Share Code: 1312

Grand Pacific Petrochemical Corporation

Parent Company Only Financial Statements
and Independent Auditors' Report

For the Years Ended December 31, 2023 and 2022

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Grand Pacific Petrochemical Corporation and Its Subsidiaries

2023 Parent Company Only Financial Statements

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Grand Pacific Petrochemical Corporation

Independent Auditors' Report

To: The Board of Directors and Shareholders of Grand Pacific Petrochemical Corporation

Audit Opinions

We, as the CPAs, have completed the audit of the parent company only balance sheets dated December 31 of 2023 and 2022 and the parent company only statements of comprehensive income, parent company only statements of changes in equity, parent company only statement of cash flows, and notes of parent company only financial statement for the years ended December 31 of 2023 and 2022, including summaries of major accounting policies of Grand Pacific Petrochemical Corporation.

As CPAs, according to the audit results from us and those from other CPAs (please refer to the paragraph about other matters), the above-mentioned parent company only financial statement, in all major respects, was prepared in compliance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and hence are sufficient to show the parent company only financial standing of Grand Pacific Petrochemical Corporation as of December 31, 2023 and 2022 and the parent company only financial performance and parent company only cash flows for the years ended December 31, 2023 and 2022.

Bases for the Audit Opinions

We followed the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountant and auditing standards while performing the audit. The responsibilities of the CPAs under the said standards will be explained further in the section about responsibilities in auditing the parent company only financial statement. Independently governed staff in the accounting firm that the CPAs belong to have followed moral regulations in honor of the profession of CPA and have remained independent of Grand Pacific Petrochemical Corporation and fulfilled other responsibilities under the said regulations. Based on the audit results from us and those from other CPAs, we believe that sufficient and adequate evidence has been obtained for the audit to serve as the basis for expressing the audit opinions.

Key Matters Being Audited

Key matters being audited refer to the most important matters based on the professional judgment of the CPAs to be included in the audit of the 2023 parent company only financial statement of Grand Pacific Petrochemical Corporation. Such matters were addressed throughout the audit of the parent company only financial statement and during the formation of audit opinions. The CPAs do not express separate opinions regarding these matters.

Key matters being audited of the 2023 parent company only financial statement of Grand Pacific Petrochemical Corporation are specified as follows:

Recognition of Income

Income is the basic operational activities for the sustainable management of an enterprise and concerns its operational performance and the management generally is faced with the pressure of fulfilling the expected financial or business performance goals. Therefore, it is pre-established that income recognition is associated with significant risk and we consider that the recognition of timing of the transfer of control over sales of products and income from sales as part of the key matters being audited.

For the accounting policy on the recognition of income, please refer to Note 4 (29) of the parent company only financial statement. For information on accounting items for income, please refer to the disclosure in Note 6 (32) of the parent company only financial statement. Major audit procedures that are already carried out by the CPAs for the above-mentioned matters are as follows:

1. Test the validity of sales and the internal control for the payment collection cycle in terms of its design and implementation and evaluate by random sampling if the recognition of income is adequate.
2. Understand the type of product and the distribution specifications with Top 10 distribution customers and evaluate the legitimacy of the distribution income and the number of days involved in the turnover of accounts receivable and analyze if there is any abnormal variation among the customers.
3. Select samples from distribution transactions within a certain period of time before and after the shipping deadline and verify them against related certificates in order to evaluate the accuracy of transfer timing of risks and rewards of goods produced and distributed and the control right and the timing when income is recognized.

Impairment evaluation of property, plant and equipment

As of December 31, 2023, the book value of property, plant, and equipment owned by Grand Pacific Petrochemical Corporation totaled $4,673,053 thousand, accounting for around 12% of the total asset value and the value is significant for the parent company only financial statement. In addition, the overall economic trends, market competition, and technical development can all affect the future operations of the company and accordingly affect the expected economic benefits and the recoverable amount that may be generated in the future by the cash generating units for the assets estimated and determined by the management in order to evaluate if impairment exists. Therefore, the evaluation of impairment of property, plant, and equipment is listed by the CPAs as part of the key matters being audited.

For the accounting policy on the impairment of property, plant and equipment and non-financial assets, please refer to Note 4 (16) and (19) of the parent company only financial statement. For information on accounting items involving property, plant and equipment, please refer to the disclosure in Note 6 (10) of the parent company only financial statement. Major audit procedures that are already carried out by the CPAs for the above-mentioned matters are as follows:

1. Obtain the asset impairment assessment form for respective cash generating units that have been evaluated spontaneously by the Company.
2. Evaluate the legitimacy of impairment signs identified by the management and the assumption and sensitivity adopted, including whether the differentiation of cash-generating units, forecast of cash flows, and discount rate are appropriate or not.
3. Ask the management and review audit evidence obtained from the subsequent audit procedure for verification of absence of any matter related to impairment testing after the reporting date.

Valuation of balance of investments accounted for using equity method

The balance of investments accounted for using equity method Grand Pacific Petrochemical Corporation as of December 31, 2023 totaled $30,617,290 thousand, accounting for around 78% of the total asset value. The net worth of comprehensive income (including the portions of profits and losses from subsidiaries, affiliates, and joint ventures recognized using the equity method and the portions of other comprehensive income from subsidiaries, affiliates, and joint ventures recognized using the equity method) totaled ($1,115,215) thousand, accounting for around 59% of the total comprehensive income. The impacted value is significant to the parent company only financial statement. Therefore, the CPAs include valuation of balance of investments accounted for using equity method as part of the key matters being audited.

For the accounting policy on investments accounted for using equity method, please refer to Note 4 (15) of the parent company only financial statement. For information on accounting items for investments accounted for using equity method, please refer to the disclosure in Note 6 (9) of the parent company only financial statement. Major audit procedures that are already carried out by the CPAs for the above-mentioned matters are as follows:

1. Evaluate the accuracy of calculation during valuation adopting the equity method and the adopted accounting policy.
2. Check the accuracy in the calculation of unrealized profits or losses generated from transactions with companies invested in using the equity method; they have been reasonably written off and evaluate the adopted accounting policy; the adopted accounting policy has been adjusted as needed to be consistent with the policies adopted by the Company.
3. Evaluate the legitimacy of impairment signs of investments accounted for using equity method as identified by the management and the assumption and sensitivity adopted, including whether or not the forecast of profitability of companies invested in it in the future or the discount rate is appropriate.

Other Matters－Mentioning Audits by other CPAs

As stated under Note 6 (9) of the Parent Company Only Financial Statements, among the investees of Grand Pacific Petrochemical Corporation in equity method, the financial statements of the reinvestee through Videoland Inc. in 2023 and 2022 in equity method－Videoland International Limited, Citiesocial Co., Ltd., Citiesocial Holding Cayman Co., Ltd. and the reinvestee of KK Enterprise Co., Ltd. in equity method－KK Enterprise (Malaysia) Sdn. Bhd. and the reinvestee of Land & Sea Capital Corp. in equity method－Zhenjiang Chimei Chemical Co., Ltd. and Zhangzhou Chimei Chemical Co., Ltd. have not been audited by us, the Undersigned certified public accountant but have been audited by other certified public accountant(s) instead. Therefore, among the opinions expressed by us on the above-mentioned parent company only financial statement, the amount listed in the above-mentioned financial statement of the Company and the above-mentioned information about the Company in Note 13 of the parent company only financial statement are completely based on audit reports from other CPAs.

The balance of the above-mentioned investments adopting the equity method in the companies by Grand Pacific Petrochemical Corporation as of December 31, 2023 and 2022, was $8,825,868 thousand and $9,852,348 thousand, accounting for 22.42% and 25.03% of the total value, respectively. The portions of profits and losses indirectly recognized adopting the equity method for the years ended December 31, 2023 and 2022, was ($786,874) thousand and $201,167 thousand, accounting for 41.61% and (23.85%) of the total comprehensive income, respectively.

Responsibilities of Management and Governance Unit to Parent Company Only Financial Reports

The management is responsible for preparing adequately expressed parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and maintaining necessary internal control relevant to the compilation of the parent company only financial statements in order to ensure that no significant untruthful expressions caused by frauds or errors exist in the parent company only financial statements.

While preparing the parent company only financial statement, the management is responsible for also evaluating the ability of Grand Pacific Petrochemical Corporation to continue with the operation and disclosing related matters and adopting the accounting basis for continued operation, among others. Unless the management intends to liquidate Grand Pacific Petrochemical Corporation or discontinue operation or there are no other actually feasible solutions than liquidation or discontinued operation.

The governance unit (including the Audit Committee) of Grand Pacific Petrochemical Corporation is responsible for supervising the financial reporting process.

Responsibilities of CPAs in Inspecting Parent company only financial statement

We audit the parent company only financial statement in order to be reasonably convinced as to whether the parent company only financial statement as a whole contains major untruthful expressions due to frauds or errors and to issue the audit report. Reasonably convinced is highly convinced. There is no guarantee, however, that existence of significant untruthful expressions in the parent company only financial statement will be detected according to auditing standards. Untruthful expressions might have been caused by frauds or errors. If individual values or an overview of untruthful expressions can be reasonably expected to affect economic decisions made by users of the parent company only financial statement, they are considered significant.

We apply our professional judgment and our professional doubts while performing the audit according to auditing standards. The CPAs also perform the following tasks:

1. Identify and evaluate the risk of significant untruthful expressions in the parent company only financial statement due to frauds or errors, design and enforce appropriate responsive policies for determined risks; and collect sufficient and adequate evidence from the audit in order to render audit opinions. Due to the fact that frauds might involve collusion, forging, intentional omission, untruthful statement, or non-compliance with internal control, the risk associated with undetected significant untruthful expressions caused by frauds is higher than that caused by errors.
2. Obtain a necessary understanding of internal control concerning the audit in order to design appropriate audit procedures reflective of then-current situation. The purpose, however, is not to effectively express opinions on the internal control of Grand Pacific Petrochemical Corporation.
3. Evaluate the adequacy of accounting policies adopted by the management and the legitimacy of accounting estimates and related disclosures made.
4. Reach a conclusion with regard to the adequacy of the accounting basis adopted to continue with operation by the management and whether significant uncertainties of events or conditions that might result in significant concerns about the ability of Grand Pacific Petrochemical Corporation to continue with operation exist or not according to the evidence obtained from the audit. In the event that it is determined that significant uncertainties exist with such events or conditions, on the other hand, the CPAs must remind users of the parent company only financial statement in their audit report that they should pay attention to related disclosures included in the statement or modify their audit opinions if such disclosures are inappropriate. Conclusions made by the CPAs are based on the evidence from the audit obtained as of the date of the audit report. Future events or conditions, however, are likely to result in Grand Pacific Petrochemical Corporation no longer capable of continuing with operation.
5. Evaluate the overall expression, structure, and contents of the parent company only financial statement (including related notes) and whether or not the parent company only financial statement has fairly expressed related transactions and events.
6. Obtain sufficient and adequate evidence from the audit regarding the financial information of entities comprising Grand Pacific Petrochemical Corporation and express opinions about the parent company only financial statement. The CPAs are responsible for providing guidance on, supervising, and implementing audits and for coming up with audit opinions for the parent company only financial statement.

Communications made by the CPAs with governance units include the planned scope and timing of the audit and significant audit findings (including significant deficiencies found with internal control during the audit).

The CPAs have also provided the governance units with the declaration on independence that independently governed staff in the accounting firm that the CPAs belong to have followed moral regulations in honor of the profession of CPA and have communicated with the governance units all relationships and other matters considered to be likely undermining the independence of CPAs (including related safeguard measures).

The CPAs, from the matters communicated with the governance units, decided key matters to be included in the 2023 parent company only financial statement audit of Grand Pacific Petrochemical Corporation. The CPAs specify such matters in the audit report unless it is disallowed by law to disclose to the public specific matters or under rare circumstances, the CPAs decide not to communicate specific matters in the audit report as it can be reasonably expected that negative impacts from such communication would be greater than the public interest that will be enhanced.

Crowe (TW) CPAs
CPA: Wang, Wu-Chang

CPA: Chih Lung Lin

Approval document number: FSC Review No. 10200032833
March 12, 2024

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying parent company only 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 independent auditors' report and parent company only financial statements shall prevail.

Grand Pacific Petrochemical Corporation
PARENT COMPANY ONLY BALANCE SHEETS
For the years ended December 31, 2023 and 2022

Expressed in Thousands of New Taiwan Dollars

Codes	Assets	December 31, 2023 Amount	%	December 31, 2022 Amount	%
11xx	Current assets	$ 2,923,765	7	$ 2,830,990	7
1100	Cash & cash equivalents (Note 6 (1))	192,043	-	342,754	1
1150	Net notes receivable (Note 6 (2))	1,123	-	950	-
1170	Net accounts receivable (Note 6 (3))	992,779	3	1,064,477	3
1180	Accounts receivable - related parties (Note 6 (3) and 7)	10,422	-	4,482	-
1200	Other receivables (Note 6 (4))	23,405	-	34,996	-
1210	Other receivables - related parties (Note 6 (7))	14,425	-	8,261	-
1220	Current income tax assets (Note 6 (39))	501	-	-	-
1310	Net inventories (Note 6 (5))	1,550,644	4	1,262,365	3
1410	Prepayments (Note 6 (6) and 7)	138,423	-	88,051	-
1476	Other financial assets - current (Note 6 (7))	-	-	24,654	-
15xx	Non-current assets	36,441,213	93	36,532,678	93
1517	Financial assets at fair value through other comprehensive income - noncurrent (Note 6 (8))	323,624	1	363,605	1
1550	Investments accounted for using equity method (Note 6 (9))	30,617,290	78	30,558,456	78
1600	Property, plant and equipment (Note 6 (10) and 8)	4,673,053	12	5,030,075	13
1755	Right-of-use assets (Note 6 (11))	371,852	1	313,133	1
1760	Investment property, net (Note 6 (12) and 8)	154,975	-	155,964	-
1840	Deferred income tax assets (Note 6 (39))	239,808	1	59,949	-
1920	Refundable deposits (Note 6 (13))	6,704	-	6,788	-
1932	Long-term receivables	-	-	210	-
1975	Net defined benefit assets - noncurrent (Note 6 (23))	53,907	-	44,498	-
1xxx	Total assets	$ 39,364,978	100	$ 39,363,668	100

Codes	Liabilities and Equity	December 31, 2023 Amount	%	December 31, 2022 Amount	%
21xx	Current liabilities	$ 4,041,670	10	$ 3,375,182	9
2100	Short-term loans (Note 6 (14))	1,730,000	4	1,747,000	5
2110	Short-term notes payable (Note 6 (15))	699,695	2	299,312	1
2130	Contract liabilities - current (Note 6 (32))	7,911	-	14,212	-
2170	Accounts payables (Note 6 (16))	1,355,357	4	869,621	2
2180	Accounts payables - related parties (Note 7)	3	-	42	-
2200	Other payables (Note 6 (17))	165,876	-	178,753	-
2220	Other payables - related parties (Note 7)	167	-	150	-
2230	Current income tax liabilities (Note 6 (39))	-	-	222,253	1
2250	Provisions - current (Note 6 (18))	11,391	-	11,640	-
2280	Lease liabilities - current (Note 6 (11))	45,108	-	28,125	-
2310	Advances receipts (Note 6 (19) and 7)	867	-	867	-
2399	Other current liabilities - Other (Note 6 (20))	25,295	-	3,207	-
25xx	Noncurrent liabilities	2,082,036	5	3,236,256	8
2540	Long-term loans (Note 6 (21))	700,000	2	1,900,000	5
2550	Provisions - noncurrent (Note 6 (22))	17,558	-	16,713	-
2570	Deferred income tax liabilities (Note 6 (39))	991,105	2	990,481	2
2580	Lease liabilities - noncurrent (Note 6 (11))	346,551	1	302,248	1
2640	Net defined benefit liabilities - noncurrent (Note 6 (23))	1,733	-	1,725	-
2645	Guarantee deposits received (Note 6 (24))	2,897	-	2,897	-
2670	Other noncurrent liabilities - other (Note 6 (25))	22,192	-	22,192	-
2xxx	Total liabilities	6,123,706	15	6,611,438	17
31xx	Equity				
3100	Share capital (Note 6 (26) and (27))	11,266,203	29	9,266,203	23
3110	Common shares capital	11,066,203	28	9,066,203	23
3120	Preferred shares capital	200,000	1	200,000	-
3200	Capital surplus (Note 6 (26) and (28))	1,071,541	3	201,866	1
3300	Retained earnings (Note 6 (29))	22,049,110	56	23,976,823	61
3310	Legal reserve	3,170,794	8	3,170,794	8
3320	Special reserve	1,642,556	4	1,640,828	4
3350	Unappropriated earnings	17,235,760	44	19,165,201	49
3400	Other equity (Note 6 (30))	(1,095,724)	(3)	(642,804)	(2)
3410	Exchange differences on translating financial statements of foreign operations	(716,522)	(2)	(213,390)	(1)
3420	Unrealized valuation gain/loss of financial assets at fair value through other comprehensive income	(379,202)	(1)	(429,414)	(1)
3500	Treasury stocks (Note 6 (31))	(49,858)	-	(49,858)	-
3xxx	Total equity	33,241,272	85	32,752,230	83
3x2x	Total liabilities and equity	$ 39,364,978	100	$ 39,363,668	100

(The accompanying notes are an integral part of the parent company only financial statements)

Chairman of Board: Teh Hsin Chiu   Manager: Chia Hsiung Tseng   Chief Accountant: Ling Chu Chen

Grand Pacific Petrochemical Corporation
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
For the years ended December 31, 2023 and 2022

Expressed in Thousands of New Taiwan Dollars

Codes	Items	Year Ended December 31, 2023 Amount	%	Year Ended December 31, 2022 Amount	%
4000	Operating revenues (Note 6 (32))	$ 12,775,860	100	$ 14,723,385	100
5000	Operating costs (Note 6 (5) and (37))	(13,307,905)	(104)	(15,018,771)	(102)
5900	Total amount of gross operating loss	(532,045)	(4)	(295,386)	(2)
5910	Unrealized sales loss (Note 6 (9))	4,529	-	1,358	-
5920	Realized sales loss (Note 6 (9))	(1,358)	-	(6,034)	-
5950	Net gross operating profit (loss)	(528,874)	(4)	(300,062)	(2)
6000	Operating expenses (Note 6 (37))	(377,649)	(3)	(404,882)	(3)
6100	Selling expenses	(136,690)	(1)	(200,586)	(2)
6200	Administrative expenses	(218,404)	(2)	(179,199)	(1)
6300	Research and development expenses	(22,555)	-	(25,097)	-
6900	Net operating loss	(906,523)	(7)	(704,944)	(5)
	Non-operating revenues and expenses				
7100	Interest revenue (Note 6 (33))	5,443	-	11,776	-
7010	Other revenues (Note 6 (34))	42,968	-	64,523	-
7020	Other gains and losses (Note 6 (35))	(3,941)	-	108,047	1
7050	Finance costs (Note 6 (36))	(102,268)	(1)	(33,422)	-
7070	Share of profit or loss of subsidiaries, associates & joint ventures accounted for using equity method (Note 6 (9))	(654,226)	(5)	258,255	2
7000	Total non-operating revenues and expenses	(712,024)	(6)	409,179	3
7900	Net loss before tax from continuing operations unit	(1,618,547)	(13)	(295,765)	(2)
7950	Income tax expenses (Note 6 (39))	180,520	1	(198,047)	(1)
8200	Net loss for the year	(1,438,027)	(12)	(493,812)	(3)
	Other comprehensive income				
	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurements of the defined benefit plan (Note 6 (23))	908	-	67,743	-
8316	Unrealized valuation gain/loss of investment in equity instrument at fair value through other comprehensive income (Note 6 (8))	(39,981)	-	(108,646)	(1)
8330	Share of other comprehensive income of subsidiaries, associates & joint ventures accounted for using equity method - items that will not be reclassified subsequently to profit or loss (Note 6 (9))	88,344	1	(754,345)	(5)
8349	Income tax related to items that will not be reclassified subsequently (Note 6 (39))	(182)	-	(13,548)	-
8310	Total Items that will not be reclassified subsequently to profit or loss	49,089	1	(808,796)	(6)
	Items that may be reclassified subsequently to profit or loss				
8380	Share of other comprehensive income of subsidiaries, associates & joint ventures accounted for using equity method - items that may be reclassified to profit or loss (Note 6 (9))	(549,333)	(4)	335,694	2
8399	Income tax related to items that may be reclassified subsequently (Note 6 (39))	47,046	-	123,543	1
8360	Items that may be reclassified subsequently to profit or loss	(502,287)	(4)	459,237	3
8300	Current other comprehensive income (net after tax)	(453,198)	(3)	(349,559)	(3)
8500	Total comprehensive income for the year	($ 1,891,225)	(15)	($ 843,371)	(6)
	Loss per share in ordinary shares: (NT$) (Note 6 (40))				
9750	Basic loss per share	($ 1.59)		($ 0.56)	

(The accompanying notes are an integral part of the parent company only financial statements)

Chairman of Board: Teh Hsin Chiu Manager: Chia Hsiung Tseng Chief Accountant: Ling Chu Chen

Grand Pacific Petrochemical Corporation

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2023 and 2022

Expressed in Thousands of New Taiwan Dollars

		Share capital			Retained earnings			Other equity			
Codes	Items	Common shares capital	Preferred shares capital	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translating financial statements of foreign operations	Unrealized valuation gain/loss of financial assets at fair value through other comprehensive income	Treasury stocks	Total equity
A1	Balance at January 1, 2022	$9,066,203	$200,000	$186,459	$2,411,833	$1,640,828	$22,230,181	($672,627)	$453,236	($49,858)	$35,466,255
	Appropriation & distribution of earnings for fiscal year 2021:										
B1	Provision of legal reserve	-	-	-	758,961	-	(758,961)	-	-	-	-
B5	Cash dividends to common shares	-	-	-	-	-	(1,813,241)	-	-	-	(1,813,241)
B7	Cash dividends and dividends to preferred shares	-	-	-	-	-	(52,000)	-	-	-	(52,000)
D1	Net profit for the year ended December 31, 2022	-	-	-	-	-	(493,812)	-	-	-	(493,812)
D3	Other comprehensive income after tax for the year ended December 31, 2022	-	-	-	-	-	73,854	459,237	(882,650)	-	(349,559)
M1	Adjustment to capital surplus for distribution of dividends to subsidiary	-	-	4,617	-	-	-	-	-	-	4,617
M7	Change in equity to subsidiaries	-	-	10,790	-	-	(20,820)	-	-	-	(10,030)
Z1	Balance at December 31, 2022	$9,066,203	$200,000	$201,866	$3,170,794	$1,640,828	$19,165,201	($213,390)	($429,414)	($49,858)	$32,752,230
A1	Balance at January 1, 2023	$9,066,203	$200,000	$201,866	$3,170,794	$1,640,828	$19,165,201	($213,390)	($429,414)	($49,858)	$32,752,230
	Appropriation & distribution of earnings for fiscal year 2022:										
B3	Provision of Special reserve	-	-	-	-	1,728	(1,728)	-	-	-	-
B5	Cash dividends to common shares	-	-	-	-	-	(453,310)	-	-	-	(453,310)
B7	Cash dividends and dividends to preferred shares	-	-	-	-	-	(22,000)	-	-	-	(22,000)
C17	Dividends not collected by shareholders post deadline	-	-	17	-	-	-	-	-	-	17
D1	Net profit for the year ended December 31, 2023	-	-	-	-	-	(1,438,027)	-	-	-	(1,438,027)
D3	Other comprehensive income after tax for the year ended December 31, 2023	-	-	-	-	-	(1,123)	(502,287)	50,212	-	(453,198)
E1	Capital increase	2,000,000	-	830,345	-	-	-	-	-	-	2,830,345
M1	Adjustment to capital surplus for distribution of dividends to subsidiary	-	-	1,954	-	-	-	-	-	-	1,954
M5	Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	845	-	-	-	(845)	-	-	-
M7	Change in equity to subsidiaries	-	-	(10,902)	-	-	(13,253)	-	-	-	(24,155)
N1	Shares reserved for subscriptions by shareholders and share-based payments to employees	-	-	47,200	-	-	-	-	-	-	47,200
N1	Share-based payments – subsidiaries	-	-	216	-	-	-	-	-	-	216
Z1	Balance at December 31, 2023	$11,066,203	$200,000	$1,071,541	$3,170,794	$1,642,556	$17,235,760	($716,522)	($379,202)	($49,858)	$33,241,272

(The accompanying notes are an integral part of the parent company only financial statements)

Chairman of Board: Teh Hsin Chiu   Manager: Chia Hsiung Tseng   Chief Accountant: Ling Chu Chen

Grand Pacific Petrochemical Corporation

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

For the years ended December 31, 2023 and 2022

Expressed in Thousands of New Taiwan Dollars

Codes	Items	Year ended December 31, 2023	Year ended December 31, 2022
AAAA	CASH FLOWS FROM OPERATING ACTIVITIES:		
A00010	Net loss before tax from continuing operations unit	($ 1,618,547)	($ 295,765)
A20000	Adjustments:		
A20010	Gain and expense not result influence on cash flows:		
A20100	Depreciation expenses (including depreciations in provision of right-of-use assets and investment property)	523,172	528,390
A20900	Interest expenses	102,268	33,422
A21200	Interest income	(5,443)	(11,776)
A21300	Dividend revenue	(1,611)	(27,169)
A21900	Share-based compensation	47,200	-
A22400	Share of losses (gains) of subsidiaries, associates & joint ventures accounted for using equity method	654,226	(258,255)
A22500	Net loss on disposal of property, plant and equipment	1	10
A22600	Property, plant and equipment transferred to expenses	21,155	21,134
A23700	Impairment loss on non-financial assets	1,600	-
A23900	Unrealized sales loss	(4,529)	(1,358)
A24000	Realized sales loss	1,358	6,034
A20010	Total gain and expense loss not result influence on cash flows	1,339,397	290,432
A30000	Changes in assets/liabilities relating to operation activities		
A31130	(Increase) decrease in notes receivable	(173)	3,357
A31150	Decrease in accounts receivable	71,698	381,187
A31160	Increase in accounts receivable - related parties	(5,940)	(4,482)
A31180	Decrease in other receivables	11,911	21,102
A31190	Increase in other receivables - related parties	(6,164)	(7,884)
A31200	(Increase) decrease in inventories	(288,279)	554,452
A31230	(Increase) decrease in prepayments	(50,372)	12,948
A31990	Increase in other operating assets	(8,501)	(7,866)
A32125	Decrease in contract liabilities	(6,301)	(1,392)
A32150	Increase (decrease) in accounts payable	485,736	(502,690)
A32160	Increase (decrease) in accounts payable - related parties	(39)	42
A32180	Decrease in other payables	(26,777)	(435,064)
A32190	Increase (decrease) in other payables - related parties	17	(14,272)
A32200	Increase in provisions	561	142
A32210	Increase in advance receipts	-	867
A32230	Increase in other current liabilities - other	22,088	84
A32240	Increase in net defined benefit liabilities	8	133
A30000	Total net changes in assets/liabilities relating to operating activities	199,473	664
A33000	Cash used generated from operations	(79,677)	(4,669)
A33100	Interest received	5,123	13,358
A33200	Dividend received	80,258	452,354
A33300	Interest paid	(102,012)	(31,845)
A33500	Income tax paid	(221,651)	(644,598)
AAAA	Net cash used in operating activities	(317,959)	(215,400)

(Continued on the next page)

(Brought Forward)

Codes	Items	Year ended December 31, 2023	Year ended December 31, 2022
BBBB	CASH FLOWS FROM INVESTING ACTIVITIES:		
B01800	Acquisition of investment accounted for using equity method	(1,224,464)	(3,453,392)
B02700	Acquisition of property, plant and equipment	(153,935)	(359,028)
B03800	Decrease in refundable deposits	84	35
B06600	Decrease in other financial assets	24,654	817,011
B06800	Decrease in other noncurrent assets - other	210	60
BBBB	Net cash used in investing activities	(1,353,451)	(2,995,314)
CCCC	CASH FLOWS FROM FINANCING ACTIVITIES: (Note 6 (38))		
C00200	Increase (decrease) in short-term loans	(17,000)	622,154
C00500	Increase in short-term notes payable	400,000	300,000
C01600	Proceeds from long-term loans	-	1,900,000
C01700	Repayments of long-term loans	(1,200,000)	-
C03100	Decrease in guarantee deposits received	-	(434)
C04020	Repayment of lease principal	(32,676)	(33,137)
C04500	Payout of cash dividends	(475,310)	(1,865,241)
C04600	Capital increase	2,830,345	-
C09900	Increase in other payables (overpayments by shareholders and share issuance costs payable at the end of the period)	15,323	-
C09900	Transfer of dividends not collected after deadline to capital surplus	17	-
CCCC	Net cash provided in financing activities	1,520,699	923,342
EEEE	Net decrease in cash and cash equivalents for the year	(150,711)	(2,287,372)
E00100	Cash and cash equivalents, beginning of year	342,754	2,630,126
E00200	Cash and cash equivalents, end of year	$ 192,043	$ 342,754
E00210	Cash & cash equivalents recorded in parent company only balance sheets	$ 192,043	$ 342,754

(The accompanying notes are an integral part of the parent company only financial statements)

Chairman of Board: Teh Hsin Chiu　　Manager: Chia Hsiung Tseng　　Chief Accountant: Ling Chu Chen

Grand Pacific Petrochemical Corporation
Notes to Parent Company Only Financial Statements
For the Years Ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars, unless otherwise specified)

1. Company History

Grand Pacific Petrochemical Corporation (hereinafter referred to as the Company) was officially incorporated on September 25, 1973 in accordance with the Company Act and other laws and ordinances concerned and was formerly known as Delta Petrochemical Corporation until rechristened Grand Pacific Petrochemical Corporation in 1985. The Company's head office registered address and factory are located in Dashe District, Kaohsiung City, and the Taipei office address is 8F, No. 135, Dunhua North Road, Songshan District, Taipei City. The Company primarily engages in the business lines as below:

(1) Petrochemical Manufacturing

(2) Synthetic Resin & Plastic Manufacturing

(3) Other Chemical Products Manufacturing

(4) Steam and Electricity Paragenesis, Heat Energy Supplying and international trade

(5) All business items that are not prohibited or restricted by law, except those that are subject to special approval

The Company's stocks were officially listed on Taiwan Stock Exchange Corporation (TWEC) starting from December 21, 1988.

The Company is free of the ultimate parent company.

The Company takes New Taiwan Dollars as its functional currency. While the Company is a public company listed in Taiwan, the parent company only financial statements are expressed in New Taiwan Dollars to bring added comparison and consistency.

2. The Date of Authorization for Issuance of Financial Statements and Procedures for Authorization

These parent company only financial statements were authorized for issuance by the Board of Directors on March 12, 2024.

3. Application of New Issuance, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (IFRS) as endorsed by the Financial Supervisory Commission (hereinafter referred to as the FSC):

In accordance with Decree FSC Review No. 1110382957 issued by the FSC on July 18, 2022, the Company should, in 2023, adopt the International Financial Reporting Standards (IFRSs) International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively referred to as IFRSs) issued by the International Accounting Standards Board (IASB), endorsed by the FSC and effective in 2023, and the amended Regulations Governing the Preparation of Financial Reports by Securities Issuers.

The following Table assembles the new issuance, revised and amended standards and interpretations endorsed by FSC as applicable to IFRSs starting from 2023:

New issuance, revised and amended standards and interpretations	Effective date issued by IASB
Amendments to IASB 1 "Disclosure of Accounting Policies"	January 1, 2023
Amendments to IASB 8 "Definition of Accounting Estimates"	January 1, 2023
Amendment to IFRS 12 "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction"	January 1, 2023
Amendment to IAS 12 "International Tax Reform Pillar Two Model Rule"	May 23, 2023 (Note)

Note: Decree FSC Review No. 1120383437 issued by the FSC on August 16, 2023 acknowledged that the amendment was immediately applicable upon announcement.

As evaluation by the Company, the aforementioned standards and interpretation would not come into material impact upon the parent company only financial conditions and consolidated financial performance of the Company at all.

(2) The impact upon the International Financial Reporting Standards (IFRSs) by the new issuance, amendment without endorsed by FSC:

The following Table assembles the new issuance, revised and amended standards and interpretations endorsed by FSC as applicable to IFRSs starting from 2024:

New issuance, revised and amended standards and interpretations	Effective date issued by IASB
Amendments to IASB 1 "Classification of Liabilities as Current or Noncurrent"	January 1, 2024
Amendments to IASB 1 "Non-current Liabilities with Contractual Terms"	January 1, 2024
Amendment to IFRS 16 "Lease liability in a sale and leaseback"	January 1, 2024
Amendment to IASB 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024

As of the date on which the Company's financial statements were authorized and issued, the Company evaluated that the relevant standards and interpretations would not have a material impact upon the individual financial conditions and the individual financial performance.

(3) The impact brought by IFRS having been issued by IASB but have not been endorsed by the FSC:

The Company has not adopted the following IFRSs which have been issued by IASB but have not been endorsed by the FSC. The actual effective date applied shall be pursuant to provision of FSC.

New issuance, revised and amended standards and interpretations	Effective date issued by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9—Comparative Information"	January 1, 2023
Amendments to IASB 21 "Lack of Exchangeability"	January 1, 2025
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"	Pending for resolution by IASB

The preliminary evaluation result indicates that the aforementioned standards and interpretations would not cast a material impact upon the Company's individual financial conditions and the individual financial performance. The Company will continually evaluate the amounts with the relevant impact which would be disclosed in full upon completion of the evaluation process.

4. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of the parent company only financial statements are explained below. Unless otherwise specified, these policies have been consistently applied to all the periods presented.

(1) Statement of compliance

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

(2) Basis of preparation

1) Except for the following significant items, the parent company only financial statements have been prepared under the historical cost convention:

A. Financial assets and liabilities (including derivative instruments) at fair value through profit or loss measured based on the fair value.

B. Financial assets at fair values through other comprehensive income measured based on the fair value.

C. The liabilities on the shares-based payment agreement with cash settlement measured based on the fair value.

D. Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.

2) The preparation of financial statements in compliance with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements, please refer to Note 5.

3) When preparing parent company only financial statements, the Company adopts the equity method for subsidiaries, associates, or joint ventures that it has investments in. In order for the profits and losses, other comprehensive income, and equities of the year in this parent company only financial statement to be identical to those in the Company's consolidated financial statement that attribute to the clients of the Company, on the parent company only and consolidated bases, for several accounting differences, the "investments accounted for using the equity method", the "shares of profits and losses of subsidiaries, associates, and joint ventures accounted for using the equity method", "shares of other comprehensive income of subsidiaries, associates, and joint ventures accounted for using the equity method", and related equity items were adjusted.

(3) Foreign currency translation

1) Items included in the Company's parent company only financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The parent company only financial statements are presented in New Taiwan Dollars, which is the Company's functional and the Company's presentation currency.

2) When preparing parent company only financial statements using currencies other than the entity's functional currency (foreign currency) converted into functional currency at the spot exchange rate on the transaction day or measurement date, and the exchange difference resulting from the translation of these transactions was recognized as current profit and loss. At the end of the financial statement period, the balance of foreign currency monetary assets and liabilities were evaluated and adjusted at the spot exchange rate on the balance sheet date, and translation differences arising from the adjustment were recognized as current profit and loss. In case of foreign currency non-monetary assets and liabilities, the balance was evaluated and adjusted at the spot exchange rate quoted on the

balance sheet date as measured at fair value through profit or loss, and the exchange difference arising from the adjustment was recognized as current profit and loss as measured at fair value through comprehensive income. The resulting exchange differences resulting from the adjustment were recognized in other comprehensive income items; where they were not measured at fair value, they were measured at the historical exchange rate on the initial trading day. All gains and losses on exchange were reported according to the attribute of the transaction and other gains and losses in the comprehensive income.

3) The Company's assets and liabilities of the foreign operations (including the subsidiaries, associates, joint ventures or branches of the Company in the countries of business operation or those using different currencies) were translated into New Taiwan Dollars at the spot exchange rate quoted on the balance sheet date. The income and expense items were translated using the exchange rates average in that period. All exchange differences arising from the translation were recognized as other comprehensive income.

4) When the foreign operations were disposed of and constituting a loss of control, joint control or significant influence on the foreign operations, all and the relevant interests of the foreign operations would be reclassified into profit or loss. In some cases where the disposal of subsidiaries in foreign operations did not constitute a loss of control of the subsidiary, the cumulative exchange difference recognized in other comprehensive income was calculated into the equity transaction on a *pro rata* basis, but it was not recognized as profit or loss. In some cases where the interests of the disposal of associates or joint venture in foreign operations did not constitute a significant impact of loss on the associates or joint venture or joint control in interests, the cumulative exchange difference recognized in other comprehensive income was reclassified into profit or loss based on the disposal ratio.

(4) Criteria of classification of current and noncurrent assets and liabilities

1) Assets that meet one of the following criteria are classified as current assets:

A. Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;

B. Assets arising mainly from trading activities;

C. Assets that are expected to be realized within twelve (12) months from the balance sheet date;

D. Cash & cash equivalents unless the asset is restricted from being used for an exchange or used to settle a liability for more than twelve (12) months after the balance sheet date.

The Company classifies the assets that do not satisfy the above conditions as noncurrent.

2) Liabilities that meet one of the following criteria are classified as current liabilities:

A. Liabilities that are expected to be paid off within the normal operating cycle;

B. Liabilities arising mainly from trading activities;

C. Liabilities that are to be paid off within twelve (12) months from the balance sheet date;

D. Liabilities for which the Company does not have an unconditional right to defer settlement for at least twelve (12) months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies the liabilities that do not satisfy the above conditions as noncurrent.

(5) Cash & cash equivalents

Cash & cash equivalents include cash on hand, bank deposits, and short-term and highly liquidity investments that could be converted into cash in fixed amounts at any time with little change in value risk. Time deposits that meet the aforementioned definitions and are held for short-term operations cash promise are classified as cash equivalent.

(6) Financial instruments

Financial assets and financial liabilities should be recognized when the Company became a party to the terms of the financial instruments contract.

When financial assets and financial liabilities were initially recognized, they were measured at the fair value. At the time of initial recognition, the transaction costs acquired or issued directly attributable to financial assets and financial liabilities (unless classified as financial assets and financial liabilities at fair value through profit or loss), shall be added or subtracted from the fair value of the financial assets or financial liabilities. The transaction costs directly attributable to financial assets and financial liabilities at fair value through profit or loss should be recognized immediately as profit or loss.

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

1) Financial assets at fair value through profit or loss include financial assets mandatorily measured at fair value through profit or loss and designation as financial assets at fair value through profit or loss. The financial assets mandatorily measured at fair value through profit or loss include investments in equity instruments that the Company does not specify at fair value through other comprehensive income, and investments in debt instruments that did not qualify as being measured at amortized cost or at fair value through other comprehensive income.

2) In a case carried at amortized costs or financial assets at fair values through other comprehensive income, when measurement or recognition inconsistency could be eliminated or significantly reduced, the Company designated the case as financial assets at fair value through profit or loss at the time of initial recognition.

3) The Company adopts transaction day accounting for financial assets at fair value through profit or loss consistent with transaction customs.

4) The Company measured at fair value at the time of initial recognition, and recognized related transaction costs in profit or loss and subsequently measured at fair value and the gains or losses were recognized in profit or loss.

5) When the right to receive dividends was ascertained and the economic benefits related to dividends were likely to flow inward while the amount of dividends could be reliably measured, the Company recognized the dividend income in profit or loss.

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

1) Referring to an irrevocable option at the time of initial recognition to report changes in the fair value of investments in equity instruments that were not held for trading in other comprehensive income; or the investment in debt instrument simultaneously met the following conditions:

A. The financial asset held under the business model of collecting cash flows under contracts and for the purposes of selling.

B. The cash flow generated on a specific date under the contract terms for the financial assets were completely intended to pay off the principal and the interest of the outstanding principals.

2) The Company adopts transaction day accounting for financial assets at fair value through comprehensive income consistent with transaction customs.

3) The Company measured at fair value plus transaction costs at initial recognition, and subsequently at fair value:

A. Changes in the fair value of equity instruments were recognized in other comprehensive income. When derecognized, the cumulative gains or losses previously recognized in other comprehensive income would not be reclassified to profit or loss and would be transferred to retained earnings instead. When the right to receive dividends was ascertained and the economic benefits related to dividends were likely to flow inward while the amount of dividends could be reliably measured, the Company recognized the dividend income in profit or loss.

B. Changes in the fair value of debt instruments were recognized in other comprehensive income, impairment losses before derecognition, interest income and gains and losses in foreign currency exchange were recognized in profit or loss, and at the time of derecognition, the cumulative gains or losses previously recognized in other comprehensive income were reclassified from the equity into profit or loss.

(9) Financial assets carried at amortized cost

1) Referring to the events that conform with the conditions as below simultaneously:

A. The financial assets held under the business model for the purposes of collecting cash flows under contracts.

B. The cash flow generated on a specific date under the contract terms for the financial assets were completely intended to pay off the principal and the interest of the outstanding principals.

2) The Company adopts transaction day accounting for financial assets carried at amortized cost consistent with transaction customs.

3) The Company measured at fair value plus transaction costs at initial recognition, and subsequently used the effective interest method to recognize interest income during the circulation period based on the amortization process, and recognized impairment losses, and when derecognized, the gains or losses were recognized in profit or loss.

4) The Company held time deposits that were not eligible for cash equivalent. As the holding period was short, the effect of discounting was insignificant, which was measured by the amount of investment.

(10) Accounts & notes receivable

Referring to the contract which had been received unconditionally for the accounts and notes for the right to consideration exchanged due to the transfer of products or labor services. As short-term accounts & notes receivable were paid without bearing interest, the impact of the discounting was insignificant, therefore, the Company measured at the initial amount.

(11) Impairment of financial assets

For investment in debt instruments at fair value through other comprehensive income, and financial assets carried at amortized cost and accounts receivable or contract assets that contain significant financial components, rent receivables, lending commitments and financial guarantee contracts, The Company, after considering all reasonable and corroborable information (including forward-looking perspectives) on each balance sheet date, measured by the amount of expected credit loss in twelve (12) months toward an insignificant increase in credit risk since initial recognition. For the credit risk has increased significantly since the original recognition, the allowance for loss was measured by the amount of expected credit loss during the existence period. For accounts or contract assets that do not include significant financial components, the allowance for losses measured by the amount of expected credit loss during the existence period.

(12) Derecognition of financial assets

The Company will derecognize financial assets when one of the following conditions is met:

1. When rights to contract of receiving cash flow from financial asset has expired.
2. Transfer of right to contract of receiving cash flow from financial asset, and when nearly all risk and reward associated with the said financial assets have been transferred.
3. Transfer of rights to contract of receiving cash flow from financial asset, and excluding control over the financial assets.

(13) Lease transaction of the lessor - rent receivables/operating leases

1) Pursuant to the terms and conditions under the lease agreements, when almost all the risks and rewards of lease ownership were borne by the lessee, they are classified as finance leases.

   A. As the lease started up, the net lease investment (including the original direct cost) was recognized as "rent receivables", and the difference between the total lease receivables and the present value was recognized as "unearned financing income from finance leases".

   B. Subsequent adoption of a systematic and reasonable basis to allocate financing income over the lease period to reflect a fixed rate of return on the net lease investment held by the lessor.

   C. The period related lease payments (excluding service costs) offset the total lease investment to reduce the principal and unearned financing income.

2) Lease income from operating leases, net of any incentives given to the lessee, was recognized as a current profit or loss and amortized on a straight line basis during the lease period.

(14) Inventory

Inventories were measured at the lower of cost and net realizable value, whichever is the lower under the perpetual inventory system adopted, and the cost was determined by the weighted average method. The cost of finished goods and work in progress includes raw materials, direct labor, other direct costs, and production-related manufacturing overhead (as normal capacity distribution), but excludes borrowing costs. Upon comparison of cost and the net realizable value, whichever was the lower, the itemized comparison method was adopted. The net realizable value refers to the balance of the estimated selling price in the ordinary course of business less the estimated costs remaining to be invested to completion and the estimated costs necessary to complete the sale.

(15) Investments accounted for using the equity method/subsidiaries

1) Subsidiaries are entities controlled by the Company (including structural entities). When the Company is exposed to the variable compensation from participation in an entity or is entitled to the said variable compensation and is capable of impacting the compensation through its power over the entity, the Company has control over the entity. The Company adopts the equity method when handling investments in subsidiaries. Upon acquisition, they are recognized by the cost,

including the goodwill already identified upon acquisition, with any accumulated impairment loss estimated to occur subsequently deducted.

2) The share of profit or loss for the Company after acquisition of a subsidiary is recognized as current profit and loss and the share of other comprehensive income after acquisition is recognized as other comprehensive income. When the share of loss recognized by the Company in its subsidiaries is equal to or exceeds the equity held by the Company in the subsidiaries, the shareholding ratio will continue to be applied in the recognition of loss.

3) The unrealized profits or losses of fair current transactions between the Company and subsidiaries were eliminated in the parent company only financial statements. The profits and losses generated from the countercurrent and side stream transactions between the Company and subsidiaries were recognized in the parent company only financial statements only to the extent that the Company has no interest in the subsidiaries. The accounting policies of subsidiaries have been adjusted as necessary, and the policies adopted by the Company have been consistent.

4) When changes in an subsidiary's equity are not recognized in profit or loss and other comprehensive income of the subsidiary and such changes do not affect the Company's shareholding ratio of the subsidiary, the Company recognizes the Company's share of change in equity of the subsidiary in 'capital surplus' in shareholding ratio.

5) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

6) When the Company loses control of a subsidiary, the Company measures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. The difference between fair value and carrying amount is recognized in current profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on other comprehensive income as previously recognized, its accounting treatment is on the same basis as would be required if the related assets or liabilities were disposed directly by the Company. That is, when the Company loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

7) As is required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, the current profit and loss and other comprehensive income in parent company only financial statements and those in the financial statements prepared on a consolidated basis that belong to the parent company's owners‘ amortizations are the same and the equities of the owners in parent company only financial statements and those in financial statements prepared on a consolidated basis that belong to the parent company's owners’ equity are identical.

(16) Property, plant and equipment

1) Property, plant and equipment are initially recorded at cost. Loans costs incurred during the construction period are capitalized. For property, plant and equipment under construction, samples produced while testing the proper functioning of

these assets before they reach their intended use are measured at the lower of cost or net realizable value, and the selling price and cost are recognized in profit or loss.

2) Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

3) Land is not depreciated. The subsequent measurement of other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

4) The assets' residual values, useful lives and depreciation methods are reviewed by the Company at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of various assets are as follows:

A.	Buildings & constructions	4 - 46 years
B.	Machinery & equipment	7 - 25 years
C.	Transportation facilities	2 - 6 years
D.	Other equipment	3 - 15 years

5) Property, plant and equipment is derecognized when disposed or with no economic benefit expected via utilization or disposal. The gain or loss from derecognizing property, plant and equipment recognized as profit or loss during the year at the difference between the proceeds and the carrying amount of the asset.

6) The Company's depreciable assets were originally used in the rate-decreasing method at the time of tax declaration; however, the Company has switched to use the average method in Year 1998. This change was already approved by the National Taxation Bureau of the Southern Area, Ministry of Finance with Letter (1998) Nan-Qu-Guo-Shui-Shen-I-Zi 87051967.

(17) Lease agreements of the lessee - right-of-use assets/lease liabilities

1) Lease assets were recognized as right-of-use assets and lease liabilities on the date when they became available for use by the Company. When the lease agreement was a short-term lease or lease of a low-value underlying asset, the lease payment was recognized as expense by straight-line method

2) In lease liabilities, the Company recognized the unpaid lease payments at the lease starting date at the present value of the Company’s incremental loan rate discounted. The lease payments include fixed payments, less any incentives that could be received for the lease. Subsequently the Company measure at the amortized cost method under the interest method and recorded as interest expenses during the lease period. When the non-contract modification caused a change in the lease period or lease payment, the lease liabilities would be reassessed, and the remeasurements would be adjusted to right-of-use assets.

3) The right-of-use assets were recognized at cost on the lease starting date and the cost includes the original measured amount of lease liabilities. The subsequent

measurement using cost model which were earlier at the end of the useful life of the right-of-use assets or at the end of the lease period while depreciation expenses were recorded. When lease liabilities were reassessed, right-of-use assets would adjust any remeasurement of the lease liabilities.

(18) Investment property

The investment property was real property held to earn either rent or capital appreciation or both, and also included real property held for which the future use has not yet been determined. The investment property was originally measured by acquisition cost, and was subsequently reduced by cost except for accumulated depreciation and accumulated impairment loss where the amount was measured. Except for land, depreciation was provided on the straight-line method according to the estimated useful life which was 56 years. While the investment property was derecognized, the difference between the net disposal price and the carrying amount of such assets was recognized in profit or loss.

(19) Impairment loss on non-financial assets

The Company estimates the recoverable amount of assets with signs of impairment on the balance sheet date. When the recoverable amount was lower than its carrying amount, the impairment loss would be recognized. The recoverable amount refers to the fair value of an asset less disposal cost or its value in use, whichever is higher. Except for goodwill, when the impairment of assets recognized in previous years did not exist or decrease, the impairment loss would be reversed, but the asset carrying amount increased by the impairment loss should not exceed the carrying amount after depreciation or amortization of the asset if no impairment loss was recognized.

(20) Loans

Loans are recognized initially at fair value, net of transaction costs incurred. Loans are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the loans using the effective interest method.

(21) Accounts payable

Accounts payable are obligations to pay for products or labor services that have been acquired in the ordinary course of business from suppliers. They are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. However, short-term accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(22) Financial liabilities at fair value through profit or loss

1) Referring to the main purpose of the sale or repurchase in the latest period, and financial liabilities held for trading except for derivatives instruments that are designated as hedging instruments under hedge accounting. The financial liabilities at fair value through profit or loss were designated on the Initial recognition. When a financial liability meets one of the following conditions, the Company measured at fair value through profit loss on the initial recognition:

   A. Including hybrid contracts with embedded derivatives and the main contracts not an asset defined by IFRS 9; or

   B. Where the inconsistency in significant decrease measurement or recognition could be eliminated; or

   C. Pursuant to the documented risk management policies, the instruments with performance evaluated in fair value based management.

2) The Company measured at fair value at the time of initial recognition, and

recognized the related transaction costs in profit or loss and subsequently measured at fair value and the gains or losses were recognized in profit or loss.

3) In case of a financial liability designated to be measured at fair value through profit or loss where the amount of change in fair value resulted from credit risk, except for avoiding improper accounting ratios or loan commitments and financial guarantee contracts, the Company recognized the same in other comprehensive income.

(23) Provisions

The Company is under current statutory or constructive obligation due to past events, very likely that economically efficient resources would need to be discharged to settle such obligation and the amount of the obligation could be reliably estimated when the provisions were recognized. The measurement of provisions is based on optimal estimated present value of the expenditure required to settle the obligation on the balance sheet date. The discount rate uses the pre-tax discount rate that reflects the current market assessment of the time value of currency and the specific risk of the liability. The amortization discounted is recognized as interest expenses. The future loss in operations should not be recognized as provisions.

(24) Employee benefits

1) Short-term employee benefits

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

2) Post-employment benefits

A. Defined contribution plans

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

B. Defined benefit plans

① Net obligation under a defined benefit plans is defined as the present value of an amount of future benefits that employees will receive for their services with the Company in the current year or prior periods, and the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The discount rate is determined by reference to the balance sheet date, the currency of defined benefit plans and the market yield of high-quality corporate bonds that were consistent during the period. The countries of such bonds without in-depth market adopt the market yield of government bonds (as of the balance sheet date).

② Remeasurement arising on defined benefit plans is recognized in other comprehensive income in the current year in which they arise, and expressed in the retained earnings.

③ The expenses related to the service cost of the prior period were immediately recognized into profit or loss.

3) Termination benefits

Termination benefits refers to the benefits provided by the termination of the employment before the normal retirement date or when the employee decides to accept the Company's benefits offer in exchange for termination of the employment. The cost of restructuring was not recognized until the moment while the Company could no longer revoke a contract for termination benefits or the restructuring cost was recognized, whichever came the earlier. Termination benefits that were not expected to be fully settled twelve (12) months after the balance sheet date should be discounted.

4) Compensation to employees and remuneration to directors and supervisors

Compensation to employees and remuneration to directors and supervisors are recognized as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Subsequently, any difference between actual distributed amounts as resolved and estimated mounts is accounted for as changes in estimates.

(25) Financial liabilities & equity instruments

1) Classification of financial liabilities or equity instruments

The liability and equity instruments issued by the Company were classified as financial liabilities or equity according to the substance of the contract agreement and the definition of financial liabilities & equity instruments.

2) Equity instruments

The "equity instruments" refers to any contract that recognizes the remaining equity of an enterprise after the assets are deducted from all its liabilities. The equity instruments issued by the Company are recognized at the price obtained after deducting the direct issue cost.

3) Financial liabilities

In case of financial liabilities that were not held for trading purposes and were not designated as measured at fair value through profit or loss, such financial liabilities were measured at amortized cost at the end of the subsequent accounting period.

4) Derecognition of financial liabilities

The Company did not derecognize financial liabilities until the obligations were lifted, cancelled or lapsed. When financial liabilities were derecognized, the difference between their carrying amount and total consideration paid or payable (including any transferred non-cash assets or liabilities assumed) was recognized into profit or loss.

5) Inter-offset of financial assets and liabilities

The financial assets and financial liabilities were not offset against each other and expressed in net in balance sheet until there was a legally enforceable right to offset the recognized amount of financial assets and liabilities with an intention to deliver on a net basis or achieve assets and liquidate liabilities at the same time.

(26) Share capital & treasury stocks

1) Share capital

Common shares were classified as equity. The classification of preferred shares refers to the definition of substantial contractual agreement, financial liabilities and equity instruments, and evaluates the specific rights attached to preferred shares. When the basic characteristics of financial liabilities were exhibited, they were classified as liabilities; otherwise they would be an equity. The net of increase in costs directly attributable to issuance of new share or share warrants after deducting income tax is recorded as the deduction of share prices.

2) Treasury stocks

The Company withdrew the issued outstanding shares and recognized them as "treasury stocks" based on the consideration paid at the time of purchase (including direct attributable costs) as a deduction of equity. Where the price of the disposal of treasury stocks is higher than the carrying amount, the difference was listed as capital surplus-treasury stocks transactions. Where the disposal price is lower than the carrying amount, the difference is offset against the asset surplus generated by the exchange of the same type of treasury stocks. In case of a shortfall, the surplus is debited in the retained earnings. The carrying amount of treasury stocks is taken weighted average and calculated separately according to the reason for recovery.

When treasury stocks are cancelled, the capital surplus is debited according to the proportion of equity - share certificates issuance premium and share capital, where the carrying amount is higher than the face value and the total value of the stock issuance premium, the difference would be offset against the capital generated by the exchange of the same type of treasury stocks. In case of a shortfall, it would be offset against the retained earnings. Where the carrying amount is lower than the face value and the total of the stock issuance premium, the capital surplus generated by the same type of treasury stocks exchanges would be credited.

Where subsidiary held the Company's stocks using the equity method to recognize the share of profit and loss and prepare financial statements, the subsidiary's stocks of the Company should be dealt with as treasury stocks.

(27) Shares-based payment

1) The shares-based payment agreement upon equity settlement was pursuant to the employee service acquired at fair value of the given equity commodities on the given day, and was recognized as compensation costs during the vesting period, and the equity was relatively adjusted. The fair value of equity commodities should be reflected with the influence of the market price vested conditions and the non-vested conditions. The recognized compensation cost was adjusted according to the expected amount of incentive rewards that meet the service condition and the non-market price vested condition until the final recognition amount was recognized in the vested amount.

2) The shares-based payment agreement settled in cash was based on the fair value of the liabilities assumed, recognized as compensation costs and liabilities within the vesting period, and was based on the fair value of the equity commodities given on each balance sheet date and settlement date to measure, any change recognized as profit or loss of the current year.

(28) Income tax

1) The income tax expenses comprise current and deferred income tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the income tax is recognized in other comprehensive income or directly in equity, respectively.

2) The Company calculates the income tax payable for the current term exactly in accordance with the tax rates that had been enacted or substantially enacted in the countries for the income tax as of the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable relevant laws of income tax, and under the fact of situations, the income tax liabilities estimated shall be paid to tax collection authority. The unappropriated earnings having been consolidated were charged for the income tax. The income tax expense of unappropriated earnings was recognized based on the actual distribution of the earning as resolved in the shareholders’ meeting in the year ensuing the year in which the earnings were yielded.

3) Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the balance sheets. However, the deferred income tax liability is not accounted for if it arises from initial recognition of goodwill. If a deferred income tax arises from the initial recognition of an asset or a liability in a transaction (excluding business combinations), does not affect accounting profits or taxable incomes (losses) at the time of the transaction, and no corresponding taxable incomes or elimination of temporary differences has been incurred, it will not be recognized. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted as of the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

4) Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred income tax assets are reassessed.

5) Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

6) The Company's tax incentives oriented expenditures that comply with the statutory incentives were accounted with use of income tax deduction accounting. The unused income tax credit was transferred into the latter period of time within the scope as the credit ready for future use, duly recognized deferred income tax assets.

7) The difference between the previous year's estimated income tax of the Company and the adjustment difference approved by the tax collection authority was recognized as the adjustment items of the income tax of the current year.

(29) Recognition of revenues

After identifying the performance obligations under a customer contract, the Company distributed the transaction price to each performance obligation and recognized revenue when the performance obligations were fulfilled.

1) Sales revenues

A. All products manufactured by the Company and sold into the market were recognized as revenue when the control over the product was transferred to the customers. To put it in more understandable terms, when the products were delivered to the customers, the customers have discretion on the channel and price of product sales, and the Company was not in any outstanding performance obligations that might affect the customers' acceptance of the products. When the products were shipped to a designated location, the risk of obsolescence and loss has been transferred to the customers and the customers would accept the products according to the sales contract. The delivery of the products did not occur until there was objective evidence to prove all standards/criteria for acceptance have been met.

B. Where the Company provides standard warranty on the products sold and is obliged to refund for defective products, the provisions were recognized at the moment of sales.

C. Accounts receivable were recognized at the moment when the goods were delivered to the customers. At that timepoint, the Company was entitled to the unconditional rights to the contract price and the price could be received from the customers only after the time elapsed. The advance receipts before the arrival of the products was recognized as a contract liability.

D. The control of the ownership of the processed products was not transferred upon processing of the materials so that the income was not recognized when the material was forwarded.

2) Refund liabilities

Sales and labor service revenues were recognized at the contract price net of estimated discounts and other similar discounts. The amounts recognized as revenues would be limited to the portion of the future height that was unlikely to undergo a major turnaround, and was included in each asset estimates updated on the balance sheet date. Sales and labor service estimated discounts payable to customers and other similar discounts as of the balance sheet date were recognized as refund liabilities.

3) Financing component

Under the contracts signed by and between the Company and the customers, the collection conditions of the sales and labor service transactions were consistent with the market practice. It was, therefore, judged that the contracts did not contain a significant financing component. In addition, the time interval for transferring the promised goods or labor services and receiving the consideration amidst the contracts was within one year. The significant financing component would not adjust the transaction price to reflect the time value of the currency.

4) Costs to acquire contracts from customers

Although the incremental costs incurred by the Company in obtaining a customer contract were expected to be recoverable, the relevant contract period was shorter than one year. These costs were, therefore, recognized as current operating costs or expenses at the moment of occurrence.

(30) Government grants

Government grants are recognized at their fair value only when there is reasonable assurance that the Company will comply with any conditions attached to the grants and the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes expenses for the related costs for which the grants are intended to compensate. If it is intended for the purpose of providing immediate financial support to the Company and there is no future related cost, it got the profit or loss recognized during the period when such could be received. Such government grants related to property, plant and equipment were recognized as noncurrent liabilities, and were recognized as current profit or loss using the straight-line method based on the estimated useful life of the relevant assets.

5. Major Sources Leading to Material Accounting Judgments, Estimates and Assumption Uncertainties

The results of the Company's parent company only financial statements would be affected by the adoption of accounting policies, accounting estimates and assumptions. Therefore, when the Company adopted the significant accounting policies under Note 4, the acquisition of assets from other sources would result in the carrying amount of assets and liabilities in the next information on significant adjustment risks in the parent company only financial statements that would require management to use appropriate professional judgment, estimates and assumption uncertainties. The Company's estimates and relevant assumptions were based on the optimal estimates pursuant to the requirements of IFRS endorsed and issued to take effect by the FSC. Estimates and assumptions would be based on historical experience and other factors considered to be relevant, but actual results and estimates might differ. The Company continues to review the estimates and assumptions. Where the revision of the estimate would only affect the current year, the accounting estimate would be recognized in the current year. Where the estimation affects both the current year and the future period, then it would be recognized in the estimated and amended current year and future period.

(1) Major judgments to adopt accounting policies

In addition to an involvement in judgments related to and estimates (see (2) below), the management's judgments in the process of adopting accounting policies that have the most significant impact on the recognized amounts of the financial statements are as follows:

1) Judgment of business model of financial asset classification

The Company evaluates the business model of financial assets based on the level of financial assets that are jointly managed to achieve a specific business purpose. This evaluation calls for consideration of all relevant evidence, including asset performance measurement methods, risks affecting performance, and the salary determination method of relevant managers, salary determination method where the judgment was required. The Company continuously assesses whether its business model judgment is appropriate, and monitors the financial assets carried at amortized cost and investment in debts instruments at fair value through other comprehensive income to look into the reasons for its disposition to assess whether the disposition would be consistent with the business model's objectives. Whenever the business model was found to have changed, the Company would postpone the adjustment of the subsequent classification of financial assets.

2) Commitment to operating lease - the Company is the Lessor

The Company has signed commercial property agreements toward some property portfolios. Based on its evaluation of the agreed terms, the Company still retains significant risks and rewards of ownership of these properties and treats these leases as operating leases.

3) Investment property

The purpose of part of the property held by the Company was intended to earn rent or capital appreciation. It also includes property held for the purpose of which the future has not yet been determined. Other parts were used by the Company itself. When the respective parts could be solely sold, such property would not be classified under the investment property only the portion in the Company's own use accounted for a not significant portion of the respective property.

4) Leased term

In determining the lease term of the leased assets, the Company takes into account all relevant facts and circumstances that might generate economic incentives to exercise (or not to exercise) the option, including all facts and circumstances from the start of the lease to the day when the option is exercised with expected changes. The main factors taken into account include the contract terms and conditions during the period covered within the option, significant lease interest improvements during the contract period, and the importance of the underlying assets to the lessee's operations and the like. Significant changes in such matters or circumstances within the control of the Company when it occurred while the Company reassessed the lease term anew.

(2) Major accounting estimation & assumptions

The accounting estimates conducted by the Company were based on the reasonable expectations of future events on the grounds of the situation on a specific day, but the actual results might differ from the estimates, and the assets and liabilities of the next financial year might have significant adjustments to the risk of carrying amount and assumptions. Please note the following instructions:

1) Estimated impairment of financial assets

The impairment of accounts receivable and contract assets was estimated based on the Company's assumptions about the default rate and the expected loss rate. The Company took into account historical experience, current market conditions and forward-looking information to work out assumptions and select input values for impairment assessment. For more details regarding the important assumptions and input values please refer to Note 6 (3). In the event that the actual future cash flow is below expected, it might cause significant impairment losses. The carrying amount of the Company’s receivables was NT$1,042,154 thousand and NT$1,113,166 thousand, respectively as of December 31, 2023 and 2022.

2) Evaluation of inventory

Since inventory should be measured at the lower of cost or net realizable value, the Company shall use judgment and estimation to decide the net realizable value at the balance sheet date. Due to the rapid changes of the industrial environment, the Company assesses the amount of inventory on the balance sheet date that has undergone normal wear and tear, obsolescence or no market sales value, and will mark down the cost of inventories to the net realizable value. This assessment of inventories primarily uses product need within a certain period in the future as the basis of estimation, and thus material changes could occur. As of December 31, 2023 and 2022, the carrying amount of the Company's inventories was NT$1,550,644 thousand and NT$1,262,365 thousand, respectively. (After deducting loss on allowance for obsolescence and market price decline of inventories of NT$104,009 thousand and NT$53,958 thousand, respectively)

3) Fair value measurement and evaluation process

Where the assets and liabilities measured at fair value were not quoted in the active market, the Company would decide whether to outsource the valuation and determine the appropriate fair value technology according to relevant laws or judgments. Where the fair value was estimated, the level 1 input value could not be obtained for the value, the Company would refer to the analysis of the financial status and operating results of the investee, the latest transaction price, the quote of the same equity instrument in the non-active market, the quote of similar instruments in the active market, and the comparable company evaluation multiplier to determine the input value. If the actual changes in future input values and expectations would differ, fair value changes might occur. The Company regularly updated each input value according to market conditions to monitor whether fair value measurement was appropriate. For more details regarding the fair value evaluation techniques and input value, please refer to the descriptions of Note 12 (4). As of December 31, 2023 and 2022, the Company's holdings of unlisted (OTC) company stocks and limited partnership investments showed the carrying amounts of NT$56,341 thousand and NT$95,257 thousand, respectively.

4) Evaluation on impairment of investment accounted for using the equity method

Whenever there was an indication of impairment that an investment accounted for using the equity method might have been impaired while the carrying amount could not be recovered, the Company immediately assessed the impairment of the investment. The Company assessed the impairment based on the discounted value of the expected future cash flow of the investee or cash dividends receivable to be expected and disposal of the discounted value of future cash flows from the investment to assess the recoverable amount and analyze the reasonableness of its related assumptions. For the years ended December 31, 2023 and 2022, there is no material investment impairment loss based on the Company's careful evaluation.

5) Assessment onto the impairment of tangible assets

In the process of asset impairment assessment, the Company was required to rely on subjective judgment and asset usage patterns and industry characteristics to determine the independent cash flow of a particular asset Company, years of useful life, the future revenue and expenses that might be cause significant impairment in the future due to economic condition changes or estimated changes caused by strategies. As of December 31, 2023 and 2022, the accumulated impairment of tangible assets recognized by the Company was NT$39,100 thousand and NT$37,500 thousand, respectively.

6) Realizability of deferred income tax assets

Deferred income tax assets are recognized when there is a possibility in the future that there would be sufficient taxable income for the purpose of deducting temporary differences. Upon assessment of the realizability of deferred income tax assets, significant accounting judgments and estimations of the management must be involved including expected future sales revenue growth and profit margins, usable income tax credits, tax planning and other assumptions. Any changes in the global economic environment, industrial environment and changes in laws and regulations might cause significant adjustment of deferred income tax assets. As of December 31, 2023 and 2022, the deferred income tax assets recognized by the Company were NT$239,808 thousand and NT$59,949 thousand, respectively. The deferred income tax assets not recognized by the Company due to non-probable taxable income were NT$686 thousand for both.

7) Calculation of long-term employee benefits liabilities

Upon calculation of the present value of the benefit obligations, the Company must use judgments and estimates to determine the relevant actuarial hypotheses on the balance sheet date, including the discount rate and future salary growth rate. Any changes in actuarial assumptions should significantly affect the Company’s amount of defined benefit obligations. As of December 31, 2023 and 2022, the carrying amounts of the Company’s long-term employee benefits liabilities (including net defined benefit liabilities and provisions - noncurrent) were NT$15,179 thousand and NT$14,361 thousand, respectively; the carrying amounts of the net defined benefit assets - noncurrent were NT$53,907 thousand and NT$44,498 thousand, respectively.

8) Lessee's incremental loan interest rate

When determining the interest rate of the lessees' incremental loan used for discounting lease payments, the Company used the risk-free interest rate of the equivalent duration and currency as the reference interest rate, and discounted the estimated lessee's credit risk allowance and lease specific adjustments (e.g., asset characteristics and factors such as guarantees) to be taken into account.

6. Summary of Important Accounting Items

(1) Cash & cash equivalents

Items	December 31, 2023	December 31, 2022
Cash and petty cash	$ 348	$ 354
Checking deposits	121	98
Demand deposits	55,844	15,481
Deposit in foreign currency	135,730	316,169
Time deposits with original maturity within three months	-	10,652
Total	$ 192,043	$ 342,754

1) The Company's cash & cash equivalents have not been used for collateral or pledge.

2) As of December 31, 2022, the interest rate range in the market for the Company's time deposit with original maturity within three months was 0.90% per annum, either floating or on a fixed rate basis.

(2) Notes receivable

Items	December 31, 2023	December 31, 2022
Total notes receivable	$ 1,123	$ 950
Less: Allowance loss	-	-
Net	$ 1,123	$ 950

1) The Company's notes receivable have not been overdue and the expected credit loss rate was 0%.

2) The Company's notes receivable have not been used for collateral or pledge.

(3) Accounts receivable (including related parties)

Items	December 31, 2023	December 31, 2022
Total accounts of receivable	$ 992,779	$ 1,064,477
Less: Allowance loss	-	-
Subtotal	992,779	1,064,477
Total accounts receivable - related parties	10,422	4,482
Less: Allowance loss	-	-
Subtotal	10,422	4,482
Net	$ 1,003,201	$ 1,068,959

1) The age analysis of accounts receivable (including related parties) and the allowance loss measured by the preparation matrix are as follows:

Account aging interval	December 31, 2023			December 31, 2022		
	Total amount	Allowance loss	Net	Total amount	Allowance loss	Net
Not overdue	$ 970,258	$ -	$ 970,258	$ 1,024,488	$ -	$ 1,024,488
1 - 30 days overdue	32,943	-	32,943	44,471	-	44,471
31 - 90 days overdue	-	-	-	-	-	-
91 - 180 days overdue	-	-	-	-	-	-
181 - 365 days overdue	-	-	-	-	-	-
More than 365 days overdue	-	-	-	-	-	-
Total	$ 1,003,201	$ -	$ 1,003,201	$ 1,068,959	$ -	$ 1,068,959

The above analysis is based on the number of days past due.

The expected credit loss rate of the Company's aforementioned account aging intervals (excluding abnormal amounts which should be recorded at 100%): except the impairment losses recognized for individual customers according to actual credit losses, accounts non-overdue and overdue within 30 days 0%, 31 to 90 days overdue 5%, 91 to 180 days overdue 30%, 181 days to 365 days overdue 50%, more than 365 days overdue 100%.

The Company's accounts receivable not overdue were expected to have a very low risk of credit loss; For other accounts receivable which had been overdue as of the balance sheet date, the Company has taken into account other credit enhancement protection, post-period collection, and deductions and the like. After reasonable and corroborable information, it is assessed that there was no significant change in its credit quality, and the credit risk has not increased significantly since the initial recognition. Therefore, the management of the Company expects that no credit loss of accounts receivable will be caused by default of transaction counterparties.

2) The Company adopted the simplified method of IFRS 9, and recognized the expected credit loss during the existence in the accounts receivable allowance loss. The expected credit loss during the existence was calculated using the reserve matrix, with consideration of the customers' past default record and historical experience of collection, increase in delayed payments beyond the average credit period, and at the same time with consideration of the current financial status of customers, and observable national or regional industrial economic situation changes related to the arrears of receivables and future prospects such as outlook considerations. As the Company's historical experience of credit losses indicates that there would be no significant differences in the loss patterns of different customer bases, the preparation matrix did not further distinguish the customer bases, only the accounts receivable days past due and actual conditions would determine the expected credit loss rate. The Company did not hold any collateral for these accounts receivable.

   If there was evidence indicating that the counterparty was facing serious financial difficulties and the Company could not reasonably anticipate the recoverable amount, the Company would recognize 100% allowance loss or directly write off the related accounts receivable, but would, meanwhile, continue to recourse the activities due to the amount recovered and recognized in profit or loss.

3) Analysis of changes in allowance loss for accounts receivable (including related parties): Nil

4) The Company's accounts receivable (including related parties) have not been used for collateral, pledge.

(4) Other receivables

Items	December 31, 2023		December 31, 2022	
Interest receivable	$	333	$	13
Tax refund receivable		18,999		32,692
Allowance receivable		-		2,181
Disbursements receivable		4,073		-
Others		-		110
Total	$	23,405	$	34,996

(5) Inventories

Items	December 31, 2023 Cost	December 31, 2023 Valuation allowance	December 31, 2023 Carrying amount	December 31, 2022 Cost	December 31, 2022 Valuation allowance	December 31, 2022 Carrying amount
Raw materials	$ 246,889	$ 2,226	$ 244,663	$ 301,490	$ 13,872	$ 287,618
Supplies	188,615	11,790	176,825	192,059	7,889	184,170
Work in process	75,487	6,367	69,120	66,086	2,049	64,037
Partly-finished goods	564,816	56,813	508,003	417,730	20,028	397,702
Finished goods	268,855	26,590	242,265	193,430	9,732	183,698
By-products	2,802	223	2,579	2,571	388	2,183
Inventory in transit	307,189	-	307,189	142,957	-	142,957
Total	$ 1,654,653	$ 104,009	$ 1,550,644	$ 1,316,323	$ 53,958	$ 1,262,365

1) The amounts of sales costs linked up with inventory are as follows:

Items	Year Ended December 31, 2023	Year Ended December 31, 2022
Inventory sales transferred to cost of sales	$ 13,079,997	$ 14,830,190
Plus: Unamortized labor and manufacturing overhead	182,369	230,712
Plus: Loss on net realizable value of inventory	50,051	-
Less: Recovery in net realizable value of inventory	-	(10,515)
Less: Profit on Inventories(net)	(305)	(26,179)
Less: income of off-grades & scrap material sold	(4,207)	(5,437)
Account recorded in operating costs	$ 13,307,905	$ 15,018,771

2) The Company's operating costs, including the gain (loss) in net realizable value of inventory for the years ended December 31, 2023 and 2022 were NT$50,051 thousand and (NT$10,515) thousand, respectively. The loss in net realizable value of inventories was due to the decrease in selling prices of products in certain markets and the increase of slow-moving inventories.

3) The Company's inventory has not been used for collateral or pledge.

(6) Prepayments

Items	December 31, 2023	December 31, 2022
Prepayment of short-term lease agreement fees/rent	$ 85	$ 95
Prepayment on sales	55,065	38,903
Prepayment of insurance premium	21,458	14,901
Prepaid service fees	-	1,500
Input tax	37,109	19,049
Tax credit	22,684	12,373
Others	2,022	1,230
Total	$ 138,423	$ 88,051

(7) Other financial assets - current

Items	December 31, 2023	December 31, 2022
Time deposits with original maturity more than three months	$ -	$ 24,654

1) The time deposits with original maturity of over three months in bank held by the Company did not meet the definition of cash equivalents. They are, therefore, classified under other financial assets - current, as the effect of discounts during the short holding period was insignificant, which was measured by the amount of investment. As of December 31, 2022, the interest rate range in the market for the time deposits with original maturity of over three months in bank was 2.38% - 3.00%.

2) The Company assessed that the expected credit risk of the above financial assets was not high, and the credit risk has not increased after the initial recognition.

3) None of the Company's fixed-term deposits with an original maturity of over three months was collateralized or pledged.

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

Items	December 31, 2023	December 31, 2022
Listed company stocks in Taiwan		
China Development Financial Holding Corporation	$ 239,363	$ 239,363
Unlisted company stocks in Taiwan and abroad		
He Xin Venture Investment Enterprise Co., Ltd.	18,412	18,412
YODN Lighting Corp.	2,478	2,478
Bridgestone Taiwan Co., Ltd.	42,561	42,561
Subtotal	302,814	302,814
Plus: Evaluation adjustment	20,810	60,791
Net	$ 323,624	$ 363,605

1) The aforementioned investments held by the Company were not in a short-term profitable operating mode. The management believes that if the short-term fair value fluctuations of these investments were included in the profit or loss, and the aforementioned investment plans were inconsistent, they chose to designate these investments at fair value through other comprehensive income.

2) The Company's net loss recognized in other comprehensive income for the years ended December 31, 2023 and 2022 due to changes in fair value were NT$39,981 thousand and NT$108,646 thousand, respectively and accumulated in other equity; in addition, the amount of accumulated loss due to disposal of investment transferred directly to the retained earnings were NT$0 thousand for both.

3) The financial assets at fair values through other comprehensive income - noncurrent held by the Company have not been used for collateral or pledge.

(9) Investments accounted for using the equity method

1) Investments in subsidiaries

Name of subsidiary	December 31, 2023 Carrying amount	December 31, 2023 Shareholding %	December 31, 2022 Carrying amount	December 31, 2022 Shareholding %
GPPC Chemical Corporation	$ 473,147	100.00%	$ 567,418	100.00%
GPPC Investment Corp.	308,208	81.60%	263,832	81.60%
GPPC Development Co., Ltd.	14,505	42.86%	25,242	30.43%
Videoland Inc.	5,231,344	62.29%	5,277,995	62.29%
KK Enterprise Co., Ltd.	144,112	15.73%	144,109	15.73%
Goldenpacific Equities Ltd.	737,167	100.00%	632,531	100.00%
Land & Sea Capital Corp.	12,818,132	100.00%	13,588,904	100.00%
QuanZhou Grand Pacific Chemical Co., Ltd.	10,890,675	100.00%	10,058,425	100.00%
Total	$ 30,617,290		$ 30,558,456	

2) The total number of stock options in GPPC Development Co., Ltd. and KK Enterprise Co., Ltd. held by the Company and its subsidiary Videoland Inc. has reached the control level and hence valuation is done using the equity method.

3) The Company remitted NT$3,433,392 thousand in March 2022 as the third phase investment in the capital increase of QuanZhou Grand Pacific Chemical Co., Ltd. The verification of capital increase was completed on April 25, 2022. The investment was approved by the Investment Commission, Ministry of Economic Affairs via Letter Jing-Shen-II-Zi No. 11100001240 dated January 22, 2022.

4) The Company remitted NT$1,144,464 thousand in January 2023 as the fourth phase investment in the capital increase of QuanZhou Grand Pacific Chemical Co., Ltd. The verification of capital increase was completed on January 30, 2023. The investment was approved by the Investment Commission, Ministry of Economic Affairs via Letter Jing-Shen-II-Zi No. 11100183310 dated November 25, 2022.

5) GPPC Development Co., Ltd. increased its capital by 10,000 thousand shares for NT$100,000 thousand on December 2, 2022. The Company subscribed 2,000 thousand shares at NT$10 per share for NT$20,000 thousand in total. The Company's shareholding ratio decreased from 38.46% to 30.43% because the Company did not subscribe in proportion to its shareholding. Since the above transaction did not change the Company's control over GPPC Development Co., Ltd., it was treated as an equity transaction. The difference of NT$10,889 thousand from this equity transaction was recorded as an increase in capital surplus - recognition of change in ownership interest in a subsidiary.

6) GPPC Development Co., Ltd. conducted a capital increase by issuing 12,000 thousand shares for NT$120,000 thousand with June 19, 2023 as the record date. The Company subscribed 8,000 thousand shares at NT$10 per share for NT$80,000 thousand in total. The Company's shareholding ratio increased from 30.43% to 42.86% because the Company did not subscribe pro rata to its shareholding. Since the above transaction did not change the Company's control over GPPC Development Co., Ltd., it was treated as an equity transaction. The difference of NT$27,850 thousand from this equity transaction was recorded as a decrease in capital surplus - recognition of change in ownership interest by NT$17,844 thousand in a subsidiary and change in retained earnings by NT$10,006 thousand.

7) The shares of profits and losses and other comprehensive income of subsidiaries accounted for using the equity method for the years ended December 31, 2023

and 2022 were recognized based on the financial statements audited by CPAs during the same period of respective subsidiaries

8) In the years ended December 31, 2023 and 2022, the financial statements of the reinvestee through Videoland Inc. in equity method－Videoland International Limited, Citiesocial Co., Ltd., Citiesocial Holding Cayman Co., Ltd. and the reinvestee through KK Enterprise Co., Ltd. in equity method－KK Enterprise (Malaysia) Sdn. Bhd. and the reinvestee of Land & Sea Capital Corp. in equity method － Zhenjiang Chimei Chemical Co., Ltd. and Zhangzhou Chimei Chemical Co., Ltd. have not been audited by us, the Undersigned certified public accountant but have been audited by other certified public accountant(s) instead. Accordingly, the amounts in the financial statements of the aforementioned companies and the relevant information of the aforementioned companies disclosed under Note 13 were provided exactly in accordance with the audit reports issued by other CPAs.

9) Shares of profits or losses of subsidiaries accounted for using the equity method and other comprehensive income are as follows:

	Year Ended December 31, 2023		Year Ended December 31, 2022	
Name of subsidiary	Recognized in current profit/loss	Recognized in other comprehensive income	Recognized in current profit/loss	Recognized in other comprehensive income
GPPC Chemical Corporation	($ 13,866)	($ 32,178)	$ 48,045	($ 55,252)
GPPC Investment Corp.	(2,429)	46,805	(8,604)	(17,165)
GPPC Development Co., Ltd.	(62,887)	-	(52,141)	-
Videoland Inc.	726	(29,960)	158,504	(555,109)
KK Enterprise Co., Ltd.	5,233	(1,263)	3,995	1,547
Goldenpacific Equities Ltd.	2,616	102,020	(106)	(47,786)
Land & Sea Capital Corp.	(568,283)	(202,489)	156,202	365,959
QuanZhou Grand Pacific Chemical Co., Ltd.	(15,336)	(296,878)	(47,640)	12,698
Total	($ 654,226)	($ 413,943)	$ 258,255	($ 295,108)

Note: Share of other comprehensive income of subsidiary accounted for the using equity method and individual statements of comprehensive income are reconciled as follows:

Items	Year Ended December 31, 2023	Year Ended December 31, 2022
Share of other comprehensive income of subsidiary accounted for using the equity method		
- Items that will not be reclassified subsequently to profit or loss	$ 88,344	($ 754,345)
- Items that may be reclassified to profit or loss	(549,333)	335,694
- Income tax related to items that may be reclassified to profit/loss	47,046	123,543
Total	($ 413,943)	($ 295,108)

10) The value of investments accounted for using the equity method was adjusted down (up) due to unrealized sales income (loss) for the years ended December 31, 2023 and 2022 to (NT$4,529) thousand and (NT$1,358) thousand, respectively. The value of investments accounted for using the equity method adjusted up (down) for realized sales income (loss), on the other hand, was (NT$1,358) thousand and (NT$6,034) thousand, respectively.

11) The value of investments accounted for using the equity method adjusted down because of the receipt of cash dividends from investees by the Company

accounted for using the equity method for the years ended December 31, 2023 and 2022 was NT$78,647 thousand and NT$425,185 thousand, respectively.

12) For the years ended December 31, 2023 and 2022, the Company increased (reduced) its investment accounted for using the equity method by NT$3,695 thousand and (NT$20,919) thousand due to the change in ownership interest in subsidiaries.

13) For the years from January 1 to December 31, 2023 and 2022, the Company increased its investment accounted for using the equity method by NT$216 thousand and NT$0, respectively, due to share-based payments by subsidiaries and according to its ownership in these subsidiaries.

14) The value of investments using the equity method adjusted up because of the release of dividends by the Company to its subsidiaries that is considered a treasury stock transaction for the years ended December 31, 2023 and 2022 was NT$1,954 thousand and NT$4,617 thousand, respectively. Please refer to Note 6 (31) for details.

15) None of the Company's Investments accounted for using the equity method is provided as collateral or pledged.

16) With regards to the information on subsidiaries of the Company, please refer to Note 4 (3) of the Company's 2023 consolidated financial statement.

17) For the information on the Company's investment in QuanZhou Grand Pacific Chemical Co., Ltd. and other investments in China through Land & Sea Capital Corp. and KK Enterprise Co., Ltd., please refer to the information on investments in China disclosed in Note 13 (3).

(10) Property, plant and equipment

Items	December 31, 2023	December 31, 2022
Land	$ 3,052,970	$ 3,052,970
Buildings & constructions	1,224,899	1,202,059
Machinery & equipment	11,709,480	11,615,462
Transportation facilities	35,618	34,738
Other equipment	1,328,465	1,307,273
Construction in progress and Equipment to be inspected	18,787	35,239
Total costs	17,370,219	17,247,741
Less: Accumulated depreciation	(12,658,066)	(12,180,166)
Less: Accumulated impairment	(39,100)	(37,500)
Net	$ 4,673,053	$ 5,030,075

Items	Land	Buildings & constructions	Machinery & equipment	Transportation facilities	Other equipment	Construction in progress and equipment to be inspected	Total
Cost:							
Balance at January 1, 2023	$ 3,052,970	$ 1,202,059	$ 11,615,462	$ 34,738	$ 1,307,273	$ 35,239	$ 17,247,741
Addition	-	11,231	81,504	880	46,149	12,910	152,674
Disposal	-	-	(1,290)	-	(7,751)	-	(9,041)
Reclassification (Note)	-	11,609	13,804	-	(17,206)	(29,362)	(21,155)
Balance at December 31, 2023	$ 3,052,970	$ 1,224,899	$ 11,709,480	$ 35,618	$ 1,328,465	$ 18,787	$ 17,370,219

Items	Land	Buildings & constructions	Machinery & equipment	Transportation facilities	Other equipment	Construction in progress and equipment to be inspected	Total
Accumulated depreciation and impairment loss:							
Balance at January 1, 2023	$ -	$ 787,064	$ 10,667,279	$ 32,330	$ 730,993	$ -	$ 12,217,666
Depreciation expenses	-	31,405	323,084	1,117	131,334	-	486,940
Disposal	-	-	(1,289)	-	(7,751)	-	(9,040)
Impairment loss	-	-	-	-	1,600	-	1,600
Reclassification	-	-	-	-	-	-	-
Balance at December 31, 2023	$ -	$ 818,469	$ 10,989,074	$ 33,447	$ 856,176	$ -	$ 12,697,166

Items	Land	Buildings & constructions	Machinery & equipment	Transportation facilities	Other equipment	Construction in progress and equipment to be inspected	Total
Cost:							
Balance at January 1, 2022	$ 3,052,970	$ 1,199,845	$ 11,523,869	$ 34,738	$ 1,297,125	$ 33,221	$ 17,141,768
Addition	-	1,449	78,879	-	227,519	37,559	345,406
Disposal	-	-	(16,241)	-	(195,858)	-	(212,099)
Reclassification (Note)	-	765	28,955	-	(21,513)	(35,541)	(27,334)
Balance at December 31, 2022	$ 3,052,970	$ 1,202,059	$ 11,615,462	$ 34,738	$ 1,307,273	$ 35,239	$ 17,247,741
Accumulated depreciation and impairment loss:							
Balance at January 1, 2022	$ -	$ 755,324	$ 10,346,422	$ 30,354	$ 811,305	$ -	$ 11,943,405
Depreciation expenses	-	31,740	337,098	1,976	121,736	-	492,550
Disposal	-	-	(16,241)	-	(195,848)	-	(212,089)
Reclassification (Note)	-	-	-	-	(6,200)	-	(6,200)
Balance at December 31, 2022	$ -	$ 787,064	$ 10,667,279	$ 32,330	$ 730,993	$ -	$ 12,217,666

Note: Net decrease in reclassification was the expenses carried from property, plant and equipment.

1) The Company's property, plant and equipment were primarily provided for own use. Some of the space of its own property was leased to others as operating lease. Please refer to Note 6 (11) -5 for the detailed lease information.

2) The addition and the acquisition of the property, plant and equipment in the cash flow statements of in the current year are reconciled as follows:

Items	Year Ended December 31, 2023	Year Ended December 31, 2022
Increase in property, plant and equipment	$ 152,674	$ 345,406
Plus: Decrease in the payables for equipment	1,261	13,622
Amounts paid in cash	$ 153,935	$ 359,028

3) Capitalized amount of the costs and interest rate range of the property, plant and equipment based loans: Nil

4) The major composition items of the Company's property, plant and equipment were depreciated in the straight-line method based on the useful life as follows:

A. Buildings & constructions

Buildings, plants and main constructions	26 - 46 years	Building affiliated equipment	11 - 21 years
Air conditioning equipment	5 - 8 years	Fire protection equipment	4 - 6 years
Road greening	4 - 11 years		

B. Machinery equipment

Chemical equipment	8 - 25 years	Steam and electricity equipment	16 years
Gas supply equipment	10 years	Others	7 years

C. Transportation facilities 2-6 years

D. Other equipment

Furniture & office equipment	4 - 7 years	Leasehold improvement	15 years
Others	3 - 8 years		

5) For the years ended December 31, 2023 and 2022 while some equipment capacity was not fully utilized, the Company expected that the future cash inflow of such equipment would decrease, and, in turn, estimated that recoverable amount was NT$0 less than the carrying amount so that it would recognize the impairment loss of this equipment amounting to NT$1,600 thousand and NT$0 thousand, respectively. Such impairment loss was already included in the individual statements of comprehensive income under other gains and losses. The Company used the value in use to determine the recoverable amount of such equipment. The discount rate adopted for the years ended December 31, 2023 was 1.25%. As of December 31, 2023 and 2022, the Company recognized that the accumulated impairment amounts for property, plant and equipment were NT$39,100 thousand and NT$37,500 thousand, respectively.

6) For information regarding the collateral provided with property, plant and equipment, please see Note 8 (1) for more details.

(11) Lease agreement

1) Right-of-use assets

Items	December 31, 2023	December 31, 2022
Buildings & constructions	$ 367,617	$ 367,617
Machinery & equipment	91,856	35,377
Total costs	459,473	402,994
Less: Accumulated depreciation	(87,621)	(89,861)
Less: Accumulated impairment	-	-
Net	$ 371,852	$ 313,133

Items	Buildings & constructions	Machinery & equipment	Total
Cost:			
Balance at January 1, 2023	$ 367,617	$ 35,377	$ 402,994
Addition/Remeasurement	-	93,962	93,962
Addition/decommissioning costs	-	-	-
Disposal/Derecognition	-	(37,483)	(37,483)
Balance at December 31, 2023	$ 367,617	$ 91,856	$ 459,473
Accumulated depreciation:			
Balance at January 1, 2023	$ 56,565	$ 33,296	$ 89,861
Depreciation expenses	26,463	8,780	35,243
Disposal/Derecognition	-	(37,483)	(37,483)
Balance at December 31, 2023	$ 83,028	$ 4,593	$ 87,621

Items	Buildings & constructions	Machinery & equipment	Total
Cost:			
Balance at January 1, 2022	$ 355,005	$ 35,377	$ 390,382
Addition/Remeasurement	12,612	-	12,612
Addition/decommissioning costs	-	-	-
Disposal/Derecognition	-	-	-
Balance at December 31, 2022	$ 367,617	$ 35,377	$ 402,994
Accumulated depreciation:			
Balance at January 1, 2022	$ 30,058	$ 24,972	$ 55,030
Depreciation expenses	26,507	8,324	34,831
Disposal/Derecognition	-	-	-
Balance at December 31, 2022	$ 56,565	$ 33,296	$ 89,861

2) Lease liabilities

Items	December 31, 2023		December 31, 2022	
	Current	Noncurrent	Current	Noncurrent
Buildings & constructions	$ 25,696	$ 276,912	$ 25,308	$ 302,248
Machinery & equipment	19,412	69,639	2,817	-
Total	$ 45,108	$ 346,551	$ 28,125	$ 302,248

Items	Buildings & constructions	Machinery & equipment	Total
Lease liabilities:			
Balance at January 1, 2023	$ 327,556	$ 2,817	$ 330,373
Addition/Remeasurement	-	93,962	93,962
Disposal/Derecognition	-	-	-
Repayment of principal of lease liabilities	(24,948)	(7,728)	(32,676)
Balance at December 31, 2023	$ 302,608	$ 89,051	$ 391,659

Items	Buildings & constructions	Machinery & equipment	Total

Lease liabilities:			
Balance at January 1, 2022	$ 339,671	$ 11,227	$ 350,898
Addition/Remeasurement	12,612	-	12,612
Disposal/Derecognition	-	-	-
Repayment of principal of lease liabilities	(24,727)	(8,410)	(33,137)
Balance at December 31, 2022	$ 327,556	$ 2,817	$ 330,373

A. The lease term of lease liabilities and the range of discount rate are as follows:

Items	Estimated lease term (including lease renewal rights)	December 31, 2023	December 31, 2022
Buildings & constructions	4 - 16 years	0.32% - 1.10%	0.32% - 1.10%
Machinery & equipment	5 years	1.75%	0.75%

B. The maturity of the Company's lease liabilities are analyzed below:

Items	December 31, 2023	December 31, 2022
Within 1 year	$ 49,000	$ 30,150
1 to 5 years	172,751	104,088
5 to 10 years	122,446	122,828
10 to 15 years	67,817	91,939
15 to 20 years	-	-
Over 20 years	-	-
Total undiscounted lease payments	$ 412,014	$ 349,005

3) Major lease events and clauses

A. The subject assets leased by the Company include buildings & constructions and machinery equipment, and the like. At the end of the lease term, the Company held no preferential acquisition rights for the leased target assets, and some leases were attached to lease term renewal right after expiration. The lease agreement was negotiated individually and contained various terms and conditions. Some of the lease agreements provide for adjustments to lease payments based on the Consumer Price Index. Assets other than leases should not be used as loan collateral, and it was agreed that unless with the consent of the lessor, the Company should not sublet or transfer the Subject Premises either in whole or in part. Except these facts, the lease agreement was free of any other restrictions.

B. Option to prolong the lease

The part of the Subject Premises covered within the Company's lease agreement includes the extension option entitled to the Company. Under the general practice for the lease agreement, the Company was bestowed with the maximum possible operating flexibility and effective use of assets. While the Company resolved to enter into the lease term, the Company already took into account all the facts and circumstances that will result in the economic incentives generated from the exercise of extension option. The lease term will be reassessed when a major event occurs regarding the assessment whether to exercise the extension right or not to excise the termination option.

C. Impact of variable lease payments on lease liabilities

In the Company's lease agreement, the variable lease payment terms are subject to storage/usage link. The variable payment depends on the actual use of the underlying assets. The variable payment terms are used for many reasons, mainly for profit control and operating flexibility to minimize fixed costs. The changes in storage/usage of lease payments are recognized as expenses during the period that triggers these payment terms.

4) Sublet:

The Company subleases a portion of the usable space under short-term operating leases at contractual rental rates, most of which are renewable at market rates at the end of the lease term and include provisions for annual rental adjustments based on market conditions. The Company's revenues from subleased assets for the periods ended December 31, 2023 and 2022 were NT$80 thousand for both.

5) Other lease related information

For the years ended December 31, 2023 and 2022, the Company recognized rental income of NT$10,058 thousand and NT$10,033 thousand respectively based on operating lease agreements. Among them, there was no income from variable lease payments.

Please refer to Note 6 (12)-7 for the Company’s agreements as a lessor for its investment properties via operating leases.

A. The profit or loss details related to the lease agreement are as follows:

Items	Year Ended December 31, 2023	Year Ended December 31, 2022
Expenses attributable to short-term lease agreement	$ 3,314	$ 2,685
Expenses attributable to low-value assets lease	21	2
Expenses paid under variable lease	1,097	414
Total	$ 4,432	$ 3,101
Interest expense for lease liabilities	$ 3,134	$ 2,998
Profit (loss) generated from back-lease transaction after sales	$ -	$ -
Profit (loss) generated from amendment to lease transaction	$ -	$ -

The Company chose to apply recognition exemptions for short-term leases and low-value asset leases, and did not recognize related right-of-use assets and lease liabilities for these leases.

B. The total lease cash outflow of the Company for the years ended December 31, 2023 and 2022 totaled at NT$40,242 thousand and NT$39,236 thousand, respectively.

C. The right-of-use assets prove no impairment as indicated by the result of the Company’s prudential evaluation.

D. The Company's right-of-use assets do not provide any guarantee or pledge.

(12) Investment property

Items	December 31, 2023	December 31, 2022
Land	$ 132,247	$ 132,247
Buildings & constructions	57,970	57,970
Total cost	190,217	190,217
Less: Accumulated depreciation	(35,242)	(34,253)
Less: Accumulated impairment	-	-
Net	$ 154,975	$ 155,964

Items	Land	Buildings & constructions	Total
Cost:			
Balance at January 1, 2023	$ 132,247	$ 57,970	$ 190,217
Additions	-	-	-
Disposal	-	-	-
Balance at December 31, 2023	$ 132,247	$ 57,970	$ 190,217
Accumulated depreciation and impairment:			
Balance at January 1, 2023	$ -	$ 34,253	$ 34,253
Depreciation expenses	-	989	989
Disposal	-	-	-
Balance at December 31, 2023	$ -	$ 35,242	$ 35,242

Items	Land	Buildings & constructions	Total
Cost:			
Balance at January 1, 2022	$ 132,247	$ 57,970	$ 190,217
Additions	-	-	-
Disposal	-	-	-
Balance at December 31, 2022	$ 132,247	$ 57,970	$ 190,217
Accumulated depreciation and impairment:			
Balance at January 1, 2022	$ -	$ 33,244	$ 33,244
Depreciation expenses	-	1,009	1,009
Disposal	-	-	-
Balance at December 31, 2022	$ -	$ 34,253	$ 34,253

1) Capitalized amount of the costs and interest rate range of investment property based loans: Nil

2) The Company's investment property, except for land, is depreciated on a straight-line basis over a useful life of 56 years.

3) Rent revenues from investment property and direct operating expenses:

Items	Year Ended December 31, 2023	Year Ended December 31, 2022
Rent revenues from investment property	$ 9,978	$ 9,953
Direct operating expenses arising from investment property that generated rental income in the current year	$ 1,635	$ 1,662
Direct operating expenses arising from investment property that did not generate rental income in the current year	$ -	$ -

4) The fair value of the Company's investment property in Songshan District, Taipei City were NT$257,792 thousand and NT$287,472 thousand, respectively, on December 31, 2023 and 2022. This above-mentioned fair value was based on the comparable properties in proximity and within the primary market area, as indicated by the most recent real estate transaction registration data of the Ministry of Interior's Actual Price Registration System. As this fair value is estimated with historical quantitative data and the transactions may vary due to the property and the surrounding conditions, it may differ from the future transaction price.

5) The investment property has no impairment as indicated by the result of the Company's prudential evaluation.

6) The information about the pledges on the Company's investment properties are provided in Note 8 (2).

7) Lease agreements - The Company is the Lessee.

The investment property leased outward by the Company includes land and buildings & constructions, and the like. The lease agreement period is 1 year. At the end of the lease term, the lessee is not entitled to preferential privilege to renew the leasehold. At the end of the duration, the most of lease agreement could be renewed according to the market price, and include terms that could adjust the rent according to the annual market environment. The Company leases outward the investment property under the operating lease. The total future lease payments are as follows:

Items	December 31, 2023	December 31, 2022
The first year	$ 8,256	$ 8,256
The second year	-	-
The third year	-	-
The fourth year	-	-
The fifth year	-	-
Over 5 years	-	-
Total	$ 8,256	$ 8,256

(13) Refundable deposits

Items	December 31, 2023	December 31, 2022
Performance bond- bid bond	$ 360	$ 360
Lease security deposit - as a lessee	6,146	6,230
Others	198	198
Total	$ 6,704	$ 6,788

(14) Short-term loan

Items	December 31, 2023	December 31, 2022
Credit loans	$ 1,730,000	$ 1,587,000
Secured loans	-	160,000
Total	$ 1,730,000	$ 1,747,000
Interest rate range	1.795%～1.95%	1.53%～1.95%

The Company and the banks have signed Comprehensive credit line contract for which the Company provided a promissory notes as a commitment to repay the loan. For more details regarding pledge provided for short-term loans, please see Note 8 (1) and Note 9-2-(1).

(15) Short-term notes payable

Items	December 31, 2023	December 31, 2022
Commercial paper payable	$ 700,000	$ 300,000
Less: discount on short-term notes payable	(305)	(688)
Net	$ 699,695	$ 299,312
Interest Rate Range	1.45%～1.61%	1.61%

The Company's commercial paper payable is issued under the guarantee of a Bills Finance Company or a bank, and a promissory note is provided as a commitment to repay the loan. Please refer to Note 9-2-(1) for the details of the pledge and guarantee of short-term notes payable.

(16) Accounts payable

Accounts payable are recognized for operating activities. The Company has established a financial risk management policy to ensure all the payables are paid within the predetermined credit period.

(17) Other payables

Items	December 31, 2023	December 31, 2022
Salaries and bonuses payable	$ 84,245	$ 98,836
Interest payable	2,390	2,552
Freight payable	10,776	13,556
Taxes payable	1,923	1,954
Insurance premium payable	5,146	5,094
Utilities payable	2,540	1,327
Repair & maintenance expenses payable	13,568	20,842
Service charge payable	5,402	8,983
Labor service cost payable	2,980	2,700
Equipment payable	9,386	10,647
Anticipated refund of overpayments from shareholders in capital increase	11,281	-
Share issuance cost payable	4,042	-
Others	12,197	12,262
Total	$ 165,876	$ 178,753

(18) Provisions - current

Items	December 31, 2023	December 31, 2022
Employee benefits - payment on leave	$ 11,391	$ 11,640

1) The provisions of employee benefits - current refer to an estimate of the employee's vested right for service leave. In most cases, sick leave and maternity leave or paternity leave are contingent in attribute, depending on future events and instead of being accumulated so such costs would be recognized only when the fact of leave takes place.

2) Information of variation in the provisions of employee benefits – current is as follows:

Items	Year Ended December 31, 2023	Year Ended December 31, 2022
Beginning balance	$ 11,640	$ 13,148
Additional amount for the year	17,857	18,271
Utilized amount for the year	(12,323)	(12,553)
Reversal of unutilized amount for the year	(5,783)	(7,226)
Ending balance	$ 11,391	$ 11,640

(19) Advance receipts

Items	December 31, 2023	December 31, 2022
Rents collected in advance	$ 867	$ 867

(20) Other current liabilities - other

Items	December 31, 2023	December 31, 2022
All collections	$ 3,067	$ 3,207
Materials borrowed from industry peers	22,228	-
Total	$ 25,295	$ 3,207

The materials borrowed from industry peers refer to the raw materials that the Company borrowed from other companies in the industry during November and December 2023 to meet the production schedules. A borrowing agreement was signed, which states that the borrowed materials will be returned after the imported materials arrive.

(21) Long-term loans

Items	December 31, 2023	December 31, 2022
Credit loan	$ 700,000	$ 700,000
Guaranteed loan	-	1,200,000
Subtotal	700,000	1,900,000
Less: due within one year	-	-
Total	$ 700,000	$ 1,900,000

1) Long-term loans:

A. Credit loan

The credit term of this contract is 2 years with monthly interest repayments, and after the contract renewal, the principal is due for repayment in March 2025. Based on the available and revolving bank credit facility under the contract, the Company has the discretion and capacity to refinance or roll over its liabilities beyond 12 months from the balance sheet date. The effective interest rate ranges were 1.70%-2.08% and 0.73%-1.70% for the years ended December 31, 2023 and 2022, respectively.

B. Guaranteed loan

The credit term of this contract is 2 years with monthly interest payments, and after the contract renewal, the principal is expected to be repaid in December 2024. The Company has the capacity to refinance or roll over its liabilities for more than 12 months after the balance sheet date based on the available bank borrowing line, which can be utilized within the credit line in accordance with the contract. The credit facilities are secured by the Company's own property, plant and equipment, as described in Note 8 (1). The Company has repaid in December 2023 all the borrowings not yet due. The effective annualized interest rate ranges were1.93%-2.055% and 1.93% for the year ended December 31 (or up to repayment date), 2023 and 2022, respectively.

2) The Company signed comprehensive credit line contracts with various banks and provided promissory notes within the line as a commitment to repay loans. Please refer to Note 8 (1) and Note 9-2-(1) for the provision of pledge guarantees for long-term loans.

3) The maturity analysis of the Company’s long-term loan is detailed in Note 12 (3) 3-(3).

(22) Provisions - noncurrent

Items	December 31, 2023		December 31, 2022	
Other long-term employee benefits plans	$	13,446	$	12,636
Decommissioning liabilities		4,112		4,077
Total	$	17,558	$	16,713

1) Other long-term employee benefits plans

A. The other long-term employee benefits plans of the Company are the seniority service bonuses and consolation money for employees. The payment criteria for long-term bonuses and consolation money were calculated based on the basis of the service seniority acquired and accumulated.

B. The Company has recognized other long-term employee benefits obligations. The composition of obligatory liabilities is as follows:

Items	December 31, 2023		December 31, 2022	
Present value of other long-term employee benefits obligations	$	13,446	$	12,636
Fair value of plan assets		-		-
Other long-term employee benefits liabilities, net	$	13,446	$	12,636

C. Change in other long-term employee benefits liabilities, net is as follows:

Items	Year Ended December 31, 2023	Year Ended December 31, 2022
Beginning balance	$ 12,636	$ 10,986
Other long-term employee benefits costs:		
Current and past service cost	1,215	1,141
Interest expenses	156	69
Remeasurements:		
Actuarial losses (gains) - change in demographic assumptions	-	-
Actuarial losses (gains) - change in financial assumptions	-	(614)
Actuarial losses (gains) - experience adjustment	(561)	1,054
Recognized in profit or loss	810	1,650
Payments of benefit	-	-
Ending balance	$ 13,446	$ 12,636

D. The amount of the benefit costs in aforementioned other long-term employee benefits plans were recognized in profit or loss under the administrative expenses based on the single-line items by functional category.

E. Composition of the plan assets

The Company did not allocate related assets, the effected payment based on actual occurrence.

F. The present value of other long-term employee benefits obligations of the Company was actuarially counted by a qualified actuary. The main assumptions of the actuarial evaluation on the measurement date are as follows:

Items	Year Ended December 31, 2023	Year Ended December 31, 2022
Discount rate	1.125%～1.25%	1.125%～1.25%
Future salary growth rate	1.75%～2.00%	1.75%～2.00%

The assumption of future mortality rate is estimated based on the sixth life experience table of life insurance industry in Taiwan.

G. Because changes in the main actuarial assumption used, the present value of other long-term employee benefits obligations is affected. The analysis was as follows:

① Interest rate risks

The decline in the interest rate of government bonds would increase the present value of other long-term employee benefits obligations, but the returns on debt investment of the plan assets would also increase accordingly. Both would have a partial offset effect on other long-term employee benefits liabilities.

② Salary related risks

The calculation of the present value of other long-term employee benefits obligations refers to the future salary of the plan members. Therefore, the increase in the salary of plan members would increase the present value of other long-term employee benefits obligations.

H. In the event that the significant actuarial assumptions were subject to a combination of possible changes, and if other assumptions remained unchanged, the amount of increase (decrease) in present value of other long-term employee benefits obligations would be as follows:

Items	Discount rate		Future salary growth rate	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2023:				
Effect on present value of other long-term employee benefits obligations	($ 250)	$ 259	$ 183	($ 177)
December 31, 2022：				
Effect on present value of other long-term employee benefits obligations	($ 230)	$ 238	$ 160	($ 154)

Practically, since actuarial assumptions might relate to each other, it would be unlikely to have a single assumption in change. The aforementioned sensitivity analysis, therefore, might not reflect the actual change in the present value of other long-term employee benefits obligations. In addition, in the aforementioned sensitivity analysis, the present value of other long-term employee benefits obligations at the end date of the reporting period would be based on the actuarial calculation of the projected unit credit method and the defined benefit liabilities included in the balance sheet would be measured on the same basis. The method assumptions used in preparing the sensitivity analysis in the current year was exactly same as that used in the prior one.

I. The Company expected to pay to other long-term employee benefit plans in Year 2024 in the amount of attribution and the amount of payment at NT$0 for both.

2) Decommissioning liabilities

A. Under promulgated policies and applicable contracts or regulatory requirements, the Company is obligated to dismantle, remove or restore the location of some right-of-use assets. Accordingly, the present value of the cost expected to be incurred dismantling, removal or restoration of the location is recognized as a liability reserve. The Company expects that this liability reserve will occur over the years before the end of leases.

B. Changes in decommissioning provision-non-current is as follows:

Items	Year Ended December 31, 2023	Year Ended December 31, 2022
Beginning balance	$ 4,077	$ 4,042
Additional amount for the year	-	-
Utilized amount for the year	-	-
Discounted amortization	35	35
Ending balance	$ 4,112	$ 4,077

(23) Post-employment benefit plans

Items	December 31, 2023	December 31, 2022
Net defined benefit assets and provisions - noncurrent		
Defined benefit plans	$ 53,907	$ 44,498

Items	December 31, 2023		December 31, 2022	
Net defined benefit liabilities and provisions - noncurrent				
Defined contribution plans	$	1,733	$	1,725

1) Defined benefit plans

A. In accordance with the “Labor Standards Act”, the Company has established retirement methods to define benefits. Under the “Labor Pension Act” applicable on July 1, 2005, the service seniority accumulated by employees prior to enforcement of the “Labor Pension Act” and subsequently accumulated by employees who chose subject to “Labor Standards Act” after enforcement of the “Labor Pension Act” as entitled to retirement would be taken to count pension which would be calculated number of years in the service seniority accumulated and the salary amounts averaged in the six (6) months prior to retirement. Each year of service seniority accumulated in full within fifteen (15) years (inclusive) would be entitled to two base units and each year the period of service seniority accumulated beyond fifteen years would be entitled to one base unit. The cumulative base units shall not exceed the maximum limit of 45 base units. The Company attributed retirement funds on a monthly basis to the specified ratio (currently about 3%) of total salary, and deposited the funds in the bank account designated for pension fund opened with the Bank of Taiwan under the name of the Labor Retirement Reserve Supervision Committee. Besides, in response to the retirement needs of senior managers, the Company set up the “Manager’s Retirement Fund Management Committee” in September 2004 and attributed on a monthly basis for a certain ratio (currently 40%) of the total salary of managers into the management of the Manager’s Retirement Fund Management Committee and deposited in a special account of a financial institution opened in the name of the Manager’s Retirement Reserve Fund. The Company estimates the balance of the retirement fund mentioned in the preceding item before the end of each year. In the event that the balance is found not enough to pay off the pension amount calculated according to the foregoing for the employees who meet the retirement requirements in the next year, the Company would make up the difference in a lump-sum before the end of March of the following year.

B. The amounts of the defined benefit plans were recognized in the balance sheet as follows:

Items	December 31, 2023		December 31, 2022	
Present value of defined benefit obligations	$	522,194	$	570,973
Fair value of plan assets		(576,101)		(615,471)
Net defined benefit liabilities (assets)	($	53,907)	($	44,498)

C. Change in present value of defined benefit obligations is as follows:

Items	Year Ended December 31, 2023	Year Ended December 31, 2022
Present value of defined benefit obligation, beginning of year	$ 570,973	$ 624,253
Service cost of the current year	4,787	5,602
Interest cost of defined benefits obligation	6,943	3,752
Remeasurements:		
Actuarial losses (gains) - change in demographic assumptions	-	-
Actuarial losses (gains) - change in financial assumptions	-	(25,466)
Actuarial losses (gains) - experience adjustment	4,061	3,140
Payments of benefit (Note)	(64,570)	(40,308)
Present value of defined benefit obligation, end of year	$ 522,194	$ 570,973

D. Change in fair value of plan assets is as follows:

Items	Year Ended December 31, 2023	Year Ended December 31, 2022
Fair value of plan assets, beginning of year	$ 615,471	$ 593,142
Interest income of plan assets	7,603	3,626
Remeasurements:		
Return (loss) on plan assets	4,969	45,417
Fund attributed by employer	12,628	13,594
Payments of benefit on plan assets	(64,570)	(40,308)
Fair value of plan assets, end of year	$ 576,101	$ 615,471

E. Relevant defined benefit plans recognized in the statement of comprehensive income, the amount of the defined benefit costs are as follows:

Items	Year Ended December 31, 2023	Year Ended December 31, 2022
Current service cost	$ 4,787	$ 5,602
Interest cost of defined benefit obligations	6,943	3,752
Interest income of plan assets	(7,603)	(3,626)
Recognized in gains (loss)	$ 4,127	$ 5,728
Remeasurements:		
Actuarial losses (gains) - change in demographic assumptions	$ -	$ -
Actuarial losses (gains) - change in financial assumptions	-	(25,466)
Actuarial losses (gains) - experience adjustment	4,061	3,140
Return on plan assets other than net interest	(4,969)	(45,417)
Recognized in other comprehensive income	($ 908)	($ 67,743)

F. The aforementioned defined benefit plans recognized in the net defined benefit costs of profit or loss. The single-line items by functional category are as follows:

Items	Year Ended December 31, 2023	Year Ended December 31, 2022
Operating costs	$ 1,982	$ 2,588
Operating expenses		
Selling expenses	128	165
Administrative expenses	1,780	2,654
Research and development expenses	60	84
Subtotal	1,968	2,903
Non-operating expense	177	237
Total	$ 4,127	$ 5,728

G. The defined benefit retirement plan assets of the Company was commissioned into business management through Bank of Taiwan according to the proportion of the items of commissioned management as specified under the annual investment utilization plans of the funds and within the specified amounts within the items as per Article 6 of Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund (i.e., to be deposited into financial institutions in Taiwan and abroad, to be invested in the TWSE/TPEx listed companies or private placement equity securities and to be invested into securitized commodities of real property in Taiwan and abroad). The relevant utilization was under supervision by the Labor Pension Fund Supervisory Committee. In the utilization of the Fund, the minimum gain distributed amidst final account settlement in every fiscal year should not be lower than the income calculated by the local banks' two-year fixed term deposit interest rate. The shortfall, if any, should be supplemented by the national treasury after approval by the competent authority. Where the Company was not entitled to participate in the operation and management of the fund, the Company could not classify the plan assets at the fair value disclosed under IAS 19 Paragraph 142. For more details of the fair value of the total assets of the Fund as of December 31, 2023 and 2022, please refer to reports of the Labor Pension Fund Utilization promulgated by the government in the respective years.

H. The present value of defined benefit obligations of the Company was counted actuarially by a qualified actuary. The main assumptions of the actuarial evaluation on the measurement date are listed below:

Items	2023	2022
Discount rate	1.125%～1.25%	1.125%～1.25%
Future salary growth rate	1.75%～2.00%	1.75%～2.00%
Average period of existence of defined benefit obligations	5.9 years ~ 7.0 years	4.7 years ~ 7.3 years

The assumption of future mortality rate is estimated based on the sixth life experience table of life insurance industry in Taiwan.

I. The Company has been exposed to the following risks due to the pension system under the Labor Standards Act:

① Interest rate risks

The decline in the interest rate of government bonds would increase the present value of defined benefit obligations, but the returns on debt investment of the plan assets would also increase accordingly. Both have a partial offset effect on the net defined benefit liabilities.

② Salary related risks

The calculation of the present value of defined benefit obligation refers to the future salary of the plan members. Therefore, the increase in the salary of plan members would increase the present value of defined benefit obligations.

J. In the event that the significant actuarial assumptions were subject to a combination of possible changes, and if other assumptions remained unchanged, the amount of increase (decrease) in present value of the defined benefit obligations would be as follows:

Items	Discount rate		Future salary growth rate	
	Increase of 0.25%	Decrease of 0.25%	Increase of 0.25%	Decrease of 0.25%
December 31, 2023:				
Effect to present value of defined benefit obligations	($ 8,696)	$ 8,932	$ 8,711	($ 8,524)
December 31, 2022:				
Effect to present value of defined benefit obligations	($ 9,705)	$ 9,975	$ 9,731	($ 9,516)

Practically, since actuarial assumptions might relate to each other, it would be unlikely to have a single assumption in change. The aforementioned sensitivity analysis, therefore, might not reflect the actual change in the present value of defined benefit obligations. In addition, in the aforementioned sensitivity analysis, the present value of defined benefit obligations at the end date of the reporting period would be based on the actuarial calculation of the projected unit credit method and the defined benefit liabilities included in the balance sheet would be measured on the same basis. The method assumptions used in preparing the sensitivity analysis in the current year was exactly same as that used in the prior one.

K. The Company expected to pay to defined benefit plans in Year 2024 in the amount of contribution and the amount of payment NT$13,672 thousand and NT$49,344 thousand, respectively.

2) Defined contribution plans

A. The Company has established the regulations on defined contribution retirement in accordance with the "Labor Pension Act", which are applicable to employees of ROC (Taiwan) nationality. The Company withheld 6% of the salary as labor pension into the employees’ personal pension accounts of Bureau of Labor Insurance for the employee who chose to apply the labor pension system specified under the "Labor Pension Act" and the payment of pension was granted based on the employees’ personal pension accounts and the amount of accumulated income either on a monthly basis or in one-time pension payment. Under such plan, after the Company contributed a fixed amount to the Bureau of Labor Insurance, the Company would no longer be subject to statutory or presumed obligations extra.

B. The Company recognized the pension costs in accordance with the aforementioned defined contribution plans for the years ended December 31, 2023 and 2022 amounted to NT$9,664 thousand and NT$9,235 thousand, respectively. As of December 31, 2023 and 2022, the net defined benefit liabilities recognized by the Company in accordance with the aforementioned defined contribution plans amounted to NT$1,733 thousand and NT$1,725 thousand, respectively.

C. The amounts of pension costs recognized in profit or loss in accordance with the aforementioned defined contribution plans are as follows based on the single-line items of functional category:

Items	Year Ended December 31, 2023	Year Ended December 31, 2022
Operating costs	$ 7,494	$ 7,297
Operating expenses		
Selling expenses	381	394
Administrative expenses	1,464	1,121
Research and development expenses	325	358
Subtotal	2,170	1,873
Non-operating expense	-	65
Total	$ 9,664	$ 9,235

(24) Guarantee deposits received

Items	December 31, 2023	December 31, 2022
Lease security deposit – lease	$ 1,734	$ 1,734
Pickup guarantee bond	720	720
Others	443	443
Total	$ 2,897	$ 2,897

(25) Other noncurrent liabilities - other

Items	December 31, 2023	December 31, 2022
Unrealized deferment revenues with disposal of investment	$ 22,192	$ 22,192

(26) Share-based payments

1) On August 11, 2023, the Company's Board of Directors resolved an equity raise via the issuance of 200,000 thousand new shares and this was subsequently approved by the Financial Supervisory Commission on October 11, 2023. In accordance with Paragraph 1, Article 267 of the Company Act, the Company reserved 10% of the shares issued in secondary offerings for subscription by employees. Hence, employees have the option to subscribe for a total of 20,000 thousand shares. Any shares not subscribed for by employees or undersubscribed will be authorized to Chairman to contact specific persons to subscribe at the issue price. This offer is limited to full-time employees of the Company, and the vesting condition is immediate vesting.

2) The Company set the grant date to be November 21, 2023 for the determination of the employee subscription prices and the number of shares. The subscription price was NT$14.20 per share. The Company recognized share-based payments of NT$47,200 thousand arising from the fair value of the employees' option to subscribe for shares issued in the capital increase. This item was recorded as part of capital surplus under equity.

3) The Company uses the Black-Scholes option pricing model to estimate the fair value of the stock options on the grant date. The parameters used in the valuation model are as follows:

Items	November 21, 2023
Market price on grant date	$16.55

Exercise price	$14.20
Expected volatility of the share price	19.09%
Expected time to expiration	24 days
Expected dividend yield	-
Risk-free interest rate	0.94%
Fair value per unit	$2.36

The expected volatility is based on the historical annualized standard deviation of daily stock returns over an equivalent period. The risk-free interest rate is based on the zero-coupon rate on the grant date for the period equivalent to the time to expiration. The expected dividend yield is based on the dividends expected to be distributed during the expected time to expiration. The expected time to expiration is the period from the grant date associated with the capital increase to the payment deadline for employee subscription shares. The determination of the fair value does not consider services or non-market performance conditions associated with the transaction.

(27) Share capital

1) Common shares and preferred shares

Items	December 31, 2023	December 31, 2022
Authorized number of shares (in thousand shares)	2,000,000	2,000,000
Authorized share capital	$ 20,000,000	$ 20,000,000
Number of issued shares and received the shares payment in full (in thousand shares)		
－Common shares	1,106,620	906,620
－Preferred shares	20,000	20,000
Total number of issued shares (in thousand shares)	1,126,620	926,620
Issued share capital - common shares	$ 11,066,203	$ 9,066,203
Issued share capital - preferred shares	200,000	200,000
Total Issued share capital	$ 11,266,203	$ 9,266,203

The issued common shares and preferred shares have been in a denomination NT$10 per share, and each share was entitled to one voting right and the right to receive dividends.

2) Upon capital increase in cash launched by the Company in August 1984, the Company issued 20,000 thousand preferred shares with rights & obligations as enumerated below:

A. The earnings, if any, upon annual account settlement, the dividend of 6% for preferred shares should be distributed first. The balance shall be the distributable earnings which will be distributed at the shareholding ratio for common shares and preferred shares as proposed by the board of directors and finally resolved in the shareholders' meeting.

B. Preferential distribution of the Company's remaining properties.

C. Other entitlement would be same as the common shares.

3) On August 11, 2023, the Company's Board of Directors resolved a capital increase by NT$2,000,000 thousand through the issuance of 200,000 thousand ordinary shares at a par value of NT$10 per share. This capital increase was approved by the Financial Supervisory Commission in Letter FSC-Securities-Issuance No. 1120356785 dated October 11, 2023. The record date for the cash capital increase was set on December 20, 2023, and the shares were issued at a

premium price of NT$14.20 per share with the record date on December 20, 2023. The related share issuance costs were NT$9,655 thousand in total, recorded under capital surplus as a reduction of additional paid-in capital. On January 8, 2024, the Ministry of Economic Affairs approved the change in the Company's registration for the new shares issued from this capital increase.

(28) Capital surplus

Items	December 31, 2023	December 31, 2022
Additional paid-in capital	$ 844,989	$ -
Treasury stocks transaction premium	190,118	188,164
Expired stock options	32,556	-
Dividend unclaimed within the term by shareholders	2,817	2,800
Recognized changes in the ownership interests of subsidiaries	216	10,902
Difference between consideration and carrying amount of the equity in subsidiaries acquired or disposed	845	-
Total	$ 1,071,541	$ 201,866

Capital surplus can only be used to offset the company's losses. Unless the retained earnings are insufficient to cover the accumulated losses, it is not allowed to use capital surplus to offset the losses. However, according to Article 214 of the Company Act and the explanations by the Ministry of Economic Affairs in Letter Jing-Shang-Zi No. 10300532520 dated March 31, 2014, the proceeds from the issuance of shares in excess of the par value, and the capital surplus received as gifts and the difference between consideration and carrying amount of the equity in subsidiaries acquired or disposed may be used to offset accumulated losses. If the company has no accumulated losses, the capital surplus may be distributed as new shares or cash to shareholders pro rata to their existing shareholdings. In addition, according to the relevant provisions of the Securities and Exchange Act, when the aforementioned capital surplus is used for capital replenishment, the total amount of the capital surplus shall not exceed 10% of the paid-in capital in a year.

(29) Retained earnings

1) Pursuant to the requirements set forth under the Articles of Incorporation, the earnings after settlement of annual accounts, if any, shall be pay tax, make up previous loss, if any, and amortize 10% for legal reserve and after provision or reversal of special reserve based on the reduction of shareholders' equity incurred in the current year, the balance would be the distributable earnings for the current year. Such distributable earnings in combination with the unappropriated earnings of the preceding year would be the accumulated distributable earnings. With such accumulated unappropriated earnings, the sum to distribute preferred share dividend of Grand Pacific for 1984 at 6% should be distributed first. The shortfall, if any, should be preferentially made up with the distributable earnings of the ensuing year. The balance of the unappropriated earnings should be distributed at the ratios proposed by the board of directors according to law, dividend policy and status of working capital. Where the balance of such unappropriated earnings is used to issue new shares, approval from the shareholders' meeting should be obtained beforehand. Where the balance of such unappropriated earnings is distributed in cash, the decision should be resolved in the board of directors beforehand.

According to Paragraph 5 of Article 240 of the Company Act, the Company authorizes the board to resolve the distribution of stock dividends and cash dividends or the distribution of cash from all or part of the legal reserve and capital surplus according to Paragraph 1 of Article 241 of the Company Act with the attendance of at least two thirds of directors and resolution from more than half of the attending directors and then report to the shareholders' meeting. This is not applicable to the aforesaid requirement for resolutions by shareholders' meetings.

2) The Company's dividend policies are as follows:

The Company has been under a highly changeable industrial environment and is within a life cycle of stable and growing period. The Company should grasp the economic environment for sustainable operation. With the Company's long-term financial planning, future capital needs, and protect the interests of shareholders taken into account, unless there is a need for capital to improve the financial structure, to support investment, production capacity expansion, or other major capital expenditures, the Company's dividends shall not be less than 10% of the net income after deducting the amount of loss compensation, legal reserve, special reserve, and 6% of the dividend of preferred share of Grand Pacific in Year 1984. The cash dividend distributed by the Company in every year should not be less than 10% of the total cash stock dividends in the current year (excluding 6% as the dividend of preferred share of Grand Pacific in Year 1984).

3) The legal reserve should not be put into any use except a use to make good previous loss of the Company, if any, and distribution through issuance of new shares or in cash to shareholders *pro rata* to original shareholding ratios. The total amount used to issue new shares or to allocate in cash, nevertheless, shall not exceed the maximum limit of 25% of the paid-in capital.

4) Upon allocating earnings, the Company should amortize and reverse special reserve in accordance with Letter Jin-Guan-Zheng-Fa-Zi 1090150022 dated March 31, 2021 and Letter Jin-Guan-Zheng-Fa-Zi 10901500221 dated March 31, 2021 of FSC and after adoption under IFRSs in the Q&A of Provision of Special Reserve. Where the net deduction of other equity is reversed subsequently, the part so reversal could be taken to appropriate the earnings.

5) In the shareholders' regular meeting convened by the Company on June 28, 2023 and May 20, 2022 respectively, the earnings of Year 2022 and Year 2021 would be distributed in the following manners:

	Distribution of earnings		Dividend per share (NT$)	
Items of distribution	2022	2021	2022	2021
Provision of legal reserve	$ -	$ 758,961	-	-
Provision (reversal) of special reserve	1,728	-	-	-
Dividends on preferred shares - cash	12,000	12,000	$ 0.60	$ 0.60
Bonuses to shareholders on preferred shares - cash	10,000	40,000	0.50	2.00
Bonuses to shareholders on common shares -cash	453,310	1,813,241	0.50	2.00
Bonuses to shareholders on common shares - stock	-	-	-	-

The aforesaid cash dividends were resoled on May 11, 2023 and March 29, 2022 by the board of directors under the authorization of the Articles of Incorporation. Since the Company's present obligation due to past events is reasonably certain and the amount can be measured reliably, dividends payable shall be recorded when the conditions for liability recognition are met. In addition, the provision of legal reserve and special reserve is consistent with the recognition of dividends payable mentioned above.

For details regarding decisions resolved in the board of directors and the shareholders' meeting on distributions of earnings, please inquire into Market Observation Post System (MOPS).

6) The proposed distribution of earnings for 2023 is subject to the approval of the Board of Directors and the shareholders' meeting. Please inquire into the Market Observation Post System (MOPS) for related information after the relevant meetings have been held.

(30) Items of other equity

Items	Exchange differences on translating financial statements of foreign operations	Unrealized valuation gain/loss of financial assets at fair value through other comprehensive income	Total
Balance at January 1, 2023	($ 213,390)	($ 429,414)	($ 642,804)
Items directly recognized as other equity adjustment	-	(39,981)	(39,981)
Transferred to item of profit and loss	-	-	-
Transferred to capital surplus	(845)	-	(845)
Transferred to retained earnings	-	-	-
Share accounted for using the equity method	(549,333)	90,193	(459,140)
Income tax related to items of other equity.	47,046	-	47,046
Balance at December 31, 2023	($ 716,522)	($ 379,202)	($ 1,095,724)

Items	Exchange differences on translating financial statements of foreign operations	Unrealized valuation gain/loss of financial assets at fair value through other comprehensive income	Total
Balance at January 1, 2022	($ 672,627)	$ 453,236	($ 219,391)
Items directly recognized as other equity adjustment	-	(108,646)	(108,646)
Transferred to item of profit and loss	-	-	-
Transferred to retained earnings	-	-	-
Share accounted for using the equity method	335,694	(774,004)	(438,310)
Income tax related to items of other equity.	123,543	-	123,543
Balance at December 31, 2022	($ 213,390)	($ 429,414)	($ 642,804)

(31) Treasury stocks

1) As of December 31, 2023 and 2022, the amount of treasury stocks repurchased by the Company were NT$0 for both.

2) The changes in the current year of the Company's stocks held by subsidiaries deemed as treasury stocks are as follows:

		Year Ended December 31, 2023							
		Beginning balance		Increase in this year		Decrease in this year		Ending balance	
Name of subsidiary	Kind	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount
GPPC Chemical Corporation	Preferred shares	1,776	$ 49,858	-	$ -	-	$ -	1,776	$ 49,858

		Year Ended December 31, 2022							
		Beginning balance		Increase in this year		Decrease in this year		Ending balance	
Name of subsidiary	Kind	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount
GPPC Chemical Corporation	Preferred shares	1,776	49,858	-	-	-	-	1,776	49,858

A. The transaction amounts with cash dividends of the parent company received by the subsidiaries converted into capital surplus - treasury stocks for the years ended December 31, 2023 and 2022 were NT$1,954 thousand and NT$4,617 thousand, respectively.

B. The fair values of the Company's stocks held by the subsidiaries as of December 31, 2023 and 2022 were NT$46,265 thousand and NT$48,130 thousand, respectively.

C. The Company's stocks held by the subsidiaries were disposed as the treasury stocks. Such stocks were not entitled to participate in the Company's capital increase in cash and voting power but were entitled to the rights exactly same as shareholders' equity.

(32) Operating revenues

Items	Year Ended December 31, 2023	Year Ended December 31, 2022
Revenues under customer contracts		
Sales revenues	$ 12,775,860	$ 14,723,385

1) Detailed classification of revenues under customer contracts

The Company's revenues were from the products of the transfer of a certain point in time. The revenues could be broken down into the following main product line types:

Main product line types	Year Ended December 31, 2023	Year Ended December 31, 2022
Sales revenues		
Petrochemical products	$ 8,552,466	$ 8,744,587
Plastic products	2,542,509	4,212,527
Hydrogen products	157,723	173,453
Steam and electricity products	398,613	210,493
Nylon products	1,122,528	1,341,362
Resale of plasticized raw materials	2,021	40,963
Total	$ 12,775,860	$ 14,723,385

2) Balances of contracts

The Company recognized contract assets and contract liabilities related to revenues under customer contracts as follows:

Items	December 31, 2023	December 31, 2022
Contract assets: Nil		
Contract liabilities – current		
Commodity sales	$ 7,911	$ 14,212

A. Significant changes in contract assets and contract liabilities

As of December 31, 2023, the changes in the Company's contract assets and contract liabilities as compared with the preceding year primarily originated in the difference between the timepoint to satisfy the contract obligations and the timepoint for customers to make payment.

B. The beginning contract liabilities recognized as revenues in the current year

Items	Year Ended December 31, 2023	Year Ended December 31, 2022
Beginning balance of contract liabilities recognized as revenues in the current year		
Commodity sales	$ 13,074	$ 15,604

C. The performance of contract obligations of the prior period recognized as revenues in the current year

The Company did not have any obligations for contract performance (or partial performance) in the prior period, but due to changes in transaction prices, or changes in the recognition restrictions on the price for the years ended December 31, 2023 and 2022, the recognition income was adjusted in the current year.

D. Unfulfilled customer contracts

For customer contracts of commodity sales unfulfilled by the Company in December 31, 2023 and 2022, the contracts were expected to last for less than one year, were expected to be fulfilled and recognized as revenues within the ensuing year.

3) Contract cost related assets: Nil.

(33) Interest income

Items	Year Ended December 31, 2023	Year Ended December 31, 2022
Interest from deposit in banks	$ 5,441	$ 11,538
Interest from bills & bonds under Repurchase Agreements	-	236
Other interest income	2	2
Total	$ 5,443	$ 11,776

(34) Other revenues

Items	Year Ended December 31, 2023	Year Ended December 31, 2022
Rent revenues	$ 10,058	$ 10,033
Dividend income	1,611	27,169
Scrap sales revenues	449	876
Revenues of administrative expenses	8,400	8,400
Subsidy revenues	6,200	7,715
Fee income	14,678	8,514
Revenues of remuneration to directors and supervisors	224	791
Others	1,348	1,025
Total	$ 42,968	$ 64,523

(35) Other gains and losses

Items	Year Ended December 31, 2023	Year Ended December 31, 2022
Net loss on disposal of property, plant and equipment	($ 1)	($ 10)
Gain on foreign currency exchange	17,510	122,589
Direct operating expenses of the investment property	(1,635)	(1,662)
Benefits for seconded employees	(13,916)	(11,384)
Impairment loss on non-financial assets	(1,600)	-
Loss due to tax payments for others	(2,451)	-
Default loss	-	(1,000)
Others	(1,848)	(486)
Total	($ 3,941)	$ 108,047

(36) Finance costs

Items	Year Ended December 31, 2023	Year Ended December 31, 2022
Interest expense		
Loan interest for financial institutions	$ 91,669	$ 29,610
Financing interest	7,404	766
Lease liabilities interest	3,134	2,998
Decommissioning liability interest	35	35
Interest counted upon security deposit	26	13
Less: Capitalized amount consistent with prerequisite constituents	-	-
Total	$ 102,268	$ 33,422

(37) Employee benefits, depreciation, depletion and amortization expenses

Attribute	Year Ended December 31, 2023 Operating Cost	Operating Expense	Total	Year Ended December 31, 2022 Operating Cost	Operating Expense	Total
Employee benefits expenses						
Salaries	$ 275,599	$ 85,651	$ 361,250	$ 248,303	$ 69,205	$ 317,508
Labor and health insurance	25,915	9,131	35,046	30,243	10,208	40,451
Pension	9,476	4,138	13,614	9,885	4,776	14,661
Remuneration to directors	-	33,559	33,559	-	35,391	35,391
Other employee benefits	8,325	2,297	10,622	8,522	2,179	10,701
Depreciation expenses (Note)	481,848	40,335	522,183	487,424	39,957	527,381
Amortization expenses	-	-	-	-	-	-
Total	$ 801,163	$ 175,111	$ 976,274	$ 784,377	$ 161,716	$ 946,093

Note: The Company recognized depreciation of NT$989 thousand and NT$1,009 thousand for investment properties for the years ended December 31, 2023 and 2022, respectively. This was included in non-operating incomes and expenses – other gains and losses (direct operating expenses arising from investment property).

1) The average number of employees at the Company was 376 and 381, respectively for the years ended December 31, 2023 and 2022. The average

number of directors who are not also employees were 6 for both, respectively. The calculation basis is the same as that for employee benefit and employee salary expense.

2) The average employee benefit expense was NT$1,137 thousand and NT$1,022 thousand, respectively for the years ended December 31, 2023 and 2022; the average employee salary expense was NT$976 thousand and NT$847 thousand, respectively; and the average movement of adjustment to employee salary expense was15.23% and (45.95%), respectively.

3) The Company already set up Audit Committee as required under the provision promulgated under the Securities and Exchange Act. And the independent directors already organized the Audit Committee instead of the supervisors. Accordingly, the Company has no remuneration payable to supervisors.

4) The Company's salary remuneration policy (including directors, manager and entire staff) is as enumerated below:

A. The Company’s policies, standards and structure of remuneration payable to directors and managers, and the relationship of such with operating performance and future risks:

① Here at the Company, for the performance evaluation and remuneration of the directors and managers, the Company should take into account the usual level of payment prevalent in the counterpart firms in the same industry, the timing of investment by the individuals, the responsibilities assumed, the accomplishment of personal goals, their performance in other positions, the salary remuneration paid by the Company in recent years to the ones of the equivalent positions, and the Company’s short-term and long-term business goals, the Company’s financial status as well as the rationality of the relationship between personal performance, Company’s operating performance and future risks. The ratio of remuneration on their short-term performance granted by the Company toward directors and ranking managerial officers, and the timing of payment regarding part of salary changes, should take into account the characteristics of business lines and attribute of business operation before the decision. In accordance with the salary determination policies set by the Company, the Remuneration Committee should offer proposal as appropriate to the board of directors for final decision resolved after discussion process.

② Pursuant to Article 27 of the Articles of Incorporation: The remuneration to directors shall be granted disregarding whether the Company operates at a profit or loss and the board of directors is authorized with the power for fix the amount of remuneration in accordance with the normal level prevalent in the counterpart firms in the same industry.

③ As expressly provided for in Article 29 of the Articles of Incorporation: From the profit earned by the Company in a year, if any (i.e., the profit before tax before deducting remuneration to employees and remuneration to directors), a sum within 2% maximum shall be appropriated as remuneration to directors. Such motion shall be posed by the Remuneration Committee to be resolved by the board of directors before being reported to the shareholders’ meeting.

B. The relationship among the Company's policies, standards, and structure of employee remuneration, and operating performance and future risks:

① In the Company, the remuneration to employees shall be determined and paid in accordance with the relevant salary payment rules, their personal performance, contribution to the Company in terms of overall operating goals and with reference to the rates prevalent in the counterpart firms in the same industry, further taking into account the Company’s future operating risks, with provision of various career development opportunities, along with opportunities for talent training and promotion under the transparent policy and amidst the mechanism upward to higher position titles and pay. Through such elaborate policy and effort as a whole, the entire staff will be guided into positive development through the concerted endeavors.

② As expressly provided for in Article 29 of the Articles of Incorporation: From the profit earned by the Company in a year, if any (i.e., the profit before tax before deducting remuneration to employees and remuneration to directors), a sum within 1% shall be appropriated as remuneration to employees. Such motion shall be posed to and resolved by the board of directors before being reported to the shareholders’ meeting.

5) Pursuant to the requirements set forth under the Articles of Incorporation, with the profits earned by the Company in the current year, a sum 1% shall be distributed for compensation to employees and a sum within 2% maximum as remuneration to the directors. Where the Company remains in accumulated loss, nevertheless, such loss should be made up. The term “the profits earned by the Company in the current year” denotes the profits earned in the current year before tax after deducting compensation to employees and remuneration to directors.

6) The Company's management estimated compensation to employees and remuneration to directors based on the profitability of the current year, and taking account the amounts expected for the payment and factors of the minimum and maximum limits set forth under the Articles of Incorporation to estimate the amount of net profit before tax and before deduction of the compensation to employees and remuneration to directors. The Company has a net loss before tax for the periods from January 1 to December 31, 2023 and 2022; therefore, no compensations to employees and no remuneration to directors payable have been recognized. However, there is a significant change in the amount distributed by the resolution of the board of directors taking place before the date of authorization and issuance of the annual financial statements, such adjustment of change provided as annual expenses; if the amount still changes after the date of authorization and issuance of the annual financial statements, such change shall be handled as a change in accounting estimation and would be entered into account in the ensuing fiscal year.

7) As resolved by the Company's Board of Directors on March 12, 2024 and March 14, 2023, no compensation to employees and no remuneration to directors would be recognized for the years 2023 and 2022. The amounts resolved show no difference from the expenses recognized on the financial statements for the years 2023 and 2022.

8) For information relating to the compensation to employees and remuneration to directors and supervisors of the Company, please inquire through the “Market Observation Post System (MOPS)” of Taiwan Stock Exchange Corporation (TWSE).

(38) Changes in liabilities coming from financing activities

Items	Short-term loans	Short-term notes payable	Long-term loans	Lease labilities	Guarantee deposits received
January 1, 2023	$ 1,747,000	$ 299,312	$ 1,900,000	$ 330,373	$ 2,897
Net change in financing cash flows	(17,000)	400,000	(1,200,000)	(32,676)	-
Change in non-cash - lease addition/remeasurement	-	-	-	93,962	-
Non-cash change –discount on notes and bills	-	383	-	-	-
December 31, 2023	$ 1,730,000	$ 699,695	$ 700,000	$ 391,659	$ 2,897

Items	Short-term loans	Short-term notes payable	Long-term loans	Lease labilities	Guarantee deposits received
January 1, 2022	$ 1,124,846	$ -	$ -	$ 350,898	$ 3,331
Net change in financing cash flows	622,154	300,000	1,900,000	(33,137)	(434)
Change in non-cash - lease addition/remeasurement	-	-	-	12,612	-
Non-cash change –discount on notes and bills	-	(688)	-	-	-
December 31, 2022	$ 1,747,000	$ 299,312	$ 1,900,000	$ 330,373	$ 2,897

(39) Income tax

1) Composition of income tax expense (gain):

A. Income tax recognized in profit or loss

Items	Year Ended December 31, 2023	Year Ended December 31, 2022
Current income tax expense payable	$ -	$ 223,580
Deferred income tax expenses (gains)		
Origination and reversal of temporary differences	(179,417)	(21,751)
Net change in deferred income tax decrease (increase) — recognized in profit or loss	(179,417)	(21,751)
Adjustment to income taxes in previous year	(1,103)	(3,782)
Income tax expenses (gains) recognized in profit or loss	($ 180,520)	$ 198,047

B. Recognized in income tax related to other comprehensive income

Items	Year Ended December 31, 2023	Year Ended December 31, 2022
Current income tax		
Exchange difference resulting from translating the financial statements of foreign operations	($ 47,046)	($ 123,543)
Deferred income tax		
Remeasurements of defined benefit plan	182	13,548
Net change in deferred income tax decrease (increase)	182	13,548
Income tax expenses (gains) recognized in other comprehensive income	($ 46,864)	($ 109,995)

2) Reconciliation of income in the current fiscal year and the income tax expense recognized into profit or loss is as follows:

Items	Year Ended December 31, 2023	Year Ended December 31, 2022
Net profit (loss) before tax from continuing operations unit	($ 1,618,547)	($ 295,765)
Income tax with profit (loss) loss before tax at statutory tax rate	(323,710)	(59,153)
Effects of income tax upon adjustments		
Effects not counted into the items upon determination of the taxable income	142,345	30,086
Controlled foreign corporation (CFC) income tax effects	8,655	-
Tax to be made up under the minimum taxation system	-	-
Income tax levied additionally on unappropriated earnings	-	223,580
Loss carry-forward incurred in the current year	172,710	29,067
Loss carry-forward for offset in the current year	-	-
Deduction of investment tax credit for the current year	-	-
Current income tax expense payable	-	223,580
Net change in deferred income tax decrease (increase)	(179,417)	(21,751)
Adjustment to income taxes in previous year	(1,103)	(3,782)
Income tax expenses (gains) recognized in profit or loss	($ 180,520)	$ 198,047

The Company applied 20% statutory tax rate.

3) Balance of the income tax assets (liabilities) in the year

Items	December 31, 2023	December 31, 2022
Income tax assets for the year		
Income tax paid in advance	$ 501	$ -
Income liabilities for the year		
Current income tax expense payable	$ -	$ 223,580
Less: Credit for the income tax paid in advance in the current year	-	(1,327)
Total	$ -	$ 222,253

4) Balance of deferred income tax assets (liabilities)

	Year Ended December 31, 2023			
Items	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Deferred income tax assets				
Unrealized exchange loss	$ -	$ 231	$ -	$ 231
Losses on obsolescence and market value decline in inventories	10,792	10,010	-	20,802
Employee leave payment obligations	2,328	(50)	-	2,278
Long-term employee benefit plan	2,527	162	-	2,689
Loss on impairment of tangible assets	7,500	320	-	7,820
Lease decommissioning obligations	815	7	-	822
Unrealized accrued expense	6,920	-	-	6,920
Loss carry-forward (Note)	29,067	169,179	-	198,246
Total	$ 59,949	179,859	-	$ 239,808
Deferred income tax liabilities				

Unrealized exchange profit	1,176	(1,176)	-	-
Retirement benefit plan	8,899	1,700	182	10,781
Financial & taxation difference in depreciation expenses	150	(31)	-	119
Lease decommissioning costs	700	(51)	-	649
Reserve for land value increment tax	979,556	-	-	979,556
Total	$ 990,481	442	182	$ 991,105
Changes in net increase (decrease)		$ 179,417	($ 182)	

Note: Loss carry-forward recognized on the income statement includes the amount incurred during the period and the adjustment to estimates from prior years.

Items	Year Ended December 31, 2022 Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Deferred income tax assets				
Unrealized exchange loss	$ 1,266	($ 1,266)	$ -	$ -
Losses on obsolescence and market value decline in inventories	12,895	(2,103)	-	10,792
Employee leave payment obligations	2,629	(301)	-	2,328
Long-term employee benefit plan	8,419	(5,892)	-	2,527
Loss on impairment of tangible assets	8,740	(1,240)	-	7,500
Lease decommissioning obligations	809	6	-	815
Unrealized accrued expense	7,000	(80)	-	6,920
Loss carry-forward	-	29,067	-	29,067
Total	$ 41,758	18,191	-	$ 59,949
Deferred income tax liabilities				
Unrealized exchange profit	-	1,176	-	1,176
Retirement benefit plan	-	(4,649)	13,548	8,899
Financial & taxation difference in depreciation expenses	186	(36)	-	150
Lease decommissioning costs	751	(51)	-	700
Reserve for land value increment tax	979,556	-	-	979,556
Total	$ 980,493	(3,560)	13,548	$ 990,481
Changes in net increase (decrease)		$ 21,751	($ 13,548)	

5) The items of the deferred income tax assets not recognized by the Company because of being not very likely to be realized are as follows:

Items	December 31, 2023	December 31, 2022
Deferred income tax assets		
Loss on impairment of financial assets	$ 686	$ 686

6) The unrecognized deferred income tax liabilities related to investment

The temporary difference related to investment in subsidiaries, while the Company could control the very timepoint of reversal of that temporary difference and was very likely not to dispose and reverse within the foreseeable future, the Company did not recognize the deferred income tax liabilities. As of December 31, 2023 and 2022, the aggregate total amounts of the temporary differences of investment in subsidiaries which had not been recognized for the deferred income tax liabilities amounted to NT$2,480,973 thousand and NT$2,622,061 thousand, respectively.

7) As of December 31, 2023, the Company applied the provisions of the Income Tax Act, which the aggregate total of the deferred income tax assets with income tax payable in the year after credit was summarized as follows:

Last credit-use year	Recognized loss carry-forward	Unrecognized loss carry-forward	Total
Year 2032	$ 25,536	$ -	$ 25,536
Year 2033	172,710	-	172,710
Total	$ 198,246	$ -	$ 198,246

8) As of December 31, 2023, the Company's income tax returns through 2021 has been assessed and approved by the tax authority.

9) The Company recorded a net loss for 2023 and hence there is no potential consequence of income tax payable on unappropriated earnings from 2023.

10) Pillar Two Rules

There is no legislation yet regarding Pillar Two Rules in Taiwan where the Company is registered and hence there is no impact on the Company's income taxes during the period.

(40) Earnings per share (EPS)

The basic earnings per share (EPS) of the Company was calculated by dividing the current year's net profit (loss) by the weighted average number of common shares outstanding; the shares added by unappropriated earnings or capital surplus conversion to capital increase in cash, then with retroactive adjustment calculation.

If the Company was entitled to the option to distribute compensation to employee in stocks or cash, then upon calculating the diluted earnings per share (EPS), it was assumed that the compensation to employee would be distributed by stocks and would be included in the weighted average number of outstanding shares when the potential common stocks were entitled to dilution effect so as to calculate the diluted earnings per share (EPS). When calculating the diluted earnings per share (EPS) before the resolution of distributing compensation to employee in the following year, the Company also continues to take into account the dilution effect of these potential common shares.

	Year Ended December 31, 2023			Year Ended December 31, 2022		
	Amount after tax	Weighted average number of outstanding shares (in thousand shares)	Losses per share (EPS) (NT$)	Amount after tax	Weighted average number of outstanding shares (in thousand shares)	Losses per share (EPS) (NT$)
Basic losses per share:						
Net loss for the year	($1,438,027)			($ 493,812)		
Less: Dividends on preferred shares	(12,000)			(12,000)		
Net loss attributable to shareholders of common shares for the year	($1,450,027)	912,176	($ 1.59)	($ 505,812)	906,620	($ 0.56)

7. Related Party Transactions

(1) Parent company and ultimate controller

The Company does not have an ultimate parent company and hence the Company is the ultimate controller.

(2) Names/titles of the related parties and relationship thereof

Name of related party	Relationship with the Company
GPPC Chemical Corporation	Subsidiary
GPPC Investment Corp.	Subsidiary
Videoland Inc.	Subsidiary
KK Enterprise Co., Ltd.	Subsidiary
GPPC Hospitality and Leisure Inc.	Subsidiary
GPPC Development Co., Ltd.	Subsidiary
Perfect Meat Co., Ltd.	Subsidiary
QuanZhou Grand Pacific Chemical Co., Ltd.	Subsidiary
Land & Sea Capital Corp	Subsidiary
Zhenjiang Chimei Chemical Co., Ltd.	Associate
China Development Financial Holding Corporation	The subsidiary is the legal person director of the company (other related party)
KGI Life Insurance Co., Ltd.	The subsidiary is the legal person director of the parent company (other related party)
KGI Securities Co., Ltd.	The subsidiary is the legal person director of the parent company (other related party)
Ruihui Japanese Food & Beverage Co., Ltd	Other related party
All directors, general manager and deputy general managers	Main management

(3) Significant transactions with related parties

1) Sales

Type of the related party	Year Ended December 31, 2023	Year Ended December 31, 2022
Subsidiary	$ 838,406	$ 1,245,281
Associate	10,386	30,124
Total	$ 848,792	$ 1,275,405

The Company sells SM to its subsidiaries at contract price. The purchase or selling price under the contract is based on the mean price in the three regions, that is, FOB Korea, CFR Taiwan, and CFR SE Asia, in the respective issues of Styrene intelligence reports for the month according to Platt’s Far East Petrochemical Scan.

The quantity is 3,000 – 6,000 tons a month. The payment method is settlement at the end of each month and paid off 45 days following settlement. If the subsidiary fails to make payments as scheduled, the goods will be on hold and interest will be calculated at the one-year time deposit annual rate of the Bank of Taiwan as of January 1 of the specific year. Such holding period, however, is limited to 3 months at maximum.

Except for those mentioned above, there are no significant differences in the remaining selling price and sales trading conditions for related parties and those for ordinary customers of the Company.

2) Purchases

Type of related party	Year Ended December 31, 2023	Year Ended December 31, 2022
Subsidiary	$ 1,126	$ 2,470

There are no significant differences in the buying price and purchases trading conditions for related parties and those for ordinary customers of the Company.

3) Operating expense

Type of the related party	Year Ended December 31, 2023	Year Ended December 31, 2022
Subsidiary	$ 132	$ 157
Other related party	8,148	7,817
Main management	1,500	1,800
Total	$ 9,780	$ 9,774

4) Lease agreement

A. Right-of-use assets

Type of related party	December 31, 2023	December 31, 2022
China Life Insurance Co., Ltd.	$ 263,513	$ 284,334

B. Refundable deposits

Type of related party	December 31, 2023	December 31, 2022
China Life Insurance Co., Ltd.	$ 5,766	$ 5,766

C. Lease liabilities - current

Type of related party	December 31, 2023	December 31, 2022
China Life Insurance Co., Ltd.	$ 19,925	$ 19,594

D. Lease liabilities - noncurrent

Type of related party	December 31, 2023	December 31, 2022
China Life Insurance Co., Ltd.	$ 264,131	$ 284,056

E. Interest expenses

Type of related party	Year Ended December 31, 2023	Year Ended December 31, 2022
China Life Insurance Co., Ltd.	$ 2,502	$ 2,667

F. Lease payments

Type of related party	Year Ended December 31, 2023	Year Ended December 31, 2022
China Life Insurance Co., Ltd.	$ 22,095	$ 22,095

G. Rent expense

Type of related party	Year Ended December 31, 2023	Year Ended December 31, 2022
Subsidiary	$ 72	$ 72

H. Rentals in the lease contracts are based on market prices and negotiations between both parties and are paid monthly.

5) Lease agreements

A. Rent revenues

Type of related party	Year Ended December 31, 2023	Year Ended December 31, 2022
Subsidiary	$ 126	$ 113
China Development Financial Holding Corporation	9,932	9,920
Total	$ 10,058	$ 10,033

B. Rents collected in advance

Type of related party	December 31, 2023	December 31, 2022
China Development Financial Holding Corporation	$ 867	$ 867

C. Guarantee deposits received

Type of related party	December 31, 2023	December 31, 2022
China Development Financial Holding Corporation	$ 1,734	$ 1,734

D. The abovementioned leases are for the Company to let out its own properties and some office spaces. The lease agreements calculate rents based on market prices and negotiations between both parties. Rents are collected each month or each year.

6) The creditor's rights and debts between the Company and related parties (all without including the interest) are as follows:

A. Accounts receivable

Type of related party	December 31, 2023	December 31, 2022
Subsidiary	$ 8,915	$ 4,482
Associate	1,507	-
Total	$ 10,422	$ 4,482

B. Other receivables

Type of related party	December 31, 2023	December 31, 2022
QuanZhou Grand Pacific Chemical Co., Ltd.	$ 14,425	$ 8,261

Note: It is the guarantee service fee receivable, which has been fully collected after the balance sheet date.

C. Accounts payable

Type of related party	December 31, 2023	December 31, 2022
Subsidiary	$ 3	$ 42

D. Other payables

Type of related party	December 31, 2023	December 31, 2022
Other related party	$ 167	$ 150

E. Prepaid service fees

Type of related party	December 31, 2023	December 31, 2022
Main management	$ -	$ 1,500

7) Financing Information

A. From January 1 to December 31, 2023

Item	Type of related party	Maximum balance	Effective limit at the end of the period	Amount used at the end of the period	Interest rate range	Interest expense
Other payables - related party	Land & Sea Capital Corp.	$ 602,280 (CNY140,000)	$ -	$ -	1.53%	$ 7,404

B. From January 1 to December 31, 2022

Item	Type of related party	Maximum balance	Effective limit at the end of the period	Amount used at the end of the period	Interest rate range	Interest expense
Other payables - related party	Land & Sea Capital Corp.	$ 617,120 (CNY140,000)	$ 617,120 (CNY140,000)	$ -	1.53%	$ 766

C. The interest rate of the Company's borrowings from related parties is comparable to that of market interest rate without significant difference; in addition, the Company provided a promissory note as a commitment to repay the loan.

8) Endorsements and guarantees

A. As of December 31, 2023 and 2022, the Company endorsed and guaranteed for QuanZhou Grand Pacific Chemical Co., Ltd. at NT$15,057,000 thousand and NT$15,428,000 thousand, respectively. The amounts utilized were NT$15,057,000 thousand and NT$13,885,200 thousand, respectively.

B. As of December 31, 2023 and 2022, the amount of bank guarantee that the Company had obtained for GPPC Development Co., Ltd. 's borrowings and lease contracts was NT$1,084,371 thousand and NT$84,371 thousand, respectively, and the actual used amount was NT$84,371 thousand for these two years.

9) The Company's participation in rights issues and increase in investments in related parties:

A. Year ended December 31, 2023

Type of related party/ target	Entry	Increase in investment: Number of shares (in thousands)	Increase in investment: Amount	Percentage of shareholding: Before capital increase	Percentage of shareholding: After capital increase
QuanZhou Grand Pacific Chemical Co., Ltd.	Investment under equity method	-	$ 1,144,464	100.00%	100.00%
GPPC Development Co., Ltd.	Investment under equity method	8,000	$ 80,000	30.43%	42.86%

B. Year ended December 31, 2022

Type of related party/ target	Entry	Increase in investment: Number of shares (in thousands)	Increase in investment: Amount	Percentage of shareholding: Before capital increase	Percentage of shareholding: After capital increase
QuanZhou Grand Pacific Chemical Co., Ltd.	Investment under equity method	-	$ 3,433,392	100.00%	100.00%
GPPC Development Co., Ltd.	Investment under equity method	2,000	$ 20,000	38.46%	30.43%

10) Others

Items	Type of related party/Name	Year Ended December 31, 2023	Year Ended December 31, 2022
Revenue from administrative expenses (recorded as other revenues) (Note 1)	GPPC Chemical Corporation	$ 8,400	$ 8,400
Revenue from remuneration to directors/supervisors (recorded as other revenues)	Subsidiary	224	791
Revenues from scrap waste sales (recorded as other revenues)	Subsidiary	1	-
Fee income (recorded as Manufacturing overhead) (Note 2)	Subsidiary	253	253
Fee income (recorded as Manufacturing overhead) (Note 2)	QuanZhou Grand Pacific Chemical Co., Ltd.	14,425	8,261
Miscellaneous income (recorded as Manufacturing overhead)	Other related party	-	217
Disbursement of technical service fee (Note 3)	Subsidiary	2,621	4,164
Disbursement of technical service fee (Note 3)	QuanZhou Grand Pacific Chemical Co., Ltd.	21,436	32,801

Note: (1) GPPC Chemical Co., Ltd. relies on the experiences and talents of the Company and entrusts the Company in the business activities management and sales etc. The parties have reached an agreement and signed a contract.

(2) The guarantee processing fees for the Company provides endorsements and guarantees to subsidiaries are based on the cost of capital obtained.

(3) The subsidiaries entrust the Company to dispatch personnel for technical support at subsidiary's factory zones. Various expenses for

technical support are reimbursed as actually paid. The technical service fee collected by the Company is recorded as the deduction of various reimbursement expenses.

(4) Information of compensation for main management

Items	Year Ended December 31, 2023		Year Ended December 31, 2022	
Salaries and other short-term employee benefits	$	48,681	$	60,863
Termination benefits		-		-
Post-employment benefits		4,311		5,251
Other long-term benefits		-		-
Shares-based payment		1,534		-
Total	$	54,526	$	66,114

8. Pledged Assets

(1) Facts of pledge in property, plant and equipment

Items	Purposes of pledge (mortgage)	December 31, 2023		December 31, 2022	
Land	Comprehensive facility of credit extension, security	$	3,052,970	$	3,052,970
Buildings & constructions	Comprehensive facility of credit extension, security		233,887		245,516
Machinery & equipment	Guarantee for comprehensive facility of credit extension	$	326,177	$	466,066
Total		$	3,613,034	$	3,764,552

(2) Pledges on investment properties

Items	Purposes of pledge (mortgage)	December 31, 2023		December 31, 2022	
Land	Security for purchase	$	132,247	$	132,247
Buildings & constructions	Security for purchase		22,728		23,717
Total		$	154,975	$	155,964

9. Significant Contingent Liabilities and Unrecognized Contract Commitments

(1) Endorsements/guarantees: Please refer to Note 7 (3)-8.

(2) Refundable deposit guarantee notes and debit notes

1) The Company issued guaranteed promissory notes with facility and debit notes lent them to financial institutions as a commitment to repay the loan. As of December 31, 2023 and 2022, the guaranteed promissory notes were USD15,000 thousand, NTD11,550,000 thousand and USD37,000 thousand, NT$8,950,000 thousand, CNY140,000 thousand, respectively.

2) To apply for the government subsidies, the Company issued performance guarantee notes to subsidy management agencies for both NT$25,000 thousand as of December 30, 2023 and 2022.

(3) Deposited guarantee notes and collateral

The Company collected deposited guarantee notes and collateral as its performance guarantee. As of December 31, 2023 and 2022, the deposited guarantee notes were NTD75,516 thousand and NTD140,728 thousand, SGD208 thousand, EUR730 thousand, USD2,909 thousand, JPY1,850 thousand, respectively.

(4) To apply for the government subsidies, the Company requested financial institutions to provide performance guarantees for NT$6,200 thousand and NT$7,000 thousand as of December 31, 2023 and 2022, respectively.

(5) The performance guarantees the Company requested financial institutions to provide for the leasing requirements from subsidiaries amounted to NT$84,371 thousand for both the years ended December 31, 2023 and 2022.

(6) The balance of L/C opened but not used by the Company as of December 31, 2023 and 2022 were USD11,204 thousand, NTD850,000 thousand and USD6,382 thousand, NTD703,171 thousand, respectively.

(7) The property, plant and equipment and other major capital expenditures for which the Company had executed contracts but had not paid off as of December 31, 2023 and 2022 were NT$8,480 thousand and NT$72,462 thousand, respectively.

(8) Under the agreement duly executed by and between the Company and CPC Corporation, Taiwan (CPC), the Company has been required to procure from CPC specified volumes of ethylene, benzene and butadiene from every year. If the annual purchase volume of the Company did not reach the minimum contract amount, CPC may reduce the supply in the following year as appropriate. In addition, the Company committed to purchase CPC’s ethylene, benzene and butadiene as raw materials for factory-made styrene and acrylonitrile-butadiene-styrene copolymer resin (ABS), unless approved by government authorities, or in case of the internal dispatch for petrochemical feedstock, the Company should not transfer into other uses or resell the quotas (Where required for petrochemical scheduling, and with the prior written consent of CPC, the Company was allowed to transfer the ethylene, benzene and butadiene to petrochemical users of CPC as petrochemical feedstock either in whole or in part), otherwise CPC may would stop supplying ethylene, benzene and butadiene at any time and terminate the agreement.

(9) In order to manufacture ABS and other products, the Company purchased butadiene from Formosa Petrochemical Corporation as a raw material for which the Company signed a transaction agreement. Under the agreement, the Company committed itself to purchase at least 100 metric tons of butadiene from Formosa Petrochemical Corporation every month as the raw material for the production of ABS and other products.

(10) In order to manufacture ABS and other products, the Company purchased acrylonitrile from China Petrochemical Development Corporation as a raw material for which the Company signed a transaction agreement. Under the agreement, the Company committed itself to purchase 3,600 metric tons to 7,200 metric tons of acrylonitrile every quarter as a raw material for the production of ABS and other products.

(11) The Company provided financing endorsement guarantees for the subsidiaries' syndicated loan contracts with 17 syndicate banks. The Company is committed to the following financial ratio limitation clauses during the life of the subsidiaries' syndicated loan contracts:

1) Current ratio: ratio of current assets to current liabilities, no less than 100%

2) Liability ratio: ratio of total liabilities to tangible book value, no more than 150%

3) Interest coverage ratio: ratio of EBITDA (earnings before interest, taxes, depreciation, and amortization) to interest expenses, to lower than 3x

The aforesaid financial ratios and requirements are based on International Financial Reporting Standards (IFRS) and the Company’s consolidated financial statements audited by certified public accountants.

Beginning in the second half of 2022, the petrochemical industry was impacted by new production capacities in China, geopolitical uncertainties, inflation, and other economic factors that led to a significant global economic downturn. As a result, the Company expected that certain financial ratios in its 2023 financial statements would not meet the financial ratio covenant required by its syndicated loan agreement. On September 11, 2023, the Company applied to the syndicated banks for a waiver of the financial ratio covenants. On December 5, 2023, the Company obtained consent letters from a majority of the syndicated loan lenders for wavier of the financial ratio covenants.

(12) As of December 31, 2023, the Company's subsidiary - QuanZhou Grand Pacific Chemical Co., Ltd. - arranged credit facilities with various banks for a total of USD 145,000 thousand and RMB 250,000 thousand for operational needs. As required by the lending banks, the Company provided commitment letters and support letters. The Company committed that during the credit period with the banks, it will maintain 100% ownership of QuanZhou Grand Pacific Chemical Co., Ltd. and continue to have significant influence and control over QuanZhou Grand Pacific Chemical Co., Ltd to assist in its normal operations and maintain its financial health.

10. Significant Disaster Loss: Nil

11. Significant Events after the Balance Sheet Date: Nil

12. Other Events

(1) Seasonal or cyclical interpretation of interim operations

All sorts of business operations inside the Company have been free of any potential impact in reasonable or cyclical factors.

(2) Capital risk management

The Company carries out capital management to assure a sound capital base, and maximizes shareholder compensation by means of optimizing debt and equity balances. After regularly reviewing and measuring related costs, risks and returns, the Company ensures a good profitability level and financial ratio. Where necessary, the Company would balance its overall capital structure through various financing methods to live up to the needs of various capital expenditures, working capital, debt repayment, and dividend expenditures in the future period.

(3) Financial instruments

1) Type of financial instruments

Financial liabilities	December 31, 2023	December 31, 2022
Investment in equity instrument of financial assets at fair value through other comprehensive income	$ 323,624	$ 363,605
Select the designated equity instrument for investment		
Cash & cash equivalents	192,043	342,754
Notes and accounts receivable (including related parties)	1,004,324	1,069,909
Other receivables (including related parties)	37,830	43,257
Other financial assets - current	-	24,654
Refundable deposits	6,704	6,788

Financial liabilities		
Financial liabilities carried at amortized cost		
Short-term loans	1,730,000	1,747,000
Short-term notes payable	699,695	299,312
Accounts payable (including related parties)	1,355,360	869,663
Other payables (including related parties)	166,043	178,903
Long-term loans	700,000	1,900,000
Lease liabilities-Current and Noncurrent	391,659	330,373
Guarantee deposits received	2,897	2,897

2) Financial risk management policies

In terms of routine business operation, the Company has been subject to impact from a variety of financial risks, including market risks (including exchange rate risks, interest rate risks and price risks), credit risks and liquidity risks. In an attempt to minimize relevant financial risks, the Company has put forth maximum possible efforts to identify, evaluate and evade the uncertainty in the markets to minimize the negative impact of market variation upon the Company's financial performance.

The Company has set up appropriate policies, procedures and internal controls in response to the aforementioned financial risk management in accordance with relevant regulations, and all important financial activities must be reviewed by the Board of Directors in accordance with relevant regulations and internal control systems. During the implementation of the financial plan, the Company must comply with the relevant financial operation procedures for overall financial risk management and division of powers and responsibilities.

3) The attribute and level of significant financial risks

A. Market risks

Here at the Company, the market risk has notably been the risk in financial instruments' fair value or cash flow fluctuations due to changes in market prices. Such market risks mainly include exchange rate risks, interest rate risks and price risks.

① Exchange rate risks

The Company's business involves certain non-functional currencies (the functional currency of the Company has been the New Taiwan Dollars so it is subject to exchange rate fluctuations impact. Information on foreign currency assets and liabilities with significant exchange rate fluctuations is as follows:

	December 31, 2023			December 31, 2022		
Items (Foreign currencies: Functional currency)	Foreign currencies	Exchange rate foreign currencies vs. functional currency	New Taiwan Dollars	Foreign currencies	Exchange rate foreign currencies vs. functional currency	New Taiwan Dollars
Financial assets						
Monetary items						
USD:NTD	$ 14,016	30.655	$ 429,660	$ 26,029	30.71	$ 799,351
CNY:NTD	3,353	4.3020	14,425	9,890	4.4080	43,595
Non-monetary items						
USD:NTD	436,362	30.655	13,376,677	464,520	30.71	14,265,409
CNY:NTD	2,531,538	4.3020	10,890,676	2,281,857	4.4080	10,058,426
Financial liabilities						
Monetary items						
USD:NTD	17,932	30.655	549,705	9,162	30.71	281,365

Note: The foreign currency related non-monetary assets measured at the historical exchange rate on the transaction date have not been disclosed because they have no significant impact on the parent company only financial statements.

Here at the Company, the sensitivity analysis on the exchange rate risks mainly focuses on the major foreign currency monetary items and non-monetary items at the end of the financial statement period, and the related foreign currency appreciation/depreciation impact on the Company's profit and loss as well as equity. All other risk factors being equal, any 1% movement in exchange rates of the Company’s foreign currency position would result in NT$845 thousand and NT$4,493 thousand change in profit and loss and NT$242,674 thousand and NT$243,238 thousand change in equity on December 31, 2023 and 2022, respectively. The sensitivity ratio with which the management reports exchange rate risks is based on 1%. It also represents the management’s assessment on the possible and reasonable range of changes in exchange rates.

The net gain (loss) with unrealized exchange in foreign currency under the Company's monetary items for the years ended December 31, 2023 and 2022 was (NT$1,154) thousand and NT$5,881 thousand, respectively, as affected by the fluctuation of USD and CNY exchange rate. Due to the wide variety of currencies in foreign currency transactions, it is not possible to clearly distinguish between the types of exchange gains and losses and to disclose them separately by each foreign currency. Therefore, the amounts are presented in aggregate.

② Interest rate risks

The interest rate related risks refer to the risks of financial instruments' fair value or future cash flow fluctuations due to changes in market interest rates. The Company's interest rate risks mainly come from floating rate in loans where some of the risks would be held with floating rates through cash & cash equivalents offset. Where the Company regularly assesses the trend of interest rate changes and responds to it, it is not expected that there would be a significant risk of market interest rate changes. All other risk factors being equal, a 10% basis point movement in yields of the position exposed to interest rate risks would result in NT$4,107 thousand and NT$1,902 thousand change in the Company’s profit and loss on December 31, 2023 and 2022, respectively.

③ Price risks

The investments in equity instruments held by the Company as shown through the balance sheet has been primarily classified as financial assets at fair value through profit and loss and financial assets at fair values through other comprehensive income. The Company has been, therefore, exposed to pricing risks of equity instruments. In an effort to manage the pricing risks of equity instruments, the Company virtually diversifies its investment portfolio in a manner that was based on the limits set by the Company. The Company has invested in financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income with the price of equity instruments such as profit or loss affected by the uncertainty of the future value of the investment target. All other risk factors being equal, a 1% movement in spot prices of the position in equity instruments would result in

NT$3,236 thousand and NT$3,636 thousand change in the Company's equity on December 31, 2023 and 2022, respectively.

B. Credit risks

Credit risks refer to such risks in financial losses incurred in an event where a customer of the Company or financial instrument transaction counterparty fails to perform the contract. The credit risks of the Company primarily resulted from operating activities (primarily as accounts & notes receivable) and financial activities (primarily as bank deposits and a variety of financial instruments). The credit risks related to business operation and financial credit risks have been managed respectively.

① Credit risks related to business operation

The business department faithfully complies with the Company's customer credit risk policies, procedures and controls to manage customer credit risk. The credit risks assessment of all customers is a comprehensive consideration such as the financial status of the customers, the rating of the credit rating agency, past historical transaction experience, the current economic environment and the internal rating criteria of the Company. In addition, the Company also uses certain credit enhancement instruments (such as payments collected in advance, etc.) at appropriate times to minimize the credit risk of specific customers.

② Financial credit risks

Here at the Company, the Finance Department manages credit risks of bank deposits and other financial instruments in accordance with company policies. Since the Company's transaction objects have been determined by internal control procedures as banks with good credit and an investment grade and above in the forms of institutions, company organizations. Where all such entities prove free of major performance doubts, there have been no major credit risks upon the Company.

③ Information of credit-related risks in accounts receivable

The Company adopted the assumption provided under IFRS 9. As the payment was more than 30 days overdue from schedule in the provision of contracts, the financial asset was deemed to have significantly increased in credit risks from the initial recognition. In an event where a contract payment was more than 365 days overdue or where the loanee would be highly unlikely to fulfill the credit obligations to pay amount in full to the Company, the Company deemed that financial asset in default.

In an effort to minimize credit risks, the management of the Company would assign the special team to assume the responsibility to determine the facility of credit extension, approve of credit extension or other supervisory procedures with actions to be taken as appropriate to assure successful retrieval of receivables. Besides, on the balance sheet date, the Company would, on one-by-one basis, recheck the reclaimable amounts of receivables to assure that appropriate allowance would have been provided against the potential loss. The concentration of credit risk is limited because the Company's customer base is broad and unrelated. Accordingly, the management believes that the Company's credit risk has been significantly reduced. For facts of changes regarding aging analysis of accounts receivables and allowance loss, please see Note 6 (2) & (3).

The credit risk of the Company focuses on the Top 10 sales customers of the Company. As of December 31, 2023 and 2022, the ratios of the above-mentioned customers in the total amount of accounts receivable (including related parties) were 55.36% and 43.00%, respectively.

④ Exposure to credit risks

The Company has been well known for the sound quality of credit standing with financial institutions and has tried to profoundly diversify potential credit risks with multiple financial institutions. As natural result, the Company has seen very low potential default. Besides, the Company has been in transactions with only third parties of very fine credit standing and would grant credit lines toward customers exactly based on the credit facility procedures. Meanwhile, with continued efforts to look into customers' credit standing and with evaluation of the possibility to retrieve accounts receivable on a regular basis, the Company has amortized adequate allowance against loss. The management has, therefore, firmly believed that the Company's receivables would not have been significantly concentrated in the credit risks. As of the balance sheet date in terms of cash & cash equivalents, receivables and other financial assets, the maximum possible exposure to credit risks would be exactly the carrying amounts of such financial assets.

	December 31, 2023		December 31, 2022	
Financial instruments	Carrying amount	Maximum credit exposure to risks	Carrying amount	Maximum credit exposure to risks
Cash & cash equivalents	$ 192,043	$ 192,043	$ 342,754	$ 342,754
Notes receivable	1,123	1,123	950	950
Accounts receivable (including related parties)	1,003,201	1,003,201	1,068,959	1,068,959
Other receivables (including related parties)	37,830	37,830	43,257	43,257
Other financial assets - current	-	-	24,654	24,654

C. Liquidity risk

The liquidity risk refers to the risk that the position could not be settled as expected. The Company mainly used financial institutions to use loans, and cash & cash equivalents and other instruments to adjust funds, and achieve the goal of flexible use of funds and stable funds. The share capital and working capital of the Company were sufficient to meet all contract obligations, so there would be no liquidity risk due to the inability to raise funds to fulfill contract obligations.

The table below summarizes the Company's non-derivative financial liabilities, grouped by the relevant maturity date based on the earliest possible date of repayment and compiled with its undiscounted cash flow. The Company did not expect that the time when the cash flow of the analysis of the due date occurred would be significantly earlier or the actual amount would be significantly different. The interest cash flow paid at floating interest rates, the undiscounted interest amount derived based on the yield curve on the balance sheet date which was the amount of floating interest rate instrument of a non-derivative financial liability.

The amount of the floating interest rate instrument would change according to the different interest rate and the estimated interest rate on the balance sheet date. For more details regarding the analysis of the due date of lease liabilities, please see Note 6 (11)2-(2).

	December 31, 2023						
Items	Within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years	Contract cash flow	Carrying amount
Non-derivative financial liabilities							
Short-term loans	$ 1,735,673	$ -	$ -	$ -	$ -	$ 1,735,673	$ 1,730,000
Short-term notes payable	700,000	-	-	-	-	700,000	699,695
Accounts payable (including related parties)	1,355,360	-	-	-	-	1,355,360	1,355,360
Other payables (including related parties)	166,043	-	-	-	-	166,043	166,043
Long-term loans	7,280	7,280	703,640	-	-	718,200	700,000

	December 31, 2022						
Items	Within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years	Contract cash flow	Carrying amount
Non-derivative financial liabilities							
Short-term loans	$ 1,749,756	$ -	$ -	$ -	$ -	$ 1,749,756	$ 1,747,000
Short-term notes payable	300,000	-	-	-	-	300,000	299,312
Accounts payable (including related parties)	869,663	-	-	-	-	869,663	869,663
Other payables (including related parties)	178,903	-	-	-	-	178,903	178,903
Long-term loans	17,530	17,530	1,926,135	-	-	1,961,195	1,900,000

(4) Information of fair value

1) Fair value hierarchy

The evaluation technique used to measure the fair value of financial and non-financial instruments divided the fair value into Level 1 to Level 3 based on the observable degrees. Each fair value hierarchy was defined as follows:

Level 1: Referring to the public quotation (unadjusted) from the same asset or liability in the active market.

Level 2: In addition to the public quotation of the Level 1, the fair value is derived using observable input parameters that belong to the asset or liability directly (i.e., the price) or indirectly (i.e., derived from price).

Level 3: Referring to the input parameters (non-observable parameters) of the valuation techniques for assets or liabilities that are not based on observable market data to derive fair value.

2) Financial instruments not measured at fair values

The Company's financial instruments not measured at fair values (including cash & cash equivalents, notes receivable and accounts receivable (including related parties), other receivables (including related parties), other financial assets -

current, short-term loans, short-term notes payable, accounts payable (including related parties), other payables (including related parties) and the like) refer to rational approximate values in the carrying amounts at fair values. Where refundable deposits and guarantee deposits received would not be subject to significant impact in the cash flow discounting, their carrying amounts should be the very rational grounds to estimate the fair values. The long-term loan contracts bore an agreed floating interest rate. Since the floating interest rates were mostly close to the market interest rates, the discounted value of its expected cash flow is used to estimate its fair value to approximate its book value.

3) As of December 31, 2023 and 2022 for financial and non-financial instruments at fair values were classified by the Company based on the attributes, characteristics, risks and fair value hierarchy, with the relevant information as follows:

	December 31, 2023			
Financial and non-financial instruments	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial assets at fair value through profit or loss - noncurrent				
Listed stocks in Taiwan	$ 267,283	$ -	$ -	$ 267,283
Unlisted stocks in Taiwan	-	-	56,341	56,341
Total	$ 267,283	$ -	$ 56,341	$ 323,624

	December 31, 2022			
Financial and non-financial instruments	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial assets at fair value through profit or loss - noncurrent				
Listed stocks in Taiwan	$ 268,348	$ -	$ -	$ 268,348
Unlisted stocks in Taiwan	-	-	95,257	95,257
Total	$ 268,348	$ -	$ 95,257	$ 363,605

4) Evaluation technology and assumptions adopted to measure fair values:

The fair values of the financial and non-financial instruments refer to the amounts of current transaction of the said instruments with the interested counterparties (instead of mandatory means or liquidation). Here at the Company, the methods and assumptions used for the financial and non-financial instruments to measure the fair values are as follows:

A. In case of financial instruments with standard terms and conditions and traded in the active market, the fair value was determined by referring to the market quotation. The listed stocks were counted based on the closing price as fair values.

B. For financial instruments with higher complexity, the Company measured the fair value based on the evaluation model developed using evaluation method and technology which were widely used between the fellow traders. Some of the parameters used in such evaluation models were not market observable information. The Company must make appropriate estimates based on assumptions. The Company's unlisted stocks held by the Company were counted based on the market approach or the asset approach to estimate the fair value. The judgment was conducted with reference to the same type company evaluation, third-party quotation, the Company's net worth and business performance. In addition, the significant non-observable input value was mainly current discount and discount for lack of control. For more details regarding the impact of non-market observable parameters on the evaluation of financial instruments please see Note 12 (4)-10.

C. The output of the evaluation model was the approximate value of the estimate and the evaluation technology might not reflect all relevant factors of the Company’s holding of financial instruments and non-financial instruments. Therefore, the estimated value of the evaluation model would be appropriately adjusted according to additional parameters, e.g., the model risk or liquidity risk. According to the Company’s fair value evaluation model management policy and related control procedures, the management believes that the fair value of financial instruments and non-financial instruments as shown in the balance sheet should be expressed in a fair way. The evaluation adjustment is appropriate and essential. The price information and parameters used in the evaluation process have been carefully evaluated and appropriately adjusted according to the current market conditions.

D. The Company took credit risks evaluation adjustment into consideration of calculation in fair value of the financial instruments and non-financial instruments to respectively reflect the credit risk of the transaction counterparties and credit quality of the Company.

5) Transfer of fair values between the Level 1 and Level 2 for the years ended December 31, 2023 and 2022: Nil

6) Change in the financial instruments of Level 3 for the years ended December 31, 2023 and 2022.

	Non-derivative equity instruments－Unlisted stocks	
Items	Year Ended December 31, 2023	Year Ended December 31, 2022
Beginning balance	$ 95,257	$ 99,546
Acquisition this year	-	-
Disposal this year	-	-
Capital distribution this year	-	-
Inward (outward) transfer of Level 3	-	-
Recognized in other comprehensive income	(38,916)	(4,289)
Ending balance	$ 56,341	$ 95,257

7) The Company had no outward transfer from Level 3 and inward transfer into Level 3 for the years ended December 31, 2023 and 2022.

8) The Company's evaluation process for the fair value classified in Level 3 was the independent fair value verification of financial instruments conducted by the Company's Financial Department in collaboration with an outsourced professional evaluation agency. The independent sources of data were used to bring the evaluation results closer to the market status as independent, reliable, and other resources consistent with and represent the executable price, and regularly update the required input values and data, and any other necessary fair value adjustments to ensure that the evaluation results would be rational.

9) The quantitative information about the significant unobservable input value of the evaluation model used in Level 3 fair value measurement items and the sensitivity analysis of the significant unobservable input value change are explained as follows:

Items	Fair value as of December 31, 2023	Evaluation technology	Significant unobservable input value	Range (Weighted average)	Relationship between input value and fair value
Non-derivative equity instruments:					
Unlisted (OTC) stocks	$ 54,813	Market approach	Liquidity discount	17.45%～20.56%	The higher the Liquidity discount, the lower the fair value
Unlisted (OTC) stocks	1,528	Asset approach	Discount for lack of control	22.06%	The higher the discount for lack of the control, the lower the fair value
Total	$ 56,341				

Items	Fair value as of December 31, 2022	Evaluation technology	Significant unobservable input value	Range (Weighted average)	Relationship between input value and fair value
Non-derivative equity instruments:					
Unlisted (OTC) stocks	$ 93,774	Market approach	Liquidity discount	20.73%～25.45%	The higher the Liquidity discount, the lower the fair value
Unlisted (OTC) stocks	1,483	Asset approach	Discount for lack of control	21.63%	The higher the discount for lack of the control, the lower the fair value
Total	$ 95,257				

10) The Company selected the evaluation model and evaluation parameters used after prudential evaluation so it was reasonable to measure the fair value but the use of different evaluation models or evaluation parameters might lead to different evaluation results. For financial assets classified as Level 3 and financial liabilities, if the evaluation parameter changes by 1% basis point, the impact on the current profit/loss or other comprehensive income would be as follows:

			December 31, 2023			
			Recognized in profit or loss		Recognized in other comprehensive income	
Items	Input value	Change	Favorable change	Adverse change	Favorable change	Adverse change
Non-derivative financial instruments:						
Unlisted (OTC) stocks	Liquidity discount and Discount for lack of control	±1%	$ -	$ -	$ 709	($ 709)

			December 31, 2022			
			Recognized in profit or loss		Recognized in other comprehensive income	
Items	Input value	Change	Favorable change	Adverse change	Favorable change	Adverse change
Non-derivative financial instruments:						
Unlisted (OTC) stocks	Liquidity discount and Discount for lack of control	±1%	$ -	$ -	$ 1,196	($ 1,208)

13. Additional Disclosure in the Notes

(1) Information relating to significant transactions and (2) Information relating to investee companies

1) Funds loaned to others

2) Provision of endorsements and guarantees to others

The company lending the funds	The company borrowing the funds	Transaction item	Related party or not	Maximum balance for the period	Balance at the end of the period	Actual use amount	Interest rate range	Nature of loans	Transaction amount	Reasons for short-term financing	Allowance for losses	Collaterals		Limit on loans to individual party	Limit on the total amount of loans to others
												Type	Amount		
Land & Sea Capital Corp.	Grand Pacific Petrochemical Corporation	Other receivables - related parties	Yes	$602,280 (CNY140,000)	—	—	1.53%	For short-term financing needs	—	The working capital	—	—	—	For each company with short-term financing needs, the amount of the loan shall be limited to 10% of the Company's net worth. (NT$1,263,951)	The total amount of the Company's lending funds shall be limited to 20% of the Company's net worth. (NT$2,527,902)
	Goldenpacific Equities Ltd.	Other receivables - related parties	Yes	245,240 (USD8,000)	245,240 (USD8,000)	$42,917 (USD1,400)	4.40%	For short-term financing needs	—	The working capital	—	Promissory Notes	$245,240 (USD8,000)		
Citiesocial Holding Cayman Co., Ltd.	Citiesocial Co., Ltd.	Other receivables - related parties	Yes	79,806 (USD2,603)	—	—	—	For short-term financing needs	—	The working capital	—	—	—	For each company with short-term financing needs, the amount of the loan shall be limited to 10% of the Company's net worth. (NT$0)	The total amount of the Company's lending funds shall be limited to 20% of the Company's net worth. (NT$0)

2) Provision of endorsements and guarantees to others

Name of endorsers and guarantors	Subject on endorsees and Guarantees: Name of company	Subject on endorsees and Guarantees: Relationship	Endorsement and guarantee limit for a single entity	Highest balance of endorsement and guarantee for the year	Balance of endorsement /guarantee at the end of year	Actual amount drawn down	Amount endorsement and guarantee collated by property	Ratio of accumulated amount of endorsement and guarantee to net worth in the financial statements of the company in the latest year	Maximum amount of endorsement and guarantee	Provision of endorsement and guarantee by parent company to subsidiary	Provision of endorsement and guarantee by subsidiary to parent company	Provision of endorsement and guarantee to the party in Mainland China
Grand Pacific Petrochemical Corporation	QuanZhou Grand Pacific Chemical Co., Ltd.	A subsidiary with direct shareholding in equity up to 100%	No more than 100% of the company's net value according to the most recent financial statements ($33,241,272)	$15,057,500 (CNY3,500,000)	$15,057,500 (CNY3,500,000)	$15,057,500 (CNY3,500,000)	—	45.30%	The total endorsement/guarantee of the Company shall not exceed 100% of the net worth as shown through the latest financial statements of the Company ($33,241,272)	Yes	No	Yes
	GPPC Development Co., Ltd.	A subsidiary with direct and indirect shareholding in equity up to 85.72%		1,084,371	1,084,371	84,371	—	3.26%		Yes	No	No
KK Enterprise Co., Ltd.	KK Enterprise (Malaysia) Sdn. Bhd.	A subsidiary with direct shareholding in equity up to 70%	Within the maximum limit not in excess of 50% of the total endorsement/guarantee of the Company. ($229,040)	19,614 (RM2,940)	—	—)	—	—	The total endorsement/guarantee of the Company shall not exceed 50% of the net worth as shown through the latest financial statements of the Company ($458,081)	Yes	No	No
Videoland Inc.	Citiesocial Co., Ltd.	A subsidiary with direct and indirect shareholding in equity up to 94.24%	No more than 20% of the company's net value according to the most recent financial statements ($1,468,110)	180,000	180,00	100,000	—	2.45%	The total endorsement/guarantee of the Company shall not exceed 40% of the net worth as shown through the latest financial statements of the Company ($2,936,220)	Yes	No	No

3) Holding of marketable securities at the end of year (excluding equity ownership in subsidiaries, associates and joint ventures)

Securities held by	Type and name of marketable securities		Relationship with the marketable securities issuer	General ledger account	At the end of year			
					Unit expressed in thousand shares	Carrying amount	Shareholding ratio (%)	Fair value
Grand Pacific Petrochemical Corporation	Stock	He Xin Venture Investment Enterprise Co., Ltd.	Other related party	Financial assets at fair values through other comprehensive income - noncurrent	37	$1,528	2.85	$1,528
		YODN Lighting Corp.	_	Financial assets at fair values through other comprehensive income - noncurrent	165	363	0.93	363
		Bridgestone Taiwan Co., Ltd.	_	Financial assets at fair values through other comprehensive income - noncurrent	1,151	54,450	1.42	54,450
		China Development Financial Holding Corporation	Other related party	Financial assets at fair values through other comprehensive income - noncurrent	21,297	267,283	0.13	267,283
GPPC Chemical Corporation	Stock	He Xin Venture Investment Enterprise Co., Ltd.	Other related party	Financial assets at fair values through other comprehensive income - noncurrent	49	2,044	3.80	2,044
		YODN Lighting Corp.	_	Financial assets at fair values through other comprehensive income - noncurrent	64	142	0.36	142
		Kuo Tsung Development Co., Ltd.	_	Financial assets at fair values through other comprehensive income - noncurrent	200	-	1.06	-
		Kuo Tsung Construction Development Co., Ltd.	_	Financial assets at fair values through other comprehensive income - noncurrent	200	-	1.31	-
		Bridgestone Taiwan Co., Ltd.	_	Financial assets at fair values through other comprehensive income - noncurrent	934	44,193	1.15	44,193
		Com2B Corporation	_	Financial assets at fair values through other comprehensive income - noncurrent	750	-	1.67	-
		Grand Pacific Petrochemical Corporation - preferred shares	The Company’s parent company	Financial assets at fair values through other comprehensive income - noncurrent	1,776	46,265	8.88	46,265
		China Development Financial Holding Corporation	The Company is that company’s legal person director	Financial assets at fair values through other comprehensive income - noncurrent	12,110	151,980	0.07	151,980
GPPC Investment Corp.	Stock	YODN Lighting Corp.	_	Financial assets at fair values through other comprehensive income - noncurrent	631	1,388	3.54	1,388
	Partnership	China Development Asset Management Corporation's advantageous venture capital limited partnership	_	Financial assets at fair values through other comprehensive income - noncurrent	-	221,684	-	221,684
	Fund	KGI Victory Money Market Fund	_	Financial assets at fair value through profit or loss - current	7,791	92,693	-	92,693
GPPC Hospitality And Leisure Inc.	Fund	KGI Victory Money Market Fund	_	Financial assets at fair value through profit or loss - current	1,025	12,198	-	12,198
GPPC Development Co., Ltd.	Fund	KGI Victory Money Market Fund	_	Financial assets at fair value through profit or loss - current	8,677	103,231	-	103,231
Perfect Meat Co., Ltd.	Fund	KGI Victory Money Market Fund	_	Financial assets at fair value through profit or loss - current	686	8,166	-	8,166

Securities held by	Type and name of marketable securities		Relationship with the marketable securities issuer	General ledger account	At the end of year			
					Unit expressed in thousand shares	Carrying amount	Shareholding ratio (%)	Fair value
Goldenpacific Equities Ltd.	Partnership	CDIB Capital Asia Partners L.P.	_	Financial assets at fair values through other comprehensive income - noncurrent	-	137,777	-	137,777
		CDIB Capital Global Opportunities Fund L.P.	_	Financial assets at fair values through other comprehensive income - noncurrent	-	639,693	-	639,693
Videoland Inc.	Partnership	CDIB Capital Asia Partners L.P.	_	Financial assets at fair values through other comprehensive income - noncurrent	-	118,122	-	118,122
	Stock	China Development Financial Holding Corporation - common shares	Other related party	Financial assets at fair values through other comprehensive income - noncurrent	150,647	1,890,618	0.89	1,890,618
		China Development Financial Holding Corporation - preferred shares	Other related party	Financial assets at fair values through other comprehensive income - noncurrent	86,818	613,805	5.49	613,805
	Stock	Jeoutai Technology Co., Ltd.	_	Financial assets at fair values through other comprehensive income - noncurrent	2,007	48,470	5.96	48,470
		Global Mobile Corp.	_	Financial assets at fair values through other comprehensive income - noncurrent	1,440	-	0.52	-
		Great Dream Pictures, Inc.	_	Financial assets at fair values through other comprehensive income - noncurrent	100	-	9.98	-
		Ruei-Guang Broadcasting Co., Ltd.	_	Financial assets at fair values through other comprehensive income - noncurrent	10	1,053	10.00	1,053
		21st Digital Technology Co., Ltd.	_	Financial assets at fair values through other comprehensive income - noncurrent	1,582	103,254	2.31	103,254
		Citiesocial Series A and B Preferred shares	_	Financial assets at fair values through other comprehensive income - noncurrent	4,407	102,912	-	102,912

4) Purchase or sale of the same marketable security with the accumulated amount reaching NT$300 million or 20% of paid-in capital or more

Company of purchase/sale	Type and Name of securities	General ledger account	Transaction party	Relationship	At beginning of year		Purchase		Sale				At end of year	
					1,000 shares	Amount	1,000 shares	Amount	1,000 shares	Selling price	Carrying cost	Disposal of gain (loss)	1,000 shares	Amount
Grand Pacific Petrochemical Corporation	QuanZhou Grand Pacific Chemical Co., Ltd.	Investments accounted for using the equity method	Rights issue	Subsidiary	-	$10,058,425	-	$1,144,464	-	-	- $312,214 (Note)	-	-	$10,890,675

Note: Evaluation adjustments accounted and impact upon exchange rates for using the equity method.

5) Acquisition of property reaching NT$300 million or 20% of paid-in capital or more: Nil

6) Disposal of property reaching NT$300 million or 20% of paid-in capital or more: Nil

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

Purchase (sale) company	Name of transaction party	Relationship	Descriptions of transaction				Description and reasons for difference in transaction terms compared to general transaction		Notes or accounts receivable (payable)	
			Purchase (sales of goods)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes or accounts receivable (payable)
Grand Pacific Petrochemical Corporation	GPPC Chemical Corporation	The Company's subsidiaries	Sales	$838,406	6.56%	Based on sales contracts	The purchase or selling price under the contract is based on the mean price in the three regions, that is, FOB Korea, CFR Taiwan, and CFR SE Asia, in the respective issues of Styrene intelligence reports for the month according to Platt's Far East Petrochemical Scan.	To be settled at the end of each month and paid off 45 days following settlement, if the payment is not received as scheduled, the interest will be calculated at the one-year time deposit annual rate of the Bank of Taiwan as of January 1 of the specific year, however, is limited to 3 months at maximum.	$8,915	0.89%
GPPC Chemical Corporation	Grand Pacific Petrochemical Corporation	The Company's parent company	Purchase	838,406	82.00%	Based on purchase contracts	The purchase or selling price under the contract is based on the mean price in the three regions, that is, FOB Korea, CFR Taiwan, and CFR SE Asia, in the respective issues of Styrene intelligence reports for the month according to Platt's Far East Petrochemical Scan.	To be settled at the end of each month and paid off 45 days following settlement, if the payment is not received as scheduled, the interest will be calculated at the one-year time deposit annual rate of the Bank of Taiwan as of January 1 of the specific year, however, is limited to 3 months at maximum.	(8,915)	(77.54%)

8) Receivable from related parties reaching NT$100 million or 20% of paid-in capital or more: Nil

9) Trading in derivative instruments: Nil

10) Significant impact either directly or indirectly; names, locations and relevant information of investees under control or joint ventures (excluding investment in Mainland China)

Name of investor	Name of investee	Location	Main business	Original investments		Holding status at end of year			Current profit/loss of the investee	Profit/loss recognized by the Company	Notes
				Ending balance of current year	Ending balance of prior period	Shares in thousands	Shareholding ratio (%)	Carrying amount			
Grand Pacific Petrochemical Corporation	GPPC Chemical Corporation	No.66, Changxing Rd., Luzhu Dist., Kaohsiung City	Production and sale of impact-resistant and flame-resistant polystyrene	$262,953	$262,953	34,200	100.00	$473,147	$($11,278)	$($13,866)	The recognized investment income/loss includes a deduction of $1,954 for cash dividends received from the parent company and a deduction of $634 due to the difference in income/loss perspectives between the individual basis and the consolidated basis.
	GPPC Investment Corp.	8F, No.135, Dunhua N. Rd., Taipei City	Investment business	170,307	170,307	22,032	81.60	308,208	(2,977)	(2,429)	
	GPPC Development Co., Ltd.	10F, No.1, Sec. 4, Nanjing E. Rd., Taipei City	General hotel business	150,000	70,000	15,000	42.86	14,505	(169,106)	(62,887)	Comprehensive shareholding up to control force
	Videoland Inc.	3F, No.480, Ruiguang Rd., Neihu Dist., Taipei City	Radio and television program production, domestic and foreign film copying, domestic film production, distribution, trading and other services	1,536,404	1,536,404	71,093	62.29	5,231,344	1,166	726	
	KK Enterprise Co., Ltd.	No.1, Ziqiang 3rd Rd., Nangang Industrial Zone, Nantou City	Manufacture, wholesale and retail of various trademark paper, glue paper and PU Resin	110,190	110,190	7,934	15.73	144,112	33,267	5,233	Comprehensive shareholding up to control force
	Goldenpacific Equities Ltd.	British Virgin Islands	Investment business	10,510	10,510	75	100.00	737,167	2,616	2,616	
	Land & Sea Capital Corp.	British Virgin Islands	Investment business	1,139,923	1,139,923	26,319	100.00	12,818,132	(743,844)	(568,283)	An increase of $175,561 due to the difference in income/loss perspectives between the individual basis and the consolidated basis.
GPPC Investment Corp.	GPPC Hospitality And Leisure Inc.	10F, No.1, Sec. 4,Nanjing E. Rd., Taipei City	Catering service business	40,000	40,000	4,000	100.00	12,795	(3,946)	(3,946)	
GPPC Development Co., Ltd.	Perfect Meat Co., Ltd.	8F, No.135, Dunhua N. Rd., Taipei City	Meat import sales	10,000	10,000	1,000	100.00	9,360	(33)	(33)	
Videoland Inc.	Videoland International Limited	Hongkong	Engaged in the business of trading wine related alcohol products	97,800	97,800	25,000	100.00	99,750	4,198	4,198	
	ZW ENM Co., Ltd.	1F, No. 480, Ruiguang Rd., Neihu District, Taipei City	Film and program production and distribution	5,000	5,000	500	100.00	4,981	2	2	
	Citiesocial Holding Cayman Co., Ltd.	British Cayman Islands	Investment business	70,475	-	7,205	76.69	98,235	(37,790)	(6,081)	Investment profit & loss includes gains from constructive retirement of preferred shares and amortization of intangible assets acquired

Name of investor	Name of investee	Location	Main business	Original investments		Holding status at end of year			Current profit/loss of the investee	Profit/loss recognized by the Company	Notes
				Ending balance of current year	Ending balance of prior period	Shares in thousands	Shareholding ratio (%)	Carrying amount			
	Citiesocial Co., Ltd.	11F, No. 6, Sec. 1, Heping E. Rd., Daan District, Taipei City	Multimedia ecommerce and wholesale/retail of consumer goods	38,000	-	3,800	31.28	(37,967)	(60,999)	(19,080)	
	KK Enterprise Co., Ltd.	No.1, Ziqiang 3rd Rd., Nangang Industrial Zone, Nantou City	Manufacture, wholesale and retail of various trademark paper, glue paper and PU Resin	238,248	238,248	17,046	33.79	309,571	33,267	11,240	
	GPPC Investment Corp.	8F, No.135, Dunhua N. Rd., Taipei City	Investment business	35,372	35,372	4,968	18.40	69,498	(2,977)	(548)	Comprehensive shareholding with significant power of influence
	GPPC Development Co., Ltd.	10F, No.1, Sec. 4, Nanjing E. Rd., Taipei City	General hotel business	149,873	109,873	15,000	42.86	14,505	(169,106)	(76,315)	
KK Enterprise Co., Ltd.	KK Enterprise (Malaysia) Sdn.Bhd.	Malaysia	Trademark paper, glue paper and such business	15,995	15,995	1,680	70.00	44,736	1,241	869	Recognition of investment gains and losses include realized and unrealized net gains and losses from forward and reverse side-current transaction
	K.K. Chemical Company Limited	Hong Kong	Trademark paper, glue paper and such business	5,255	5,255	125	49.90	4,069	122	61	With control force
	Dragon King Inc.	Samoa	Outward investment business	3,258	3,258	100	100.00	4,331	(43)	(43)	
Citiesocial Holding Cayman Co., Ltd.	Citiesocial Co., Ltd.	11F, No. 6, Sec. 1, Heping E. Rd., Daan District, Taipei City	Multimedia ecommerce and wholesale/retail of consumer goods	76,500	-	7,650	62.96	(75,963)	(60,999)	(38,403)	

(3) Information on investments in Mainland China

Name of investors	Name of investee in China	Main business lines	Paid-in capital	Method of investment	Beginning amount of accumulated investment with outward remittance from Taiwan this year	Amount of investment remitted outward or retrieved this year		Ending amount of accumulated investment with outward remittance from Taiwan this year	Profit or loss of investees this year Note (5)	The Company's shareholding ratio either directly or indirectly investment Note (4)	Investment gain /loss recognized in the year Note (5)	Carrying amount of investment at end of year Note (4)	Investment gains having been received at end of year
						Outward remittance	Retrieval						
Grand Pacific Petrochemical Corporation	Zhenjiang Chimei Chemical Co., Ltd.	Production and sales of series products and their products using styrene as raw materials and various chemical raw materials and fuel oil handling, storage and transportation and operation	USD384,850	Note (2)	$1,652,206 (USD52,830)	–	–	$1,652,206 (USD52,830)	$($895,796)	30.40%	$($272,322)	$4,366,649	$473,318 (USD15,496)
	Zhangzhou Chimei Chemical Co., Ltd.	Primary form plastics and synthetic resin manufacturing	CNY3,760,000	Note (2)	716,901 (USD23,340)	–	–	716,901 (USD23,340)	(1,650,701)	30.40%	(501,813)	4,343,092	–
	QuanZhou Grand Pacific Chemical Co., Ltd.	Propane dehydrogenation to propylene, polypropylene and hydrogen products	CNY2,532,000	Note (1)	10,019,124 (CNY2,278,800)	$1,144,464 (CNY253,200)	–	11,163,588 (CNY2,532,000)	(15,336)	100.00%	(15,336)	10,890,675	–
KK Enterprise Co., Ltd.	KK Enterprise (Zhongshan) Co., Ltd.	Trademark paper, glue paper and such business	HKD12,300	Note (3)	21,509 (HKD6,150)	—	—	21,509 (HKD6,150)	(2,563)	50.00%	(1,304) Note(6)	30,973	72,181
	KK Enterprise (Kunshan) Co., Ltd.	Trademark paper, glue paper and such business	USD6,100	Note (1)	206,958 (USD5,168) (Machine USD827)	—	—	206,958 (USD5,168) (Machine USD827)	(1,110)	100.00%	(1,079) Note (6)	191,616	41,010

Name of investor	Amount of accumulated investment remitted from Taiwan to the Mainland China at the end of year	Amounts of investment approved by Investment Commission, Ministry of Economic Affairs	Maximum limit of investment in Mainland China as promulgated by Investment Commission, Ministry of Economic Affairs (Note 7)
Grand Pacific Petrochemical Corporation	$13,532,695(USD76,170, CNY2,532,000)	$13,909,492 (USD453,743) (Note 8)	$21,909,361
KK Enterprise Co., Ltd.	$228,467(USD5,168, HKD6,150 and Machine USD827)	$228,467 (USD6,100, HKD6,150)	$581,158

Note: (1) As direct investment.

(2) Investment in the Mainland China based firm through a company incorporated in a third territory after being approved by the government.

(3) Investment in the Mainland China based firm by outsourcing a company incorporated in a third territory after being approved by the government.

(4) As the shareholding ratio of direct investment, reinvestment, or direct and indirect investment of a third-region company entrusted to it, and the book value of the investment at the end of the period.

(5) Investment gains and losses are accounted for using the equity method to the equity ownership, directly and indirectly, and based on the financial statements audited/certified by other certified public accountants of the international accounting firms in cooperation with the accounting firms of the Republic of China and other certified public accountants of the accounting firm that audits for the parent company in Taiwan.

(6) The investment gains and losses recognized in this current year including the realized, unrealized net gains and losses generated by the forward, countercurrent and side stream exchanges.

(7) Under the provisions of the Investment Commission, Ministry of Economic Affairs, the maximum limit for the amounts or percentages of accumulated investment toward Mainland China shall be 60% of the Company's net worth or the consolidated net worth (whichever was the higher).

(8) As of December 31, 2023, the amount of accumulated investment by the Company toward Mainland China as approved by the Investment Commission, Ministry of Economic Affairs totaled at USD672,914 thousand. Pursuant to Article 3 of "Principles for Investment or Technical Cooperation Review in the Mainland China", the amount of capital increase with earnings into Mainland China would not be counted into the accumulated investment. Besides, where the share capital or earnings of investment in Mainland China were remitted back to Taiwan by investor, the accumulated amount of investment could be deducted accordingly. The Company's earnings used for capital increase (additional investment) in Mainland China as approved by the Investment Commission, Ministry of Economic Affairs came to USD203,675 thousand and the surplus remitted back amounted to USD15,496 thousand, which had both been deducted from the cumulative amounts of approved investment in Mainland China.

(9) The foreign currency amounts in this Table are converted to New Taiwan Dollars the exchange rate quoted on the balance sheet date, except that the amount of investment remitted outward from Taiwan which was measured at historical exchange rates.

2) Significant transactions occurring with Mainland China based investees via a third territory directly or indirectly as follows:

A. Ending balance and percentage of payables regarding purchase amounts & percentage: Nil

B. Ending balance and percentage of receivables regarding sales amounts & percentage:

① For the Year Ended December 31, 2023 & December 31, 2023

Company name of sales	Name of transaction object	Sales revenues		Accounts receivable	
		Amount	Percentage of net sales	Amount	Percentage of total accounts receivable
Grand Pacific Petrochemical Corporation	Zhenjiang Chimei Chemical Co., Ltd.	$ 10,386	0.08%	$ 1,507	0.15%
KK Enterprise Co., Ltd.	KK Enterprise (Kunshan) Co., Ltd.	4,156	0.70%	-	-

② For the Year Ended December 31, 2022 & December 31, 2022

Company name of sales	Name of transaction object	Sales revenues		Accounts receivable	
		Amount	Percentage of net sales	Amount	Percentage of total accounts receivable
Grand Pacific Petrochemical Corporation	Zhenjiang Chimei Chemical Co., Ltd.	$ 30,124	0.20%	$ -	-
KK Enterprise Co., Ltd.	KK Enterprise (Kunshan) Co., Ltd.	5,193	0.69%	-	-

③ The transactions terms and conditions had been conducted as per the specified selling prices. The payments were collected 30 days – 90 days maturity after account settlement on a monthly basis.

C. Amounts in property transaction and amount of profit or loss so incurred: Nil

D. Ending balance of the endorsements/guarantees of notes or the collateral provided:

As of December 31, 2023 and 2022, the Company endorsed and guaranteed for QuanZhou Grand Pacific Chemical Co., Ltd. at NTD15,057,000 thousand and NTD15,428,000 thousand, respectively. The amounts utilized were NTD15,057,000 thousand and NTD13,885,200 thousand, respectively.

E. The highest balance of fund financing, ending balance, interest rate range and total amount of interest in the current year: Nil

F. Other transactions that had a significant impact on the current profit/loss or financial status:

① As of December 31, 2023 and 2022, the Company charged NT$14,425 thousand and NT$8,261 thousand in service fees for its endorsements and guarantees for QuanZhou Grand Pacific Chemical Co., Ltd. There were recognized as other revenues. As of December 31, 2023 and 2022, a total of NT$14,425 thousand and NT$8,261 thousand was outstanding, respectively, was recognized as other receivables - related parties and was fully collected after the balance sheet date. The guarantee processing fees are based on the cost of capital obtained.

② The Company dispatched personnel to QuanZhou Grand Pacific Chemical Co., Ltd. to render technical support for plant construction. The technical support fees were reimbursed at the cost as indicated by receipts. The Company collected technical service fees for NT$21,436 thousand and NT$32,801 thousand, respectively, for the years ended December 31, 2023 and 2022. There were recorded as the reduction of various reimbursements.

③ Acquisition of financial assets (capital increase in cash)

A. January 1 to December 31, 2023

Type of related party/Target of transaction	Item	Increase in investment: Number of shares (in thousands)	Increase in investment: Amount	Percentage of shareholding: Before capital increase	Percentage of shareholding: After capital increase
QuanZhou Grand Pacific Chemical Co., Ltd.	Investment under the equity method	-	$ 1,144,464	100.00%	100.00%

B. January 1 to December 31, 2022

Type of related party/Target of transaction	Item	Increase in investment: Number of shares (in thousands)	Increase in investment: Amount	Percentage of shareholding: Before capital increase	Percentage of shareholding: After capital increase
QuanZhou Grand Pacific Chemical Co., Ltd.	Investment under the equity method	-	$ 3,433,392	100.00%	100.00%

(4) Information of Major Shareholders

December 31, 2023

Shares / Name of major shareholders	Number of shares held	Percentage of shareholding
KGI Securities Co., Ltd.	100,076,992	8.88%

Note: 1. The information on major shareholders in this table is based on the total number of common shares and preferred shares held by the shareholders of the Company that have been delivered by book-entry operation (including treasury shares) of at least 5% on the last business day of each quarter, as indicated by Taiwan Depositary and Clearing Corporation. The number of shares recorded in the Company's financial statements and the actual number of shares delivered by book-entry operation may differ due to different bases of calculation.

2. The above information is shown by the trustor's individual sub-account of the trustee's trust account if the shareholding is delivered to the trust by the shareholder. As for the shareholder's shareholding of more than 10% of insider shares reported under the Securities and Exchange Act, the shareholding includes his or her own shares plus the shares delivered to the trust for which he or she has the right to decide the use of the trust property, etc. Please refer to the Market Observation Post System for information on insider shareholding reporting.

14. Information of Operating Segments

The Company already disclosed related information of the operating segments in the consolidated financial statements and hence the disclosure is not required in the parent company only financial statement.

Grand Pacific Petrochemical Corporation

Detailed List of Important Accounting Items of The Year 2023

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Grand Pacific Petrochemical Corporation

Detailed list of Cash and Cash Equivalents

December 31, 2023

Detailed List I — Expressed in Thousands of New Taiwan Dollars and Foreign Currencies

Descriptions	Amount		Remarks
	Subtotal	Subtotal	
Cash and petty cash		$348	
Bank deposit		191,695	
Checking deposits	$121		
Demand deposits	55,844		
Deposit in foreign currency	135,730		including USD4,428 thousand
Total		$192,043	

Note: Exchange rate on December 31, 2023
USD：NTD＝1：30.655

Grand Pacific Petrochemical Corporation

Detailed list of Notes Receivable

December 31, 2023

Detailed List II

Expressed in Thousands of New Taiwan Dollars

Description	Amount	Remarks
Customer, Company 2001	$499	
Customer, Company 1830	336	
Customer, Company 2239	187	
Customer, Company 1584	101	
Subtotal	1,123	
Less: Allowance loss	-	
Net	$1,123	

Grand Pacific Petrochemical Corporation

Detailed list of Accounts Receivable

December 31, 2023

Detailed List III Expressed in Thousands of New Taiwan Dollars and Foreign Currencies

Description	Amount	Remarks
Customer, Company 4001	$280,940	
Customer, Company 4034	66,465	
Others	645,374	In case of all other debtors, the balance was not beyond 5% in the total of accounts receivable.
Subtotal	992,779	
Less: Allowance loss	-	
Net	$992,779	

Grand Pacific Petrochemical Corporation

Detailed list of Inventories

December 31, 2023

Detailed List IV | Expressed in Thousands of New Taiwan Dollars

Items	Amount	
	Costs	Net realizable value (Note)
Raw materials:	$246,889	$250,624
Benzene (BZ)	147,951	
Acrylonitrile (AN)	14,301	
Butadiene (BD)	7,352	
Coal	61,247	
Hexamethylenediamine (HMDA)	5,265	
Adipic acid	10,773	
Supplies:	188,615	177,216
Oil #6	23,439	
TAMON	12,184	
BROL	24,933	
Pipe fittings	13,821	
Gaging instrument	37,837	
Others (with amounts not over 5% of the total of supplies)	76,401	
Work in process:	75,487	69,120
EB	39,117	
SM	35,518	
ABS	852	
Partly-finished goods:	564,816	508,573
EB	283,644	
SM	129,307	
ABS	127,417	
PBL	12,228	
PA	12,220	
Finished goods:	268,855	242,439
ABS	244,917	
H2	120	
PA	23,818	
By-products - Toluene (TL)	2,802	2,579
Inventories in transit - raw materials	307,189	307,189
Subtotal	1,654,653	1,557,740
Less: Allowance for market diminution in value of inventories	(104,009)	-
Net	$1,550,644	$1,557,740

Notes:

1. Pursuant to the net realizable value. The estimate of the net realizable value is based on the most reliable evidence obtained on the balance sheet date.
2. Where the net realizable value of the finished goods was expected to be higher than the cost, the raw materials for production use would not be written down below the cost.
3. Where the net realizable value of the finished goods was expected to be lower than the cost, and the price of the raw material dropped, the raw material for production would be written down to the net realizable value. In such circumstances, the replacement cost of the raw material was the most optimal of its net realizable value.
4. Where the inventory fell obsolescence, got damaged or outdated, and the net realizable value

became lower than the cost, the cost was reduced to the net realizable value.

5. The allowance for market diminution in value of inventories was the provision of loss on market diminution in value including inventory obsolescence and defects

Grand Pacific Petrochemical Corporation

Detailed list of change in financial assets at fair value through other comprehensive income - noncurrent

For the Year Ended December 31, 2023

Detailed List V

Expressed in thousand shares/thousands of dollars

Name of investee	Beginning Balance		Current Increase			Current Decrease			Ending Balance		Guarantee or Pledge provided	Original investment cost
	Shares	Amount	Shares	Amount	Remarks	Shares	Amount	Remarks	Shares	Amount		
Listed (OTC) company stocks in Taiwan												
China Development Financial Holding Corporation	21,297	$268,348	-	$-		-	$1,065	Note	21,297	$267,283	None	$239,363
Unlisted (OTC) company stocks in Taiwan and abroad												
He Xin Venture Investment Enterprise Co., Ltd.	37	1,483	-	45	Note	-	-		37	1,528	None	18,412
Yodn Lighting Corp.	165	412	-	-		-	49	Note	165	363	None	2,478
Bridgestone Taiwan Co., Ltd.	1,151	93,362	-	-		-	38,912	Note	1,151	54,450	None	42,561
Total		$363,605		$45			$40,026			$323,624		

Note: As the unrealized valuation gain/loss of investment in equity instrument at fair value through other comprehensive income.

Grand Pacific Petrochemical Corporation

Detailed list of change in investments accounted for using equity method

For the Year Ended December 31, 2023

Detailed List VI

Expressed in thousand shares/thousands of dollars

Name of investee	Beginning Balance		Current Increase			Current Decrease			Ending Balance		Fair value or net value in equity		Guarantee or Pledge provided	Original investment cost
	Shares	Amount	Shares	Amount	Remarks	Shares	Amount	Remarks	Shares	Amount	Unit price (dollar)	Total price		
Investments accounted for using equity method:														
GPPC Chemical Corporation	34,200	567,418	-	$4,529	Note(5)	-	$13,866	Note (1)	34,200	$473,147	$15.08	$515,788	None	$262,953
				1,954	Note(6)		32,178	Note (2)						
							53,352	Note (3)						
							1,358	Note (4)						
GPPC Investment Corp.	22,032	263,832	-	46,805	Note(2)	-	2,429	Note (1)	22,032	308,208	13.99	308,208	None	170,307
GPPC Development Co., Ltd.	7,000	25,242	8,000	80,000	Note(7)	-	62,887	Note (1)	15,000	14,505	0.97	14,505	None	150,000
							27,850	Note (8)						
Videoland Inc.	71,093	5,277,995	-	726	Note(1)	-	29,960	Note (2)	71,093	5,231,344	64.32	4,572,429	None	1,536,404
				3,695	Note(8)		21,328	Note (3)						
				216	Note(9)									
KK Enterprise Co., Ltd.	7,934	144,109	-	5,233	Note(1)	-	1,263	Note (2)	7,934	144,112	18.16	144,112	None	110,190
							3,967	Note (3)						
Goldenpacific Equities Ltd.	75	632,531	-	2,616	Note(1)	-	-		75	737,167	9,828.89	737,167	None	10,510
				102,020	Note(2)									
Land & Sea Capital Corp.	26,319	13,588,904	-	-		-	568,283	Note (1)	26,319	12,818,132	480.24	12,639,512	None	1,139,923
							202,489	Note (2)						
QuanZhou Grand Pacific Chemical Co., Ltd.	-	10,058,425	-	1,144,464	Note(7)	-	15,336	Note (1)	-	10,890,675	-	10,890,675	None	11,163,588
							296,878	Note (2)						
Total		$30,558,456		$1,392,258			$1,333,424			$30,617,290				

Notes:
(1) Share of profit or loss of the subsidiaries accounted for using the equity method
(2) Share of other comprehensive income of the subsidiaries accounted for using the equity method.
(3) Cash dividend received from an investee accounted for using the equity method.
(4) As realized sales gain.
(5) As unrealized sales gain
(6) The Company's cash dividend received by a subsidiary converted into capital surplus - treasury stock transaction.
(7) As the investment newly increased in the year.
(8) Due to recognition of change in equity ownership of subsidiaries.
(9) Due to recognition of change in equity of subsidiaries due to share-based payments.

Grand Pacific Petrochemical Corporation

Detailed list of other non-current assets

December 31, 2023

Detailed List VII

Expressed in Thousands of New Taiwan Dollars

Description	Amount	Remarks
Refundable deposits		
Tender bond for Ethtlene of CPC Corporation, Taiwan (CPC)	$360	
Guarantee deposits for rent, parking space	6,146	
Others	198	
Total	$6,704	

Grand Pacific Petrochemical Corporation

Detailed list of short-term loans

December 31, 2023

Detailed List VIII

Expressed in Thousands of New Taiwan Dollars

Name of Bank	Terms of Contract	Interest Rate Range	Amount	Collateralization or guarantee	Remarks
Credit loans					
Mizuho Bank	December 14, 2023～March 15, 2024	Floating rate (Note)	$90,000	Guarantee of promissory note with facility	Revolving facility withdrawal within the one-year term of contract
Mega Bank	December 15, 2023～May 13, 2024	”	340,000	Guarantee of promissory note with facility	Revolving facility withdrawal within the one-year term of contract
First Bank	December 26, 2023～March 26, 2024	”	300,000	Guarantee of promissory note with facility	Revolving facility withdrawal within the one-year term of contract
Changhwa Bank	December 28, 2023～January 26, 2024	”	200,000	Guarantee of promissory note with facility	Revolving facility withdrawal within the one-year term of contract
Taishin Bank	December 5, 2023～February 2, 2024	”	400,000	Guarantee of promissory note with facility	Revolving facility withdrawal within the one-year term of contract
E.SUN Bank	December 22, 2023～January 19, 2024	”	200,000	Guarantee of promissory note with facility	Revolving facility withdrawal within the one-year term of contract
Bank of Panhsin	November 15, 2023～May 13, 2024	”	200,000	Guarantee of promissory note with facility	Revolving facility withdrawal within the one-year term of contract
Total			$1,730,000		

Note: Credit loans at the interest rates between 1.795% and 1.95%. The total amount of short-term credit loans was NT$7,867,860 thousand.

Grand Pacific Petrochemical Corporation

Detailed list of short-term notes payable

December 31, 2023

Detailed List IX

Expressed in Thousands of New Taiwan Dollars

Accepting institution	Guarantee institution	Issuance period	Interest Rate Range	Issuance amount	Remarks
Grand Bills Finance Corp.	Grand Bills Finance Corp.	December 15, 2023～January 8, 2024	1.602%	$300,000	Revolving facility withdrawal within the one-year term of contract；Guarantee of promissory note with facility
Taiwan Finance Corporation	Taiwan Finance Corporation	December 7, 2023～January 4, 2024	1.45%	200,000	
Dah Chung Bills Finance Corp.	Dah Chung Bills Finance Corp.	December 22, 2023～January 19, 2024	1.61%	200,000	
Subtotal				700,000	
Discount of unamortized short-term notes				(305)	
Net value				$699,695	

Grand Pacific Petrochemical Corporation

Detailed list of accounts payable

December 31, 2023

Detailed List X

Expressed in Thousands of New Taiwan Dollars and Foreign Currencies

Description	Amount	Remarks
Supplier, Company A	$684,836	
Supplier, Company B	174,511	USD5,693 thousand
Supplier, Company C	161,545	USD5,270 thousand
Supplier, Company D	102,169	USD3,333 thousand
Supplier, Company E	84,561	USD2,758 thousand
Others	147,735	In case of all other debtors, the balance was not beyond 5% in the total of accounts payable
Total	$1,355,357	

Grand Pacific Petrochemical Corporation

Detailed list of long-term loans

December 31, 2023

Detailed List XI

Expressed in Thousands of New Taiwan Dollars

Name of Creditors	Financing Facilities	Terms of Contract	Interest Rate Range	Current Portion	Due Over One Year	Facts of Mortgage or Collateral	Remarks
Credit loans							
Mizuho Bank	$1,300,000	March 15, 2023～March 15, 2025	Floating rate (Note)	$-	$700,000	Guarantee of promissory note with facility	
Total				$-	$700,000		

Note: Credit loan interest rates between 1.70% and 2.08%

Grand Pacific Petrochemical Corporation

Detailed list of operating revenues

For the Year Ended December 31, 2023

Detailed List XII

Expressed in Thousands of Quantity Units; Thousands of New Taiwan Dollars

Product name	Subtotal		Total	
	Quantity	Amount	Quantity	Amount
Monomer Plant:				
SM	256,683KG	$8,410,342	261,934KG	$8,552,646
EB	30KG	971		
TL	5,221KG	141,333		
Polymer Plant:			54,863KG	2,543,120
ABS	54,863KG	2,543,120		
Hydrogen plant:			11,391	157,727
H	11,391	157,727		
Steam and electricity plant:				398,613
ST	45,264KG	67,228	45,264KG	
EP	114,110KWH	331,385	114,110KWH	
Nylon plant:			14,512KG	1,122,528
PA	14,512KG	1,122,528		
Petrochem raw materials resale	19KG	2,021	19KG	2,021
Total operating revenues				12,776,655
Less: sales returns				(604)
sales allowances				(191)
Net operating revenues				$12,775,860

Grand Pacific Petrochemical Corporation

Detailed list of operating costs

For the Year Ended December 31, 2023

Detailed List XIII — Expressed in Thousands of New Taiwan Dollars

Description	Amount Subtotal	Amount Subtotal	Remarks
Raw materials consumed		$11,428,629	
Supplies, beginning	$301,490		
Plus: Purchases, current (net)	11,354,116		
Supplies, borrowed	21,169		
Less: Supplies, ending	(246,889)		
R&D and other requisitions, etc.	(1,257)		
Direct labor		155,077	Please refer to Detailed List XIV
Manufacturing overhead		1,615,174	Please refer to Detailed List XV
Manufacturing cost		13,198,880	
Plus: Work in process, beginning		66,086	
Less: Work in process, ending		(75,487)	
Partly-finished goods cost		13,189,479	
Plus: Partly-finished goods, beginning		417,730	
Outsourcing partly-finished goods (net)		111,191	
Profit on inventory - partly-finished goods		291	
Less: Partly-finished goods, ending		(564,816)	
R&D and other requisitions, etc.		(814)	
Finished goods cost		13,153,061	
Plus: finished goods, beginning		193,430	
By-products, beginning		2,571	
Outsourcing final product (net)		249	
Less: finished goods, ending		(268,855)	
By products, ending		(2,802)	
R&D and other requisitions, etc.		(471)	
Sample as gift		(210)	
Costs of purchase/sales		13,076,973	
Plus: Costs of supplies sold		3,024	
Cost of sales		13,079,997	
Plus: Unamortized labor costs		182,369	Please refer to Detailed List

	and manufacturing overhead		XIV & XV
Plus:	Loss on net inventory realization value	50,051	
Less:	Profit on inventories (net)	(305)	Including gain on supplies in amounting to $14 thousand
Less:	Income of off-grades & scrap material sold	(4,207)	
Operating costs		$13,307,905	

Grand Pacific Petrochemical Corporation

Detailed list of direct labor

For the Year Ended December 31, 2023

Detailed List XIV

Expressed in Thousands of New Taiwan Dollars

Items	Amount	Remarks
Salary & Bonus	$132,303	
Insurance premium on employee benefit	14,019	
Meal allowance	4,610	
Pension	5,066	
Dispatch cost	20,309	
Subtotal	176,307	
Less: Unamortized fixed direct labor	(21,230)	Note: Listed as an addition to adjustment in operating costs.
Subtotal	$155,077	

Grand Pacific Petrochemical Corporation

Detailed list of manufacturing overhead

For the Year Ended December 31, 2023

Detailed List XV

Expressed in Thousands of New Taiwan Dollars

Items	Amount	Remarks
Salary and Bonus	$143,296	
Rental expenditure	2,210	
Stationery	782	
Travelling expense	23	
Postage and cable charges	837	
Repair and maintenance expenses	83,201	
Packing charges	31,490	
Utilities expenses	29,899	
Insurance premium on employee benefits	11,896	
Insurance premium	40,897	
Processing charge	1,374	
Tax	8,758	
Depreciation expense	481,848	
Meal allowance	3,715	
Employee benefits	16,417	
Pension	4,410	
Dispatch cost	5,648	
Service cost	97,437	
Training expense	901	
Material expense used	8,123	
Pipeline fee	2,520	
Entertainment	395	
Fuel expense	289,802	
Chemical agent	486,605	
Vapor	829	
Transportation expense	369	
Medical expense	737	
Clothing fee	528	
Membership fee	162	
Miscellaneous acquisition	1,130	
Books, newspapers and magazines	9	
Other expenses	20,065	
Subtotal	1,776,313	
Less: Unamortized fixed manufacturing overhead	(161,139)	Note: Listed as an addition to adjustment in operating costs.
Total	$1,615,174	

Grand Pacific Petrochemical Corporation

Detailed list of operating expenses

For the Year Ended December 31, 2023

Detailed List XVI

Expressed in Thousands of New Taiwan Dollars

Items	Selling expenses	Administrative expenses	R&D expenses	Total
Salary and Bonus	$18,474	$58,567	$8,610	$85,651
Rental expenditure	332	1,889	-	2,221
Stationery	15	1,521	-	1,536
Travelling expense	1,318	1,119	56	2,493
Freight	96,237	21	-	96,258
Postage and cable charges	224	3,004	30	3,258
Repair and maintenance expenses	-	9,146	917	10,063
Advertising	208	3,897	-	4,105
Utilities expenses	6	1,267	-	1,273
Insurance premium on employee benefit	1,597	6,724	810	9,131
Insurance premium	-	228	-	228
Entertainment	570	450	-	1,020
Tax	1	62	24	87
Depreciation expenses	240	36,905	3,190	40,335
Meal allowance	461	1,579	257	2,297
Employee benefits	-	4,235	-	4,235
Commission expenses	3,828	-	-	3,828
Training expense	-	177	4	181
Pension	509	3,244	385	4,138
Dispatch cost	-	1,509	-	1,509
Service cost	142	22,413	4,498	27,053
Material expense used	20	198	3,616	3,834
Transportation expense	615	148	-	763
Medical expense	5	234	-	239
Membership fee	-	744	-	744
Miscellaneous acquisition	-	529	153	682
Books, newspapers and magazines	1,979	41	2	2,022
Directors' remuneration	-	33,559	-	33,559
Other expenses	9,909	24,994	3	34,906
Total	$136,690	$218,404	$22,555	$377,649