,642,524</u>

	Year ended December 31, 2021		
	<u>Packaging materials business segment</u>	<u>Real estate business segment</u>	<u>Total</u>
Revenue from non-related parties	\$ 3,526,403	\$ 523,960	\$ 4,050,363
Revenue from related parties	<u>1,026,980</u>	<u>-</u>	<u>1,026,980</u>
Total segment revenue	<u>\$ 4,553,383</u>	<u>\$ 523,960</u>	<u>\$ 5,077,343</u>

B. Contract liabilities

The Company has recognised the following revenue-related contract liabilities:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>January 1, 2021</u>
Contract liabilities:			
Contract liabilities – Advance sales receipts	\$ 10,555	\$ 13,289	\$ 15,905
Contract liabilities – Pre-sold house	<u>582,646</u>	<u>466,606</u>	<u>318,509</u>
	<u>\$ 593,201</u>	<u>\$ 479,895</u>	<u>\$ 334,414</u>

C. For the years ended December 31, 2022 and 2021, revenue recognised that was included in the contract liability balance at the beginning of the year amounted to \$10,838 and \$25,558, respectively.

(22) Interest income

	Year ended December 31,	
	2022	2021
Interest income from bank deposits	\$ 2,264	\$ 345
Interest income from loans to related parties	10,070	16,710
	<u>\$ 12,334</u>	<u>\$ 17,055</u>

(23) Other income

	Year ended December 31,	
	2022	2021
Rental revenue	\$ 34,880	\$ 42,082
Dividend income	107,062	79,695
Income from managerial services	46,226	39,245
Other income	4,699	9,187
	<u>\$ 192,867</u>	<u>\$ 170,209</u>

(24) Other gains and losses

	Year ended December 31,	
	2022	2021
Losses on valuation of financial assets at fair value through profit or loss	(\$ 660)	(\$ 17,448)
(Losses) gains on disposal of financial assets at fair value through profit or loss	(47,810)	38,476
Net foreign exchange gain (loss)	156,543	(44,910)
Losses on disposal of property, plant and equipment	(20)	(165)
Gains on disposal of non-current assets held for sale	-	661,905
Gains on fair value adjustment of investment property	25,498	7,810
Fee expense	(7,919)	(15,966)
Other losses	(1,246)	(9,053)
	<u>\$ 124,386</u>	<u>\$ 620,649</u>

(25) Finance costs

	Year ended December 31,	
	2022	2021
Interest expense:		
Bank borrowings	\$ 150,783	\$ 149,660
Convertible bonds	3,662	5,085
Lease liabilities	449	-
Interest payable to related parties	8,132	9,960
Less: Capitalisation of qualifying assets	(94,300)	(76,680)
	<u>\$ 68,726</u>	<u>\$ 88,025</u>

(26) Expenses by nature

	Year ended December 31, 2022		
	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense			
Wages and salaries	\$ 144,760	\$ 69,017	\$ 213,777
Labor and health insurance fees	15,471	6,497	21,968
Pension costs	5,420	3,273	8,693
Directors' remuneration	-	510	510
Other personnel expenses	6,943	1,286	8,229
	<u>172,594</u>	<u>80,583</u>	<u>253,177</u>
Depreciation	192,350	10,735	203,085
Amortisation	-	22	22
	<u>\$ 364,944</u>	<u>\$ 91,340</u>	<u>\$ 456,284</u>

	Year ended December 31, 2021		
	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense			
Wages and salaries	\$ 153,115	\$ 74,876	\$ 227,991
Labor and health insurance fees	15,843	6,533	22,376
Pension costs	5,531	3,265	8,796
Directors' remuneration	-	840	840
Other personnel expenses	7,655	1,146	8,801
	<u>182,144</u>	<u>86,660</u>	<u>268,804</u>
Depreciation	195,083	9,425	204,508
Amortisation	-	22	22
	<u>\$ 377,227</u>	<u>\$ 96,107</u>	<u>\$ 473,334</u>

- A. For the years ended December 31, 2022 and 2021, the Company had 378 and 386 employees, respectively, both including 4 non-employee directors.
- B. For the years ended December 31, 2022 and 2021, average employee benefit expense was \$676 and \$701, respectively.
- C. For the years ended December 31, 2022 and 2021, average employees salaries were \$572 and \$597, respectively.
- D. Adjustments of average employees salaries was 4.19%.
- E. Under the Company's Articles of Incorporation :

If the Company has profit, at least 0.5% shall be distributed as employees' compensation. However, if the Company has accumulated deficit, earnings should first be reserved to cover losses and then be appropriated as employees' compensation based on the abovementioned ratios.

The distribution of employees compensation shall be resolved by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders during their meeting.

Employees' compensation can be distributed in the form of cash or shares and shall be distributed to the employees of affiliates of the Company who meet certain specific requirements which were set by the Board of Directors.

- F. The Company provides remuneration to directors (including independent directors) determined based on the Company's 'regulation of directors' remuneration'. The related regulations are implemented after being advised by the Remuneration Committee and approved by the Board of Directors.

In addition, managers' compensation is determined based on the salary standard in the market taking into consideration the individual position, responsibilities, professional and technical ability, education and work experience, performance, contribution, etc., in order to give reasonable compensation.

Furthermore, to attract and retain outstanding talents, the Company will timely refer to the labour market salary survey, typical pay levels adopted by peer companies, taking into consideration the reasonableness of the correlation between individual performance, company's business performance, and future risk exposure, periodically assessing or examining the salary system.

As the employees are the most valuable asset to the Company, the Company adopts the concept of profit sharing with employees, thereby providing a competitive overall compensation package to its employees. The Company hopes to encourage employees to focus on long-term contribution and share mutual benefits with the Company.

G. For the years ended December 31, 2022 and 2021, employees' compensation was accrued at \$5,575 and \$5,576, respectively; while no directors' remuneration was accrued. The aforementioned amount was recognised in salary expenses.

The employees' compensation was estimated and accrued based on 0.5% of distributable profit of current year for the year ended December 31, 2022.

For the year ended December 31, 2021, the employees' compensation resolved by the Board of Directors amounted to \$4,724. The difference of (\$852) between the amount resolved by the Board of Directors and the amount of \$5,576 recognised in the 2021 financial statements, had been adjusted in the profit or loss for 2022.

Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(27) Income tax

A. Components of income tax expense:

	Year ended December 31	
	2022	2021
Current tax:		
Current tax on profits for the year	\$ 13,451	\$ 167,636
Tax on undistributed surplus earnings	18,399	-
Prior year income tax under (over) estimation	2,031	(20,632)
Total current tax	<u>33,881</u>	<u>147,004</u>
Deferred tax:		
Origination and reversal of temporary differences	27,599	(62,794)
Income tax expense	<u>\$ 61,480</u>	<u>\$ 84,210</u>

B. The income tax relating to components of other comprehensive income is as follows:

	Year ended December 31	
	2022	2021
Remeasurement of defined benefit obligations	(\$ 675)	\$ 369

C. Reconciliation between income tax expense and accounting profit:

	Year ended December 31	
	2022	2021
Tax calculated based on profit before tax and statutory tax rate	\$ 219,861	\$ 205,005
Items disallowed (tax exempt income) by tax regulation	(177,397)	(132,267)
Tax on undistributed surplus earnings	18,399	-
Change in assessment of realisation of deferred tax assets	-	663
Prior year income tax under (over) estimation	2,031	(20,632)
Land value increment tax	-	77,472
Effect from Alternative Minimum Tax	-	9,916
Others	(1,414)	(55,947)
Income tax expense	<u>\$ 61,480</u>	<u>\$ 84,210</u>

D. Amounts of deferred tax assets or liabilities as a result of temporary differences and tax losses are as follows:

	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 payable	27,355	-	-	27,355
Others	<u>3,767</u>	<u>38</u>	<u>-</u>	<u>3,805</u>
	<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	<u>(33,499)</u>	<u>-</u>	<u>-</u>	<u>(33,499)</u>
	<u>(85,149)</u>	<u>(3,434)</u>	<u>-</u>	<u>(88,583)</u>
	<u>(\$ 8,893)</u>	<u>(\$ 27,600)</u>	<u>\$ 675</u>	<u>(\$ 35,818)</u>

	2021			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences:				
-Deferred tax assets:				
Provision for inventory obsolescence	\$ 2,376	\$ 173	\$ -	\$ 2,549
Accrued pension liabilities	5,323	(38)	(369)	4,916
Unrealised exchange loss	19,246	8,965	-	28,211
Deferred selling expenses	10,884	(1,426)	-	9,458
Deferred interest payable	28,299	(944)	-	27,355
Others	4,167	(400)	-	3,767
	<u>70,295</u>	<u>6,330</u>	<u>(369)</u>	<u>76,256</u>
-Deferred tax liabilities:				
Unrealised loss from sales	(11,108)	-	-	(11,108)
Fair value adjustment of investment property	(97,006)	56,464	-	(40,542)
Gain on foreign investment	(33,499)	-	-	(33,499)
	<u>(141,613)</u>	<u>56,464</u>	<u>-</u>	<u>(85,149)</u>
	<u>(\$ 71,318)</u>	<u>\$ 62,794</u>	<u>(\$ 369)</u>	<u>(\$ 8,893)</u>

E. The amounts of deductible temporary differences that were not recognised as deferred tax assets are as follows:

	December 31, 2022	December 31, 2021
Deductible temporary differences	\$ -	\$ 2,137

F. The Company's income tax returns through 2020 have been assessed and approved by the Tax Authority.

(28) Earnings per share

	Year ended December 31, 2022		
	<u>Amount after tax</u>	<u>Retroactive adjustment weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic and diluted earnings per share</u>			
Profit attributable to the parent	<u>\$ 1,037,826</u>	<u>605,119</u>	<u>\$ 1.72</u>
<u>Diluted earnings per share</u>			
Profit attributable to the parent	\$ 1,037,826	605,119	
Assumed conversion of all dilutive potential ordinary shares			
Treasury stocks transferred to employees	-	15,721	
Employees' compensation	-	238	
Subsidiaries' domestic convertible bonds	(9,115)	-	
Domestic convertible bonds	<u>2,930</u>	<u>32,545</u>	
Profit attributable to the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 1,031,641</u>	<u>653,623</u>	<u>\$ 1.58</u>

	Year ended December 31, 2021		
	<u>Amount after tax</u>	<u>Retroactive adjustment weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic and diluted earnings per share</u>			
Profit attributable to the parent	\$ 867,762	590,114	\$ 1.47
<u>Diluted earnings per share</u>			
Profit attributable to the parent	\$ 867,762	590,114	
Assumed conversion of all dilutive potential ordinary shares			
Treasury stocks transferred to employees	-	17,415	
Employees' compensation	-	414	
Subsidiaries' domestic convertible bonds	(7,652)	-	
Domestic convertible bonds	4,068	46,659	
Profit attributable to the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 864,178	654,602	\$ 1.32

(29) Supplemental cash flow information

Investing activities with partial cash payments

	Year ended December 31	
	<u>2022</u>	<u>2021</u>
Purchase of property, plant and equipment	\$ 59,448	\$ 68,552
Add: Opening balance of payable on equipment and construction	38,300	38,300
Less: Ending balance of payable on equipment and construction	(38,300)	(38,300)
Cash paid during the year	\$ 59,448	\$ 68,552

(30) Changes in liabilities from financing activities

	Short-term borrowings	Long-term borrowings	Short-term notes and bills payable	Other payables to related parties	Lease liabilities	Corporate bonds payable	Liabilities from financing activities-gross
At January 1, 2022	\$ 3,727,592	\$ 4,971,762	\$ 410,000	\$ 355,000	\$ -	\$ 443,361	\$ 9,907,715
Changes in cash flow from financing activities	(1,256,500)	441,488	140,000	(355,000)	(1,282)	-	(1,031,294)
Changes in other non-cash items	-	-	-	-	60,662	(31,583)	29,079
At December 31, 2022	<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>

	Short-term borrowings	Long-term borrowings	Short-term notes and bills payable	Other payables to related parties	Corporate bonds payable	Liabilities from financing activities-gross
At January 1, 2021	\$ 4,155,236	\$ 4,537,101	\$ 300,000	\$ 953,600	\$ 789,667	\$ 10,735,604
Changes in cash flow from financing activities	(427,741)	434,661	110,000	(597,817)	-	(480,897)
Impact of changes in foreign exchange rate	97	-	-	(783)	-	(686)
Changes in other non-cash items	-	-	-	-	(346,306)	(346,306)
At December 31, 2021	<u>\$ 3,727,592</u>	<u>\$ 4,971,762</u>	<u>\$ 410,000</u>	<u>\$ 355,000</u>	<u>\$ 443,361</u>	<u>\$ 9,907,715</u>

7. RELATED PARTY TRANSACTIONS

(1) Names and relationship of major related parties: Refer to Note 1(3).

(2) Significant related party transactions and balances

A. Operating revenue

	Year ended December 31	
	2022	2021
Sales of goods		
-Subsidiaries	<u>\$ 752,673</u>	<u>\$ 1,026,980</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:

	Year ended December 31	
	2022	2021
Purchases of goods:		
-Subsidiaries	\$ 47,920	\$ 92,378

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:

	December 31, 2022	December 31, 2021
Accounts receivable		
-Subsidiaries	\$ 109,989	\$ 246,884
Other receivables		
Receivables from managerial services income		
-Subsidiaries	\$ 13,471	\$ 11,010
Loans to		
-ACHEM Technology Corporation	-	1,173,697
-Wan Chio Petrochemical (Jiangsu) Co., Ltd.	1,013,253	1,020,435
-Subsidiaries	4,022	212,303
	\$ 1,030,746	\$ 2,417,445

Receivables from related parties refer to raw materials purchased on behalf of related parties and loans to related parties. The receivables are unsecured in nature, and there are no allowances for uncollectible accounts held against receivables from related parties.

D. Payables to related parties

	December 31, 2022	December 31, 2021
Accounts payable		
-Subsidiaries	\$ 14,129	\$ 16,694
Other payables		
Loans from		
-Xin Chio Co., Ltd.	\$ -	\$ 326,303
-ACHEM Technology Corporation	-	30,010
Service fee from pre-sold house sale by proxy		
-Yanrun Development Co., Ltd.	-	4,829
Headquarters cost allocation		
-ACHEM Technology Corporation	754	-
	\$ 754	\$ 361,142

Accounts payable arise mainly from purchase transactions. Other payables arise mainly from loans from subsidiaries and service fee from pre-sold house sale by proxy, etc.

E. Prepayments (shown as inventory)

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Wong Chio Development, Ltd.	\$ 592,523	\$ 328,123

F. Investment property

Details of land, buildings and office leased to UINN Hotel are provided in Note 6(11).

G. Pre-sold house contracts

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
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.

H. Loans to /from related parties

(a) Loans to related parties

i. Outstanding balance

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Wan Chio Petrochemical (Jiangsu) Co., Ltd.	\$ 1,013,253	\$ 1,020,435
ACHEM Technology Corporation	-	1,160,000
Subsidiaries	4,000	210,000
	<u>\$ 1,017,253</u>	<u>\$ 2,390,435</u>

ii. Interest income

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Subsidiaries	<u>\$ 10,070</u>	<u>\$ 16,710</u>

The loans to subsidiaries are repayable within 1 year and carry interest at 0%~2.5% per annum for the years ended December 31, 2022 and 2021.

(b) Loans from related parties

i. Outstanding balance

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Xin Chio Co., Ltd.	\$ -	\$ 325,000
ACHEM Technology Corporation	-	30,000
	<u>\$ -</u>	<u>\$ 355,000</u>

ii. Interest expense

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Xin Chio Co., Ltd.	\$ -	\$ 5,275
ACHEM Technology Corporation	-	3,798
Subsidiaries	8,132	1,068
	<u>\$ 8,132</u>	<u>\$ 10,141</u>

The loans from subsidiaries are repayable within 1 year and carry interest at 2.00% and 1.75%~2.50% per annum for the years ended December 31, 2022 and 2021, respectively.

I. Other income

(a) Income from managerial services

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Subsidiaries	\$ 46,226	\$ 39,245

(b) Rent income

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Subsidiaries	\$ 11,603	\$ 21,802

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.

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Subsidiaries	\$ 1,120	\$ 1,720

K. Deferred marketing expenses (recognised in “other current assets”)

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Related parties	\$ 135,465	\$ 123,139

L. Acquisition of share equity of Chuang-Yi Investment Co., Ltd.

In November 2021, the Company acquired 26.76% equity interest in Chuang-Yi Investment Co., Ltd. from Xin Chio Co., Ltd. at a net price of NT\$ 215.57 per share, for a total consideration of \$149,665. In November 2021, the Company has paid the full amount and completed the registration of the acquisition.

M. Endorsements and guarantees provided by related parties

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Related parties	\$ 12,574,880	\$ 13,152,770

N. Endorsements and guarantees provided to related parties:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Associates	\$ 579,940	\$ 849,120

(3) Key management compensation

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Salaries and bonuses	\$ 11,898	\$ 10,855
Pensions	243	378
	<u>\$ 12,141</u>	<u>\$ 11,233</u>

8. PLEDGED ASSETS

The Company's assets pledged as collateral are as follows:

<u>Pledged assets</u>	<u>Book value</u>		<u>Purpose</u>
	<u>December 31, 2022</u>	<u>December 31, 2021</u>	
Non-current financial assets at amortised cost			
- Demand deposits	\$ 47,011	\$ 104,133	Long-term borrowings, corporate bond guarantee and consideration trust for inventory purchases and sales, etc.
- Time deposits	57,782	104,999	Leasehold land guarantees, performance guarantee for construction and guarantee for corporate bonds
Financial assets designated as at fair value through other comprehensive income	224,924	725,712	Long-term borrowings, short-term borrowings
Inventories	5,962,185	5,332,875	Long-term borrowings, short-term borrowings
Property, plant and equipment	3,662,242	2,987,304	Long-term borrowings, short-term borrowings
Investment property	2,123,774	2,098,276	Long-term borrowings, short-term borrowings
Other non-current assets			Deposits for leases and guarantee construction
- Guarantee deposits paid	5,046	2,464	
	<u>\$ 12,082,964</u>	<u>\$ 11,355,763</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

Except for those mentioned in Notes 6(16) and 7(2), as of December 31, 2022, the Company's significant commitments are as follows:

A. As of December 31, 2022, the unused letters of credit amounted to \$221,795 for the purchase of raw materials and machinery, etc.

B. Capital expenditures contracted for at the balance sheet date but not yet incurred are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Consigned to construction companies to construct buildings	<u>\$ 213,803</u>	<u>\$ 475,193</u>

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Refer to Note 6(20).

12. OTHERS

(1) Capital management

The Company's key objectives when managing capital are to maintain the optimal credit rating and capital ratios to support the Company's operations and to maximise returns for shareholders. Related ratio of net debt divided by total capital is provided in the balance sheets of each reporting period.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ -	\$ 134,003
Financial assets designated as at fair value through profit or loss	81	751
	<u>\$ 81</u>	<u>\$ 134,754</u>
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	<u>\$ 964,975</u>	<u>\$ 1,396,287</u>
Financial assets at amortised cost		
Cash and cash equivalents	\$ 558,201	\$ 353,576
Financial assets at amortised cost	496,860	405,755
Notes receivable	31,759	69,027
Accounts receivable (including related parties)	370,115	794,145
Other receivables (including related parties)	1,051,169	2,431,694
Guarantee deposits paid	5,046	2,464
	<u>\$ 2,513,150</u>	<u>\$ 4,056,661</u>

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ 2,471,092	\$ 3,727,592
Short-term notes and bills payable	550,000	410,000
Notes payable	40,079	76,465
Accounts payable (including related parties)	123,034	168,220
Other payables (including related parties)	129,243	497,072
Long-term borrowings (including current portion)	<u>5,413,250</u>	<u>4,971,762</u>
	<u>\$ 8,726,698</u>	<u>\$ 9,851,111</u>
Lease liabilities (including current portion)	<u>\$ 59,380</u>	<u>\$ -</u>

B. Financial risk management policies

- (a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial position and financial performance.
- (b) 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 cooperation with the Company'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.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Company operates internationally and is exposed to exchange rate risk arising from the transactions 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.
- ii. The Company has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk.

iii. The Company's businesses involve some non-functional currency operations (the Company's functional currency: NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

				December 31, 2022		
				Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
	USD:NTD	\$	49,015		30.71	\$ 1,505,251
	EUR:NTD		490		32.72	16,033
<u>Financial liabilities</u>						
<u>Long-term equity investments accounted for under the equity method</u>						
	USD:NTD	\$	26,899		30.71	\$ 826,083
				December 31, 2021		
				Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
	USD:NTD	\$	57,309		27.68	\$ 1,586,313
	EUR:NTD		179		31.32	5,606
<u>Financial liabilities</u>						
<u>Long-term equity investments accounted for under the equity method</u>						
	USD:NTD	\$	30,503		27.68	\$ 844,322

iv. The total exchange gain (loss), including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2022 and 2021, amounted to \$156,543 and (\$44,910), respectively.

- v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

December 31, 2022			
Sensitivity analysis			
	Degree of variation	Effect on profit on loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	5%	\$ 75,263	\$ -
EUR:NTD	5%	802	-
December 31, 2021			
Sensitivity analysis			
	Degree of variation	Effect on profit on loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	5%	\$ 79,316	\$ -
EUR:NTD	5%	280	-

Price risk

- A. 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.

B. 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, 2022 and 2021 would have increased/decreased by \$0 and \$6,700, 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 \$48,249 and \$69,814, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

A. The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 2022 and 2021, the Company's borrowings at variable rate were mainly denominated in NTD.

B. 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.

C. If the borrowing interest rate had increased/decreased by 5% with all other variables held constant, profit, net of tax for the years ended December 31, 2022 and 2021 would have decreased by \$5,591 and \$4,702, respectively. The main factor is that changes in interest expense result from floating rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost.
- ii. For banks and financial institutions, only banks and financial institutions with optimal credit ratings are accepted. According to the Company's credit policy, each local entity in the Company 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.
- iii. The Company adopts the internal management policy, that is, the default occurs when the contract payments are past due over 240 days.

- iv. 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.

- v. The Company applies the simplified approach using the provision matrix to estimate expected credit loss to assess the Company's accounts receivable.
- vi. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
- (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
 - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
 - (iii) Default or delinquency in interest or principal repayments;
 - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- vii. 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.
- viii. The Company used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2022 and 2021, the provision matrix is as follows:

	<u>Individual</u>	<u>Group</u>		<u>Total</u>
		<u>Not past due</u>	<u>Up to 90 days past due</u>	
December 31, 2022				
Expected loss rate	100%	0.15%	0.37%~3.66%	
Total book value	\$ 10,475	\$ 201,569	\$ 63,914	\$ 275,958
Loss allowance	10,475	2,415	2,942	15,832

	<u>Individual</u>	<u>Group</u>		<u>Total</u>
		<u>Not past due</u>	<u>Up to 90 days past due</u>	
December 31, 2021				
Expected loss rate	100%	0.84%	2.13%~21.41%	
Total book value	\$ 10,475	\$ 360,848	\$ 191,770	\$ 563,093
Loss allowance	10,475	2,415	2,942	15,832

- ix. Movements in relation to the Company applying the simplified approach to provide loss allowance for accounts receivable and notes receivable are as follows:

	<u>2022</u>	
	<u>Accounts receivable</u>	<u>Notes receivable</u>
January 1	\$ 15,832	\$ -
Reversal for impairment	<u>-</u>	<u>-</u>
At December 31	<u>\$ 15,832</u>	<u>\$ -</u>

	<u>2021</u>	
	<u>Accounts receivable</u>	<u>Notes receivable</u>
At January 1	\$ 15,832	\$ 807
Reversal for impairment	<u>-</u>	<u>(807)</u>
At December 31	<u>\$ 15,832</u>	<u>\$ -</u>

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Company and aggregated by Company treasury. Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance, and compliance with internal balance sheet ratio targets.
- ii. The Company has the following undrawn borrowing facilities:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Floating rate:		
Expiring within one year	\$ -	\$ -
Expiring beyond one year	<u>1,485,000</u>	<u>2,490,000</u>
	<u>\$ 1,485,000</u>	<u>\$ 2,490,000</u>

The undrawn borrowing facilities will be used to repay existing financial liabilities and increase medium-term working capital.

iii. The table below analyses the Company's non-derivative financial liabilities and net-settled or gross-settled 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.

Non-derivative financial liabilities:

<u>December 31, 2022</u>	<u>Less than 1 year</u>	<u>Over 1 year</u>	<u>Total</u>
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	108,905	-	108,905
Accounts payable-related parties	14,129	-	14,129
Other payables	128,489	-	128,489
Other payables-related parties	754	-	754
Bonds payable (including current portion)	-	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

Non-derivative financial liabilities:

<u>December 31, 2021</u>	<u>Less than 1 year</u>	<u>Over 1 year</u>	<u>Total</u>
Short-term borrowings	\$ 3,739,970	\$ -	\$ 3,739,970
Short-term notes and bills payable	410,000	-	410,000
Notes payable	76,465	-	76,465
Accounts payable	151,526	-	151,526
Accounts payable-related parties	16,694	-	16,694
Other payables	135,930	-	135,930
Other payables-related parties	361,142	-	361,142
Bonds payable (including current portion)	454,400	-	454,400
Long-term borrowings (including current portion)	2,640,749	2,606,034	5,246,783

Derivative financial liabilities:

As of December 31, 2022 and 2021, there was no such situation.

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. 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 asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Company's investment in unlisted stocks, investment property and Call and put options of convertible corporate bonds is included in Level 3.

B. Financial instruments not measured at fair value

(a) Except for those listed in the table below, 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 loans, 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.

	December 31, 2022			
	<u>Book value</u>	<u>Fair value</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Financial liabilities:				
Bonds payable				
(including current portion)	<u>\$ 411,778</u>	<u>\$ -</u>	<u>\$ 402,804</u>	<u>\$ -</u>

	December 31, 2021			
	<u>Book value</u>	<u>Fair value</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Financial liabilities:				
Bonds payable	<u>\$ 443,361</u>	<u>\$ -</u>	<u>\$ 441,729</u>	<u>\$ -</u>

(b) 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.

C. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2022 and 2021 is as follows:

(a) The related information on the nature of the assets and liabilities is as follows:

<u>December 31, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Call options and put options of convertible corporate bonds	\$ -	\$ -	\$ 81	\$ 81
Financial assets at fair value through other comprehensive income				
Equity securities	959,378	-	5,597	964,975
Investment property	-	-	2,123,774	2,123,774
	<u>\$ 959,378</u>	<u>\$ -</u>	<u>\$ 2,129,371</u>	<u>\$ 3,088,749</u>
<u>December 31, 2021</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Call options and put options of convertible corporate bonds	\$ -	\$ -	\$ 751	\$ 751
Equity securities	\$ 134,003	\$ -	\$ -	\$ 134,003
Financial assets at fair value through other comprehensive income				
Equity securities	1,390,690	-	5,597	1,396,287
Investment property	-	-	2,098,276	2,098,276
	<u>\$ 1,524,693</u>	<u>\$ -</u>	<u>\$ 2,103,873</u>	<u>\$ 3,494,563</u>

(b) The methods and assumptions the Company used to measure 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:

	<u>Listed shares</u>
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 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, 2022 and 2021, there was no transfer between Level 1 and Level 2.

E. For the years ended December 31, 2022 and 2021, 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, 2022 and 2021 is provided in Note 6(11).

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 is evaluated regularly by the Company's finance segment based on the valuation methods and assumptions announced by the Financial Supervisory Commission, Securities and Futures Bureau or 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.

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, 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	Discount 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

<u>Item</u>	<u>Fair value at December 31, 2021</u>	<u>Valuation technique</u>	<u>Significant observable input</u>	<u>Range</u>	<u>Relationship of inputs to fair value</u>
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	2,098,276	Income approach	Discount rate	(Note)	The higher the discount rate, the lower the fair value
Call options and put options of convertible corporate bonds	751	Binary tree valuation model	Volatility	28.21%	The higher the volatility, the higher the fair value

Note: Information on discount rate and income capitalisation rate is provided in Note 6(11).

- I. 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.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: Refer to table 1.
- B. Provision of endorsements and guarantees to others: Refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): 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: Refer to table 4.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: No such situation.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: Refer to table 5.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Refer to table 6.

H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Refer to table 7.

I. Trading in derivative instruments undertaken during the reporting periods: Refer to Note 6(2).

J. Significant inter-company transactions during the reporting periods: Refer to table 8.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 9.

(3) Information on investments in Mainland China

A. Basic information: Refer to table 10.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Refer to items (1) A, B, G, H and J above.

(4) Major shareholders information

Major shareholders information: Refer to table 11.

14. SEGMENT INFORMATION

Not applicable.

Yem Chio Co., Ltd.
Loans to others
For the year ended December 31, 2022

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

NO. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2022 (Note 3)	Balance at December 31, 2022 (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	ACHEM Technology Holdings Limited	Other receivables	Y	\$ 322,150	\$ 307,100	\$ -	2.00%	2	\$ -	Working capital	\$ -	None	-	\$ 2,227,542	\$ 4,455,083	-
0	The Company	UINN Hotel	Other receivables	Y	180,000	180,000	4,000	2.00%	2	-	Working capital	-	None	-	2,227,542	4,455,083	-
0	The Company	Wong Chio Development., Ltd.	Other receivables	Y	500,000	500,000	-	2.00%-2.50%	2	-	Working capital	-	None	-	2,227,542	4,455,083	-
0	The Company	Chuang-Yi Investment Co., Ltd.	Other receivables	Y	480,000	-	-	2.00%-2.50%	2	-	Working capital	-	None	-	2,227,542	4,455,083	-
0	The Company	ACHEM Technology Corporation	Other receivables	Y	1,800,000	900,000	-	2.00%-2.50%	2	-	Working capital	-	None	-	2,227,542	4,455,083	-
0	The Company	Wan Chio Petrochemical (Jiangsu) Co., Ltd.	Other receivables	Y	1,062,909	1,013,253	1,013,253	0.00%	2	-	Working capital	-	None	-	2,227,542	4,455,083	-
1	YEM CHIO	ACHEM Technology Holdings Limited	Other receivables	Y	154,138	-	-	2.00%	2	-	Working capital	-	None	-	-	-	-
2	ACHEM Technology Corporation	Chuang-Yi Investment Co., Ltd.	Other receivables	Y	610,000	-	-	1.75%-2.00%	2	-	Working capital	-	None	-	1,180,205	2,065,358	-
2	ACHEM Technology Corporation	ACHEM Technology Holdings Limited	Other receivables	Y	793,750	614,200	537,425	2.00%	2	-	Working capital	-	None	-	1,180,205	2,065,358	-
2	ACHEM Technology Corporation	Wong Chio Development., Ltd.	Other receivables	Y	730,000	730,000	709,000	2.00%	2	-	Working capital	-	None	-	1,180,205	2,065,358	-
2	ACHEM Technology Corporation	UINN Hotel	Other receivables	Y	180,000	180,000	137,000	2.00%	2	-	Working capital	-	None	-	1,180,205	2,065,358	-
3	ACHEM Technology Holdings Limited	ACHEM Technology (Vietnam) Ltd.	Other receivables	Y	58,738	53,743	53,743	2.50%	2	-	Working capital	-	None	-	3,634,555	3,634,555	-
3	ACHEM Technology Holdings Limited	ASIA PLASTICS	Other receivables	Y	32,215	30,710	25,489	2.00%	2	-	Working capital	-	None	-	3,634,555	3,634,555	-
3	ACHEM Technology Holdings Limited	ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.	Other receivables	Y	121,740	55,278	55,278	2.50%	2	-	Working capital	-	None	-	3,634,555	3,634,555	-
3	ACHEM Technology Holdings Limited	WAN CHIO	Other receivables	Y	153,021	145,873	145,873	2.00%	2	-	Working capital	-	None	-	3,634,555	3,634,555	-
3	ACHEM Technology Holdings Limited	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Other receivables	Y	1,573,484	654,588	654,588	2.50%	2	-	Working capital	-	None	-	3,634,555	3,634,555	-
4	ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.	Ningbo Yem Chio Co., Ltd.	Other receivables	Y	81,108	79,344	79,344	2.00%	2	-	Working capital	-	None	-	884,233	884,233	-

NO. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2022 (Note 3)	Balance at December 31, 2022 (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			
4	ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.	Wan Chio Petrochemical (Jiangsu) Co., Ltd.	Other receivables	Y	\$ 383,010	\$ 308,560	\$ 308,560	0.00%	2	-	Working capital	\$ -	None	\$ -	\$ 884,233	\$ 884,233	-
4	ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Other receivables	Y	22,530	22,040	22,040	2.00%	2	-	Working capital	-	None	-	884,233	884,233	-
5	ASIACHEM International Corporation	ACHEM Technology Holdings Limited	Other receivables	Y	682,958	651,052	634,162	2.00%	2	-	Working capital	-	None	-	1,379,370	1,379,370	-
5	ASIACHEM International Corporation	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Other receivables	Y	154,916	151,547	151,547	2.00%	2	-	Working capital	-	None	-	1,379,370	1,379,370	-
6	ACHEM Technology (Shanghai) Limited	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Other receivables	Y	76,041	74,936	72,732	2.00%	2	-	Working capital	-	None	-	1,324,676	1,324,676	-
6	ACHEM Technology (Shanghai) Limited	Ningbo Yem Chio Co., Ltd.	Other receivables	Y	31,542	30,856	30,856	2.00%	2	-	Working capital	-	None	-	1,324,676	1,324,676	-
6	ACHEM Technology (Shanghai) Limited	Wan Chio Petrochemical (Jiangsu) Co., Ltd.	Other receivables	Y	745,743	729,524	729,524	0.00%	2	-	Working capital	-	None	-	1,324,676	1,324,676	-
7	Valueline Investment Corporation	ACHEM Technology Corporation	Other receivables	Y	35,000	27,000	27,000	1.50%-2.00%	2	-	Working capital	-	None	-	28,204	28,204	-
8	ACHEM Technology China	ACHEM Technology Holdings Limited	Other receivables	Y	32,215	30,710	12,284	2.00%	2	-	Working capital	-	None	-	2,979,708	2,979,708	-
9	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Ningbo Yem Chio Co., Ltd.	Other receivables	Y	155,457	79,344	79,344	2.80%-4.90%	2	-	Working capital	-	None	-	5,976,609	5,976,609	-
9	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Wan Chio Petrochemical (Jiangsu) Co., Ltd.	Other receivables	Y	1,010,921	402,671	402,671	0.00%	2	-	Working capital	-	None	-	5,976,609	5,976,609	-
10	ASIA PLASTICS	Wan Chio Petrochemical (Jiangsu) Co., Ltd.	Other receivables	Y	656,355	642,080	642,080	0.00%	2	-	Working capital	-	None	-	-	-	-
11	ACHEM Opto-Electronic Corporation	ACHEM Technology Corporation	Other receivables	Y	43,000	43,000	43,000	1.50%-2.00%	2	-	Working capital	-	None	-	228,234	228,234	-
12	AOE Holding Limited	ACHEM Technology Holdings Limited	Other receivables	Y	22,551	21,497	21,497	2.00%	2	-	Working capital	-	None	-	212,370	212,370	-
13	Master Package (Shanghai) Material Technology Co., Ltd.	ACHEM (Tianjin) Adhesive Product Co., Ltd.	Other receivables	Y	6,083	-	-	2.00%	2	-	Working capital	-	None	-	114,511	114,511	-
13	Master Package (Shanghai) Material Technology Co., Ltd.	Ningbo Yem Chio Co., Ltd.	Other receivables	Y	47,313	46,284	46,284	4.00%	2	-	Working capital	-	None	-	45,804	45,804	-
14	Xin Chio Co., Ltd.	Chuang-Yi Investment Co., Ltd.	Other receivables	Y	325,000	-	-	1.75%-2.00%	2	-	Working capital	-	None	-	368,082	368,082	-
14	Xin Chio Co., Ltd.	ACHEM Technology Corporation	Other receivables	Y	325,000	325,000	325,000	2.00%	2	-	Working capital	-	None	-	368,082	368,082	-

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, 2022.

Note 4: The column of 'Nature of loan' shall fill in 'Business transaction or 'Short-term financing'.

- (1) Business transaction.
- (2) Short-term financing.

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 the calculation for ceiling on total loans granted in the footnote.

- (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 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 100% of the stockholders' equity of Shanxi Heyangder Adhesive Produce Co., Ltd.
- (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 300% 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) As ASIA PLASTICS recognised impairment loss on assets of the associate, Wan Chio Petrochemical (Jiangsu) Co., Ltd., ASIA PLASTICS's loans to Wan Chio Petrochemical (Jiangsu) Co., Ltd. amounting to \$642,080 were over the limit.
However, ASIA PLASTICS has been actively developing improvement plans.

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 eventhough the loans are repaid subsequently, for taking into consideration they could be loaned again thereafter.

Yem Chio Co., Ltd.
Provision of endorsements and guarantees to others
For the year ended December 31, 2022

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2022 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2022 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary company to parent company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 2)											
0	The Company	YEM CHIO	2	\$ 11,137,708	\$ 229,805	\$ -	\$ -	\$ -	0	\$ 16,706,563	Y	N	N	-
0	The Company	WAN CHIO	2	11,137,708	64,458	-	-	-	0	16,706,563	Y	N	N	-
0	The Company	Wong Chio Development., Ltd.	2	11,137,708	150,000	150,000	-	-	1	16,706,563	Y	N	N	-
0	The Company	UINN Hotel	2	11,137,708	104,000	-	-	-	0	16,706,563	Y	N	N	-
0	The Company	ACHEM Technology (Vietnam) Ltd.	2	11,137,708	32,215	30,710	-	-	0	16,706,563	Y	N	N	-
0	The Company	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	2	11,137,708	257,720	245,680	220,400	-	2	16,706,563	Y	N	Y	-
0	The Company	ACHEM Technology (Dongguan) Adhesive Product Co., Ltd.	2	11,137,708	161,075	153,550	-	-	1	16,706,563	Y	N	Y	-
1	ACHEM Technology Corporation	ACHEM Technology (Dongguan) Adhesive Product Co., Ltd.	2	5,901,023	156,168	153,424	13,760	-	3	5,901,023	Y	N	Y	-
1	ACHEM Technology Corporation	ACHEM Technology Holdings Limited	2	5,901,023	1,256,385	1,105,560	-	-	20	5,901,023	Y	N	N	-
1	ACHEM Technology Corporation	Ningbo Yem Chio Co., Ltd.	2	5,901,023	201,285	198,360	16,490	-	4	5,901,023	Y	N	Y	-
1	ACHEM Technology Corporation	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	2	5,901,023	216,288	211,584	22,040	-	4	5,901,023	Y	N	Y	-
1	ACHEM Technology Corporation	ACHEM Technology (Vietnam) Ltd.	2	5,901,023	38,658	36,852	-	-	1	5,901,023	Y	N	N	-
2	ACHEM Technology (Shanghai) Limited	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	2	1,324,676	90,120	88,160	9,438	-	6	1,324,676	N	N	Y	-

Note 1: The numbers filled in for the endorsements/guarantees 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: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following six 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 authorised 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.
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
December 31, 2022

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

		As at December 31, 2022							
Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	Number of shares	Book value (Note 3)	Ownership (%)	Fair value	Footnote (in shares) (Note 4)	
The Company	Common stock								
	ASE Technology Holding Co., Ltd.	None	Current financial assets at fair value through other comprehensive income	1,451,897	\$ 136,333	0.03%	\$ 136,333	113,000	
	Quanta Computer Inc.	"	"	2,851,000	206,127	0.07%	206,127	190,000	
	LITE-ON Technology Corp.	"	"	4,000	255	0.00%	255	1,000	
	HON HAI PRECISION IND. CO., LTD.	"	"	2,256,000	225,374	0.02%	225,374	827,000	
	CHIPBOND TECHNOLOGY CORPORATION	"	"	810,000	46,494	0.11%	46,494	136,000	
	Formosa Plastics Corporation	"	"	958,000	83,154	0.02%	83,154	176,000	
	Fubon Financial Holding Co., Ltd.	"	"	465,500	26,208	0.00%	26,208	224,000	
	MediaTek Inc.	"	"	146,000	91,250	0.01%	91,250	54,000	
	Taiwan Semiconductor Manufacturing Co., Ltd.	"	"	159,000	71,312	0.00%	71,312	81,000	
	Yuanta/P-shares Taiwan Top 50 ETF	"	"	263,000	28,983	0.01%	28,983	110,000	
	Micro-Star International Co., Ltd.	"	"	1,000	120	0.00%	120	-	
	China Steel Corporation.	"	"	10,000	298	0.00%	298	-	
	EVERGREEN MARINE CORP. (TAIWAN) LTD.	"	"	186,000	30,318	0.01%	30,318	-	
	3M Company	"	"	2,354	8,716	0.00%	8,716	-	
	Vanguard S&P 500 ETF	"	"	410	4,436	0.00%	4,436	-	
	Unipex Global Co., Ltd.	"	Non-current financial assets at fair value through other comprehensive income	171,900	5,597	17.19%	5,597	-	
YEM CHIO	Common stock								
	YC Co., Ltd.	Ultimate parent company	Non-current financial assets at fair value through other comprehensive income	16,822,281	\$ 242,241	2.64%	\$ 242,241	-	
	Quanta Computer Inc.	None	"	100,000	7,230	0.00%	7,230	-	
	Taiwan Semiconductor Manufacturing Co., Ltd.	"	"	11,000	4,934	0.00%	4,934	-	
	CHIPBOND TECHNOLOGY CORPORATION	"	"	358,000	20,549	0.05%	20,549	-	
	MediaTek Inc.	"	"	8,000	\$ 5,000	0.00%	\$ 5,000	-	
	Micro-Star International Co., Ltd.	"	"	120,000	\$ 14,340	0.01%	\$ 14,340	-	
ACHEM Technology Corporation	Common stock								
	Taiwan Semiconductor Manufacturing Co., Ltd.	None	Current financial assets at fair value through profit or loss	63,000	\$ 28,256	0.00%	\$ 28,256	-	
	MediaTek Inc.	"	"	5,000	3,125	0.00%	3,125	-	
	ASE Technology Holding Co., Ltd.	"	"	19,000	1,784	0.00%	1,784	-	
	HON HAI PRECISION IND. CO., LTD.	"	"	695,000	69,430	0.01%	69,431	-	
	EVERGREEN MARINE CORP. (TAIWAN) LTD.	"	"	47,000	7,661	0.00%	7,661	-	
	United Microelectronics Corp.	"	"	51,000	2,076	0.00%	2,076	-	
	DELTA ELECTRONICS, INC.	"	"	6,000	1,719	0.00%	1,719	-	
	Micro-Star International Co., Ltd.	"	"	24,000	2,868	0.00%	2,868	-	
	Quanta Computer Inc.	"	"	38,000	2,747	0.00%	2,747	-	
	Yuanta/P-shares Taiwan Top 50 ETF	"	"	107,000	11,791	0.00%	11,791	-	
	Fubon FTSE TWSE Taiwan 50 ETF	"	"	256,000	15,898	0.04%	15,898	-	

As at December 31, 2022

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As at December 31, 2022				Footnote (in shares) (Note 4)
				Number of shares	Book value (Note 3)	Ownership (%)	Fair value	
ACHEM Technology Corporation	Common stock International Engineering & Construction Corp. (IEC)	None	Non-current financial assets at fair value through other comprehensive income	7,212,885	-	7.99%	-	-
	International Steel Company	"	"	143,826	1,116	3.20%	1,116	-
ACHEM Technology Corporation	Bank debenture Citigroup Inc.	None	Non-current financial assets at fair value through other comprehensive income	-	\$ 52,585	-	\$ 52,585	-
Valueline Investment Corporation	Common stock YC Co., Ltd.	Ultimate parent company	Non-current financial assets at fair value through other comprehensive income	406,409	\$ 5,852	0.06%	\$ 5,852	-
	Lucky-Heart Co., Ltd.	None	"	800,000	-	6.96%	-	-
	Taiwan Virtual Reality Technologies Inc.	"	"	1,600,000	-	10.00%	-	-
ACHEM Technology Holdings Limited	Beneficiary certificates Augustus Multi - Strategy Fund	None	Current financial assets at fair value through profit or loss	58,721	\$ -	-	\$ -	-
	Common stock YC Co., Ltd.	Ultimate parent company	Non-current financial assets at fair value through other comprehensive income	1,194,138	\$ 17,196	0.19%	\$ 17,196	-
Foshan Inder Adhesive Product Co., Ltd.	Capital guarantee products Structured Investment Deposit in Bank of Communications	None	Current financial assets at fair value through profit or loss	-	\$ 264,413	-	\$ 264,413	-
Master Package (Shanghai) Material Technology Co., Ltd.	Financial product Financial product launched by Bank of China	None	Current financial assets at fair value through profit or loss	-	\$ 52,896	-	\$ 52,896	-

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: In response to the group's organizational planning, our company has decided through the board of directors' resolution on November 10th, 2022 to engage in a simple merger with Chuang-Yi Investment Co., Ltd. The merger effective date is December 1st, 2022.

All the valuable securities held by Chuang-Yi Investment Co., Ltd. will be transferred to the company.

Yem Chio Co., Ltd.
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, 2022

Table 4

(Expressed in thousands of New Taiwan dollars)
(Except as otherwise indicated)

Investor	Marketable securities (Note 2)	General ledger account (Note 1)	Counterparty (Note 3)	Relationship with the investor (Note 3)	Balance as at January 1, 2022		Addition (Note 4)		Disposal (Note 4)			Other changes		Balance as at December 31, 2022		
					Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Selling price	Book value	Gains (losses) on disposal	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount
Foshan Inder Adhesive Product Co., Ltd.	Financial product: Financial product launched by Bank of China	1	-	-	-	-	-	\$ 608,150	-	\$ 608,150	\$ 608,150	\$ -	-	\$ -	-	\$ -
Foshan Inder Adhesive Product Co., Ltd.	Capital guaranteed products: Structured Investment Deposit in Bank of Communications	1	-	-	-	-	-	443,333	-	178,920	178,920	-	-	-	-	264,413
Master Package (Shanghai) Material Technology Co., Ltd.	Financial product: Financial product launched by Bank of China	1	-	-	-	-	-	313,941	-	262,038	262,038	-	-	-	-	52,896

Note 1: The numbers filled in general ledger account are as follows:

1. Current financial assets at fair value through profit or loss
2. Current financial asset measured at fair value through other comprehensive income
3. Non-current financial assets at fair value through profit or loss

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: Aggregate purchases and sales amounts should be calculated separately at their market values to verify whether they individually reach NT\$300 million or 20% of paid-in capital or more.

Note 5: 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.

Yem Chio Co., Ltd.
Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more
For the year ended December 31, 2022

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Real estate disposed by	Real estate	Transaction date		Book value	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
		or date of the event	Date of acquisition									
Wan Chio Petrochemical (Jiangsu) Co., Ltd.	Right of use of land, buildings, and equipment, etc.	2022/9/15	August 2012 to January 2020	\$ 1,896,753	\$ 1,953,957	(Note 2)	\$ 57,204	1. Nantong Development Area Chemical Industry Park Administration Office 2. Zibo Qixiang Tengda Chemical Co., Ltd.	-	1. Dispose idle property, plant and equipment to reduce Group losses. 2. Cooperate with the local governments to promote ecology prioritization and green development.	1. Relocation compensation contract for non residential housing in Nantong Economic & Technological Development Area Chemical Industry Park 2. Equipment purchase and sale contract	None

(RMB 438,760)

Note 1: Date of the event referred to herein is the date of board resolution.

Note 2: The consideration of \$1,313,122 (RMB 293,380 thousand) had been collected as of December 31, 2022. The remaining consideration of \$640,835 (RMB 145,380 thousand) was shown as other receivables.

Yem Chio Co., Ltd.
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, 2022

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

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	\$ 475,149	13.04%	30 days after monthly billings	Note 4	Note 4	\$ 35,817	8.91%	None
The Company	ACHEM Industry America Inc.	An indirect subsidiary	Sales	144,594	3.97%	60 days after the receipt of shipment	Note 4	Note 4	22,472	5.59%	None
ACHEM Technology Corporation	Foshan Inder Adhesive Product Co., Ltd.	Subsidiary	Purchases	276,949	8.43%	100 days after shipment	Note 4	Note 4	50,411	13.30%	None
ACHEM Technology Corporation	Ningbo Yem Chio Co., Ltd.	Subsidiary	Purchases	384,116	11.69%	60 days after monthly billings	Note 4	Note 4	51,283	13.53%	None
ACHEM Technology Corporation	ACHEM Industry America Inc.	Subsidiary	Sales	135,935	2.50%	60 days after monthly billings	Note 4	Note 4	28,138	3.29%	None
Wanchio Adhesive Product (Jiangsu) Co., Ltd.	ACHEM Technology Corporation	Parent company	Sales	224,302	13.48%	60 days after monthly billings	Note 4	Note 4	30,896	6.51%	None
Wanchio Adhesive Product (Jiangsu) Co., Ltd.	ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.	Sister company	Sales	258,523	15.53%	60 days after monthly billings	Note 4	Note 4	70,057	14.76%	None
Ningbo Yem Chio Co., Ltd.	ACHEM Industry America Inc.	Sister company	Sales	123,255	11.51%	60 days after monthly billings	Note 4	Note 4	10,879	8.78%	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: 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 4: The description of the transaction is not significantly different with third parties and as such, no need to disclose.

Yem Chio Co., Ltd.
Receivables from related parties reaching \$100 million or 20% of paid-in capital or more
December 31, 2022

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2022 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
The Company	Wan Chio Petrochemical (Jiangsu) Co., Ltd.	An indirect subsidiary	Other receivables	\$ 1,013,253	-	\$ -	-	\$ -
Xin Chio Co., Ltd.	ACHEM Technology Corporation	Associate	Other receivables	329,034	-	-	-	-
ACHEM Technology Corporation	ACHEM Technology Holdings Limited	Subsidiary	Other receivables	541,900	-	-	-	-
ACHEM Technology Corporation	Wong Chio Development., Ltd.	Sister company	Other receivables	712,175	-	-	-	-
ACHEM Technology Corporation	UINN Hotel	Sister company	Other receivables	137,442	-	-	-	-
ACHEM Technology (Shanghai) Limited	Wan Chio Petrochemical (Jiangsu) Co., Ltd.	Sister company	Other receivables	729,524	-	-	-	-
ACHEM Technology Holdings Limited	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	An indirect subsidiary	Other receivables	656,069	-	-	-	-
ACHEM Technology Holdings Limited	WAN CHIO	Associate	Other receivables	147,803	-	-	-	-
ASIACHEM International Corporation	ACHEM Technology Holdings Limited	Sister company	Other receivables	648,182	-	-	-	-
ASIACHEM International Corporation	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Sister company	Other receivables	157,102	-	-	-	-
ACHEM Technology (Dongguan) Adhesive Products Co., Ltd	Wan Chio Petrochemical (Jiangsu) Co., Ltd.	Sister company	Other receivables	308,560	-	-	-	-
Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Wan Chio Petrochemical (Jiangsu) Co., Ltd.	Associate	Other receivables	402,671	-	-	-	-
ASIA PLASTICS	Wan Chio Petrochemical (Jiangsu) Co., Ltd.	Associate	Other receivables	642,080	-	-	-	-

Note 1: Fill in separately the balances of accounts receivable-related parties, notes receivable-related parties, other receivables-related parties.

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.

Yem Chio Co., Ltd.
Significant inter-company transactions during the reporting period
For the year ended December 31, 2022

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
0	The Company	ACHEM Technology Corporation	(1)	Sales	\$ 475,149	30 days after monthly billings	3.24%
0	The Company	Wan Chio Petrochemical (Jiangsu) Co., Ltd.	(1)	Other receivables	1,013,253	Depends on negotiation	3.43%
1	Xin Chio Co., Ltd.	ACHEM Technology Corporation	(3)	Other receivables	329,034	Depends on negotiation	1.11%
2	ACHEM Technology Corporation	ACHEM Technology Holdings Limited	(1)	Other receivables	541,900	Depends on negotiation	1.84%
2	ACHEM Technology Corporation	Wong Chio Development., Ltd.	(3)	Other receivables	712,175	Depends on negotiation	2.41%
2	ACHEM Technology Corporation	Foshan Inder Adhesive Product Co., Ltd.	(1)	Purchase	276,949	100 days after shipment	1.89%
2	ACHEM Technology Corporation	Ningbo Yem Chio Co., Ltd.	(1)	Purchase	384,116	60 days after monthly billings	2.62%
3	ACHEM Technology (Shanghai) Limited	Wan Chio Petrochemical (Jiangsu) Co., Ltd.	(3)	Other receivables	729,524	Depends on negotiation	2.47%
4	ACHEM Technology Holdings Limited	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	(1)	Other receivables	656,069	Depends on negotiation	2.22%
5	ASIACHEM International Corporation	ACHEM Technology Holdings Limited	(3)	Other receivables	648,182	Depends on negotiation	2.20%

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
6	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	ACHEM Technology Corporation	(2)	Sales	\$ 224,302	60 days after monthly billings	1.53%
6	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	ACHEM Technology (Dongguan) Adhesive Products Co., Ltd	(3)	Sales	258,523	60 days after monthly billings	1.76%
6	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Wan Chio Petrochemical (Jiangsu) Co., Ltd.	(3)	Other receivables	402,671	Depends on negotiation	1.36%
7	ACHEM Technology (Dongguan) Adhesive Products Co., Ltd	Wan Chio Petrochemical (Jiangsu) Co., Ltd.	(3)	Other receivables	308,560	Depends on negotiation	1.05%
8	ASIA PLASTICS	Wan Chio Petrochemical (Jiangsu) Co., Ltd.	(3)	Other receivables	642,080	Depends on negotiation	2.18%

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.

Note 5: The transactions less than 1% of consolidated total assets or consolidated sales do not need to be disclosed. The disclosure is by asset or revenue.

Yem Chio Co., Ltd.
Information on investees (not including investees in Mainland China)
For the year ended December 31, 2022

Table 9

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value			
The Company	YEM CHIO	BVI	Manufacturing of adhesives and polystyrene sheets; investment holdings	\$ 1,446,994	\$ 1,446,994	47,117,523	100%	(\$ 826,083)	\$ 34,919	\$ 18,097	Subsidiary
The Company	Chuang-Yi Investment Co., Ltd.	Taiwan	Investment holdings	-	25,943	-	-	-	-	-	Note 4
The Company	UINN Hotel	Taiwan	Hotel management and related business	25,740	25,740	-	100%	(28,190)	4,457	(3,026)	Subsidiary
The Company	Wong Chio Development., Ltd.	Taiwan	Undertaking civil engineering and hydraulic engineering	345,077	345,077	34,507,664	100%	294,887	(15,445)	(14,844)	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%	5,768,267	743,275	756,723	Subsidiary
The Company	Xin Chio Co., Ltd.	Taiwan	Manufacturing, import and export of material packaging, computer software and hardware for cloud services and peripheral equipment, research and development, and distribution of design of above products	299,264	299,264	25,740,120	41.76%	66,929	113,052	46,017	Subsidiary
The Company	Yanrun Development Co., Ltd.	Taiwan	Operating real estate related business	8,000	8,000	1,320,000	40%	(3,188)	(12,420)	(7,006)	-
YEM CHIO	ASIA PLASTICS	BVI	Manufacturing of adhesives and polystyrene sheets; investment holdings	357,249	357,249	11,632,500	45%	(7,159)	27,389	-	An indirect subsidiary

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value			
				YEM CHIO	WAN CHIO	BVI	Manufacturing and marketing of raw materials; investment holdings	\$ 899,803				$ 899,803	40,400,000	68.47%	($ 941,295)	($ 3,199)	$ -	An indirect subsidiary
ACHEM Technology Corporation	ASIACHEM International Corporation	BVI	Investment of adhesives and related products	357,295	357,295	23,269	100%	1,379,360	65,324	-	An indirect subsidiary
ACHEM Technology Corporation	ACHEM Technology Holdings Limited	BVI	Investment of high technology industry	3,099,381	3,099,381	100,924	100%	3,626,252	111,960	-	An indirect subsidiary
ACHEM Technology Corporation	Valueline Investment Corporation	Taiwan	Investment holdings	249,287	249,287	826,089	100%	70,511	800	-	An indirect subsidiary
ACHEM Technology Corporation	ACHEM Opto-Electronic Corporation	Taiwan	Manufacturing of electronic parts and components	321,550	300,563	21,401,231	87.09%	496,922	62,607	-	An indirect subsidiary
ACHEM Technology Corporation	Xin Chio Co., Ltd.	Taiwan	Manufacturing, import and export of material packaging, computer software and hardware for cloud services and peripheral equipment, research and development, and distribution of design of above products	242,903	242,903	14,930,000	24.22%	293,214	113,052	-	-
ACHEM Technology Holdings Limited	ACHEM Technology Americas Ltd.	Cayman Islands	Investment of high technology industry	418,977	418,977	13,643,000	100%	1,104,757	8,587	-	An indirect subsidiary
ACHEM Technology Holdings Limited	ACHEM Technology China	Cayman Islands	Investment of high technology industry	2,094,701	2,094,701	68,209,075	100%	2,979,708	194,601	-	An indirect subsidiary
ACHEM Technology Holdings Limited	ACHEM Technology (Vietnam) Ltd.	Vietnam	Manufacturing and sales of various adhesives products	368,520	368,520	-	100%	210,548	(19,684)	-	An indirect subsidiary
ACHEM Technology Holdings Limited	WAN CHIO	BVI	Manufacturing and marketing of raw materials; investment holdings	571,206	571,206	18,600,000	31.53%	(433,460)	(3,199)	-	An indirect subsidiary

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value			
ACHEM Technology Holdings Limited	ASIA PLASTICS	BVI	Manufacturing and marketing of raw materials; investment holdings	\$ 536,457	\$ 536,457	14,217,500	55%	(\$ 8,749)	\$ 27,389	\$ -	An indirect subsidiary
ACHEM Technology Holdings Limited	ACHEM Technology (M) SDN. BHD.	Malaysia	Business of import, export and distribution	4,269	4,269	353,152	90%	19,640	(55)	-	An indirect subsidiary
ACHEM Technology Americas Ltd.	ACHEM Industry America Inc.	U.S.A.	Manufacturing and sales of various adhesives products	267,177	267,177	50,000	100%	986,316	8,790	-	An indirect subsidiary
ACHEM Opto- Electronic Corporation	AOE Holding Limited	BVI	Investment of high technology industry	65,007	65,007	4,234	100%	530,925	65,065	-	An indirect subsidiary
ACHEM Technology China	LANDMART	Samoa	Investment of high technology industry	859,880	859,880	28,000,000	100%	1,325,501	47,456	-	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, 2022' 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, 2022' 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, 2022' 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.

Note 4: The company and subsidiary Chuang-Yi Investment Co., Ltd. underwent a simple merger by absorption on December 1, 2022

Yem Chio Co., Ltd.
Information on investments in Mainland China
For the year ended December 31, 2022

Table 10

Expressed in thousands of NTD
(Except as otherwise indicated)

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, 2022	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2022		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Net income of investee for the year ended December 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2022 (Note 2)	Book value of investments in Mainland China as of December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2022	Footnote (Note 2)
					Remitted to Mainland China	Remitted back to Taiwan							
Ningbo Yem Chio Co., Ltd.	Sales of adhesives and polystyrene sheets	\$ 344,872	2	\$ 879,869	\$ -	\$ -	\$ 879,869	\$ 87,909	100%	\$ 87,909	(\$ 647,980)	\$ -	B
Master Package (Shanghai) Material Technology Co., Ltd.	Wholesale, import and export of various wrapping materials, computer software, hardware and peripherals	187,331	1	187,331	-	-	187,331	(4,172)	65.98%	(2,753)	114,512	-	B
ACHEM (Tianjin) Adhesive Product Co., Ltd.	Sales of various adhesives products	-	1	22,155	-	-	22,155	(166)	65.98%	(110)	-	-	B
ACHEM Technology (Wuhan) Limited	Manufacturing and sales of various adhesives products	31,324	1	35,757	-	-	35,757	521	65.98%	344	5,631	-	B
Foshan Inder Adhesive Product Co., Ltd.	Manufacturing and sales of various adhesives products	433,794	2	170,686	-	-	170,686	108,159	62.30%	67,383	494,184	-	B
Fuzhou Fuda Plastic Products Co., Ltd.	Manufacturing and sales of various adhesives products and material	39,923	2	32,246	-	-	32,246	179	100%	179	61,641	-	B
ACHEM Technology Huizhou Adhesive Products Ltd.	Manufacturing and sales of adhesives and BOPP film	-	2	-	-	-	-	-	100%	-	-	-	C
ACHEM Technology (Chengdu) Limited	Manufacturing and sales of adhesives and BOPP film	4,607	2	4,607	-	-	4,607	(2,069)	100%	(2,069)	8,791	-	B
ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.	Manufacturing and sales of adhesives and BOPP film	230,694	2	230,694	-	-	230,694	47,420	100%	47,420	884,234	-	B

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, 2022	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2022		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Net income of investee for the year ended December 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2022 (Note 2)	Book value of investments in Mainland China as of December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2022	Footnote (Note 2)
				Remitted to Mainland China	Remitted back to Taiwan	Investment income (loss) recognised by the Company for the year ended December 31, 2022 (Note 2)							
ACHEM Technology (Shanghai) Limited	Manufacturing and sales of adhesives and BOPP film	\$ 494,431	2	\$ 494,431	-	-	\$ 494,431	\$ 47,491	100%	\$ 47,491	\$ 1,324,664	-	B
Winda Opto- Electronics Co., Ltd.	Manufacturing and sales of polarizing film, photoelectric material, optical thin-film and polarizing adhesives	626,195	2	153,490	-	(665)	152,825	309,942	29.38%	91,066	1,004,144	378,365	B
Wan Chio Petrochemical (Jiangsu) Co., Ltd.	Manufacturing and sale of various plastic materials	2,456,800	2	1,471,009	-	-	1,471,009	(577)	100%	(577)	(2,453,322)	-	B
Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Manufacturing and sale of various plastic materials	921,300	2	921,300	-	-	921,300	34,916	100%	34,916	199,220	-	B

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	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
		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
YC CO., LTD.	\$ 1,110,685	\$ 1,130,647	\$ 7,092,694
ACHEM Technology Corporation	3,209,458	3,628,818	3,762,480
Xin Chio Co., Ltd.	245,242	245,242	552,124

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, 2022' 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 three categories:
 - A. The financial statements were audited and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.
 - B. The financial statements were audited and attested by R.O.C. parent company's CPA.
 - C. Unaudited and unattested (reiewed) financial statements for the same periods ended.
 - D. Others.

Note 3: The numbers in this table are expressed in New Taiwan Dollars.

Note 4: (1) The Company's accumulated amount of remittance to Mainland China as of December 31, 2020 was USD 36,167 thousand, and the amount approved by MOEA was USD 36,817 thousand.

(2) ACHEM Technology Corporation's accumulated amount of remittance to Mainland China as of December 31, 2022 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, 2022 was USD 7,986 thousand, and the amount approved by MOEA was USD 7,986 thousand.

Note 5 : The company received approval from the Investment Commission of the Ministry of Economic Affairs to invest USD 721,000 in ACHEM (Tianjin) Adhesive Product Co., Ltd.

ACHEM (Tianjin) Adhesive Product Co., Ltd. completed liquidation and deregistration in 2022, but the company has not yet applied to the Investment Commission of the Ministry of Economic Affairs to cancel the investment quota.

Yem Chio Co., Ltd.

Major shareholders information

December 31, 2022

Table 11

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
YING CHUNG CO., LTD.	50,923,666	7.93%
ASIA PLASTICS CO., LTD.	44,466,552	6.93%
INGS CHYUANG INTERNATIONAL CO., LTD.	42,748,839	6.66%

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 above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation. The share capital which was recorded on the financial statements may be shares in dematerialised form due to the difference in calculation basis.

1. Headquarter

Address: 7F, No. 397, Xingshan Rd., Neihu Dist., Taipei City

Tel.: (02) 8170-6199

Fax: (02) 8792-1311

2. Subsidiary companies

UINN Travel Co., Ltd.

Address: 7F-1, No. 397, Xingshan Rd., Neihu Dist., Taipei City

(Shilin)Address: No. 318, Section 4, Chengde Road, Shilin District, Taipei City

(Shilin)Tel: (02)2888-3966

Fax: (02)2888-1758

WongChio Development Co., Ltd.

Address: 7F, No. 397, Xingshan Rd., Neihu Dist., Taipei City

Tel.: (02)8170-6199

Fax:(02)8792-1565

Achem Technology Co., Ltd.

Address: 6F, No. 397, Xingshan Rd., Neihu Dist., Taipei City

Tel.: (02)8170-6199

Fax:(02)8792-2561

XIN CHIO GLOBAL CO., Ltd.

Address: 5F, No. 397, Xingshan Rd., Neihu Dist., Taipei City

Tel.: (02)8170-6199

Fax:(02)8792-1311

3. Factories

Zhangbin Adhesive Tape Factory: No. 12, Gongye Dongsan Road, Lugang Town,
Changhua County

Tel.: (04) 781-0246

Fax:(04)781-0247

Zhangbin Film Factory: No. 16, Gongye West Sixth Road, Lugang Town, Changhua
County

Tel.: (04) 781-1356

Fax:(04)781-0706

YEM CHIO Co., Ltd.



Person in Charge: Lee, Chih-Hsieh

