

YEM CHIO CO., LTD. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2023 AND 2022

Notice to Readers

For the convenience of readers, the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language consolidated financial statements shall prevail

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

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

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

Valuation of inventory

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

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

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

Valuation of investment property

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

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

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

Other matter

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

Others

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

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

Notice to Readers

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

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

Yem Chio Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars)

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

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Yem Chio Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars)

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

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

Yem Chio Co., Ltd. and Subsidiaries

Consolidated Statements of Comprehensive Income

For the Years Ended December 31, 2023 And 2022

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

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

(Continued)

Yem Chio Co., Ltd. and Subsidiaries

Consolidated Statements of Comprehensive Income

For the Years Ended December 31, 2023 And 2022

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

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

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

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

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

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

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

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

(Continued)

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

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

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

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

1. History and organization

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

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

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

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

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

3. Newly issued or revised standards and interpretations

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

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

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

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

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

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

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

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

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

4. Summary of material accounting policies

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

(1) Statement of compliance

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

(2) Basis of preparation

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

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

(3) Basis of consolidation

Preparation principle of consolidated financial statements

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

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

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

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

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

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

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

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

If the Group loses control of a subsidiary, it:

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

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

The consolidated entities are listed as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

Related parties in the consolidated financial statements:

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

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

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

(4) Foreign currency transactions

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

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

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

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

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

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

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

(5) Translation of financial statements in foreign currency

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

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

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

(6) Current and non-current distinction

An asset is classified as current when:

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

All other assets are classified as non-current.

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

A liability is classified as current when:

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

All other liabilities are classified as non-current.

(7) Cash and cash equivalents

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

(8) Financial instruments

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

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

A. Financial instruments: Recognition and Measurement

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

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

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

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

Financial asset measured at fair value through profit or loss

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

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

Financial asset measured at fair value through other comprehensive income

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

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

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

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

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

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

Financial assets measured at amortised cost

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

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

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

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

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

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

B. Impairment of financial assets

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

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

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

The loss allowance is measures as follow:

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

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

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C. Derecognition of financial assets

A financial asset is derecognised when:

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

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

D. Financial liabilities and equity

Classification between liabilities or equity

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

Equity instruments

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

Compound instruments

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

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

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

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

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

Financial liabilities

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

Financial liabilities at amortised cost

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

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

Derecognition of financial liabilities

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

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Notes to the Consolidated Financial Statements (Continued)
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(9) Fair value measurement

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

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

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

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

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

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

(10) Inventories

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

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

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(11) Investments accounted for using the equity method

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

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

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

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

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

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

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

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

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

(12) Property, plant and equipment

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

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

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

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

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

(13) Investment property

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

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(14) Leases

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

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

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

Group as a lessee

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

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

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

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

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

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

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

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

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

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

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

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Group as a lessor

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

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

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

(15) Intangible assets

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

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

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

(16) Impairment of non-financial assets

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

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

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

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

(17) Treasury shares

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

(18) Revenue recognition

A. Sales of goods

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

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B. Land development and resale

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

(19) Borrowing costs

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

(20) Post-employment benefits

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

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

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

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

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

(21) Income taxes

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

Current income tax

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

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

Deferred tax

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

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

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

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

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

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

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

5. Significant accounting judgements, estimates and assumptions

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

(1) Judgement

None.

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(2) Estimates and assumptions

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

A. Inventories

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

B. Investment property

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

6. Contents of significant accounts

(1) Cash and cash equivalents

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Yem Chio Co., Ltd. and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)
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Details of the Group's financial assets at fair value through other comprehensive income pledged to others as collateral are provided in Note 8. Information relating to credit risk is provided in Note 12(4).

(4) Financial assets at amortised cost

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

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

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

(5) Notes and accounts receivable

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

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

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

The above ageing analysis was based on past due date.

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

(6) Inventories

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

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

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

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

(7) Investments accounted for using the equity method

Details are listed below:

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

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

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

Principal place of business: China

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

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

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

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

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

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

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

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

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

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(8) Property, plant and equipment

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

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Amount of borrowing costs capitalised as part of property, plant and equipment were \$3,361 and \$2,387 and the range of interest rates for such capitalisation were 1.86% and 1.19%-1.88% for the years ended December 31, 2023 and 2022, respectively.

In June 2011, ACHEM Technology Corporation revalued its assets in accordance with the laws and regulations. The gross revaluation increment in the amount of \$569,967, net of provision for land revaluation increment tax of \$228,975, was recorded as “Unrealised revaluation increment” in the amount of \$340,992, under other equity adjustments. The Company recognised the “Unrealised revaluation increment” into special reserve amounting to \$170,769 in proportion to shares held.

In 2010, ACHEM Technology Corporation acquired the agricultural land located in Rui-Hu Section, Yangmei District, Taoyuan City, in the amount of \$189, which was registered under the names of the Group’s employees. The land was pledged to ACHEM Technology Corporation as collateral on May 30, 2023.

In 2021, ACHEM Technology Corporation acquired the agricultural land located in Rui-Hu Section, Yangmei District, Taoyuan City, in the amount of \$39,918, which was registered under the names of the Group’s employees. The land was pledged to ACHEM Technology Corporation as collateral on March 18, 2022.

In 2022, ACHEM Technology Corporation acquired the agricultural land located in Rui-Hu Section, Yangmei District, Taoyuan City, in the amount of \$42,232, which was registered under the names of the Group’s employees. The land was pledged to ACHEM Technology Corporation as collateral on May 30, 2023.

Information about the property, plant and equipment that were pledged to others as collaterals are provided in Note 8.

(9) Investment property

The Group’s investment property mainly comprises office buildings and plant located in Neihu District, Zhongzheng District, Taipei City and Shanghai, China. The Group earns rental income from leasing and the lease terms are between 1 to 7 years.

	December 31, 2023	December 31, 2022
At January 1	\$2,251,475	\$2,203,498
Exchange differences	(10,842)	8,367
Gain on fair value adjustments	54,248	39,610
At December 31	<u>\$2,294,881</u>	<u>\$2,251,475</u>

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	Year Ended December 31	
	2023	2022
Rental income from investment property	\$66,223	\$58,602
Less: Direct operating expenses arising from the investment property that generated rental income during the year	(9,184)	(8,927)
Direct operating expenses arising from the investment property that did not generate rental income during the year	(405)	(407)
Total	\$56,634	\$49,268

As of December 31, 2023 and 2022, the related assumptions are as follows:

The location, valuation method, appraisal firm, appraiser and appraisal date are shown below:

	December 31, 2023	December 31, 2022
Object	Office building and plant	Office building and plant
Location	Neihu District, Zhongzheng District, Taipei City and Shanghai, China	Neihu District, Zhongzheng District, Taipei City and Shanghai, China
Valuation method	Income approach	Income approach
Appraisal firm	PANASIA Real Estate Appraisers Firm	PANASIA Real Estate Appraisers Firm
Appraiser	YANG, MIN-AN	YANG, MIN-AN
Effective date for appraisal	December 31, 2023	December 31, 2022

The information on the average leasing rate for the years ended December 31, 2023 and 2022, changes in income generated in the past, and comparison between local rents and rents for objects similar to the Group's office buildings and plant is provided in the table below:

	Year Ended December 31	
	2023	2022
Estimated rents (in dollars/per ping /monthly)	\$675-\$1,404	\$644-\$1,472
Local rents and rent quotes for similar objects	Approximate to estimated rents	Approximate to estimated rents
Income	\$66,223	\$58,602
Average leasing rates	89%-100%	89%-100%

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The fair value of the Group's office buildings and plants is measured using the discounted cash flow analysis of income approach. Valuation is based on local rents and rents of similar objects, which are used to determine the annual increase range in the rents. Net rental income for the next 10 years is estimated based on idling loss. The estimated net rental income plus the ending disposal value is the future cash inflow, which is calculated to the appraisal date by using appropriate discount rate. Future cash outflow is estimated based on the Company's current operations and possible future changes and future cash outflow refers to expenses directly related to operations, such as land value tax, house tax, insurance fees, management fees and repair expense that were actually incurred for the year.

Discount rate range is set in the table below. Discount rates are based on the interest rate for a two-year deposit of a small amount, as posted by the Chunghwa Post Co. Ltd., plus 0.75 percentage points; while the discount rates used by the Group's China subsidiaries are based on the rate of 10 years national debt issued by the Bank of China. Risk premium is determined based on liquidity, risk, value increment and the difficulty of management.

	December 31, 2023	December 31, 2022
Discount rates	2.41%-8.54%	2.47%-8.05%

The information on the Group's investment property is provided in Note 12(7).

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

(10) Intangible assets

	Goodwill	Others	Total
January 1, 2023	\$171,004	\$15,005	\$186,009
Addition	-	575	\$575
Amortisation	-	(883)	(883)
Exchange differences	(28)	(3)	(31)
December 31, 2023	\$170,976	\$14,694	\$185,670
	Goodwill	Others	Total
January 1, 2022	\$154,053	\$18,796	\$172,849
Amortisation	-	(4,820)	(4,820)
Exchange differences	16,951	1,029	17,980
December 31, 2022	\$171,004	\$15,005	\$186,009

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Amount of amortisation on intangible assets are as follows:

	Year Ended December 31	
	2023	2022
Operating costs	\$-	\$3,796
Administrative expenses	883	1,024
Total	\$883	\$4,820

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

	December 31, 2023	December 31, 2022
	ACHEM Industry America Inc.	\$100,256
Xin Chio Co., Ltd.	70,720	70,720
Total	\$170,976	\$171,004

Goodwill is allocated to the cash-generating units identified by the Group. The recoverable amount of all cash-generating units has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by the management covering a five-year period.

The recoverable amount of all cash-generating units calculated using the value-in-use exceeded their carrying amount, so goodwill was not impaired. The key assumptions used for value-in-use calculations are gross profit margin, growth rate and discount rate. Management determined budgeted gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant operating segments.

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

The Group's Board of Directors resolved to dispose the property, plant and equipment of the indirect subsidiary, Wan Chio Petrochemical (Jiangsu) Co., Ltd., on September 15, 2021. The Group entered into a relocation compensation contract with Nantong Development Area Chemical Industry Park Administration Office for cooperating with the local governments to promote ecology prioritization and green development. The related assets have been reclassified as disposal group held for sale and presented as discontinued operations as it met the definition of discontinued operations.

In December 2022, the Group had completed the main obligations based on the above contract and recognised gains on disposals of non-current asset held for sale amounting to \$57,204. The total transaction amount of the disposal group held for sale was RMB 438,760 thousand. As of December 31, 2023, the above amount was received.

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

	Year ended December 31
	2022
Operating cash flows	\$(271,758)
Investing cash flows	950,028
Financing cash flows	(676,579)
Total cash flows	\$1,691

Analysis of the result of discontinued operations, and the result recognised on the remeasurement of assets or disposal group, is as follows:

	Year ended December 31
	2022
Costs	\$(19,806)
Operating expenses	(14,181)
Non-operating income and expenses	33,410
Loss before tax of discontinued operations	(577)
Income tax	-
Loss after tax of discontinued operations	\$(577)

(12) Short-term borrowings

	December 31, 2023	December 31, 2022
Unsecured bank borrowings	\$3,144,783	\$2,868,940
Secured bank borrowings	2,576,379	1,713,877
Total	\$5,721,162	\$4,582,817

	December 31, 2023	December 31, 2022
Range of the interest rates	1.70%-6.57%	1.55%-7.00%

As of December 31, 2023 and 2022, details of assets pledged as collateral for short-term borrowings are provided in Note 8.

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(13) Short-term bills payable

	December 31, 2023	December 31, 2022
Commercial paper	\$400,000	\$730,000
Range of the interest rates	2.04%-2.10%	1.44%-2.28%

(14) Other current liabilities

	December 31, 2023	December 31, 2022
Advance receipts for the group held for sales	\$53,214	\$54,218
Others	64,220	27,200
Total	\$117,434	\$81,418

(15) Bonds payable

	December 31, 2023	December 31, 2022
Domestic convertible corporate bonds payable	\$162,900	\$618,500
Less: Discount on bonds payable	(1,398)	(8,479)
Total	161,502	610,021
Less: Bonds payable - current portion	(161,502)	(198,244)
Net	\$-	\$411,777

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

	8th domestic secured convertible corporate bonds	9th domestic secured convertible corporate bonds
Principal amount	\$500,000	\$500,000
Face rate	0%	0%
Effective rate	0.93%	0.93%
Outstanding period	5 years	5 years
Maturity date	June 14, 2024	June 14, 2024
Guarantee banks	Mega International Commercial Bank	First Bank
Collateral	Cash in banks of \$102,530	Cash in banks of \$102,530
Repayment at maturity	The bonds along with yield to maturity annual rate of 0.25% are repayable in full by cash at face value at maturity.	The bonds along with yield to maturity annual rate of 0.25% are repayable in full by cash at face value at maturity.

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	8th domestic secured convertible corporate bonds	9th domestic secured convertible corporate bonds
Redemption	<p>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:</p> <p>(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.</p> <p>(b) The outstanding balance of the bonds is less than 10% of total issue amount.</p>	<p>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:</p> <p>(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.</p> <p>(b) The outstanding balance of the bonds is less than 10% of total issue amount.</p>
Put options	The bondholders have the right to require the Company to redeem any bonds at face value plus 0.25% interest during the period from the date after issuance to 30 days before three years.	The bondholders have the right to require the Company to redeem any bonds at face value plus 0.25% interest during the period from the date after issuance to 30 days before three years.
Conversion price (dollars/per share) (Adjusted)	\$10.50	\$10.50
Conversion period	During the period from the date after three months of issuance of bonds to the maturity date.	During the period from the date after three months of issuance of bonds to the maturity date.
Converted amount	\$424,700	\$425,000
Redeemed amount	\$-	\$-
Repurchased amount	\$-	\$-

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With regards to the issuance of convertible bonds, the equity conversion options of 8th and 9th issuances amounting to \$29,091 was separated from the liability components and was recognised in “capital surplus - stock options” in accordance with IAS 32. As of December 31, 2023 and 2022, the balance of “Capital surplus - stock options” changed to \$4,372 and \$11,808, due to execution of conversion from bonds into common stock and bonds matured. The fair value of put and call options embedded in bonds payable was separated from the value of bonds payable, and was recognised in “financial assets at fair value through profit or loss” in accordance with IFRS 9.

B. The terms of the domestic secured convertible corporate bonds of Xin Chio Co., Ltd. are as follows:

	<u>2nd domestic secured convertible corporate bonds</u>
Total issuance amount	\$200,000
Coupon rate	0%
Effective interest rate	1.12%
Outstanding period	3 years
Maturity date	October 15, 2023
Guarantee bank	First Commercial Bank
Collateral	Cash in banks \$40,000
Repayment at maturity	The bonds are payable in full by cash at face value upon maturity.
Redemption right	Convertible corporate bonds can be redeemed during the period from the date after three months of the bonds issue (January 16 2021) to 40 days before the maturity date (September 15, 2023) based on the rule for issuance and conversion if one of the following criteria is met : (a) The closing price of the Company’s common shares is above the then conversion price by 30% for 30 consecutive trading days. (b) The outstanding balance of the bonds is less than 10% of total initial issue amount.
Conversion price (in dollars/per share) (Adjusted)	\$17.70
Conversion period	During the period from the date after three months of issuance of bonds to the maturity date.
Converted amount	\$81,400
Redeemed amount	\$-
Repurchased amount	\$118,600

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With regards to the issuance of convertible bonds, the equity conversion options of 2nd issuances amounting to \$10,665 was separated from the liability components and was recognised in “capital surplus - stock options” in accordance with IAS 32. As of December 31, 2023 and 2022, the balance of “Capital surplus - stock options” was \$0 and \$10,665. The fair value of put and call options embedded in bonds payable was separated from the value of bonds payable, and was recognised in “financial liabilities at fair value through profit or loss” in accordance with IFRS 9.

(16) Long-term borrowings

	December 31, 2023	December 31, 2022
Long-term bank borrowings		
Secured borrowings	\$7,819,395	\$6,943,364
Unsecured borrowings	1,000,000	1,500,000
Subtotal	<u>8,819,395</u>	<u>8,443,364</u>
Less: Current portion - within one year or one operating cycle	<u>(3,280,517)</u>	<u>(2,478,493)</u>
Total	<u>\$5,538,878</u>	<u>\$5,964,871</u>
Range of the interest rates	1.80%-3.14%	1.43%-7.25%

A. In October 2020, the Company entered into a syndicated loan agreement with a syndicated banking group consisting of Land Bank of Taiwan and others for a period of 5 years. The Company is allowed to settle the borrowings and use the working capital if the total amount is within the scope of \$1.59 billion pursuant to the agreement. The primary terms of the agreement are as follows:

- (a) Tranche A: Non-revolving line of \$1,100,000.
- (b) Tranche B: Non-revolving line of \$390,000.
- (c) Tranche C: Non-revolving line of \$100,000.
- (d) The Company’s revolving credit facility is subject to the following terms and financial covenants:
 - i. The Company shall pledge land serial No. 4 and 5, Section 1, Fuduxin section, Xinzhuang District, New Taipei City as collateral for tranche B and C.
 - ii. The Company on each annual consolidated financial statements is required to maintain the following financial ratios:
Liability ratio (total liabilities/consolidated tangible net worth) of not higher than 300%; interest coverage ((income before tax + depreciation + amortisation + interest expense)/interest expense) of at least 150%; consolidated tangible net worth of not less than \$7 billion.
- (e) As of December 31, 2023 and 2022, the amount drawn were both \$1,205,000.

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- B. In March 2021, the Company entered into a syndicated loan agreement with a syndicated banking group consisting of Taiwan Cooperative Bank and others for a period of 5 years. The Company is allowed to settle the borrowings and use the working capital if the total amount is within the scope of \$3.6 billion pursuant to the agreement. The primary terms of the agreement are as follows:
- (a) Tranche A: Non-revolving line of \$1,100,000.
 - (b) Tranche B: Revolving line of \$2,500,000. The proceeds of the loan were used to increase medium-term working capital. The credit facility will be reduced after three years from the first drawdown date, and will be further reduced on the same date of each succeeding year. The reduction of the credit facility will be done in three phases as follows: a 15% reduction for the first phase, 20% reduction for the second phase and 65% reduction for the third phase.
 - (c) The Company's revolving credit facility is subject to following terms and financial covenants:
 - i. The Company shall pledge land, plant and auxiliary facilities, machinery and equipment, and related auxiliary equipment at Changhua Coastal Industrial Park as collateral of Tranche A.
 - ii. The Company on each semi-annual and annual consolidated financial statements is required to maintain the following financial ratios:
Current ratio (current assets/current liabilities) of at least 100%; liability ratio ((total liabilities + contingent liabilities)/(total stockholders' equity - intangible assets)) of not higher than 300%; interest coverage ((income before tax + depreciation + amortisation + interest expense)/interest expense) of at least 150%; consolidated tangible net worth of not less than \$7 billion.
 - (d) As of December 31, 2023 and 2022, the amount drawn were \$1,880,000 and \$2,600,000, respectively.
- C. In November 2021, ACHEM Technology Corporation entered into a syndicated loan agreement with Hua Nan Commercial Bank. The primary terms of the agreement are as follows:
- (a) Tranche A: Ten-year non-revolving line of \$1,680,000. The facility can be drawn at one time or multiple times.
 - (b) Tranche B: Five-year revolving line of \$1,320,000.
 - (c) The Company shall pledge 12 lots at Yangmei District, Taoyuan City and plants located in the lots as collateral.
 - (d) As of December 31, 2023 and 2022, the amounts drawn were both \$3,000,000.
- D. There was no violation of the loan covenant as of December 31, 2023 and 2022.
- E. In addition to the collaterals provided as stated in Note 8, as of December 31, 2023, the Group had issued guarantee notes totalling \$17,347,535 for the bank loans.
- E. The Group's borrowings should be paid in full by January 2032 at the latest in accordance with the contracts.

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(17) Post-employment benefits

The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Group will make contributions to cover the deficit by next March.

	December 31, 2023	December 31, 2022
Present value of defined benefit obligations	\$279,704	\$316,364
Fair value of plan assets	(184,901)	(211,463)
Net defined benefit liability	<u>\$94,803</u>	<u>\$104,901</u>

Movements in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Balance at January 1, 2023	\$316,364	\$(211,463)	\$104,901
Current service cost	1,137	-	1,137
Interest expense (income)	3,796	(2,537)	1,259
Subtotal	<u>321,297</u>	<u>(214,000)</u>	<u>107,297</u>
Remeasurements:			
Return on plan assets	-	(1,095)	(1,095)
Experience adjustments	(8,514)	-	(8,514)
Subtotal	<u>312,783</u>	<u>(215,095)</u>	<u>97,688</u>
Pension fund contribution	-	(2,885)	(2,885)
Paid pension	(33,079)	33,079	-
Balance at December 31, 2023	<u>\$279,704</u>	<u>(184,901)</u>	<u>\$94,803</u>

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	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Balance at January 1, 2022	\$352,659	\$(199,365)	\$153,294
Current service cost	1,626	-	1,626
Interest expense (income)	2,468	(1,396)	1,072
Subtotal	<u>356,753</u>	<u>(200,761)</u>	<u>155,992</u>
Remeasurements:			
Return on plan assets	-	(15,664)	(15,664)
Change in financial assumptions	(9,531)	-	(9,531)
Experience adjustments	(22,933)	-	(22,933)
Subtotal	<u>(32,464)</u>	<u>(15,664)</u>	<u>(48,128)</u>
Total	<u>324,289</u>	<u>(216,425)</u>	<u>107,864</u>
Pension fund contribution	-	(2,963)	(2,963)
Paid pension	(7,925)	7,925	-
Balance at December 31, 2022	<u>\$316,364</u>	<u>\$(211,463)</u>	<u>\$104,901</u>

The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company and its domestic subsidiaries have no right to participate in managing and operating that fund and hence the Company and its domestic subsidiaries are unable to disclose the classification of plan asset fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2023 and 2022 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

The principal actuarial assumptions used were as follows:

	Year Ended December 31	
	2023	2022
Discount rate	1.20%	1.20%
Future salary increases	2.00-3.00%	2.00-3.00%

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For the years ended December 31, 2023 and 2022, assumptions regarding future mortality rate were both estimated in accordance with the 6th Taiwan Standard Ordinary Experience Mortality Table, respectively. Future mortality rate of the Company and domestic subsidiaries was set based on the improved Taiwan's published annuity table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2023				
Effect on present value of defined benefit obligation	\$(3,753)	\$3,847	\$3,096	\$(3,038)
December 31, 2022				
Effect on present value of defined benefit obligation	\$(4,582)	\$4,703	\$3,845	\$(3,768)

The sensitivity analysis above was arrived at based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2024 amounted to \$2,729.

As of December 31, 2023, the weighted average duration of that retirement plan is 6-7 years.

Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

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The Company's China subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentage of employees' monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.

The pension costs under the defined contribution pension plan of the Company and local subsidiaries for the years ended December 31, 2023, and 2022 were \$31,109 and \$30,929, respectively.

The contributions to pension costs under the local employment act of the overseas subsidiaries for the years ended December 31, 2023, and 2022 were \$30,517 and \$31,069, respectively.

For the year ended December 31, 2022, the domestic subsidiaries' retired employees were formerly covered under the defined benefit pension plan, however, the subsidiaries cannot pay through the labor pension reserve account due to some reasons. Thus, the subsidiaries paid the pension benefits directly which was recognised as pension cost in the amount of \$17,311.

(18)Equities

A. Common stock

As of December 31, 2023 and 2022, the Company's authorized capital were both \$10,000,000 (including reserve for issuance of employee share options of \$40,000), consisting of 1,000,000 thousand shares of ordinary stock, and the paid-in capital were \$6,582,467 and \$6,404,897 with a par value of \$10 (in dollars) per share, divided into 658,247 thousand shares and 640,490 thousand shares. Each share has one voting right and a right to receive dividends.

Movements in the number of the Company's ordinary shares (include bond conversion entitlement certificates and deduct treasury stocks) outstanding in thousand shares for the years ended December 31, 2023, and 2022 are as follows:

	December 31, 2023	December 31, 2022
At January 1	607,345	604,143
Conversion of convertible corporate bonds	23,443	3,202
At December 31	<u>630,788</u>	<u>607,345</u>

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For the year ended December 31, 2023, convertible bonds amounting to \$255,600 in total par value were requested for conversion into 23,443 thousand ordinary shares. As of December 31, 2023, the amount of 66,857 thousand ordinary shares was recorded under ‘certificate of entitlement to new shares from convertible bonds’ because the registration of the change has not yet been completed.

For the year ended December 31, 2022, convertible bonds amounting to \$594,100 in total par value were requested for conversion into 3,202 thousand ordinary shares. As of December 31, 2022, the amount of 1,000 thousand ordinary shares was recorded under ‘certificate of entitlement to new shares from convertible bonds’ because the registration of the change has not yet been completed. The registration of the change was completed in 2023.

B. Capital surplus

	December 31, 2023	December 31, 2022
Share premium	\$1,805,940	\$1,780,424
Stock options	9,236	16,672
Others	903,562	841,626
Total	\$2,718,738	\$2,638,722

According to the Group Act, the capital reserve shall not be used except for making good the deficit of the Group. When a Company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the Company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

C. Treasury shares

- (a) As of December 31, 2023 and 2022, the Group held treasury shares were both \$414,345, divided into 34,144 thousand shares.
- (b) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury share should not exceed 10% of the number of the Group’s issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.
- (c) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.

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- (d) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the employees within five years from the reacquisition date and shares not reissued within the five-year period are to be retired. Treasury shares to enhance the Company's credit rating and the stockholders' equity should be retired within six months of acquisition.
- (e) Details of the Company's common stock held by the subsidiaries as at December 31, 2023 and 2022 are as follows:

Name of company holding the shares	Reason for reacquisition	Number of Shares (thousand shares)	Carrying amount
YEM CHIO	Investment	16,822	\$223,108
ACHEM Technology Holdings Limited	Investment	1,194	15,838
Valueline Investment Corporation	Investment	406	5,049
Total		18,422	\$243,995

D. Retained earnings and dividend policies

- (a) In accordance with the Company's Articles of Incorporation, the annual net profit should be used initially to pay all taxes and to cover any accumulated deficit; 10% of the annual net profit should be set aside as legal reserve; and setting aside an additional special reserve pursuant to Article 41 of ROC Securities Exchange Act. The remainder, if any, shall be distributed which will be proposed by the Board of Directors and approved by the stockholders. If the aforementioned purposes or reasons of setting aside special reserve no longer apply, the Company should reverse and recognise such special reserve as distributable, and be distributed in accordance with this Article. The Company authorises the Board of Directors to distribute earnings in cash or dividends and bonuses from capital surplus by the special resolution; and in addition thereto a report of such distribution shall be submitted to the shareholders during their meeting.
- (b) As the Company operates in a mature industry and is in the stable profit stage with sound financial structure, it has a steady dividend pay out ratio policy. According to the policy, after setting aside legal and special reserve, the remainder shall be appropriated as dividends, and cash dividends shall account for at least 10% of the total dividends distributable.
- (c) Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.

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- (d) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- (e) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi Letter No. 1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land.
- (f) The Company's appropriations of 2021 earnings for cash dividends had been approved through majority vote by the Board of Directors on March 25, 2022, and has been approved by shareholders on June 17, 2022. The appropriations of 2021 earnings were as follows:

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

- (g) The Company's appropriations of 2022 earnings for cash dividends had been approved through majority vote by the Board of Directors on March 15, 2023, and has been approved by shareholders on June 16, 2023. The appropriations of 2022 earnings were as follows:

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

Please refer to Note 6(22) on employee remuneration and directors' remuneration.

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(h) Event after the balance sheet date

The appropriation of 2023 earnings had been proposed by the Board of Directors on March 14, 2024. Details are as follows:

	Year ended December 31, 2023	
	Amount	Dividends per share (in dollars)
Special reserve	\$108,032	
Legal reserve	48,980	
Cash dividends	650,688	\$1.00
Total	\$807,700	

As of March 14, 2024, the Company's' distribution of 2023 earnings, apart from cash dividends resolved by the Board of Directors and only requiring reporting to the shareholders' meeting, other distribution have not yet been resolved at the shareholders' meeting.

E. Non-controlling interests

	Year Ended December 31	
	2023	2022
Beginning balance	\$683,448	\$653,919
Profit attributable to non-controlling interests	54,333	90,425
Other comprehensive income, attributable to non-controlling interests:		
Exchange differences resulting from translating the financial statements of a foreign operation	(6,614)	6,655
Others	(21,384)	(67,551)
Ending balance	\$709,783	\$683,448

(19) Operating revenue

A. Disaggregation of revenue

The Group's revenue from contracts with customers during the years ended December 31, 2023 and 2022 can be segmented by major product lines as follow:

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Year ended December 31, 2023					
	Tape manufacturing business segment	Packaging materials business segment	Real estate business segment	Specialty chemical business segment	Total
Total segment revenue	\$12,812,073	\$1,405,497	\$889,490	\$394,605	\$15,501,665
Inter-segment revenue	(2,273,026)	-	-	(4,903)	(2,277,929)
Revenue from external customer contracts	<u>\$10,539,047</u>	<u>\$1,405,497</u>	<u>\$889,490</u>	<u>\$389,702</u>	<u>\$13,223,736</u>
Revenue recognition point:					
At a point in time	\$10,539,047	\$1,405,497	\$889,490	\$389,702	\$13,223,736
Gradually satisfy over time	-	-	-	-	-
Total	<u>\$10,539,047</u>	<u>\$1,405,497</u>	<u>\$889,490</u>	<u>\$389,702</u>	<u>\$13,223,736</u>
Year ended December 31, 2022					
	Tape manufacturing business segment	Packaging materials business segment	Real estate business segment	Specialty chemical business segment	Total
Total segment revenue	\$15,140,732	\$1,660,028	\$42,757	\$400,214	\$17,243,731
Inter-segment revenue	(2,565,414)	-	-	(6,924)	(2,572,338)
Revenue from external customer contracts	<u>\$12,575,318</u>	<u>\$1,660,028</u>	<u>\$42,757</u>	<u>\$393,290</u>	<u>\$14,671,393</u>
Revenue recognition point:					
At a point in time	\$12,575,318	\$1,660,028	\$42,757	\$393,290	\$14,671,393
Gradually satisfy over time	-	-	-	-	-
Total	<u>\$12,575,318</u>	<u>\$1,660,028</u>	<u>\$42,757</u>	<u>\$393,290</u>	<u>\$14,671,393</u>

B. Contract balances

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

	December 31, 2023	December 31, 2022
Contract liabilities - Advance sales receipts	\$73,256	\$50,387
Contract liabilities - Pre-sold house	683,641	689,497
Total	<u>\$756,897</u>	<u>\$739,884</u>

For the years ended December 31, 2023 and 2022, revenue recognised that was included in the contract liability balance at the beginning of the year amounted to \$32,137 and \$42,636, respectively.

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(20) Expected credit losses

A.

	Year ended December 31	
	2023	2022
Operating expenses - Expected credit losses		
Notes receivable	\$-	\$-
Accounts receivable	(27,876)	(12,665)
Total	\$(27,876)	\$(12,665)

Please refer to Note 12(4) for more details on credit risk.

B. The Group measures the loss allowance of its account receivables at an amount equal to lifetime expected credit losses. The Group used the loss rates calculated based on historical and timely information to assess the default possibility of accounts receivable. As of December 31, 2023 and 2022, the provision matrix are as follows:

	individual	Group			Total
		Not past due	Up to 90 days past due	Over 90 days past due	
December 31, 2023					
Expected loss rate	100%	0.02%-3.06%	0.02%-66.52%	0.02%-100%	
Carrying amount	\$64,299	\$1,956,995	\$289,084	\$38,116	\$2,348,494
Loss allowance	64,299	8,892	23,002	38,116	134,309
	individual	Group			Total
	Not past due	Up to 90 days past due	Over 90 days past due		
December 31, 2022					
Expected loss rate	99.62%	0.05%-4.44%	0.24%-100%	4.52%-100%	
Carrying amount	\$73,505	\$1,782,694	\$313,420	\$12,837	\$2,182,456
Loss allowance	73,505	8,558	13,250	12,837	108,150

Note: The Group's notes receivable were not past due.

C. The movements in loss allowance for notes and accounts receivable for the years ended December 31, 2023 and 2022 are as follows:

	Notes receivable	Accounts receivable
At January 1, 2023	\$-	\$108,150
Provision (reversal) of impairment loss	-	27,876
Write off	-	(575)
Exchange differences	-	(1,142)
At December 31, 2023	\$-	\$134,309

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	Notes receivable	Accounts receivable
At January 1, 2022	\$-	\$98,029
Provision (reversal) of impairment loss	-	12,665
Write off	-	(2,168)
Exchange differences	-	(376)
At December 31, 2022	<u>\$-</u>	<u>\$108,150</u>

(21) Lease

A. Group as a lessee

The Group leases various assets including land, buildings as well as machinery and equipment. Rental contracts are typically made for periods of 2 to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The Group's leases effect on the financial position, financial performance and cash flows are as follow:

(a) Right-of-use assets

	December 31, 2023	December 31, 2022
Land - Taiwan	\$56,059	\$59,174
Land use right - China and Vietnam	186,292	186,460
Buildings and structures	80,360	97,090
Total	<u>\$322,711</u>	<u>\$342,724</u>

For the years ended December 31, 2023 and 2022, the Group's additions to right-of-use assets amounting to \$13,076 and \$62,385, respectively.

The Group leases land with lease terms of 20 years in Taiwan Science Park. The lease payments will be adjusted every 2 years on the basis of changes in announced land value prices.

Land use rights are contracts signed by the Group for land use rights in China and Vietnam. The lease terms are 44-50 years. The aforementioned land use rights have been paid in full at the inception of the lease.

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(b) Lease liabilities

	December 31, 2023	December 31, 2022
Current	\$39,550	\$36,423
Non-current	114,127	141,165
Lease liabilities	<u>\$153,677</u>	<u>\$177,588</u>

Interest expenses on lease liabilities, recognised for the years ended December 31, 2023 and 2022, are provided in Note 6(23)C Finance costs. For the maturity analysis of lease liabilities are provided in Note 12(5) Liquidity Risk Management.

(c) Depreciation

	Year ended December 31	
	2023	2022
Land - Taiwan	\$3,115	\$1,039
Land use right - China and Vietnam	4,461	4,464
Buildings and structures	29,062	27,763
Total	<u>\$36,638</u>	<u>\$33,266</u>

(d) Income and costs relating to leasing activities

	Year ended December 31	
	2023	2022
The expense relating to short-term leases	<u>\$11,724</u>	<u>\$13,674</u>

(e) Cash outflow relating to leasing activities

For the years ended December 31, 2023 and 2022, the Group's total cash outflows for leases amounting to \$55,097 and \$53,024, respectively.

(f) Other information relating to leasing activities

Extension and termination options

When determining the lease terms, the Group takes into account all facts and circumstances that create economic incentives to exercise the option to renew the lease. The lease term will be reassessed when a significant event occurs in assessing the exercise of the option to renew the lease.

Yem Chio Co., Ltd. and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)
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B. Group as a lessor

Please refer to Note 6(9) for details on the Group's owned investment properties and investment properties held by the Group as right-of-use assets. Leases of owned investment properties are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

The Group leases various assets including land and buildings. Rental contracts are typically made for periods of 1 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

For the years ended December 31, 2023 and 2022, the Group recognised rent income in the amount of \$76,797 and \$71,336, respectively, based on the operating lease agreement, which does not include variable lease payments.

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

	December 31, 2023	December 31, 2022
2023	\$-	\$71,250
2024	44,117	36,767
2025	10,953	7,792
2026	8,473	5,351
2027	4,686	2,449
2028	3,992	4,770
After 2029	3,000	-
Total	\$75,221	\$128,379

(22) The Group's employee benefits, depreciation and amortisation expenses incurred for the years ended December 31, 2023 and 2022 are as follows:

	Year ended December 31					
	2023			2022		
	Operation costs	Operation expenses	Total	Operation costs	Operation expenses	Total
Employee benefits expense						
Wages and salaries	\$ 757,459	\$ 546,224	\$ 1,303,683	\$ 764,356	\$ 533,669	\$ 1,298,025
Labor and health insurance	51,747	31,808	83,555	51,023	31,613	82,636
Pension	37,910	26,112	64,022	40,716	41,291	82,077
Other employee benefit expenses	87,164	36,947	124,111	83,198	32,277	115,475
Depreciation	415,566	133,520	549,086	508,488	75,875	584,363
Amortisation	-	883	883	-	4,820	4,820

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Under the Company’s Articles of Incorporation, the current year’s earnings, if any, shall first be used to offset prior years’ operating losses. For the remainder, if any, at least 0.5% shall be distributed as employees’ compensation and the Board of Directors is authorised to determine the distribution of directors’ remuneration based on the usual industry standard but shall not exceed 1%. Have the profit distributable as employees’ compensation in the form of shares or in cash; after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution is submitted to the shareholders’ meeting.

For the years ended December 31, 2023 and 2022, employees’ compensation was accrued at \$2,757 and \$5,575, respectively; while no directors’ remuneration was accrued. The aforementioned amount was recognised in salary expenses.

The employees’ compensation for the year ended December 31, 2022 resolved by the Board of Directors amounted to \$5,524. The difference of \$(51) between the amount resolved by the Board of Directors and the amount of \$5,575 recognised in the 2022 financial statements, had been adjusted in the profit or loss for 2023.

Information on the Board of Directors’ resolution regarding the employees’ compensation and remuneration to directors can be obtained from the “Market Observation Post System” on the website of the Taiwan Stock Exchange.

(23) Non-operating income and expenses

A. Other income

	Year ended December 31	
	2023	2022
Rental income	\$76,797	\$71,336
Dividend income	197,297	137,035
Others	72,823	57,120
Subtotal	346,917	265,491
Less: other income attributable to discontinued operations	-	(509)
Total	\$346,917	\$264,982

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Notes to the Consolidated Financial Statements (Continued)
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B. Other gains and losses

	Year ended December 31	
	2023	2022
Losses on disposal of property, plant and equipment	\$(3,558)	\$(288)
Losses on write-off of property, plant and equipment	-	(10)
Gains on disposal of non-current assets held for sale	-	57,204
Losses on disposal of investments in subsidiaries	-	(2,332)
Foreign exchange gain, net	14,048	81,667
Gains on fair value adjustment of investment property	54,248	39,610
(Losses) gains on financial assets and liabilities at fair value through profit or loss	39,186	(75,791)
Prepayments reversal gain	-	78,313
Other losses	(61,517)	(59,748)
Subtotal	42,407	118,625
Less: other losses attributable to discontinued operations	-	(33,315)
Total	<u>\$42,407</u>	<u>\$85,310</u>

C. Finance costs

	Year ended December 31	
	2023	2022
Interest expenses from bank borrowings	\$306,594	\$258,169
Interest expenses of convertible corporate bonds	3,967	5,860
Interest expenses on lease liabilities	7,541	8,697
Others	4	-
Less: capitalisation of qualifying assets	(131,758)	(105,384)
Less: finance costs attributable to discontinued operations	-	(509)
Total	<u>\$186,348</u>	<u>\$166,833</u>

(24) Income tax

A. The major components of income tax expense for the years ended December 31, 2023 and 2022 are as follows:

Income tax expenses recognised in profit or loss

	Year ended December 31	
	2023	2022
Current income tax expense:		
Current income tax charge	\$167,793	\$213,061
Tax on undistributed surplus earnings	10,283	18,399
Prior year income tax (over) under estimation	(8,387)	(14,248)
Deferred tax expense:		
Deferred tax expenses relating to origination and reversal of temporary differences	(29,842)	18,764
Total	<u>\$139,847</u>	<u>\$235,976</u>

Yem Chio Co., Ltd. and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)
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Income tax recognised in other comprehensive income

	Year ended December 31	
	2023	2022
Remeasurement of defined benefit obligations	\$(1,922)	\$9,625

B. Reconciliation between tax expenses and the product of accounting profit multiplied by applicable tax rates:

	Year ended December 31	
	2023	2022
Accounting profit before tax from continuing operations	\$995,385	\$1,364,804
Income tax expenses at the statutory rate	346,562	425,710
Tax effect of revenues exempt and non-deductible expenses for tax purposes	(214,482)	(192,441)
Additional income tax under the Alternative Minimum Tax Act	13,912	-
Prior year income tax (over) under estimation	(8,387)	(14,248)
Tax on undistributed surplus earnings	10,283	18,339
Others	(8,041)	(1,384)
Total	\$139,847	\$235,976

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

	2023			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets				
Unrealised provision for inventory obsolescence	\$29,666	\$(807)	\$-	\$28,859
Accrued pension liabilities	31,555	(49)	(552)	30,954
Prepayments for land value increment tax	56,569	-	-	56,569
Operating loss carryforwards	12,312	15,843	-	28,155
Others	54,728	8,298	-	63,026
Total	\$184,830	\$23,285	\$(552)	\$207,563
Deferred tax liabilities				
Fair value adjustment of investment property	\$(93,170)	\$(146)	\$-	\$(93,316)
Unrealised loss from sales	(11,108)	-	-	(11,108)
Reserve for land revaluation increment tax	(228,975)	-	-	(228,975)
Investment income accounted for using the equity method	(36,832)	-	-	(36,832)
Gain on disposal of plant	(74,012)	1,701	-	(72,311)
Others	(18,816)	5,002	(1,370)	(15,184)
Total	\$(462,913)	\$6,557	\$(1,370)	\$(457,726)

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Notes to the Consolidated Financial Statements (Continued)
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	2022			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets				
Unrealised provision for inventory obsolescence	\$17,244	\$12,422	\$-	\$29,666
Accrued pension liabilities	30,920	(40)	675	31,555
Prepayments for land value increment tax	56,569	-	-	56,569
Operating loss carryforwards	11,498	814	-	12,312
Others	78,648	(23,920)	-	54,728
Total	\$194,879	\$(10,724)	\$675	\$184,830
Deferred tax liabilities				
Fair value adjustment of investment property	\$(91,486)	\$(1,704)	\$-	\$(93,170)
Unrealised loss from sales	(11,108)	-	-	(11,108)
Reserve for land revaluation increment tax	(228,975)	-	-	(228,975)
Investment income accounted for using the equity method	(36,503)	(329)	-	(36,832)
Gain on disposal of plant	(68,237)	(5,775)	-	(74,012)
Others	(8,284)	(232)	(10,300)	(18,816)
Total	\$(444,573)	\$(8,040)	\$(10,300)	\$(462,913)

D. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets for the Company's other domestic subsidiaries as of December 31, 2023 and 2022 are as follows:

(a) Domestic subsidiaries

December 31, 2023				
Year incurred	Amount estimated/ filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2016-2023	Estimated/ filed/ assessed	<u>\$309,673</u>	<u>\$172,016</u>	2033
December 31, 2022				
Year incurred	Amount estimated/ filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2012-2022	Estimated/ filed/ assessed	<u>\$319,365</u>	<u>\$269,821</u>	2032

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Notes to the Consolidated Financial Statements (Continued)
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(b) Foreign subsidiaries

December 31, 2023				
Year incurred	Amount estimated/ filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2018-2021	Assessed	\$245,815	\$191,847	2026

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

E. Wanchio Adhesive Product (Jiangsu) Co., Ltd. has been assessed as high technology enterprise by Jiangsu Provincial Department of Science and Technology on November 3, 2021. Thus, the enterprise income tax rate was reduced to 15% from 2021 until 2023.

F. The assessment of income tax returns

As of December 31, 2023, the assessment of the income tax returns of the Company is as follows:

	<u>The assessment of income tax returns</u>
The Company	Assessed and approved up to 2020
Xin Chio Co., Ltd., Achem Technology Corporation., ACHEM Opto-Electronic Corporation. and UINN HOTEL.	Assessed and approved up to 2021
Valueline Investment Corporation, Wong Chio Development, Ltd.	Assessed and approved up to 2022

The Company and its subsidiaries are located in the Cayman Islands, British Virgin Islands, the PRC, America, Vietnam, Malaysia and Samoa. Their tax authorities will not take the initiative to send a tax returns assessment to enterprises. When there are tax disputes, they issue a tax payment notice to enterprises and reserve the right to propose additional taxes.

Yem Chio Co., Ltd. and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)
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(25) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting for Interest expense of convertible bonds) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	Year ended December 31	
	2023	2022
Basic earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousand NT\$)	\$801,205	\$1,037,826
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	618,614	605,119
Basic earnings per share (NT\$)	\$1.30	\$1.72
	Year ended December 31	
	2023	2022
Diluted earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousand NT\$)	\$801,205	\$1,037,826
Subsidiaries' domestic convertible bonds (in thousand NT\$)	(9,095)	(9,115)
Interest expense of convertible corporate bonds (in thousand NT\$)	1,801	2,930
Profit attributable to the parent plus assumed conversion of all dilutive potential ordinary shares (in thousand NT\$)	<u>\$793,911</u>	<u>\$1,031,641</u>
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	618,614	605,119
Effect of dilution:		
Employees' compensation - stock (in thousands)	230	238
Treasury stock transferred to employees (in thousands)	15,721	15,721
Convertible corporate bonds (in thousands)	22,382	32,545
Weighted average number of ordinary shares outstanding after dilution (in thousands)	<u>656,947</u>	<u>653,623</u>
Diluted earnings per share (NT\$)	<u>\$1.21</u>	<u>\$1.58</u>

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date that the financial statements were authorized for issue.

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Notes to the Consolidated Financial Statements (Continued)
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(26) Supplemental cash flow information

A. Investing activities with partial cash payments

	Year ended December 31	
	2023	2022
Purchase of property, plant and equipment	\$307,499	\$456,133
Add: Beginning balance of equipment payable	47,974	53,423
Less: Ending balance of equipment payable	(54,031)	(47,974)
Cash payment during the year	\$301,442	\$461,582

B. Cash payments for acquiring a subsidiary

	Year ended December 31	
	2023	2022
The consideration for acquiring a subsidiary	\$41,160	\$-
Less: Cash and cash equivalents from acquiring a subsidiary	(3,345)	-
Cash payments to acquire the control (deducted acquiring cash)	\$37,815	\$-

C. Cash payments for acquiring partial ownership of a subsidiary

	Year ended December 31	
	2023	2022
Cash payments for acquiring partial ownership of a subsidiary	\$41,385	\$-

7. Related party transactions

Information of the related parties that had transactions with the Group during the financial reporting period is as follows:

(1) Names and relationship of related parties

Please refer to Note 4(3).

Yem Chio Co., Ltd. and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)
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(2) Significant transactions with the related parties

A. Operating revenue

	Year ended December 31	
	2023	2022
Sales of products:		
Other related parties	\$1,609	\$1,901

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

B. Purchases

	Year ended December 31	
	2023	2022
Purchases of goods:		
Other related parties	\$-	\$5,061

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

C. Receivables from related parties

	December 31, 2023	December 31, 2022
	Accounts receivable:	
Other related parties	\$115	\$269

The receivables are unsecured in nature and bear no interest. There are no allowances for uncollectible accounts held against receivables from related parties.

D. Other payables to related parties

	December 31, 2023	December 31, 2022
	Other payables:	
Associates	\$-	\$10,097

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Notes to the Consolidated Financial Statements (Continued)
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E. Contract liabilities - Pre-sold house

	December 31, 2023	December 31, 2022
Contract liabilities - Pre-sold house:		
Other related parties	\$4,648	\$4,648

On May 13, 2021, the Company's Board of Directors resolved to pre-sell the houses and parking space of the building project 'THE ONE' in Xinzhuang District of New Taipei City to Li, Qi-Zheng and Li, Shu-Wei. The total contract liabilities - pre-sold houses was \$4,648, however, the transfer of ownership has not yet been completed.

F. Rental income

	Year ended December 31	
	2023	2022
Associates	\$638	\$697

The Company leases parts of offices to associates. Rental contracts are made for periods of 3 years. Rents are paid at the beginning of every month.

G. Deferred marketing expenses (recorded under other current assets)

	December 31, 2023	December 31, 2022
Associates	\$48,653	\$48,653

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

	December 31, 2023	December 31, 2022
Li, Zhi-Xian	\$31,960,684	\$21,567,405

(3) Key management personnel compensation

	Year ended December 31	
	2023	2022
Short-term employee benefits	\$22,774	\$24,709
Post-employment benefits	484	351
Total	\$23,258	\$25,060

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8. Pledged assets

The following table lists assets of the Group pledged as collateral:

Pledged assets	Carrying amount		Purpose
	December 31, 2023	December 31, 2022	
Financial assets at fair value through other comprehensive income	\$766,905	\$224,924	Long-term borrowings, short-term borrowings
Financial assets at amortised cost - current	698,414	2,340	Borrowings, purchase and performance guarantee for construction
Financial assets at amortised cost - non-current - demand deposits	26,900	98,011	Long-term borrowings, corporate bond guarantee and consideration trust for inventory purchases and sales, etc.
Financial assets at amortised cost - non-current - time deposits	35,764	57,782	Leasehold land guarantees, performance guarantee for construction and guarantee for corporate bonds
Other current assets - guarantee deposits paid	58,458	59,552	Guarantee for court litigation
Accounts receivable	95,104	131,906	Long-term borrowings, short-term borrowings
Inventories	9,452,781	6,737,687	Long-term borrowings, short-term borrowings
Property, plant and equipment	6,708,330	6,513,181	Long-term borrowings, short-term borrowings
Investment property	1,689,236	1,658,313	Long-term borrowings, short-term borrowings
Other non-current assets - guarantee deposits paid	15,627	23,793	Performance guarantee
Total	\$19,547,519	\$15,507,489	

9. Significant contingencies and unrecognised contractual commitments

Except for those mentioned in Notes 6(16), the Group's significant commitments are as follows:

- (1) As of December 31, 2023 and 2022, the unused letters of credit amounted to \$156,189 and \$231,994 for the purchase of goods and machinery as collateral, respectively.

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(2) Capital expenditures contracted for at the balance sheet date but not yet incurred are as follows:

	December 31, 2023	December 31, 2022
Property, plant and equipment	\$155,768	\$88,677
Consigned to construction companies to construct buildings	779,025	1,009,707
Total	\$934,793	\$1,098,384

10. Losses due to major disasters

None.

11. Significant subsequent events

In January 2024, the Company acquired additional 27.5% shareholding of King Sun New Tech Co., Ltd. for a consideration of \$72,105 (since that day, the cumulative shareholding has exceeded 50%, so the investee became a subsidiary of the Company) and participated in its cash capital increase of \$80,000.

12. Others

(1) Categories of financial instruments

Financial assets

	December 31, 2023	December 31, 2022
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$794,086	\$464,664
Financial assets designated as at fair value through profit or loss	-	81
Subtotal	794,086	464,745
Financial assets at fair value through other comprehensive income	1,299,673	1,070,729
Financial assets at amortised cost		
Cash and cash equivalents	1,697,871	2,163,330
Financial assets at amortised cost	761,078	812,565
Notes receivable	349,701	298,140
Accounts receivable (including related parties)	2,214,185	2,074,306
Other receivables	157,808	712,737
Guarantee deposits paid	74,085	83,345
Others	5,254,728	6,144,423
Total	\$7,348,487	\$7,679,897

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Financial liabilities

	December 31, 2023	December 31, 2022
Financial liabilities at amortised cost		
Short-term borrowings	\$5,721,162	\$4,582,817
Short-term notes and bills payable	400,000	730,000
Notes payable	267,387	246,204
Accounts payable	738,009	658,567
Other payables (including related parties)	605,372	627,010
Bonds payable (including current portion)	161,502	610,021
Long-term borrowings (within 1 year or 1 operating cycle)	8,819,395	8,443,364
Lease liabilities (within 1 year)	153,677	177,588
Guarantee deposits received	16,557	16,910
Total	<u>\$16,883,061</u>	<u>\$16,092,481</u>

(2) Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Group identifies measures and manages the aforementioned risks based on the Group's policy and risk appetite.

Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and price risk.

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there is usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

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Foreign currency risk

The Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Exchange rate risk arises from future commercial transactions and recognised assets and liabilities.

Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Group's foreign currency risk is mainly related to the volatility in the exchange rates for USD and RMB. The information of the sensitivity analysis is as follows:

- A. When NTD strengthens/weakens against USD by 5%, the profit for the years ended December 31, 2023 and 2022 is decreased/increased by \$42,590 and \$80,571, respectively.
- B. When USD strengthens/weakens against RMB dollar by 5%, the profit for the years ended December 31, 2023 and 2022 is increased/decreased by \$19,254 and \$23,498, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term borrowings. During 2023 and 2022, the Group's borrowings at variable rate were mainly denominated in NTD, USD and RMB.

The Group's borrowings are measured at amortised cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and borrowings with variable interest rates and interest rate swaps. At the reporting date, a change of 5% of interest rate in a reporting period could cause the profit for the years ended December 31, 2023 and 2022 to decrease/increase by \$11,655 and \$11,295, respectively.

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Equity price risk

The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

The Group's investments in equity securities comprise shares and open-end funds issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 5% with all other variables held constant, post-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by \$13,313 and \$7,368, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$62,287 and \$50,907, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for notes receivable and accounts receivable) and financing activities (primarily for various financial instrument).

The Group manages their credit risk taking into consideration the entire group's concern. For banks and financial institutions, only banks and financial institutions with optimal credit ratings are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors.

According to the internal management policy of the Group, that is, the default occurs when the contract payments are past due over 240 days.

The Group adopts the following assumption under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:

If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

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The Group applies the simplified approach using the provision matrix to estimate expected credit loss to assess the Group's accounts receivable.

The following indicators are used to determine whether the credit impairment of debt instruments has occurred:

- A. It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
- B. The disappearance of an active market for that financial asset because of financial difficulties;
- C. Default or delinquency in interest or principal repayments;
- D. Adverse changes in national or regional economic conditions that are expected to cause a default.

The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights.

The Group applied historical and timely information to assess the default possibility. The simplified approach using the provision matrix provision matrix to estimate loss allowance of accounts receivable and the movements in loss allowance for notes and accounts receivable please refer to Note 6(20).

(5) Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments, bank borrowings, convertible bonds and finance leases, etc. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

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Notes to the Consolidated Financial Statements (Continued)
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December 31, 2023

	Less than 1 year	Over 1 year	Total
Non-derivative financial liabilities			
Short-term borrowings	\$5,753,214	\$-	\$5,753,214
Short-term notes and bills payable	400,000	-	400,000
Notes payable	267,387	-	267,387
Accounts payable	738,009	-	738,009
Other payables (including related parties)	605,372	-	605,372
Bonds payable	162,900	-	162,900
Long-term borrowings (including current portion)	965,574	8,425,181	9,390,755
Lease liabilities (including current portion)	44,002	129,354	173,356
Other non-current liabilities	-	21,115	21,115
Total	\$8,936,458	\$8,575,650	\$17,512,108

December 31, 2022

	Less than 1 year	Over 1 year	Total
Non-derivative financial liabilities			
Short-term borrowings	\$4,606,904	\$-	\$4,606,904
Short-term notes and bills payable	730,000	-	730,000
Notes payable	246,204	-	246,204
Accounts payable	658,567	-	658,567
Other payables (including related parties)	627,010	-	627,010
Bonds payable	200,000	418,500	618,500
Long-term borrowings (including current portion)	1,137,096	7,894,342	9,031,438
Lease liabilities (including current portion)	41,943	158,129	200,072
Other non-current liabilities	-	25,809	25,809
Total	\$8,247,724	\$8,496,780	\$16,744,504

As of December 31, 2023 and 2022, the Group all held no derivative financial liabilities.

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Notes to the Consolidated Financial Statements (Continued)
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(6) Reconciliation of liabilities arising from financing activities

	Short-term borrowings	long-term borrowings (including current portion)	Short-term notes and bills payable	Bonds payable (including current portion)	Lease liabilities	Liabilities from financing activities-gross
2023.1.1	\$4,582,817	\$8,443,364	\$730,000	\$610,021	\$177,588	\$14,543,790
Cash flows	1,150,353	375,604	(330,000)	-	(43,373)	1,152,584
Non-cash changes (Note)	-	-	-	(448,519)	20,617	(427,902)
Exchange differences	(12,008)	427	-	-	(1,155)	(12,736)
2023.12.31	<u>\$5,721,162</u>	<u>\$8,819,395</u>	<u>\$400,000</u>	<u>\$161,502</u>	<u>\$153,677</u>	<u>\$15,255,736</u>

	Short-term borrowings	long-term borrowings (including current portion)	Short-term notes and bills payable	Bonds payable (including current portion)	Lease liabilities	Liabilities from financing activities-gross
2022.1.1	\$6,761,518	\$7,228,795	\$640,000	\$639,408	\$143,312	\$15,413,033
Cash flows	(2,238,046)	1,207,803	90,000	-	(39,350)	(979,593)
Non-cash changes (Note)	-	-	-	(29,387)	71,082	41,695
Exchange differences	59,345	6,766	-	-	2,544	68,655
2022.12.31	<u>\$4,582,817</u>	<u>\$8,443,364</u>	<u>\$730,000</u>	<u>\$610,021</u>	<u>\$177,588</u>	<u>\$14,543,790</u>

Note: Including amortization of convertible bonds, conversion of convertible bonds into equity, acquiring assets by leasing and financial costs of lease liabilities, etc.

(7) Fair value information

A. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date. The fair value of the Group's investment in listed stocks is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly.

Level 3: Unobservable inputs for the assets or liabilities. The fair value of redemption rights of convertible corporate bonds issued by the Group and wealth management products are included in Level 3.

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

B. Financial instruments not measured at fair value

Except for bonds payable, the carrying amounts of cash and cash equivalents, financial assets at amortised cost, notes receivable, accounts receivable (including related parties), other receivables (including related parties), short-term borrowings, short-term notes and bills payable, notes payable, accounts payable (including related parties) and other payables (including related parties) are approximate to their fair values. Interest rates of long-term borrowings (including maturity within 1 year or 1 operating cycle) are approximately the same as market interest rates, thus, the carrying amount should be a reasonable basis for fair value estimation.

The bonds payable are convertible corporate bonds issued by the Company, with a coupon rate approximately equivalent to the current market rate. Therefore, the fair value is estimated using the present value of the expected cash flows approximate to the carrying amount.

December 31, 2023	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable (including current portion)	\$161,502	\$-	\$150,009	\$-

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

C. The related information on financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets are as follows:

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

December 31, 2023	Level 1	Level 2	Level 3	Total
Recurring fair value measurements for assets:				
<u>Financial assets at fair value through profit or loss</u>				
Equity securities	\$266,265	\$-	\$-	\$266,265
Wealth management product	-	-	51,924	51,924
Capital guarantee products	-	-	475,897	475,897
<u>Financial assets at fair value through other comprehensive income</u>				
Equity securities	1,240,143	-	5,597	1,245,740
Bank debentures	-	53,933	-	53,933
<u>Investment property</u>	-	-	2,294,881	2,294,881
Total	\$1,506,408	\$53,933	\$2,828,299	\$4,388,640

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Notes to the Consolidated Financial Statements (Continued)
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December 31, 2022	Level 1	Level 2	Level 3	Total
Recurring fair value measurements for assets:				
<u>Financial assets at fair value through profit or loss</u>	\$147,355	\$-	\$-	\$147,355
Wealth management product	-	-	52,896	52,896
Capital guarantee products	-	-	264,413	264,413
Call options and put options of convertible corporate bonds	-	-	81	81
<u>Financial assets at fair value through other comprehensive income</u>				
Equity securities	1,011,431	-	6,713	1,018,144
Bank debentures	-	52,585	-	52,585
<u>Investment property</u>	-	-	2,251,475	2,251,475
Total	<u>\$1,158,786</u>	<u>\$52,585</u>	<u>\$2,575,578</u>	<u>\$3,786,949</u>

(b) The methods and assumptions the Group measure the fair value are as follows:

- i. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

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 China subsidiaries are based on the rate of 10 years national debt issued by the Bank of China.

Yem Chio Co., Ltd. and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)
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D. For the years ended December 31, 2023 and 2022, there was no transfer between Level 1 and Level 2.

E. The following chart is the movement of Level 3 for the years ended December 31, 2023 and 2022:

	Wealth management		Capital guarantee products	
	product			
	2023	2022	2023	2022
At January 1	\$52,896	\$-	\$264,413	\$-
Gains/(losses) recognised in profit or loss (recorded as non-operating income and expenses)	929	1,157	-	-
Acquisition	479,131	314,800	219,807	264,413
Disposal	(480,060)	(262,038)	-	-
Exchange differences	(972)	(1,023)	8,323	-
At December 31	<u>\$51,924</u>	<u>\$52,896</u>	<u>\$475,897</u>	<u>\$264,413</u>

F. For the years ended December 31, 2023 and 2022, there was no transfer into or out from Level 3.

G. The information on change in fair value of investment property for the years ended December 31, 2023 and 2022 is provided in Note 6(9).

H. Treasury segment is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and making any other necessary adjustments to the fair value. Investment property and call options and put options of convertible corporate bonds are evaluated through outsourced appraisal performed by the external valuer.

The treasury segment set up valuation policies, valuation processes and rules for measuring fair value of financial instruments and investment property to ensure compliance with the related requirements in IFRS.

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

I. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

Item	Fair value at December 31, 2023	Valuation technique	Significant observable input	Range	Relationship of inputs to fair value
Financial assets at fair value through profit or loss:					
Wealth management product	\$51,924	Discounted cash flow	Discounted rate	Not applicable	The higher the discount rate, the lower the fair value.
Capital guarantee products	475,897	Discounted cash flow	Discounted rate	Not applicable	The higher the discount rate, the lower the fair value.
Financial assets at fair value through other comprehensive income:					
Equity securities	5,597	Market comparable companies	Industrial average price to book ratio	Not applicable	The higher the book value per share, the higher the fair value.
Investment property	2,294,881	Income approach	Discounted rate	(Note)	The higher the discount rate, the lower the fair value.
Item	Fair value at December 31, 2022	Valuation technique	Significant observable input	Range	Relationship of inputs to fair value
Financial assets at fair value through profit or loss:					
Wealth management product	\$52,896	Discounted cash flow	Discounted rate	Not applicable	The higher the discount rate, the lower the fair value.
Capital guarantee products	264,413	Discounted cash flow	Discounted rate	Not applicable	The higher the discount rate, the lower the fair value.
Call options and put options of convertible corporate bonds	81	Binary tree valuation model	Volatility	18.16%-24.85%	The higher the volatility, the higher the fair value.
Financial assets at fair value through other comprehensive income:					
Equity securities	6,713	Market comparable companies	Industrial average price to book ratio	Not applicable	The higher the book value per share, the higher the fair value.
Investment property	2,251,475	Income approach	Discounted rate	(Note)	The higher the discount rate, the lower the fair value.

Note: Information on discount rate and income capitalisation rate is provided in Note 6(9).

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

(8) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

	December 31, 2023		
	Foreign currencies (in thousand)	Foreign exchange rate	NTD (in thousand)
<u>Financial assets</u>			
Monetary items:			
USD:NTD	\$34,082	30.71	\$1,046,503
USD:RMB	12,917	7.31	396,617
 <u>Financial liabilities</u>			
Monetary items:			
USD:NTD	\$6,341	30.71	\$194,700
USD:RMB	376	7.31	11,545

	December 31, 2022		
	Foreign currencies (in thousand)	Foreign exchange rate	NTD (in thousand)
<u>Financial assets</u>			
Monetary items:			
USD:NTD	\$52,472	30.71	\$1,611,415
USD:RMB	15,303	6.97	469,955
 <u>Financial liabilities</u>			
Monetary items:			
USD:NTD	\$154	30.71	\$4,729
USD:RMB	195	6.97	5,988

The total exchange gain, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2023 and 2022, amounted to \$14,048 and 81,667, respectively.

(9) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. Refer to the balance sheet of each period for related liabilities and capital ratio.

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

13. Supplementary disclosures

(1) Significant transactions information

- A. Financing provided to others: Please refer to table 1.
- B. Endorsement/Guarantee provided to others: Please refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: Please refer to table 4.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: Please refer to table 5.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: Please refer to table 6.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 7.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 8.
- I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Note 6(2).
- J. Significant inter-company transactions during the reporting periods: Please refer to table 9.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in China): Please refer to table 10.

(3) Information on investments in China

- A. Basic information: Please refer to table 11.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to items (1) A, B, G, H and J above.

(4) Major shareholders information

Major shareholders information: Please refer to table 12.

14. Segment information

Management has determined the reportable operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. Reportable operating segments classified by products and business structure mainly contain tape manufacturing segment, package material business segment, real estate business segment and specialty chemical segment.

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

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

	Year ended December 31, 2023					Consolidated
	Tape manufacturing segment	Packaging material business segment	Real estate business segment	Specialty chemical segment	Adjustments and eliminations	
Revenue						
Revenue from						
external customers	\$10,539,047	\$1,405,497	\$889,490	\$389,702	\$-	\$13,223,736
Inter-segment revenue	2,273,026	-	-	4,903	(2,277,929)	-
Total revenue	<u>\$12,812,073</u>	<u>\$1,405,497</u>	<u>\$889,490</u>	<u>\$394,605</u>	<u>(2,277,929)</u>	<u>\$13,223,736</u>
Segment profit	<u>\$402,041</u>	<u>\$126,890</u>	<u>\$20,864</u>	<u>\$47,352</u>	<u>\$75,379</u>	<u>\$672,526</u>

	Year ended December 31, 2022					Consolidated
	Tape manufacturing segment	Packaging material business segment	Real estate business segment	Specialty chemical segment	Adjustments and eliminations	
Revenue						
Revenue from						
external customers	\$12,575,318	\$1,660,028	\$42,757	\$393,290	\$-	\$14,671,393
Inter-segment revenue	2,565,414	-	-	6,924	(2,572,338)	-
Total revenue	<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>

Note: Including losses from discontinued operations.

Information on segment assets and liabilities was not disclosed because the Group did not provide the information to the Chief Operating Decision-Maker.

The revenue from external customers reported to the Chief Operating Decision-Maker is measured in a manner consistent with that in the statement of comprehensive income.

A reconciliation of reportable segment income or loss to the income/(loss) before tax from continuing operations for the years ended December 31, 2023 and 2022 is provided as follows:

	Year ended December 31	
	2023	2022
Reportable segments income	\$672,526	\$1,016,278
Non-operating income and expenses	322,859	347,949
Less: loss before tax attributable to discontinued operations	-	(577)
Profit before tax from continuing operations	<u>\$995,385</u>	<u>\$1,364,804</u>

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Information on products and services

Revenue from external customers is primarily derived from the trading business of all kinds of tape, adhesives and real estate business. Details of sales revenue are as follows:

	Year ended December 31	
	2023	2022
Tape	\$9,150,103	\$10,318,414
BOPP Film	1,388,944	2,256,904
Packaging materials	1,405,497	1,660,028
Real estate business	829,871	-
Others	449,321	436,047
Total	<u>\$13,223,736</u>	<u>\$14,671,393</u>

Geographical information

The Group's operations are located in Taiwan, China, the United States and other countries. Information on the Group's revenue from external customers and non-current assets classified based on the location of assets is as follows:

	Year ended December 31			
	2023		2022	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	\$8,231,259	\$8,066,453	\$9,568,990	\$8,129,786
China	3,805,665	1,248,529	3,577,449	1,291,689
USA	972,087	892,407	1,306,987	917,231
Others	214,725	1,005,471	217,967	1,005,212
Total	<u>\$13,223,736</u>	<u>\$11,212,860</u>	<u>\$14,671,393</u>	<u>\$11,343,918</u>

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

Major customer information

There was no sale to a single customer constituting more than 10% of the Group's consolidated net sales in 2023 and 2022.

Yem Chio Co., Ltd. and Subsidiaries

Financing provided to others

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

Table 1

No. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2023 (Note 3)	Balance at December 31, 2023 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
0	The Company	UINN HOTEL	Other receivables	Yes	\$ 180,000	\$ -	\$ -	2.00%	2	\$ -	Working capital	\$ -	None	\$ -	\$ 2,399,509	\$ 4,799,018	-
0	The Company	Wong Chio Development, Ltd.	Other receivables	Yes	500,000	500,000	-	2.00%	2	-	Working capital	-	None	-	2,399,509	4,799,018	-
0	The Company	Wang Chio petrochemical (Jiangsu) Co., Ltd.	Other receivables	Yes	1,013,253	624,774	624,774	0.00%	2	-	Working capital	-	None	-	2,399,509	4,799,018	-
0	The Company	ACHEM Technology Corporation	Other receivables	Yes	900,000	900,000	-	2.00%	2	-	Working capital	-	None	-	2,399,509	4,799,018	-
0	The Company	ACHEM Technology Holding Limited	Other receivables	Yes	324,250	307,050	-	2.00%	2	-	Working capital	-	None	-	2,399,509	4,799,018	-
1	ACHEM Technology Corporation	ACHEM Technology Holding Limited	Other receivables	Yes	614,200	383,813	191,906	2.00%	2	-	Working capital	-	None	-	1,170,874	2,049,030	-
1	ACHEM Technology Corporation	Wong Chio Development, Ltd.	Other receivables	Yes	730,000	380,000	50,000	2.00%	2	-	Working capital	-	None	-	1,170,874	2,049,030	-
1	ACHEM Technology Corporation	UINN HOTEL	Other receivables	Yes	180,000	150,000	110,000	2.00%	2	-	Working capital	-	None	-	1,170,874	2,049,030	-
1	ACHEM Technology Corporation	Pantech Tape Co., Ltd.	Other receivables	Yes	52,000	-	-	2.00%	2	-	Working capital	-	None	-	1,170,874	2,049,030	-
1	ACHEM Technology Corporation	ACHEM Opto-Electronic Corporation	Other receivables	Yes	16,000	16,000	16,000	2.00%	2	-	Working capital	-	None	-	1,170,874	2,049,030	-
2	ACHEM Technology Holding Limited	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Other receivables	Yes	660,083	376,146	376,146	2.50%	2	-	Working capital	-	None	-	3,930,486	3,930,486	-
2	ACHEM Technology Holding Limited	ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.	Other receivables	Yes	55,278	-	-	2.50%	2	-	Working capital	-	None	-	3,930,486	3,930,486	-
2	ACHEM Technology Holding Limited	ASIA PLASTICS	Other receivables	Yes	32,425	30,705	25,792	2.00%	2	-	Working capital	-	None	-	3,930,486	3,930,486	-
2	ACHEM Technology Holding Limited	ACHEM Technology (Vietnam) Ltd.	Other receivables	Yes	82,201	80,754	80,754	2.50%	2	-	Working capital	-	None	-	3,930,486	3,930,486	-
2	ACHEM Technology Holding Limited	WAN CHIO	Other receivables	Yes	157,261	148,919	148,919	2.00%	2	-	Working capital	-	None	-	3,930,486	3,930,486	-
3	ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.	Wang Chio petrochemical (Jiangsu) Co., Ltd.	Other receivables	Yes	311,150	204,018	204,018	0.00%	2	-	Working capital	-	None	-	970,616	970,616	-
3	ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.	Ningbo Yem Chio Co., Ltd.	Other receivables	Yes	80,010	77,886	77,886	2.00%	2	-	Working capital	-	None	-	970,616	970,616	-
3	ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Other receivables	Yes	143,817	142,142	142,142	2.00%	2	-	Working capital	-	None	-	970,616	970,616	-
4	ASIACHEM International Corporation	ACHEM Technology Holding Limited	Other receivables	Yes	701,677	664,456	664,456	2.00%	2	-	Working capital	-	None	-	1,402,881	1,402,881	-
4	ASIACHEM International Corporation	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Other receivables	Yes	152,819	148,762	148,762	2.00%	2	-	Working capital	-	None	-	1,402,881	1,402,881	-
5	ACHEM Technology (Shanghai) Limited	Ningbo Yem Chio Co., Ltd.	Other receivables	Yes	30,856	-	-	2.00%	2	-	Working capital	-	None	-	1,358,389	1,358,389	-
5	ACHEM Technology (Shanghai) Limited	Wang Chio petrochemical (Jiangsu) Co., Ltd.	Other receivables	Yes	735,648	592,366	592,366	0.00%	2	-	Working capital	-	None	-	1,358,389	1,358,389	-
5	ACHEM Technology (Shanghai) Limited	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Other receivables	Yes	270,870	270,870	268,707	2.00%	2	-	Working capital	-	None	-	1,358,389	1,358,389	-
6	Valueline Investment Corporation	ACHEM Technology Corporation	Other receivables	Yes	27,000	27,000	27,000	2.00%	2	-	Working capital	-	None	-	29,013	29,013	-
7	ACHEM Technology China	ACHEM Technology Holding Limited	Other receivables	Yes	32,425	30,705	15,353	2.00%	2	-	Working capital	-	None	-	3,433,894	3,433,894	-
8	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Ningbo Yem Chio Co., Ltd.	Other receivables	Yes	80,010	34,616	34,616	2.8%-4.9%	2	-	Working capital	-	None	-	15,563,750	15,563,750	-
8	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Wang Chio petrochemical (Jiangsu) Co., Ltd.	Other receivables	Yes	462,584	373,117	373,117	0.00%	2	-	Working capital	-	None	-	15,563,750	15,563,750	-
9	ASIA PLASTICS	Wang Chio petrochemical (Jiangsu) Co., Ltd.	Other receivables	Yes	647,469	-	-	0.00%	2	-	Working capital	-	None	-	-	-	Note 7(16)
10	ACHEM Opto-Electronic Corporation	ACHEM Technology Corporation	Other receivables	Yes	43,000	-	-	2.00%	2	-	Working capital	-	None	-	210,837	210,837	-
11	AOE Holding Limited	ACHEM Technology Holding Limited	Other receivables	Yes	45,395	42,987	41,452	2.00%	2	-	Working capital	-	None	-	543,372	543,372	-
12	Master Package (Shanghai) Material Technology Co., Ltd.	Ningbo Yem Chio Co., Ltd.	Other receivables	Yes	46,673	42,405	42,405	4.00%	2	-	Working capital	-	None	-	45,989	45,989	-
13	Xin Chio Co., Ltd.	ACHEM Technology Corporation	Other receivables	Yes	325,000	325,000	325,000	2.00%	2	-	Working capital	-	None	-	427,476	427,476	-
13	Xin Chio Co., Ltd.	The Company	Other receivables	Yes	70,000	70,000	70,000	2.00%	2	-	Working capital	-	None	-	427,476	427,476	-

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1) The Company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Fill in the name of account in which the loans are recognised, such as receivables-related parties, current account with stockholders, prepayments, temporary payments, etc.

Note 3: Fill in the maximum outstanding balance of loans to others for the year ended December 31, 2023.

Note 4: Nature of loan belong to business relationship or short-term financing shall fill in '1' and '2', respectively.

Note 5: Fill in the amount of business transactions when nature of the loan is related to business transactions, which is the amount of business transactions occurred between the creditor and borrower in the current year.

Note 6: Fill in purpose of loan when nature of loan is for short-term financing, for example, repayment of loan, acquisition of equipment, working capital, etc.

Note 7: Fill in limit on loans granted to a single party and ceiling on total loans granted as prescribed in the creditor company's "Procedures for Provision of Loans", and state each individual party to which the loans have been provided and

(1) In accordance with the financing policy of the Company, the ceiling for total financing amount shall not exceed 40% of stockholders' equity, and separate financing amount shall not exceed 20% of stockholders' equity.

(2) In accordance with the financing policy of YEM CHIO, the ceiling for total financing amount shall not exceed 40% of stockholders' equity, and separate financing amount shall not exceed 40% of stockholders' equity.

If the borrowers are foreign companies whose voting rights are directly and indirectly wholly-owned by the ultimate parent company, the financing amount shall not exceed 400% of stockholders' equity.

(3) Limit on Xin Chio Co., Ltd.'s total loans to others is 40% of the Company's net assets.

Limit on loans to a single party with short-term financing is 40% of the Company's net assets.

(4) Ceiling on total loans to others and limit on loans to a single party granted by Master Package (Shanghai) shall not exceed 40% of the stockholders' equity.

If the borrowers are foreign companies whose voting rights are directly and indirectly wholly-owned by the ultimate parent company, the ceiling for total financing amount granted by Master Package (Shanghai) shall not exceed 100% of stockholders' equity.

(5) For the short-term financing from ACHEM Technology Corporation, the total and individual lending amount shall not exceed 35% and 20% of its net assets, respectively.

(6) Limit on loans granted by ACHEM Technology Holdings Limited to others and to a single party shall not exceed 40% of the stockholders' equity. But for foreign companies whose voting rights are directly and indirectly wholly-owned by the ultimate parent company, the limit on loans is 100% of the stockholders' equity.

(7) Limit on loans granted by ASIACHEM International Corporation to others and to a single party shall not exceed 40% of the stockholders' equity. But for foreign companies whose voting rights are directly and indirectly wholly-owned by the parent company of ASIACHEM International Corporation, the limit on loans is 100% of the stockholders' equity of ASIACHEM International Corporation.

(8) In accordance with the financing policy of Valueine Investment Corporation, the ceiling for total and separate financing amount shall not exceed 40% of the stockholders' equity of the subsidiaries.

(9) Limit on loans granted by ACHEM Technology (Shanghai) Limited to others and to a single party shall not exceed 40% of the stockholders' equity of ACHEM Technology (Shanghai) Limited.

If borrowers are foreign companies whose voting rights are directly and indirectly wholly-owned by the ultimate parent company of ACHEM Technology (Shanghai) Limited, the limit on loans is 100% of the stockholders' equity of ACHEM Technology (Shanghai) Limited.

(10) Limit on loans granted by ACHEM Technology (Dongguan) Adhesive Products Co., Ltd. to others and to a single party shall not exceed 40% of the stockholders' equity of ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.

If borrowers are foreign companies whose voting rights are directly and indirectly wholly-owned by the ultimate parent company of ACHEM Technology (Dongguan) Adhesive Products Co., Ltd., the limit on loans is 100% of the stockholders' equity of ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.

(11) Limit on loans granted by ASIA PLASTICS to others and to a single party shall not exceed 40% of the stockholders' equity of ASIA PLASTICS.

If borrowers are foreign companies whose voting rights are directly and indirectly wholly-owned by the ultimate parent company of ASIA PLASTICS, the limit on loans is 1000% of the stockholders' equity of ASIA PLASTICS.

(12) Limit on loans granted by ACHEM Technology China to others and to a single party shall not exceed 40% of the stockholders' equity of ACHEM Technology China. If borrowers are foreign companies whose voting rights are directly and indirectly wholly-owned by the ultimate parent company of ACHEM Technology China, the limit on loans is 100% of the stockholders' equity of ACHEM Technology China.

(13) The total and individual lending amount of Wanchio Adhesive Product (Jiangsu) Co., Ltd. shall not exceed 40% of its net assets.

However, the loans among foreign entities to which the ultimate parent company of Wanchio Adhesive Product (Jiangsu) Co., Ltd. directly or indirectly has 100% voting rights, the total and individual lending amount shall not exceed 3000% of net assets of the lender company.

(14) Limit on ACHEM Opto-Electronic Corporation's total loans to others is 40% of the Company's net assets.

(15) Limit on loans granted by AOE Holding Limited to others and to a single party shall not exceed 40% of the stockholders' equity. But for foreign companies whose voting rights are directly and indirectly wholly-owned by the parent company of AOE Holding Limited, the limit on loans is 100% of the stockholders' equity of AOE Holding Limited.

(16) ASIA PLASTICS's Board of Directors held in December 2023 approved the cancellation of ASIA PLASTICS's loans to Wan Chio Petrochemical (Jiangsu) Co., Ltd. The situation of exceeding the limit of the loan amount was improved accordingly.

Note 8: The amounts of funds to be loaned to others which have been approved by the board of directors of a public company in accordance with Article 14, Item 1 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees

by Public Companies" should be included in its published balance of loans to others at the end of the reporting period to reveal the risk of loaning the public company bears, even though they have not yet been appropriated.

However, this balance should exclude the loans repaid when repayments are done subsequently to reflect the risk adjustment. In addition, if the board of directors of a public company has authorized the chairman to loan funds in instalments or in revolving within certain lines and within one year in accordance with Article 14, Item 2 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies", the published balance of loans to others at the end of the reporting period should also include these lines of loaning approved by the board of directors, and these lines of loaning should not be excluded from this balance even though the loans are repaid subsequently,

for taking into consideration they could be loaned again thereafter.

Yem Chio Co., Ltd. and Subsidiaries
Endorsement/Guarantee provided to others
For the year ended December 31, 2023
(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

Table 2

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limit on endorsement/ guarantee Given on behalf of each party (Note 3)	Maximum balance for the period (Note 4)	Ending balance (Note 5)	Actual Borrowing Amount (Note 6)	Amount of endorsement/guaran- tee collateralized by properties	Percentage of accumulated guarantee amount to net assets value from the latest financial statement	Limit of total guarantee/endorsement amount (Note 3)	Provision of endorsements/guarantees by parent company to subsidiary (Note7)	Provision of endorsements/guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/guarantees to the party in Mainland China (Note 7)	Footnote
		Company name	Relationship (Note 2)											
0	The Company	Wong Chio Development., Ltd.	2	\$ 11,997,544	\$ 150,000	\$ -	\$ -	\$ -	-	\$ 17,996,316	Y	N	N	-
0	The Company	ACHEM Technology (Vietnam) Ltd.	2	11,997,544	32,425	30,705	-	-	-	17,996,316	Y	N	N	-
0	The Company	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	2	11,997,544	418,592	401,412	-	-	3	17,996,316	Y	N	Y	-
0	The Company	ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.	2	11,997,544	153,700	-	-	-	-	17,996,316	Y	N	Y	-
1	ACHEM Technology Corporation	ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.	2	5,854,371	154,460	30,000	19,443	-	1	5,854,371	Y	N	Y	-
1	ACHEM Technology Corporation	ACHEM Technology Holding Limited	2	5,854,371	1,107,000	829,035	-	-	14	5,854,371	Y	N	N	-
1	ACHEM Technology Corporation	Ningbo Yem Chio Co., Ltd.	2	5,854,371	200,025	194,715	27,260	-	3	5,854,371	Y	N	Y	-
1	ACHEM Technology Corporation	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	2	5,854,371	213,360	121,156	-	-	2	5,854,371	Y	N	Y	-
1	ACHEM Technology Corporation	ACHEM Technology (Vietnam) Ltd.	2	5,854,371	38,910	36,846	305	-	1	5,854,371	Y	N	N	-
2	ACHEM Technology (Shanghai) Limited	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	2	1,358,389	271,436	268,274	138,464	-	19	1,358,389	N	N	Y	-

Note1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

- (1) The Company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories:

- (1) Having business relationship.
- (2) The endorser/guarantor parent company owns directly or indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.
- (3) The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.
- (4) The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.
- (5) Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.
- (6) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
- (7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note 3: Fill in limit on endorsements/guarantees provided for a single party and ceiling on total amount of endorsements/guarantees provided as prescribed in the endorser/guarantor company's "Procedures for Provision of Endorsements and

Guarantees", and state each individual party to which the endorsements/guarantees have been provided and the calculation for ceiling on total amount of endorsements/guarantees provided in the footnote.

- (1) Calculation for ceiling on endorsements/guarantees provided by the Company to others and to a single party is based on 150% and 100% of the Company's net equity in the latest financial statements, respectively.
- (2) Calculation for ceiling on endorsements/guarantees provided by ACHEM Technology Corporation to others and to a single party is based on 100% of stockholders' equity in the latest financial statements.
- (3) For ACHEM Technology (Shanghai) Limited, the ceiling on total amount of endorsements/guarantees provided and the limit on endorsements/guarantees provided for a single party are both calculated based on 100% of net assets disclosed on the latest financial statements.

Note 4: Fill in the year-to-date maximum outstanding balance of endorsements/guarantees provided as of the reporting period.

Note 5: Fill in the amount approved by the Board of Directors or the chairman if the chairman has been authorized by the Board of Directors based on subparagraph 8, Article 12 of the Regulations Governing Loaning of Funds and Making of

Endorsements/Guarantees by Public Companies.

Note 6: Fill in the actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

Note 7: Fill in 'Y' for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.

Yem Chio Co., Ltd. and Subsidiaries
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
December 31, 2023
(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

Table 3

Securities held by	Type of securities (Note 1)	Name of securities	Relationship with the securities issuer (Note 2)	General ledger account	As of December 31, 2023				Footnote (Note 4)
					Number of shares (Including stock dividends)	Book value (Note 3)	Ownership	Fair value	
The Company	Common stock	ASE Technology Holding Co., Ltd.	None	Financial assets at fair value through other comprehensive income - current	1,390,897	\$ 187,771	0.03%	\$ 187,771	1,390,000
The Company	Common stock	Quanta Computer Inc.	"	"	213,000	47,818	0.01%	47,818	-
The Company	Common stock	LITE-ON Technology Corp.	"	"	90,000	10,530	0.00%	10,530	1,000
The Company	Common stock	HON HAI PRECISION IND. CO., LTD.	"	"	3,295,000	344,328	0.02%	344,328	3,010,000
The Company	Common stock	Formosa Plastics Corporation	"	"	500,000	39,600	0.01%	39,600	500,000
The Company	Common stock	Fubon Financial Holding Co., Ltd.	"	"	1,636,025	106,014	0.01%	106,014	224,000
The Company	Common stock	MediaTek Inc.	"	"	164,000	166,460	0.01%	166,460	164,000
The Company	Common stock	Taiwan Semiconductor Manufacturing Co., Ltd.	"	"	260,000	154,180	0.00%	154,180	74,000
The Company	Common stock	Yuanta Taiwan Top 50 ETF	"	"	62,000	8,398	0.00%	8,398	1,000
The Company	Common stock	EVERGREEN MARINE CORP. (TAIWAN) LTD.	"	"	671,000	96,289	0.03%	96,289	-
The Company	Common stock	UNI-PRESIDENT ENTERPRISES CORP.	"	"	87,000	6,481	0.00%	6,481	-
The Company	Common stock	U-Ming Marine Transport Corporation	"	"	191,000	9,951	0.02%	9,951	-
The Company	Common stock	Tong Hsing Electronic Industries, LTD.	"	"	235,000	37,013	0.11%	37,013	-
The Company	Common stock	Unipex Global Co., Ltd	"	Financial assets at fair value through other comprehensive income - non-current	171,900	5,597	17.19%	5,597	-
YEM CHIO	Common stock	Yem Chio Co., Ltd.	Ultimate parent company	Financial assets at fair value through other comprehensive income - non-current	16,822,281	297,754	2.56%	297,754	Note 5
YEM CHIO	Common stock	Vanguard S&P 500 ETF	None	"	1,882	25,310	0.00%	25,309	-
ACHEM Technology Corporation	Common stock	Yuanta Taiwan Top 50 ETF	"	Financial assets at fair value through profit or loss - current	34,000	4,605	0.00%	4,605	-
ACHEM Technology Corporation	Common stock	Fubon FSTE TWSE Taiwan 50 ETF	"	"	150,000	11,572	0.02%	11,572	-
ACHEM Technology Corporation	Common stock	CTBC Taiwan ESG Leading Semiconductor ETF	"	"	520,000	8,523	0.05%	8,523	-
ACHEM Technology Corporation	Common stock	Fubon Taiwan Core Semi ETF	"	"	396,000	5,540	0.07%	5,540	-
ACHEM Technology Corporation	Common stock	LITE-ON Technology Corp.	"	"	117,000	13,689	0.00%	13,689	-
ACHEM Technology Corporation	Common stock	HON HAI PRECISION IND. CO., LTD.	"	"	507,000	52,982	0.00%	52,982	-
ACHEM Technology Corporation	Common stock	Taiwan Semiconductor Manufacturing Co., Ltd.	"	"	120,000	71,160	0.00%	71,160	-
ACHEM Technology Corporation	Common stock	GIGA-BYTE TECHNOLOGY CO., LTD.	"	"	18,000	4,788	0.00%	4,788	-
ACHEM Technology Corporation	Common stock	Micro-Star International Co., Ltd.	"	"	1,000	204	0.00%	204	-
ACHEM Technology Corporation	Common stock	Quanta Computer Inc.	"	"	92,000	20,654	0.00%	20,654	-
ACHEM Technology Corporation	Common stock	EVERGREEN MARINE CORP. (TAIWAN) LTD.	"	"	15,000	2,153	0.00%	2,153	-
ACHEM Technology Corporation	Common stock	U-Ming Marine Transport Corporation	"	"	28,000	1,459	0.00%	1,459	-
ACHEM Technology Corporation	Common stock	Fubon Financial Holding Co., Ltd.	"	"	382,350	24,776	0.00%	24,776	-
ACHEM Technology Corporation	Common stock	E.SUN Financial Holding Co., Ltd.	"	"	125,000	3,225	0.00%	3,225	-
ACHEM Technology Corporation	Common stock	ASE Technology Holding Co., Ltd.	"	"	94,000	12,690	0.00%	12,690	-
ACHEM Technology Corporation	Common stock	Sercomm Corporation	"	"	14,000	1,883	0.01%	1,883	-
ACHEM Technology Corporation	Common stock	Quanta Storage Inc.	"	"	76,000	6,232	0.03%	6,232	-
ACHEM Technology Corporation	Common stock	Tong Hsing Electronic Industries, LTD.	"	"	96,000	15,120	0.05%	15,120	-
ACHEM Technology Corporation	Common stock	INPAQ Technology Co., Ltd.	"	"	60,000	5,010	0.04%	5,010	-
ACHEM Technology Corporation	Common stock	International Engineering & Construction Corp.	"	Financial assets at fair value through other comprehensive income - non-current	7,212,885	-	7.99%	-	-
ACHEM Technology Corporation	Bank debenture	Citigroup Inc.	"	Financial assets at fair value through other comprehensive income - non-current	-	53,933	-	53,934	-
Valueline Investment Corporation	Common stock	Yem Chio Co., Ltd.	Ultimate parent company	Financial assets at fair value through other comprehensive income - non-current	406,409	7,193	0.06%	7,193	Note 5
Valueline Investment Corporation	Common stock	Lucky-Heart Co., Ltd.	None	"	800,000	-	6.96%	-	-
Valueline Investment Corporation	Common stock	Taiwan Virtual Reality Technologies Inc.	"	"	1,600,000	-	10.00%	-	-
ACHEM Technology Holding Limited	Beneficiary certificates	Augustus Multi - Strategy Fund	"	Financial assets at fair value through profit or loss - current	58,721	-	0.00%	-	-
ACHEM Technology Holding Limited	Common stock	Yem Chio Co., Ltd.	Ultimate parent company	Financial assets at fair value through other comprehensive income - non-current	1,194,138	21,136	0.18%	21,136	Note 5
AOE Holding Limited	Bank debenture	Codeis Securities S.A.	None	Financial assets at fair value through profit or loss - current	-	-	-	-	-
Foshan Inder Adhesive Product Co., Ltd	Capital guarantee products	Structured Investment Deposit in Bank of China	"	Financial assets at fair value through profit or loss - current	-	216,317	-	216,317	-
Foshan Inder Adhesive Product Co., Ltd	Capital guarantee products	Structured Investment Deposit in Bank of Communications	"	"	-	259,580	-	259,580	-
Master Package (Shanghai) Material Technology Co., Ltd.	Wealth management products	Wealth management products launched by Bank of China	"	Financial assets at fair value through profit or loss - current	-	51,924	-	51,924	-

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities within the scope of IFRS 9 'Financial Instruments.'

Note 2: Leave the column blank if the issuer of marketable securities is non-related party.

Note 3: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Note 4: The number of shares of securities and their amounts pledged as security should be stated in the footnote if the securities presented herein have such conditions.

Note 5: The stocks are held by the Company's subsidiary; hence, the investment is accounted for treasury shares.

Yem Chio Co., Ltd. and Subsidiaries
Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital
For the year ended December 31, 2023
(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

Table 4

Investor	Marketable securities (Note 2)	General ledger account (Note 1)	Counterparty (Note 3)	Relationship with the investor (註3)	Balance as at January 1, 2023		Addition (Note 4)		Disposal (Note 4)				Balance as at December 31, 2023	
					Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Selling price	Book value	Gain (loss) on disposal	Number of shares (in thousands)	Amount
The Company	Common stock: Quanta Computer Inc.	(2)	-	-	2,851	\$ 206,127	321	\$ 46,262	2,959	\$ 414,622	\$ 204,653	\$ 209,969	213	\$ 47,818
Foshan Inder Adhesive Product Co., Ltd.	Capital guarantee products : Financial product launched by Bank of China	(1)	-	-	-	-	-	943,141	-	726,824	726,824	-	-	216,317
Foshan Inder Adhesive Product Co., Ltd.	Capital guarantee products : Structured Investment Deposit in Bank of Communications	(1)	-	-	-	264,413	-	1,583,438	-	1,588,271	1,588,271	-	-	259,580
Master Package (Shanghai) Material Technology Co., Ltd.	Financial product: Financial product launched by Bank of China	(1)	-	-	-	52,896	-	479,131	-	480,060	480,060	-	-	51,924

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

- (1) Financial assets at fair value through profit or loss
- (2) Financial assets at fair value through other comprehensive income

Note 2: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.

Note 3: Fill in the columns the counterparty and relationship if securities are accounted for under the equity method; otherwise leave the columns blank.

Note 4: The gain on disposal of financial assets at fair value through other comprehensive income will be directly transferred to retained earnings and not be reflected in the profit or loss.

Yem Chio Co., Ltd. and Subsidiaries
Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more
For the year ended December 31, 2023
(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

Table 5

Real estate acquired by	Real estate acquired	Transaction date	Transaction amount	Payment status	Counterparty	Relationship with the Counterparty	If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below:				Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments
							Original owner who sold the real estate to the counterparty	Relationship between the original owner and the acquirer	Date of the original transaction	Amount			
The Company	Office building in 5F and parking lots in Neihu District, Taipei City	2023.8.11	\$ 400,000 (Including business tax \$4,190)	Full Paid	Xin Chio Co., Ltd.	Subsidiary	Wong Chio Development., Ltd.	It was dissolved and consolidated in the Company	2015.6.25	\$ 390,000	According to appraisal report issued by the Panasia Real Estate, the estimated value is \$410,199.	The Company purchase this property for office usage requirement in responses to business expansion.	-
The Company	Land in Zhongmei Section, Beitou District, Taipei City.	2023.8.11	\$ 707,357	Based on the terms in the contracts	A group of 5 people	Third party	N/A	N/A	N/A	N/A	According to appraisal report issued by the Panasia Real Estate, the estimated value is \$720,831.	The Company purchase this land for the usage of construction and development in the future.	-
The Company	Eight tracts of land in No.553, Taishan Section, Taishan District, New Taipei City	2023.10.23	\$ 347,618	Based on the terms in the contracts	Jing Cheng Construction Co., Ltd.	Third party	N/A	N/A	N/A	N/A	According to appraisal report issued by the Cathay Real Estate, the estimated value is \$362,016.	The Company purchase this land for the usage of construction and development in the future.	-
The Company	Twelve tracts of land in No.754-1, Taishan Section, Taishan District, New Taipei City	2023.12.19	\$ 375,298	Based on the terms in the contracts	A group of 5 people	Third party	N/A	N/A	N/A	N/A	According to appraisal report issued by the Cathay Real Estate, the estimated value is \$376,729.	The Company purchase this land for the usage of construction and development in the future.	-

Not 1: The appraisal result should be presented in the 'Basis or reference used in setting the price' column if the real estate acquired should be appraised pursuant to the regulations.

Note 2: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NTS10 per share, the 20% of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

Note 3: Date of the event referred to herein is the date of contract signing date, date of payment, date of execution of a trading order, date of title transfer, date of board resolution, or other date that can confirm the counterparty and the monetary amount of the transaction, whichever is earlier.

Yem Chio Co., Ltd. and Subsidiaries
Disposal of real estate reaching \$300 million or 20% of paid-in capital or more
For the year ended December 31, 2023
(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

Table 6

Real estate disposed by	Real estate	Transaction date (Note 1)	Acquisition date	Carrying amount	Disposal amount	Status of collection of proceeds	Gain (loss) on disposal	Counterparty	Relationship with the seller	Reason for disposal	Basis or reference used in setting the price	Other commitments
Xin Chio Co., Ltd.	Office building in 5F and 24 parking lots in Neihu District, Taipei City	2023.8.10	2015.08.27	\$ 373,136	\$ 400,000 (Including business tax \$4,190)	Full collected	\$ 22,674	The Company	Parent company	The primary office location had been moved to Taishan Building, and the office in Neihu is underutilized.	According to appraisal report issued by the Cathay Real Estate, the estimated value is \$390,150.	-

Note 1: Date of the event referred to herein is the date of contract signing, date of payment, date of execution of a trading order, date of title transfer, date of board resolution, or other date that can confirm the counterparty and the monetary amount of the transaction, whichever is earlier.

Yem Chio Co., Ltd. and Subsidiaries

Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

Table 7

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases (sales)	Amount	Percentage of total purchases (sales) (%)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable) (%)	
The Company	ACHEM Technology Corporation	Subsidiary	Sales	\$ 516,730	19.44%	30 days after monthly billings	Note 3	Note 3	\$ 36,117	9.37%	None
The Company	Xin Chio Co., Ltd.	Subsidiary	Sales	107,249	4.04%	90 days after monthly billings	Note 3	Note 3	38,182	9.90%	None
The Company	ACHEM Industry America Inc.	An indirect subsidiary	Sales	117,584	4.42%	60 days after the receipt of shipment	Note 3	Note 3	36,838	9.55%	None
ACHEM Technology Corporation	Foshan Inder Adhesive Product Co., Ltd.	Subsidiary	Purchases	170,679	6.18%	100 days after shipment	Note 3	Note 3	(69,832)	(17.45%)	None
ACHEM Technology Corporation	Ningbo Yem Chio Co., Ltd.	Subsidiary	Purchases	191,131	6.92%	60 days after monthly billings	Note 3	Note 3	(36,831)	(9.20%)	None
ACHEM Technology Corporation	ACHEM Industry America Inc.	Subsidiary	Sales	138,253	3.11%	60 days after monthly billings	Note 3	Note 3	24,266	2.77%	None
Wanchio Adhesive Product (Jiangsu) Co., Ltd.	ACHEM Technology Corporation	Parent company	Sales	226,742	9.78%	60 days after monthly billings	Note 3	Note 3	28,978	3.85%	None
Wanchio Adhesive Product (Jiangsu) Co., Ltd.	ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.	Sister company	Sales	294,437	12.69%	60 days after monthly billings	Note 3	Note 3	99,811	13.24%	None

Note 1: If terms of related-party transactions are different from third-party transactions, explain the differences and reasons in the 'Unit price' and 'Credit term' columns.

Note 2: In case related-party transaction terms involve advance receipts (prepayments) transactions, explain in the footnote the reasons, contractual provisions, related amounts, and differences in types of transactions compared to third-party transactions.

Note 3: The description of the transaction is not significantly different with third parties and as such, no need to disclose.

Yem Chio Co., Ltd. and Subsidiaries
Receivables from related parties reaching \$100 million or 20% of paid-in capital or more
December 31, 2023
(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

Table 8

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2023 (Note 1)	Turnover rate (Note 2)	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
The Company	Wang Chio petrochemical (Jiangsu) Co., Ltd.	An indirect subsidiary	Other receivables \$ 624,774	-	\$ -	-	\$ -	\$ -
Xin Chio Co., Ltd.	ACHEM Technology Corporation	Associate	Other receivables 328,994	-	-	-	-	-
ACHEM Technology Corporation	ACHEM Technology Holding Limited	Subsidiary	Other receivables 192,413	-	-	-	-	-
ACHEM Technology Corporation	UINN HOTEL	Sister company	Other receivables 110,432	-	-	-	-	-
ACHEM Technology (Shanghai) Limited	Wang Chio petrochemical (Jiangsu) Co., Ltd.	Sister company	Other receivables 592,366	-	-	-	-	-
ACHEM Technology (Shanghai) Limited	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Sister company	Other receivables 271,773	-	-	-	-	-
ACHEM Technology Holding Limited	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	An indirect subsidiary	Other receivables 377,110	-	-	-	-	-
ACHEM Technology Holding Limited	WAN CHIO	Associate	Other receivables 150,927	-	-	-	-	-
ASIACHEM International Corporation	ACHEM Technology Holding Limited	Sister company	Other receivables 676,991	-	-	-	-	-
ASIACHEM International Corporation	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Sister company	Other receivables 157,192	-	-	-	-	-
ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.	Wang Chio petrochemical (Jiangsu) Co., Ltd.	Sister company	Other receivables 204,018	-	-	-	-	-
ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Sister company	Other receivables 145,082	-	-	-	-	-
Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Wang Chio petrochemical (Jiangsu) Co., Ltd.	Associate	Other receivables 373,117	-	-	-	-	-

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

Note 2: Other receivables is not applicable to use turnover days calculation.

Yem Chio Co., Ltd. and Subsidiaries
Significant inter-company transactions during the reporting period
For the year ended December 31, 2023
(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

Table 9

No. (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				Account	Amount	Transaction terms	Percentage of consolidated operating revenues or total assets (Note 3)
0	The Company	ACHEM Technology Corporation	(1)	Sales	\$ 516,730	30 days after monthly billings	3.91%
0	The Company	Wang Chio petrochemical (Jiangsu) Co., Ltd.	(1)	Other receivables	624,774	Depends on negotiation	2.01%
1	Xin Chio Co., Ltd.	ACHEM Technology Corporation	(3)	Other receivables	328,994	Depends on negotiation	1.06%
2	ACHEM Technology Corporation	Foshan Inder Adhesive Product Co., Ltd.	(1)	Purchase	170,679	100 days after shipment	1.29%
2	ACHEM Technology Corporation	Ningbo Yem Chio Co., Ltd.	(1)	Purchase	191,131	60 days after monthly billings	1.45%
2	ACHEM Technology Corporation	ACHEM Industry America Inc.	(1)	Sales	138,253	60 days after monthly billings	1.05%
3	ACHEM Technology (Shanghai) Limited	Wang Chio petrochemical (Jiangsu) Co., Ltd.	(3)	Other receivables	592,366	Depends on negotiation	1.90%
4	ACHEM Technology Holding Limited	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	(1)	Other receivables	377,110	Depends on negotiation	1.21%
5	ASIACHEM International Corporation	ACHEM Technology Holding Limited	(3)	Other receivables	676,991	Depends on negotiation	2.17%
6	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	ACHEM Technology Corporation	(2)	Sales	226,742	60 days after monthly billings	1.71%
6	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.	(3)	Sales	294,437	60 days after monthly billings	2.23%
6	Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Wang Chio petrochemical (Jiangsu) Co., Ltd.	(3)	Other receivables	373,117	Depends on negotiation	1.20%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

- (1) Parent company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories:

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: The Company may decide to disclose or not to disclose transaction details in this table based on the Materiality Principle.

Yem Chio Co., Ltd. and Subsidiaries
Information on investees (not including investees in Mainland China)
For the year ended December 31, 2023
(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

Table 10

Investor	Investee (Note 1 - 2)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023			Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 3)	Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Carrying amount			
The Company	YEM CHIO	BVI	Manufacturing of adhesives and polystyrene sheets; investment holdings	\$ 1,446,758	\$ 1,446,758	47,117,523	100.00%	\$ (762,942)	\$ 28,171	\$ 12,007	Subsidiary
The Company	UINN HOTEL	Taiwan	Hotel management and related business	25,740	25,740	-	100.00%	(35,918)	20,089	(7,728)	Subsidiary
The Company	Wong Chio Development., Ltd.	Taiwan	Undertaking civil engineering and hydraulic engineering	345,077	345,077	34,507,664	100.00%	302,149	6,660	7,262	Subsidiary
The Company	ACHEM Technology Corporation	Taiwan	Manufacturing of adhesives and polystyrene sheets; investment holdings	3,999,048	3,999,048	399,904,848	100.00%	5,731,324	675,688	688,802	Subsidiary
The Company	Xin Chio Co., Ltd.	Taiwan	Sales of wrapping material	299,264	299,264	25,740,120	38.86%	82,199	131,017	38,220	Subsidiary
The Company	Yanrun Development Co., Ltd.	Taiwan	Operating real estate related business	8,000	8,000	1,320,000	40.00%	(5,478)	(5,724)	(2,289)	Associate
The Company	King Sun New Tech Co., Ltd.	Taiwan	Construction and Management of Solar	72,105	-	1,650,000	27.50%	75,949	37,023	3,844	Associate
YEM CHIO	ASIA PLASTICS	BVI	Sales of adhesives and polystyrene sheets; investment holdings	357,191	357,191	11,632,500	45.00%	(203,484)	(472,614)	-	An indirect subsidiary
YEM CHIO	WAN CHIO	BVI	Sales of raw materials; investment holdings	899,657	899,657	40,400,000	68.47%	(715,698)	311,969	-	An indirect subsidiary
ACHEM Technology Corporation	ASIACHEM International Corporation	BVI	Investment of adhesives and related products	357,237	357,237	23,269	100.00%	1,402,874	33,636	-	An indirect subsidiary
ACHEM Technology Corporation	ACHEM Technology Holding Limited	BVI	Investment of high technology industry	3,098,876	3,098,876	100,924	100.00%	3,921,212	338,986	-	An indirect subsidiary
ACHEM Technology Corporation	Valueline Investment Corporation	Taiwan	Investment holdings	249,287	249,287	826,089	100.00%	72,533	1,078	-	An indirect subsidiary
ACHEM Technology Corporation	ACHEM Opto-Electronic Corporation	Taiwan	Manufacturing of electronic parts and components	362,935	321,550	24,575,000	100.00%	527,092	21,631	-	An indirect subsidiary
ACHEM Technology Corporation	Xin Chio Co., Ltd.	Taiwan	Sales of wrapping material	242,903	242,903	14,930,000	22.54%	311,160	131,017	-	Associate
ACHEM Technology Corporation	Pantech Tape Co., Ltd.	Taiwan	Manufacturing and sales of various adhesives products	41,160	-	1,200,000	100.00%	39,429	(1,731)	-	An indirect subsidiary
ACHEM Technology Holding Limited	ACHEM Technology Americas Ltd.	Cayman Islands	Investment of high technology industry	418,908	418,908	13,643,000	100.00%	1,121,675	17,349	-	An indirect subsidiary
ACHEM Technology Holding Limited	ACHEM Technology China	Cayman Islands	Investment of high technology industry	2,094,360	2,094,360	68,209,075	100.00%	3,433,908	515,671	-	An indirect subsidiary
ACHEM Technology Holding Limited	ACHEM Technology (Vietnam) Ltd.	Vietnam	Manufacturing and sales of various adhesives products	368,460	368,460	-	100.00%	182,755	(27,795)	-	An indirect subsidiary
ACHEM Technology Holding Limited	WAN CHIO	BVI	Sales of raw materials; investment holdings	571,113	571,113	18,600,000	31.53%	(329,574)	311,969	-	An indirect subsidiary
ACHEM Technology Holding Limited	ASIA PLASTICS	BVI	Sales of raw materials; investment holdings	536,370	536,370	14,217,500	55.00%	(248,702)	(472,614)	-	An indirect subsidiary
ACHEM Technology Holding Limited	ACHEM Technology (M) SDN. Bhd.	Malaysia	Business of import, export and distribution	4,268	4,268	353,152	90.00%	20,788	2,201	-	An indirect subsidiary
ACHEM Technology Americas Ltd.	ACHEM Industry America Inc.	U.S.A.	Manufacturing and sales of various adhesives products	267,134	267,134	50,000	100.00%	1,003,466	17,565	-	An indirect Subsidiary
ACHEM Opto-Electronic Corporation	AOE Holding Limited	BVI	Investment of high technology industry	64,996	64,996	4,234	100.00%	543,372	21,223	-	An indirect subsidiary
ACHEM Technology China	LANDMART	Samoa	Investment of high technology industry	859,740	859,740	28,000,000	100.00%	1,359,216	58,863	-	An indirect subsidiary

Note 1: If a public company is equipped with an overseas holding company and takes consolidated financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

Note 2: If situation does not belong to Note 1, fill in the columns according to the following regulations:

- (1) The columns of 'Investee', 'Location', 'Main business activities', 'Initial investment amount' and 'Shares held as at December 31, 2023' should fill orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the 'footnote' column.
- (2) The 'Net profit (loss) of the investee for the year ended December 31, 2023' column should fill in amount of net profit (loss) of the investee for this period.
- (3) The 'Investment income (loss) recognised by the Company for the year ended December 31, 2023' column should fill in the Company (public company) recognised investment income (loss) of its direct subsidiary and recognised investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognised investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary's net profit (loss) for this period has included its investment income (loss) which shall be recognised by regulations.

Note 3: Indirect subsidiary's income is recognised by subsidiary.

Yem Chio Co., Ltd. and Subsidiaries
Information on investments in Mainland China - Basic Information
For the year ended December 31, 2023
(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

Table 11

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income of investee for the year ended December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 2)	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Footnote (Note 2)
					Remitted to Mainland China	Remitted back to Taiwan							
Ningbo Yem Chio Co., Ltd.	Sales of adhesives and polystyrene sheets	\$ 344,816	2	\$ 879,726	\$ -	\$ -	\$ 879,726	\$ 181,359	100.00%	\$ 181,359	\$(439,655)	\$ -	B
Master Package (Shanghai) Material Technology Co., Ltd.	Wholesale, import and export of various wrapping materials, computer software, hardware and peripherals	187,300	1	187,300	-	-	187,300	2,605	61.40%	1,685	70,593	-	B
ACHEM (Tianjin) Adhesive Product Co., Ltd. (liquidated and deregistered)	Sales of various adhesives products	-	1	22,151	-	63	-	-	61.40%	-	-	-	Note 4
ACHEM Technology (Wuhan) Limited	Sales of various adhesives products	31,319	1	35,751	-	-	35,751	365	61.40%	236	3,615	-	B
Foshan Inder Adhesive Product Co., Ltd.	Manufacturing and sales of various adhesives products	433,723	2	170,658	-	-	170,658	37,080	62.30%	23,101	507,824	-	B
Fuzhou Fuda Plastic Products Co., Ltd.	Manufacturing and sales of various adhesives products and material	39,917	2	32,240	-	-	32,240	(154)	100.00%	(154)	60,363	-	B
ACHEM Technology (Chengdu) Limited	Manufacturing and sales of adhesives and BOPP film	4,606	2	4,606	-	-	4,606	1,192	100.00%	1,192	9,803	-	B
ACHEM Technology (Dongguan) Adhesive Products Co., Ltd.	Manufacturing and sales of adhesives and BOPP film	230,656	2	230,656	-	-	230,656	104,210	100.00%	104,210	970,627	-	B
ACHEM Technology (Shanghai) Limited	Manufacturing and sales of adhesives and BOPP film	494,351	2	494,351	-	-	494,351	58,886	100.00%	58,886	1,358,402	-	B
Winda Opto-Electronics Co., Ltd.	Manufacturing and sales of polarizing film, photoelectric material, optical thin-film and polarizing adhesives	626,093	2	152,800	-	-	152,800	145,358	31.42%	45,671	990,961	392,697	B
Wan Chio Petrochemical (Jiangsu) Co., Ltd.	Manufacturing and sale of various plastic materials	2,456,400	2	1,470,770	-	-	1,470,770	629,307	100.00%	629,307	(1,789,166)	-	B
Wanchio Adhesive Product (Jiangsu) Co., Ltd.	Manufacturing and sale of various plastic materials	921,150	2	921,150	-	-	921,150	328,433	100.00%	328,433	518,796	-	B

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 3)
Yem Chio Co., Ltd.	\$1,110,504	\$1,130,463	\$7,624,396
ACHEM Technology Corporation	\$3,272,658	\$3,272,658	\$3,577,526
Xin Chio Co., Ltd.	\$223,051	\$223,051	\$641,215

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
- (3) Others.

Note 2: In the 'Investment income (loss) recognised by the Company for the year ended December 31, 2023' column:

- (1) It should be indicated if the investee was still in the incorporation arrangements and had not yet any profit during this period.
- (2) Indicate the basis for investment income (loss) recognition in the number of one of the following four categories:
 - A. The financial statements were audited and attested (reviewed) by international accounting firm which has cooperative relationship with accounting firm in R.O.C.
 - B. The financial statements were audited (reviewed) by R.O.C. parent company's CPA.
 - C. The financial statements for the same periods ended were not audited (reviewed) by auditors.
 - D. Others.

Note 3: (1) Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023 is USD 36,167 thousand and investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) is USD 36,817 thousand.

(2) ACHEM Technology Corporation's accumulated amount of remittance to Mainland China as of December 31, 2023 was USD 102,362 thousand, (in addition there is USD 2,342 thousand to be remitted) and the amount approved by MOEA was USD 123,818 thousand.

(3) Xin Chio Co., Ltd.'s accumulated amount of remittance to Mainland China as of December 31, 2023 was USD 7,264 thousand, and the amount approved by MOEA was USD 7,264 thousand.

Note 4: The company received approval from the Investment Commission of the Ministry of Economic Affairs to invest USD 721 thousand in ACHEM (Tianjin) Adhesive Product Co., Ltd. ACHEM (Tianjin) was liquidated and deregistered in 2022 and the Company had collected the remaining liquidation amount 63 thousand in 2023. In July 2023, Investment Commission of MOEA had approved the cancellation of this investment in ACHEM (Tianjin) of USD 721 thousand.

Yem Chio Co., Ltd.
Major shareholders information
December 31, 2023

Table 12

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
ASIA PLASTICS CO., LTD.	52,974,405	7.96%
YING CHUNG CO., LTD.	51,698,666	7.77%
INGS CHYUANG INTERNATIONAL CO., LTD.	42,748,839	6.42%

Note: The major shareholders' information was derived from the data using the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of the quarter and was calculated by Taiwan Depository & Clearing Corporation.

The share capital which was recorded on the financial statements of the Company may be different from the actual number of shares in dematerialised form due to the difference of calculation basis.