Stock Code: 1309

Taita Chemical Company, Ltd.

2023 Annual Report

Company Website: https://www.ttc.com.tw

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Spokesperson
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Title: Assistant Vice President
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Acting Spokesperson
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II. Address and Telephone Number of Head Office, Branch Offices and Plants

Name	Address	Telephone
Head Office	12F, No. 37, Jihu Road, Taipei City, Taiwan	(02)8751-6888
Southern Taiwan Office	No. 3, Jianji Road, Cianjhen Dist., Kaohsiung City, Taiwan	(07)821-2128
Qianzhen Plant	No. 3, Jianji Road, Cianjhen Dist., Kaohsiung City, Taiwan	(07)821-9521
Linyuan Plant	No. 5, Gongye 1st Road, Linyuan Industrial Park, Kaohsiung City, Taiwan	(07)641-3201
Kaohsiung Branch Office	No. 5, Gongye 1st Road, Linyuan Industrial Park, Kaohsiung City, Taiwan	(07)641-3201
Toufen Plant	No. 571, Minzu Road, Toufen Township, Miaoli County, Taiwan	(037)627-700

III. Stock Transfer Agent
Name: Taita Chemical Company, Ltd., Stock Affairs Department
Address: 6F, No. 17, Lane 120, Section 1, Neihu Road, Neihu District, 114 Taipei City
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IV. CPAs Auditing the Financial Statements in the Most Recent Fiscal Year
Name: CPA Chiu, Cheng-Chun and CPA Huang, Hsiu-Chun
Accounting Firm: Deloitte Taiwan
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Website: https://www2.deloitte.com/tw
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V. Overseas Securities Trading Venue and Method of Overseas Securities Information Query: None

VI. Company Website: https://www.ttc.com.tw

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Chapter1. Letter to Shareholders

Dear Shareholders,

For the fiscal year 2023, the Company registered a loss before income tax of NT$346 million, and a net loss of NT$274 million, with loss per share of NT$0.69. Below is the 2023 business report and the 2024 business plan:

I. 2023 Business Results:

(I) Results of Business Plan Implementation

The Company recorded consolidated net operating revenue of NT$15.25 billion for 2023, a decrease of NT$2.878 billion compared to 2022, with an achievement rate of 81%. The consolidated net operating loss was NT$464 million, a decrease of NT$689 million compared to 2022, while the budget was a profit of NT$201 million.

1. Production and Sales of Petrochemical Products:

   The consolidated revenues of ABS/ PS total NT$14.679 billion, achieving 80% of the budget. The production and sales of Linyuan and Qianzhen plants are 251,000 tons and 247,000 tons, respectively, and the budget achievement rates of production and sales are 96% and 95% respectively; The EPS production and sales volume of Zhongshan Plant in mainland China is 126,000 tons and 126,000 tons, respectively, reaching 83% and 83% of the budget; the total operating profit of petrochemical products is NT$520.2 million.

2. Production and Sales of Glasswool and Cubic Printing Products:

   The production of glasswool products is 8,900 tons, including the sales volume of imported rock wool, totaling 11,900 tons. The revenue amounted to NT$526 million, with a budget achievement rate of 102%. The annual profit is NT$58 million.

The non-operating income included gains from foreign currency exchange, net rental income, interest income and dividend income, which amounted to NT$118 million.

(II) Research and Development:

Technology or product developed

1. Acrylonitrile-butadiene-styrene (ABS)

   1.1 Improved glossiness of Acrylonitrile-butadiene-styrene (ABS)

   1.2 The market expansion of ABS in India has increased by over 25% after obtaining certification from the Bureau of Indian Standards (BIS).

   1.3 ABS is in line with the heat-resistant deformation temperature of 100°C.

2. Expandable polystyrene (EPS) polymer

   The storage period of expanded polystyrene (EPS) products increased by 30%.

II. 2024 Business Plan:

(I) Operational Objectives and Production & Sales Strategies

Looking forward to 2024, the Company expects sales volume of petrochemical products to achieve 419 thousand tons, or a 11% growth compared to the prior year. Glasswool sales are expected to achieve 12 thousand tons. Key operational objectives this year include:

We will continue to monitor the impact of geopolitical factors and decisions on interest rates by the Federal Reserve on the market, and respond cautiously. The annual work focus is to continuously optimize the customer mix and promote the growth of markets outside mainland China and Hong Kong. As for ABS, we aim to increase the proportion of direct customers and increase the sales ratio between the mainland China and Hong Kong markets and maximize production and sales, while as for GPS, we will increase the sales ratio between mainland China and Hong Kong markets, and regarding GPS/EPS, we will achieve full production and full sales. In addition, we continue to control the stock of raw materials and finished products to avoid the impact of market fluctuations on operating performance. In addition, from the perspective of technology/ process/ market/ application/ product/ investment, the Company will continue to evaluate the planned capacity bottleneck removal, process efficiency improvement, new product application development, etc., so as to make the operation by going up one step on the premise of maximized ABS production and sales and full production and sales of PS.

(II) Research and Development

1. Standard grade ABS rubber particle size homogenizing formula.
2. Butadiene emulsion polymerization-reactor stirring blade control of PBDL particle size and concentration control study.
3. Optimization of the curing time and the molding cycle for EPS.
4. Continuous conservative improvement of EPS products.

By enhancing the performance of each product line, the Company expects to achieve its annual operating objectives to reward our shareholders' support.

I would like to wish good health and all the best for all of our shareholders.

Chairman of the Board: Wu, Yi-Kuei

General Manager: Wu, Pei-Chi

Chapter2. Company Profile

I. Date of Incorporation

April 6, 1960

II. Company Overview

The Company was founded in April 1960 with the plant in Qianzhen District, Kaohsiung. The registered capital was NT$2.6 million, and it was the first of its kind in Taiwan to manufacture formaldehyde materials.

In September 1961, the Company raised its capital by NT$6 million through cash injection.

In December 1964, the US company Mobil invested in the company and introduced new production technologies and management practices.

In March 1967, the Company installed the first polystyrene and phenol formaldehyde resins production equipment in Taiwan. The Company raised its capital to NT$18 million.

In September 1968, the Company raised its capital to NT$27 million.

In April 1969, the Company raised its capital to NT$50 million.

In May 1970, the Company raised its capital to NT$56 million.

In May 1971, the Company raised its capital to NT$61 million.

In November 1972, the Company raised its capital to NT$65 million.

In May 1973, the Company raised the capital to NT$87 million.

In June 1974, the Company raised the capital to NT$107.01 million.

In October 1975, the Company raised its capital to NT$120,921,300.

In September 1977, Mobil Corporation exited its investment in the Company owing to a policy change and transferred its shares to Heng-Yu Co., Ltd., a Hong Kong based company. The Company's capital was raised to NT$133,013,430.

In August 1978, the Company raised its capital to NT$152,300,370.

In August 1979, the Company built an acrylonitrile-butadiene-styrene (ABS) plant in Linyuan Industrial Park, Kaohsiung. The government approved the joint venture between Panama Gulf Oil Company and the Company. The Company raised its capital to NT$395.45 million.

In August, 1980, the Company invested in Taiwan Styrene Monomer Corporation and raised its capital to NT$466,631,000.

In November 1981, the Company raised the capital to NT$606,620,300.

In May 1982, Panama Gulf Oil Company transferred the shares it owned in the Company to the Panama Company Asia Private Investment Company (name changed to Panamanian Company Aodashih Investment Company in March 1985) owing to corporate policy change.

In December 1983, the Company ceased its production of formaldehyde and phenol formaldehyde glue. A new plant was constructed to produce and develop T-Fine foodware product line.

In 1984, the Company added the second ABS production line; the installation was completed in April 1985.

In September 1984, the Company raised its capital to NT$679,414,740.

In November 1985, the Company ceased production of phenolic molding compounds.

On June 27, 1986, the Company’s stock was listed on the Taiwan Stock Exchange.

In November 1986, the Australian Company BTR Nylex Limited acquired 51% of the Company’s shares and transferred all the shares it owned in the Company to its subsidiary, BTRN Asia, in December of the same year.

In August 1987, the Company raised its capital to NT$781,326,950.

In 1988, the Company began selling its shares in Taiwan Styrene Monomer Corporation.

In September 1988, the Company raised its capital to NT$937,592,340.

In September 1989, the Company raised its capital to NT$1,593,906,970.

In September 1990, the Company raised its capital to NT$1,753,297,660.

In September 1991, the Company raised its capital to NT$1,928,627,420.

In March 1992, the Company completed the trial run of the glasswool production line and began operations.

In November 1993, the Company purchased 28.6% of shares in Hsihu Styrene Company held by Tai Mei.

On December 13, 1996, the Company sold the shares it owned in Hsihu Styrene Co., Ltd. and Hsihu Chemicals Co., Ltd.

In March 1997, BTRN Asia transferred 51% of TTC shares to the Bermuda Company, Belgravia One Limited, an overseas holding company with joint investment from USI Corporation and UPC Technology Corporation.

In April 1997, the Company established Taita (BVI) Holding Co.

In September 1998, the Company raised its capital to NT$2,025,058,790 through its earnings.

In February and December 1998, Taita (BVI) Holding Co. raised its capital by US$450,000 and US$19.5 million respectively.

In 1999, the Company raised its capital by NT$202,505,870 through earnings capitalization and NT$250,000,000 through cash injection. The paid-in capital reached NT$2,477,564,660.

In March 1999, the Company established Taita Chemicals (Zhongshan) Co., Ltd.

In 2000, the Company raised its capital by NT$148,653,880 through earnings capitalization, with the total paid-in capital reaching NT$2,626,218,540.

In May 2000, the Company completed the first EPS production line at its Zhongshan plant in China, and the second was put into production in October.

In May 2001, Qianzhen plant completed the trial run for the new 100-thousand-annual-capacity GPS/IPS NOVA production process, which was subsequently put into production.

In November 2003, the Company established Taita Chemicals (Tianjin) Co., Ltd.

In October 2004, the Company completed the third EPS production line at its Zhongshan plant in China and increased the production capacity to 150,000 tons.

In 2005, the Company increased its capital by NT$78,786,550 from earnings and capital reserve, with its paid-in capital reaching NT$2,705,005,090.

In 2005, Taita Chemicals (Tianjin) Co., Ltd. raised its capital by US$4 million.

In September 2005, the Company completed the construction of the EPS plant in Tianjin, China. A production trial run was also completed in October of the same year. The production capacity is 100,000 tons.

In February 2006, Taita (BVI) Holding Co. Ltd. raised its capital by US$3.738 million.

In January 2007, Taita (BVI) Holding Co. Ltd. raised its capital by US$10 million.

In November 2007, both Taita Chemicals (Zhongshan) Co., Ltd. and Taita Chemicals (Tianjin) Co., Ltd. raised the capital by US$8 million. Taita Chemicals (Zhongshan) Co., Ltd. capitalized its earnings by US$3.25 million.

In February 2008, Taita (BVI) Holding Co. Ltd. raised its capital by US$28 million.

In June 2008, both Taita Chemicals (Zhongshan) Co., Ltd. and Taita Chemicals (Tianjin) Co., Ltd. raised their capital by US$12 million and US$6 million respectively.

In the third quarter of 2008, the Company completed the debottlenecking project at its plants at Qianzhen, and Zhongshan in Mainland China, thus increasing the production capacity to 66,000 tons and 180,000 tons, respectively.

In 2008, the Company completed earnings capitalization for NT$81,150,150, with the paid-in capital reaching NT$2,786,155,240.

In 2011, the Company completed earnings capitalization for NT$334,338,620, with its paid-in capital reaching NT$3,120,493,860.

In 2012, the Company completed earnings capitalization for NT$156,024,690, with its paid-in capital reaching NT$3,276,518,550.

In May 2012, Taita Chemicals (Tianjin) Co., Ltd. transferred US$1.35 million from earnings to capital.

In July 2012, Taita Chemicals (Zhongshan) Co., Ltd. raised its capital by US$15 million.

In 2012, TTC completed the EPS debottlenecking project at the Tianjin plant in Mainland China and increased its production capacity to 134,000 tons.

In the first quarter of 2014, the Company completed the EPS debottlenecking project at the Linyuan Plant and increased its production capacity to 100,000 tons.

In 2018, the Company completed earnings capitalization of $65,530,370, with paid-in capital reaching NT$3,342,048,920.

In 2019, the Company completed earnings capitalization of NT$10,261,460, with paid-in capital reaching NT$3,442,300,380.

In 2020, the Company completed earnings capitalization for NT$344,231,030, with its paid-in capital reaching NT$3,786,541,410.

In February 2020, Taita (BVI) Holding Co. Ltd. raised its capital by US$28 million.

In 2021, Zhangzhou Taita Chemical Co., Ltd. was established.

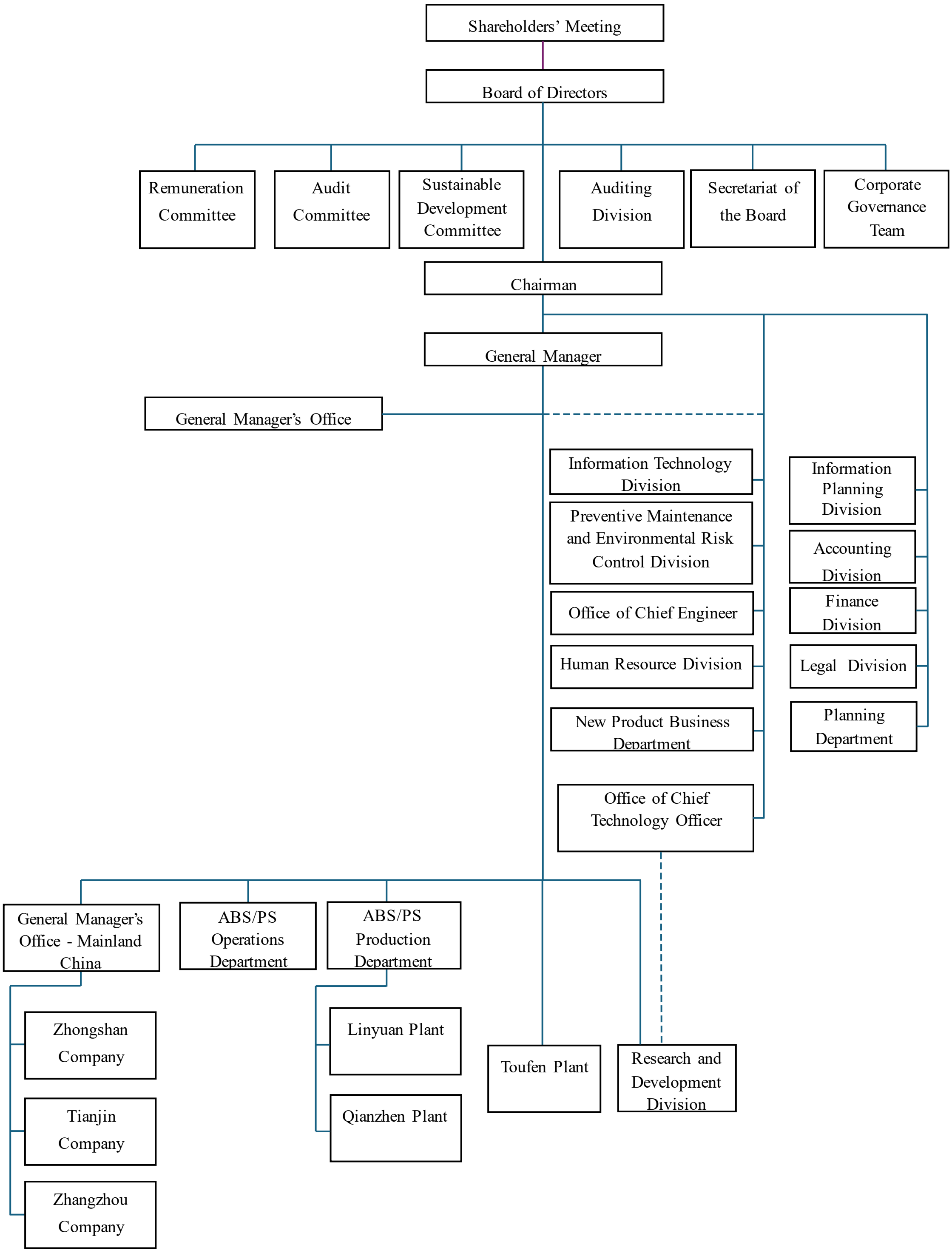
In 2021, the Company completed earnings capitalization for NT$189,327,070, with its paid-in capital reaching NT$3,975,868,480.

In March 2022, the Company invested US$48,580,000 into Zhangzhou Taita Chemical Co., Ltd.

Chapter3. Corporate Governance Report

I. Organization System

(I) The Company's organizational structure: organizational diagram - March 29, 2024



(II) Department Functions

Department	Main Responsibilities
General Manager	Overall management of the Company
Auditing Division	1. Implement internal audit and improve work flows in the Company. 2. Evaluate the soundness and reasonableness of the Company’s internal control systems, as well as the effectiveness of their implementations at all departments and divisions
Secretariat of the Board	1. Plan and handle matters related to Board of Directors’ meetings. 2. Handle matters related to Shareholders’ meetings, such as convening, various announcements and reporting associated with such meetings, as well as preparing handbooks and tracking information regarding shareholders presence in accordance with the law. 3. Assist in promoting and handling decrees issued by the competent authority.
Corporate Governance Team	1. Matters related to meetings of the Board of Directors and shareholders’ meetings in accordance with the law. 2. Minutes recording for meetings of the Board of Directors and shareholders’ meetings. 3. Assistance to the Directors with taking office and continuous education and training. 4. Provision of the information required for the Directors to conduct business. 5. Assisting Directors in legal compliance. 6. Other matters stipulated in the Articles of Incorporation or the contract.
Remuneration Committee	1. It evaluates the remuneration policies and systems for directors and managers from a professional and objective standpoint and provides suggestions to the Board of Directors as a reference for it to make decisions. 2. A sound remuneration management system motivates managers to fulfill their responsibilities in business operations and enhances management performance, core competitiveness, and short-, medium-, and long-term profitability, while creating value for shareholders.

Department	Main Responsibilities
Audit Committee	1. Establishment, amendment, and evaluation of the effectiveness of internal control systems. 2. Stipulate or amend the procedures for acquiring or disposing of assets, derivatives trading, lending funds to others, and making endorsements or guarantees to others. 3. Major assets or derivative trading. 4. Major loaning of funds, making of endorsements or provision of guarantees. 5. Appointment, dismissal and compensation of CPAs. 6. Review of financial statements 7. Other major items required by other companies or the competent authority.
Sustainable Development Committee	1. Agreement of sustainability policies. 2. Agreement of sustainability strategic plan, annual plan and project plan. 3. Supervising the implementation of sustainable development strategic plan, annual plan and project plan, and evaluate the implementation. 4. Approval of the Sustainability Report. 5. Report the implementation of sustainable development activities to the Board of Directors each year. 6. Other matters handled by the Committee according to the instruction by the resolution of the Board of Directors.
Mainland China General Manager's Office	In charge of all matters related to the manufacturing, R&D, storage, quality assurance, shipping coordination, maintenance of facility and equipment, occupational safety and environmental protection at the Zhongshan and Tianjin plants in Guangdong China.
ABS/PS Operations Department	1. Management of the sales of ABS/PS products 2. Domestic and export sales of ABS/PS products 3. Administrative affairs of the business unit
ABS/PS Production Department	Linyuan Plant (ABS)/Qianzhen Plant (PS):Manufacturing, R&D, storage, quality management, coordination of Company product deliveries and maintenance of factory equipment, and occupational safety and environmental protection affairs.
Toufen Plant	1. Manage overall manufacturing, R&D, and sales of glasswool

Department	Main Responsibilities
	products 2. Manage overall sales of glasswool products 3. Manage overall production of glasswool products
Personnel Division	Taking charge of all personnel affairs of the Company.
Research and Development Division	Research and development ofABS/PSproducts
Information Technology Division	1. Plan, build, develop, and manage various information systems and facilities at the Company. 2. Information security system planning and implementation of information security management operations, including network security framework in the identification, protection, detection, response, recovery, and other five major aspects.
Procurement and Logistics Division	1. Purchase and audit major capital expenditures including bulk raw materials, machinery and equipment. 2. Plan the supervision and execution of trading and transportation, warehousing and customs-related operations.
Preventive Maintenance and Environmental Risk Control Division	1. Assist the Group in establishing preventive maintenance systems at all plants. 2. Improve and enhance existing equipment. 3. Equipment fault management and prevention. 4. Routine/non-routine audit, counseling and training. 5. Environment risk management planning and technical supervision. 6. Plan and promote compliance with laws related to energy conservation and carbon reduction, and establish related systems.
Accounting Division	1. Preparation and analysis of financial statements and budgets to be used by decision-making units for the management and formulation of strategies. 2. Establishment, evaluation and implementation of accounting systems. 3. Planning and declaration of various taxes. 4. Regular announcement or reporting of financial performance.
Office of Chief Engineer	1. Assist and participate in the construction of new plants, or deal with such constructions entirely

Department	Main Responsibilities
	2. Assist and participate in the improvement of equipment and local manufacturing processes in operation, or deal with such cases entirely 3. Integration of engineering personnel and engineering specifications
Finance Division	1. Fund dispatch and foreign exchange management. 2. Financing planning and financial investment. 3. Product insurance and claims settlement. 4. Customer credit granting and risk control. 5. Shareholders' affairs and compliance with laws and regulations. 6. Financial project planning and execution.
Human Resource Division	1. Undertake the strategic goal in the Group's vision, and plan human resources strategies and systems. 2. Deploy and implement annual training plans, and cultivate professional talent at all levels. 3. Arrange recruitment and appointment of manpower, and promote campus recruitment and internships of industry-academia collaboration. 4. Develop and push for a strategic system for salary management, and establish a salary task center. 5. Perform tasks including annual promotion, salary adjustment, and year-end bonus. 6. Manage relations between labor unions and comply with labor laws and regulations. 7. Assist overseas branches in organizational planning, as well as dispatch and training of personnel 8. Provide employee services and handle general affairs
Legal Division	1. Review of contracts and legal documents. 2. Handling of legal disputes. 3. Research on legal issues of special projects. 4. General legal advice. 5. Other matters related to legal affairs.
New Product Business Department	1. Assist in formulating marketing strategies for new businesses, and establish appropriate business models. 2. Responsible for developing new products or acquiring new customers to increase revenue.

Department	Main Responsibilities
	3. Integrate Company resources and generate synergy so as to successfully develop new businesses.
Planning Department	1. Developand propose product trees, according to markets for current products and products to be invested in the future, as well as the technical strengths and weaknesses of such products, for future planning and development. 2. Track and analyze the macro economy. 3. Track and analyze upstream industries and future competitors. 4. Coordination and follow-up of various projects.
Office of Chief Technology Officer	Integrating product R&D and innovation of related enterprises of the Group.

II. Directors, General Manager, Deputy General Manager, Senior Managers, and Managerial Officers of Various Departments or Branches

(I) Board of Directors

1. Information regarding members of the Board of Directors April 2, 2024

Title (Note 1)	Nationality /Place of Registration	Name	Gender Age	Date Elected (Appointed)	Term	Date First Elected (Note 2)	When the selected Shareholding		Now Shares Hold		Spouse & Minor Shareholding		Shares Held in the Name of Other Persons		Major Work Experience and Academic Qualifications (Note 3)	Other Position Concurrently Held at the Company and Other Companies	Executive Officers, Directors or Supervisors Who Are Spouses or Relatives within the Second Degree of Kinship			Notes
							Number of Shares	Percentage of Shares Held	Number of Shares	Percentage of Shares Held	Number of Shares	Percentage of Shares Held	Number of Shares	Percentage of Shares Held			Title	Name	Relationship	
Chairman and Chief Executive Officer	Republic of China	Union Polymer International Investment Corporation	–	2021.7.26	3 years	2003.6.3	126,634,858	36.79%	146,263,260	36.79%	–	–	0	0%	Chairman of USI	Note 6	None			Note 5
	Republic of China	Representative: Wu, Yi-Gui	Male 71-75 years old			1997.3.1	–	–	0	0%	–	–	0	0%						
Director and General Manager	Republic of China	Union Polymer International Investment Corporation	–	2021.7.26	3 years	2003.6.3	126,634,858	36.79%	146,263,260	36.79%	–	–	0	0%	Note 7	Note 8	None			
	Republic of China	Representative: Wu, Pei-Chi	Male 56-60 years old			2018.6.22	–	–	0	0%	0	0%	0	0%						
Director	Republic of China	USIFE Investment CO., Ltd.	–	2021.7.26	3 years	2021.7.26	1,209,113	0.35%	1,415,368	0.36%	–	–	0	0%	Note 9	Director of USI Education Foundation	None			
	Republic of China	Representative: Ma, I-Kung	Female 71~75 years old			2015.6.9	–	–	0	0%	–	–	0	0%						
Director	Republic of China	USIFE Investment CO., Ltd.	–	2021.7.26	3 years	2021.7.26	1,209,113	0.35%	1,415,368	0.36%	–	–	0	0%	Master of Business Administration, University of Chicago (U.S.A.), and General Manager of Taita Chemical	None	None			
	Republic of China	Representative: Ying, Bao-Luo	Male 71~75 yearsold			2008.11.1	–	–	32,091	0.01%	0	0%	0	0%						
Director	Republic of China	Tai Lien International Investment Co., Ltd.	–	2021.7.26	3 years	2018.6.22	15,166,663	4.41%	8,854,995	2.23%	–	–	0	0%	Master's Degree in Chemistry, National	Note 10	None			

Title (Note 1)	Nationality /Place of Registration	Name	Gender Age	Date Elected (Appointed)	Term	Date First Elected (Note 2)	When the selected Shareholding		Now Shares Hold		Spouse & Minor Shareholding		Shares Held in the Name of Other Persons		Major Work Experience and Academic Qualifications (Note 3)	Other Position Concurrently Held at the Company and Other Companies	Executive Officers, Directors or Supervisors Who Are Spouses or Relatives within the Second Degree of Kinship			Notes
							Number of Shares	Percentage of Shares Held	Number of Shares	Percentage of Shares Held	Number of Shares	Percentage of Shares Held	Number of Shares	Percentage of Shares Held			Title	Name	Relationship	
	Republic of China	Representative: Pi, Shu-Chien	Female 61-65 yearsold	2024.3.1	3 months	2024.3.1	—	—	0	0%	0	0%	0	0%	Tsing Hua University; Master of Business Administration in Management of National Sun Yat-sen University; Spokesperson and Vice President of CPC Corporation, Taiwan					
	Republic of China	Representative: Ko, I-Shao (Note 19)	Male 71~75 yearsold	2021.7.26	2 years and 9 months	1997.3.1	—	—	0	0%	0	0%	0	0%	Department of Chemical Engineering, Chung Yuan Christian University; United Nylon Co., Ltd.; China Phosphate Co., Ltd.; and TSRC Corporation	Note 11	None			
Independent Director	Republic of China	Chen, Tien-Wen	Male 61-65 years old	2021.7.26	3 years	2015.6.9	0	0%	0	0%	—	—	0	0%	Note 12	Note 13	None			
Independent Director	Republic of China	Wei, Yung-Tu	Male 76-80 years old	2021.7.26	3 years	2021.7.26	0	0%	0	0%	0	0%	0	0%	Master of Enterprise from George University, President of Deloitte Taiwan, and Chairman of United Way of Taiwan.	Note 14	None			
Independent Director	Republic of China	Li, Kuo-Hsiang	Male 66-70 years old	2021.7.26	3 years	2021.7.26	0	0%	0	0%	0	0%	0	0%	Note 15	Note16	None			

Title (Note 1)	Nationality /Place of Registration	Name	Gender Age	Date Elected (Appointed)	Term	Date First Elected (Note 2)	When the selected Shareholding		Now Shares Hold		Spouse & Minor Shareholding		Shares Held in the Name of Other Persons		Major Work Experience and Academic Qualifications (Note 3)	Other Position Concurrently Held at the Company and Other Companies	Executive Officers, Directors or Supervisors Who Are Spouses or Relatives within the Second Degree of Kinship			Notes
							Number of Shares	Percentage of Shares Held	Number of Shares	Percentage of Shares Held	Number of Shares	Percentage of Shares Held	Number of Shares	Percentage of Shares Held			Title	Name	Relationship	
Independent Director	Republic of China	Juan, Chi-Yin (Note 20)	Male 66-70 years old	2021.7.26	2 years and 1 month	2017.6.16	0	0%	-	-	-	-	-	-	Note 17	Note18	None			

Note 1: For corporate shareholders, their names and representatives shall be stated (for representatives, the names of corporate shareholders they represent shall be indicated respectively), and filled in Table 1.

Note 2: Please indicate the actual age, which can be expressed in a range, such as 41~50 years old or 51~60 years old.

Note 3: Fill in the date on which he/she served as the Company's director or supervisor for the first time; and any disruption of term of office should be included in a separate note.

Note 4: Work experiences of anyone in the table above that are related to their current roles, such as previous employment at CPA firms or employment in affiliated companies, should be disclosed along with job titles and responsibilities.

Note 5: Where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (such as increasing the seats for independent directors, or more than half of the members of the Company's current Board of Directors do not serve concurrently as employees or managerial officers).

The Chairman of the Company also serves as the CEO based on the consideration for the overall operation. With the Chairman's excellent business vision, he participates in the Company's operations in person to implement business decisions and improve the operating efficiency. The Company now has four independent directors. More than half of the current members of the Company's Board of Directors do not serve as employees or managerial officers concurrently, which is audited and certified by Deloitte Taiwan. The Company has also established an Audit Committee, a Remuneration Committee, an ESG Committee, and a Corporate Governance Team to strengthen corporate governance, and to reduce operational risks continuously through a rigorous internal control mechanism.

Note 6: Chairman: USI, CGPC, APC, TTC, Acme Electronics Corporation, Union Polymer, USI Optronics Corporation, Swanson Plastic Corporation, Swanson Technologies Corporation, Chong Loong Trading, USI Investment, CGPC Polymer Corporation, APC Investment, TUVC, USI Management Consulting, Acme (Cayman), USI Educational Foundation, Fujian Gulei Petrochemical Company.

Director: Taiwan VCM Corporation, USI (Hong Kong), Swanlake, USI International, Acme Components (Malaysia), Forever Young, Curtana, Swanson (Singapore), Swanson (Malaysia), Swanson International, Swanson (India), Swanson Plastics Corporation (Kunshan), Golden Amber Enterprises, Acme Electronics Corporation (Kunshan), Acme Electronics Corporation (Guangzhou), Taita (BVI), APC (BVI), CGPC (BVI), CGPC America and A.S. Holdings (UK), ASK-Swanson, Acme Ferrite, Swanson Plastics Corporation (Tianjin), Cypress Epoch, Ever Conquest Global, Ever Victory Global, Dynamic Ever Investments, and PT. Swanson Plastics Indonesia, Xuanju, Zhangzhou Taiju, Yutao Investment, Dasheng Ventures, Dasheng Yiyi Ventures, CTCI Group, Acme Advanced Materials and Amoy Taiju

General Manager: Union Polymer, USI Management Consulting, Dynamic Ever Investments, Ever Victory Global

Chief Executive Officer: USI, APC, CGPC, TTC,AcmeElectronics Corporation and USI Optronics Corporation

Executive Director: Chinese National Federation of Industries

Note 7: General Manager of Thermoset Materials Division in Asia Pacific, and Director of Basic Plastic Sales in Greater China, Dow Chemical; Sales Engineer, Taiwan Branch, ESSO

Note 8: Chairman:Xuanju, TTC(Zhongshan), TTC (Tianjin),USI Trading (Shanghai) Co., Ltd., Zhangzhou Taita ChemicalCo., Ltd., Zhangzhou Taiju, Amoy Taiju and Zhangzhou Dynamic Ever Investments Limited.

Director: Dynamic Ever Investments Ltd., Ever Victory Global Limited, Ever Conquest Global Limited, Taita (BVI) Holding Co., Ltd., APC (BVI) Holding Co., Ltd., USI International Corporation, Golden Amber Enterprises Ltd., Swanlake Traders Ltd., APC, TTC, CGPC, CGTD, APC Investment, Asia Polymer Investment Corporation,Chong LoongTradingCo. Ltd., Swanson Plastics Corporation,Swanson Technologies Corporation, INOMA Corporation, USI Education Foundation, Taiwan United Venture Capital Corporation, Union Polymer International Investment Corporation, USI Management Consulting, Acme Electronics Corporation (Kunshan), Fujian Gulei Petrochemical, USI Optronics Corporation, and USI (Hong Kong)

General Manager: USI, TTC,Asia Polymer Corporation, Chong Loong Trading Co. Ltd. and USI Trading (Shanghai) Co., Ltd.

Note 9: Master of City and Regional Planning, Rutgers, the State University of New Jersey (U.S.A.); member of the Third and Fourth Session of the Control Yuan, Taiwan (R.O.C.); member of the Council of Cultural Affairs, Executive Yuan, Taiwan (R.O.C.); member of the Environmental Impact Assessment Committee under the Environmental Protection Administration, Taiwan (R.O.C.); and Distinguished Professor, Department of Landscape Architecture, Chung Hua University; an independent director of Taita Chemical.

Note 10: Chairman:TaiwanUnion International Investment Co.and Wei Cheng Investment
Directors:Asia Polymer Corporation, China General Terminal & Distribution Co., UPC Group, UPC Venture Capital, HarbingerVII VentureCapital Corp. and United Industrial Gases Co., Ltd.
General Manager: UPC Group

Note 11: Chief Advisor:UPC Group
Chairman: Zhenjiang UPC Chemicals, Zhongshan UPC Chemicals, Zhuhai UPC Chemicals, Taizhou UPC Chemicals, Taizhou UPC Warehousing, Taizhou UPC Plastic, Jiangsu UPC Logistics, Guangdong UPC Logistics, PanjinUPCChemicals, Panjin UPC Warehousing, Panjin UPC Materials and Nanchong UPC Chemicals

Note 12: Master of Business Administration, University of Southern California (U.S.A.); Sales Manager, JP Morgan Chase Bank (U.S.A.); Vice President and Taiwan representative, Merrill Lynch (U.S.A.); founder and Chairman, affiliated companies (Capital Investment Management Corporation, Capital Investment Trust Corporation and Capital Futures Corporation) of the Capital Group (Taiwan); and Director, Cathay Financial Holding Co. Ltd.

Note 13: Chairman: Chia Shih Construction Co., Ltd
Independent Directors: Taiwan Secom Co., Ltd.,Yeong Guan Holdings Co., Limited
Consultant: Chinese National Association of Industry and Commerce, Taiwan

Note 14: Chairman: YCSYCo., Ltd.
Directors: Vanguard International Semiconductor Corporation, MiTAC Holdings Corporation, IRON FORCE INDUSTRIAL CO., LTD.
Independent Directors: Cathay Financial Holdings, Cathay United Bank, Cathay General Securities, Cathay Securities Corporation and Far Eastern Department Stores Ltd.

Note 15: Master of Business Administration from the University of Chicago, Bachelor of Electrical Engineering from National Taiwan University, Chairman of the 2nd Taipei Cosmetics Industry Association, President of the Young President's Organization, Chairman of the 11th and 12th Taiwan Cosmetics Industry Association, Supervisor or Council Member of the 6th to 10th term of Chinese National Federation of Industries.

Note 16: Chairman:Taiwan Province Shiseido, FLELIS INTERNATIONAL INC., and Huazizhuangye.
Council Member: Chinese National Federation of Industries

Note 17: JD, Rutgers University Law School, Tsar & Tsai Law Firm, Baker McKenzie, VP, Chief Legal Officer, and senior advisor at MiTac International Corp.

Note 18: Independent Director: TricornTech Taiwan Corporation
President of the Taiwan Technology Industry Legal Officers Association; Associate Professor, Soochow University

Note 19: On March 1, 2024,Taiwan Union International InvestmentCorporation, the institutional shareholder, appointed Bi Shu-Chien as itsrepresentative in replace of Ko, I-Shao in the position of director. The disclosure of Ko, I-Shao's information shall be made up to the date of the change in representation.

Note 20: Mr. Juan, Chi-Yin, an independent director, passed away in June 2023; his information up to the date of change, June 21, 2023, is disclosed.

2. Major shareholders of juristic person shareholders

April 2, 2024

Name of Institutional Shareholders (Note 1)	Major shareholders of corporate shareholders (Note 2)	Shareholding Ratio
Union Polymer International Investment Corporation	USI Corporation	100.00%
USIFE Investment CO., Ltd.	USI Corporation	100.00%
Tai Lien International Investment Co., Ltd.	UPC Technology Corporation	100.00%

Note 1: For directors and supervisors who are the representatives of juristic person shareholders, the names of the juristic person shareholders shall be disclosed.

Note 2: Fill in the name of the major shareholders of these institutional shareholders (include top 10 major shareholders by shareholding percentage) and their shareholding percentages. If the major shareholder is a juristic person, the shareholder's name shall be filled in Table 2 below.

Note 3: Where an institutional shareholder is not organized as a company, the shareholder name and shareholding ratio required above shall be the name of the funder or donor and the funding or donation ratio.

3. Main shareholders of institutional shareholders

April 2, 2024

Name of corporate shareholder (Note 1)	Major shareholders of corporate shareholders (Note 2)	Shareholding Ratio
USI Corporation	Shing Lee Enterprise (Hong Kong) Limited	14.62%
	Wholegainer Company Limited' investment account is under custody of Fubon Securities Co., Ltd.	9.25%
	Asia Polymer Corporation	8.53%
	Fubon Life Insurance Co., Ltd.	4.49%
	Total Success Investment Limited	2.04%
	Lin, Hua-Hsin	1.75%
	Yueh Hsing Hua Investment Co., Ltd.	1.73%
	Wen-Hsuan Yu	1.41%
	Yu, Wen-Tsung	1.41%
	Yu, Wen-Yu	1.41%
UPC Technology Corporation	Lien Hwa Industrial Holdings Corporation	31.10%
	Synnex Technology International Corporation	5.05%
	Yi Yuan Investment Co., Ltd.	1.58%
	Liberty Stationery Corp.	1.51%
	Mei An Investment Co., Ltd.	1.45%

Name of corporate shareholder (Note 1)	Major shareholders of corporate shareholders (Note 2)	Shareholding Ratio
	Tsu Fung Investment Corp.	1.28%
	MiTAC international Corp.	1.18%
	Pornchai Engineering and Trading Corp.	1.10%
	Tong Da Investment Corp.	1.06%
	Yi Feng Investment Co., Ltd.	0.96%

Note 1: If the major shareholder of juristic person shareholders as shown in Table 1 is a juristic person, the name of the juristic person shall be filled.

Note 2: Fill in the name of the major shareholders of these institutional shareholders (include top 10 major shareholders by shareholding percentage) and their shareholding percentages.

Note 3: Where an institutional shareholder is not organized as a company, the shareholder name and shareholding ratio required above shall be the name of the funder or donor and the funding or donation ratio.

4. Director Information

(1) Disclosure of Professional Qualifications of Directors and Supervisors and Independence of Independent Directors:

Criteria / Name	Professional Qualification and Work Experience	Status of Independence	Number of Companies in which the Director or Supervisor also serves concurrently as an Independent Director
Wu, Yi-Kuei	(1) Currently serves as the chairman and chief executive officer of USI and its affiliated companies, and hasprofessional fields of company operation management andwork experience in supervising financial manager, accounting manager and other positions. (2) None of the circumstances in the subparagraphs of Article 30 of the Company Act apply.	N/A	N/A
Ma, I-Kung	(1) Formerly a member of the Supervisory Committee and currently a director of the Educational Foundation, with expertise in corporate governance and corporate sustainable development. (2) None of the circumstances in the subparagraphs of Article 30 of the Company Act apply.		

Criteria / Name	Professional Qualification and Work Experience	Status of Independence	Number of Companies in which the Director or Supervisor also serves concurrently as an Independent Director
Wu, Pei-Chi	(1) Currently serves as the general manager of the company, APC, and TTC, with experience in direct supervision of financial supervisor and accounting supervisor. (2) None of the circumstances in the subparagraphs of Article 30 of the Company Act apply.		
Ying, Bao-Luo	(1) Formerly the General Manager of the Company and foreign companies, experienced in international enterprise management. (2) None of the circumstances in the subparagraphs of Article 30 of the Company Act apply.		
Pi, Shu-Chien	(1) Currently serves as the general manager of UPC Technology Corporation and used to be the deputy general manager of CPC Corporation, Taiwan, with professional fields of chemical industry. (2) None of the circumstances in the subparagraphs of Article 30 of the Company Act apply.		

Criteria / Name	Professional Qualification and Work Experience	Status of Independence	Number of Companies in which the Director or Supervisor also serves concurrently as an Independent Director
Chen, Tien-Wen	(1) Formerly the Chairman of affiliates of the Capital Group and now the Chairman of Chia Shih Construction Co.,Ltd., with expertise in corporate operationsmanagement. (2) None of the circumstances in the subparagraphs of Article 30 of the Company Act apply.	Two years before the appointment and during the tenure, there is nomatter described in Paragraph 1, Article 3 of "Regulations Governing Appointment of Independent Directors and Compliance Matters forPublic Companies".	2
Wei, Yung-Tu	(1) Formerlythe President of DeloitteTaiwan, CPA, with professional experience in accounting and finance. (2) None of the circumstances in the subparagraphs of Article 30 of the Company Act apply.		3 (Note)
Li, Kuo-Hsiang	(1) Chairman of Taiwan Shiseido, experienced inbusiness operation andmanagement. (2) None of the circumstances in the subparagraphs of Article 30 of the Company Act apply.		0

Note: Independent Director Wei, Yung-Tu is also an independent director of four other public companies, three of which are Cathay Financial Holdings and its 100% owned Cathay United Bank and Cathay Securities Corporation. According to Article 4 of the Regulations on the Establishment of Independent Directors of Public Companies and Matters to Be Observed, if the public company concurrently holds all the shares of a financial holding company, and if it holds more than one position, the number of concurrent positions will be counted as the number of concurrent positions. Therefore, the rule that the number of concurrent positions should not exceed three is not violated when calculated according to this regulation.

(2) Diversity and Independence of the Board of Directors

(2.1) Diversity of the Board of Directors:

According to Article 20 of the Company's "Corporate Governance Best Practice Principles", diversity shall be considered in the composition of the Company's Board of Directors, and members of the Board of Directors shall possess the knowledge, skills and qualities required to perform their duties. To achieve the ideal goal of corporate governance, the Board of Directors shall possess the following abilities:

I. Ability to make sound business judgment.

II. Ability to conduct accounting and financial analysis.

III. Business management ability.

IV. Crisis management ability.

V. Knowledge of the industry.

VI. An understanding of international markets.

VII. Leadership skills.

VIII. Decision-making ability.

In addition to the eight competencies listed above, the Company added legal and environmental capabilities to the list in light of growing global attention on corporate governance issues and environmental protection, as well as the pressing need for diversified professional skillsets in the Board. At present, existing members of the Board of Directors possess the knowledge, skills, and qualities required to perform their duties, and specialize in professional areas including accounting and finance, international markets, laws and environmental protection.

The members of the current Board of Directors were elected on July 26, 2021. Among them, Wei, Yung-Tu, an independent director, received a Master of Business Administration degree from George University in the United States. He used to be the President of Deloitte Taiwan and has professional accounting qualifications or relevant financial management expertise; Li, Kuo-Hsiang, an independent director, holds an MBA degree from the University of Chicago, USA. He is currently the chairman of Shiseido (stock) company in Taiwan Province, and has the ability of operation and management, international market and leadership decision-making. Both new directors are helpful to improve the quality of the board of directors' review proposals and achieve the goal of implementing the policy of diversity of directors.

The goal of board diversity is to respond to the global trend of increasing emphasis on corporate sustainable development. The company plans to increase the number of directors who have knowledge and experience in relevant fields to enhance the company's sustainable competitiveness and improve the functionality of the board.

(2.2) Independence of the Board of Directors:

The Board of Directors of the company consists of nine directors, including four independent directors. However, Mr. Juan, Chi-Yin, one of the independent directors, passed away in June 2023. The vacancy will be filled at a director election at the shareholders' meeting of 2024. None of the three independent directors has served more than three consecutive terms.

Currently, all eight directors are of Taiwanese nationality, with independent directors accounting for 37.5% of the total. There are two directors who are also employees, accounting for 25% of the total. The current board members include two female member, and the proportion of female directors is 25%. The age distribution of the directors is one director aged 51-60, three directors aged 61-70, and four directors aged 71-80. None of the directors of the Company have a spouse or relation within the second degree of kinship. (Note: The above percentages are calculated based on the current number of eight directors and three independent directors.)

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

April 2, 2024 Unit: Shares

Title (Note 1)	Nationality	Name	Gender	Date Elected (Appointed)	Number of shares held		Shares held by spouse and minor children		Shares Held in the Name of Other Persons		Major Work Experience and Academic Qualifications (Note 2)	Current positions held in other companies	Managerial officers who are spouses or relatives within the second degree of kinship			Notes
					Number of Shares	Percentage of Shares Held	Number of Shares	Percentage of Shares Held	Number of Shares	Percentage of Shares Held			Title	Name	Relationship	
Chief Executive Officer	Republic of China	Wu, Yi-Kuei	Male	2009.9.1	0	0%	—	—	0	0%	Chairman of USI	Note 4	None	None	None	Note 3
General Manager	Republic of China	Wu, Pei-Chi	Male	2017.12.22	0	0%	0	0%	0	0%	Note 5	Note 6	None	None	None	
Executive Deputy General Manager	Taiwan (R.O.C.)	Yen, Tai-Ming	Male	2015.7.6	-	-	-	-	-	-	EMBA, National Sun Yat-sen University (Taiwan)	-	-	-	-	Note 9
Assistant Vice President	Republic of China	Huang, Chun-Hao	Male	2023.6.1	0	0%	0	0%	0	0%	Master's, National Taiwan University of Science and Technology	Taita Chemical (Zhongshan) Director and General Manager Taita Chemical (Tianjin) Director and General Manager Zhangzhou Taita Chemical Co., Ltd. General Manager	None	None	None	
Corporate Governance Officer	Republic of China	Chen, Yung-Chih	Male	2019.5.9	0	0%	0	0%	0	0%	Note 7	Note 8	None	None	None	—
Head of Accounting Department	Republic of China	Wu, Chia-Ling	Female	2024.3.7	0	0%	0	0%	0	0%	Master of Accounting, Soochow University	Accounting Manager at Xuteng, Heng Kai, and Inoma	None	None	None	
Head of Finance Department	Republic of China	Chuang, Kai-Hui	Female	2015.4.24	0	0%	0	0%	0	0%	Master of Finance, University of Houston (U.S.A.)	None	None	None	None	

Note1: Information regarding General Manager, Deputy General Manager, senior managers, managerial officers of departments and branches shall be included, whereas information regarding positions equivalent to General Manager, Deputy General Manager or senior managers shall be disclosed regardless of job title.

Note2: Work experiences of anyone in the table above that are related to their current roles, such as previous employment at CPA firms or employment in affiliated companies, should be disclosed along with job titles and responsibilities.

Note3: If the General Manager or personnel with equivalent position (chief officer) and the Chairman are the same person, spouses or relatives within first degree of kinship, relevant information on the reasons, reasonability, necessity, and measures to be taken accordingly (e.g. by way of increasing the number of independent directors and having half of the directors not serving as employees or officers concurrently) shall be addressed.

The Chairman of the Company also serves as the CEO based on the consideration for the overall operation. With the Chairman's excellent business vision, he participates in the Company's operations in person to implement business decisions and improve the operating efficiency. The Company now has four independent directors. More than half of the current members of the Company's Board of Directors do not serve as employees or managerial officers concurrently, which is audited and certified by Deloitte Taiwan. The Company has also established an Audit Committee, a Remuneration Committee, an ESG Committee, and a Corporate Governance Team to strengthen corporate governance, and to reduce operational risks continuously through a rigorous internal control mechanism.

Note4: Chairman: USI, CGPC, APC, TTC, Acme Electronics Corporation, Union Polymer, USI Optronics Corporation, Swanson Plastic Corporation, Swanson Technologies Corporation, Chong Loong Trading, USI Investment, CGPC Polymer Corporation, APC Investment, TUVC, USI Management Consulting, Acme (Cayman), USI Educational Foundation, Fujian Gulei Petrochemical Company.

Director: Taiwan VCM Corporation, USI (Hong Kong), Swanlake, USI International, Acme Components (Malaysia), Forever Young, Curtana, Swanson (Singapore), Swanson (Malaysia), Swanson International, Swanson (India), Swanson Plastics Corporation (Kunshan), Golden Amber Enterprises, Acme Electronics Corporation (Kunshan), Acme Electronics Corporation (Guangzhou), Taita (BVI), APC (BVI), CGPC (BVI), CGPC America and A.S. Holdings (UK), ASK-Swanson, Acme Ferrite, Swanson Plastics Corporation (Tianjin), Cypress Epoch, Ever Conquest Global, Ever Victory Global, Dynamic Ever Investments and PT. Swanson Plastics Indonesia, Xuanju, Zhangzhou Taiju, Yutao Investment, Dasheng Ventures, Dasheng Yiyi Ventures, CTCI Group, Acme Advanced Materials and Amoy Taiju

General Manager: Union Polymer, USI Management Consulting, Dynamic Ever Investments, Ever Victory Global

Chief Executive Officer: USI, APC, CGPC, Acme Electronics Corporation and USI Optronics Corporation

Executive Director: Chinese National Federation of Industries

Note5: General Manager of Thermoset Materials Division in Asia Pacific, and Director of Basic Plastic Sales in Greater China, Dow Chemical; Sales Engineer, Taiwan Branch, ESSO

Note6: Chairman: Xuanju, TTC(Zhongshan), TTC (Tianjin),USI Trading (Shanghai) Co., Ltd., Zhangzhou Taita Chemical Co., Ltd., Zhangzhou Taiju, Amoy Taiju and Zhangzhou Dynamic Ever Investments Limited.

Director: Dynamic Ever Investments Ltd., Ever Victory Global Limited, Ever Conquest Global Limited, Taita (BVI) Holding Co., Ltd., APC (BVI) Holding Co., Ltd., USI International Corporation, Golden Amber Enterprises Ltd., Swanlake Traders Ltd., APC, TTC, CGPC, CGTD, APC Investment, Asia Polymer Investment Corporation,Chong Loong TradingCo.Ltd., Swanson Plastics Corporation,Swanson Technologies Corporation, INOMA Corporation, USI Education Foundation, Taiwan United Venture Capital Corporation, Union Polymer International Investment Corporation, USI Management Consulting, Acme Electronics Corporation (Kunshan), Fujian Gulei Petrochemical, USI Optronics Corporation, and USI (Hong Kong)

General Manager: USI,Asia Polymer Corporation, Chong Loong Trading Co. Ltd. and USI Trading (Shanghai) Co., Ltd.

Note7: PhD in Law, University of Munich, Germany; Lawyer, Winkler Partners, Arbitrator of Chinese Arbitration Association, Taipei.

Note8: Independent Director: Man Zai Industrial Co., Ltd.

Directors: Continental General Plastics (ZhongShan) Co. Ltd., Acme Electronics (Kunshan) Co., Ltd., Acme Electronics Corporation (Guangzhou), Swanson Technologies Corporation, TTC (Zhongshan), TTC (Tianjin), Zhangzhou Taita Chemical Co., Ltd. and Zhangzhou Dynamic Ever Property Management Co., Ltd.

Supervisor: Union Polymer Int'l Investment Corp., Zhangzhou Taiju Trading Co., Ltd., Chong Loong Trading Co., Ltd., INOMA Corporation, USI Green Energy Corporation, USI Optronics Corporation, Swanson Plastics Corp., Swanson Plastics (kunshan) Co., Ltd., Swanson Plastics (Tianjin) Co., Ltd., ASK-Swanson (kunshan) Co., Ltd., USIFE Investment Co., Ltd., APC Investment Corporation, Taiwan United Venture Capital Corp., Taiwan United Venture Management Corporation, Double Winner Co., Ltd., Global Green Technology Corporation, Cerebra Technologies Co., Ltd. and FiduciaEdge Technologies Co., Ltd.

Corporate governance officer: USI, APC, CGPC, Acme Electronics Corporation.

Note9: Executive Deputy General Manager Yen, Tai-Ming retired on November 30, 112

(III) Where the Chairman, General Manager, or individual with equivalent roles are the same individual, spouses, or relatives within the first degree of kinship, the Company shall specify related information regarding the reason, reasonableness, necessity, and response measures (e.g., appointment of additional Independent Directors and requiring the appointment of more than half of the Directors from individuals who are not employees or managers).

The Chairman of the Company also serves as the CEO based on the consideration for the overall operation. With the Chairman's excellent business vision, he participates in the Company's operations in person to implement business decisions and improve the operating efficiency.

The Company now has four independent directors. More than half of the current members of the Company's Board of Directors do not serve as employees or managerial officers concurrently, which is audited and certified by Deloitte Taiwan. The Company has also established an Audit Committee, a Remuneration Committee, an ESG Committee, and a Corporate Governance Team to strengthen corporate governance, and to reduce operational risks continuously through a rigorous internal control mechanism.

III. Remuneration of Directors, Supervisors, General Manager, and Deputy General Managers

If any of the following applies to a Company, the name of the Director or Supervisor involved and the remuneration paid to him/her shall be disclosed. For the remaining Directors or Supervisors, the Company may opt to either disclose information in aggregate remuneration with their names indicated in each numerical range or disclose their names and method of remuneration individually (If the latter is chosen, please fill their positions, names and remuneration amounts individually. The Company shall not need to fill the table for ranges of remuneration):

1. Where it was a loss after tax in the parent company only or individual financial statements in the last three years, the name and remuneration of individual "Directors and Supervisors" shall be disclosed; provided that it is net income after tax in the parent company only or individual financial statements in the most recent year, and the said net income is sufficient to make up for the accumulated losses.
2. The remuneration of individual directors shall be disclosed if the directors' shareholding has been inadequate

for at least three consecutive months in the most recent year, and the remuneration of individual executives shall be disclosed if the executives' shareholding has been inadequate for at least three consecutive months in the most recent year.

3. If the average qualitative ratio of directors or executives is greater than 50% for any three months of the most recent year, the remuneration of individual directors or executives whose qualitative ratio is greater than 50% for each month shall be disclosed.

4. If the total amount of remuneration received by all the directors and supervisors of a company from all the companies listed in its financial statements exceeds two (2) percent of its net income after taxes, and the amount of remuneration received by any individual director or supervisor exceeds NT$15 million, the company shall disclose the amount of remuneration paid to individual directors or supervisors. (Description: The remuneration of Directors and Supervisors is calculated based on "Remuneration of Directors" plus "Remuneration of Supervisors" as in the Appendix without including the relevant remuneration received as concurrent employees.)

5. Any result of evaluation made on corporate governance in the most recent year is in the last two level, or any trading method changes, any trading or marketing stops, or any evaluation is rejected by the Corporate Governance Evaluation Committee in the most recent year as of the publication date of this Annual Report as a listed company.

6. The average annual salary of the full-time employees of the listed company who do not hold executive positions in the most recent year does not reach NT$500,000.

7. A listed company's net income after tax for the most recent year has increased by 10% or more, but the average annual salary of full-time employees who are not in supervisory positions has not increased from the previous year.

8. If a listed company that has experienced a decline of over ten percent in net income after taxand has exceeded NT$5 million in the most recent fiscal year, as well as an increase of over ten percent and exceeding NT$100,000 in average director remuneration (excluding remuneration for concurrent employees).

If the circumstance in sub-item “(I)” or in sub-item “(V)” of the preceding item applies to a company listed on the TWSE or the TPEx, it shall disclose the individual remuneration paid to each of its top five management personnel (e.g., General Manager, Deputy General Managers, Chief Executive Officer, or Chief Financial Officer).

(I) Remuneration paid to Directors, Independent Directors, Supervisors, General Manager, and Deputy General Managers

1. Remuneration for general and independent directors

Unit: NT$ 1,000

Title	Name	Directors’ remuneration								Sum of items A, B, C and D to NIAT Ratio (Note 10)		Relevant remuneration received by directors who also serve as employees								Percentage of the total of 7 items A, B, C, D, E, F and G to net income after taxes (Note 10)		Remuneration from Invested Companies Other than Subsidiaries or the Parent Company (Note 11)
		Base Compensation (A) (Note 2)		Separation Pay and Pension (B)		Remuneration of directors (C) (Note 3)		Costs Incurred from Performance of Duty (D) (Note 4)				Salary, bonuses, and allowances (E) (Note 5)		Separation Pay and Pension (F)		Employee Rewards (G) (Note 6)						
																The Company		All Companies in the Financial Report (Note 7)				
		The Company	All companies in the Financial Report (Note 7	The Company	All companies in the Financial Report (Note 7	The Company	All companies in the Financial Report (Note 7)	The Company	All Companies in the Financial Report (Note 7)	The Company	All Companies in the Financial Report (Note 7)	The Company	All Companies in the Financial Report (Note 7)	The Company	All Companies in the Financial Report (Note 7)	Cash Amount	Stock Amount	Cash Amount	Stock Amoun	The Company	All Companies in the Financial Report (Note 7)	
Chairman and Chief Executive Officer	Wu, Yi-Kuei	0	0	0	0	0	0	16	16	16 (0.00%)	16 (0.00%)	4,132	4,132	0	0	0	0	0	0	4,148 (1.52%)	4,148 (1.52%)	20,361
Director and General Manager	Wu, Pei-Chi	0	0	0	0	0	0	16	16	16 (0.00%)	16 (0.00%)	4,553	4,553	108	108	0	0	0	0	4,677 (1.71%)	4,677 (1.71%)	6,116
Director	Ying, Bao-Luo	1,000	1,000	0	0	0	0	136	136	1,136 (0.41%)	1,136 (0.41%)	0	0	0	0	0	0	0	0	1,136 (0.41%)	1,136 (0.41%)	0
Director	Ko, I-Shao	0	0	0	0	0	0	136	136	136 (0.05%)	136 (0.05%)	0	0	0	0	0	0	0	0	136 (0.05%)	136 (0.05%)	66

Director	Ma, I-Kung	1,200	1,200	0	0	0	0	136	136	1,336 (0.49%)	1,336 (0.49%)	0	0	0	0	0	0	0	0	1,336 (0.49%)	1,336 (0.49%)	0
Independent Director	Chen, Tien-Wen	1,200	1,200	0	0	0	0	160	160	1,360 (0.50%)	1,360 (0.50%)	0	0	0	0	0	0	0	0	1,360 (0.50%)	1,360 (0.50%)	0
Independent Director	Juan, Chi-Yin	1,200	1,200	0	0	0	0	80	80	1,280 (0.47%)	1,280 (0.47%)	0	0	0	0	0	0	0	0	1,280 (0.47%)	1,280 (0.47%)	0
Independent Director	Wei, Yung-Tu	1,200	1,200	0	0	0	0	160	160	1,360 (0.50%)	1,360 (0.50%)	0	0	0	0	0	0	0	0	1,360 (0.50%)	1,360 (0.50%)	0
Independent Director	Li, Kuo-Hsiang	1,200	1,200	0	0	0	0	160	160	1,360 (0.50%)	1,360 (0.50%)	0	0	0	0	0	0	0	0	1,360 (0.50%)	1,360 (0.50%)	0

1. Please state the policies, systems, standards, and structure of independent directors' remuneration payment, and describe the relevance to the amount of remuneration according to their responsibilities, risks, and time of investment:
   The remuneration of Independent Directors is paid based on the Company's Articles of Incorporation and the remuneration policies and measures and depends on the degree of participation and the value of their contribution to the Company's operations, with reference to the median level in the industry, and it shall be distributed after submitted to and approved by the Remuneration Committee and adopted by the Board of Directors. Except for the fixed remuneration, no other consideration is paid each year.
2. In addition to the information disclosed in the table above, remuneration paid to any director of the Company (such as serving as an adviser to all non-employees of the parent company/all companies/re-invested companies in the financial report, etc.) in the most recent fiscal year: None.

Range of Remuneration

Rangeof Remuneration Paid to theDirectors of the Company	Names of Director			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company (Note 8)	All companies in the Financial Report(Note 9) H	The Company (Note 8)	The parent company and all the investees (Note 9) I
Less than NT$1,000,000	Wu, Yi-Kuei / Wu, Pei-Chi // Ko, I-Shao	Wu, Yi-Kuei / Wu, Pei-Chi // Ko, I-Shao	Ko, I-Shao	Ko, I-Shao
NT$1,000,000 (inclusive) to NT$2,000,000 (exclusive)	Chen, Tien-Wen / Ma, I-Kung / Juan, Chi-Yin / Ying Pao-Lo / Wei, Yung-Tu / Li, Kuo-Hsiang Ying Pao-Lo / Wei, Yung-Tu / Li, Kuo-Hsiang	Chen, Tien-Wen / Ma, I-Kung / Juan, Chi-Yin / Ying Pao-Lo / Wei, Yung-Tu / Li, Kuo-Hsiang Ying Pao-Lo / Wei, Yung-Tu / Li, Kuo-Hsiang	Chen, Tien-Wen / Ma, I-Kung / Juan, Chi-Yin / Ying Pao-Lo / Wei, Yung-Tu / Li, Kuo-Hsiang Ying Pao-Lo / Wei, Yung-Tu / Li, Kuo-Hsiang	Chen, Tien-Wen / Ma, I-Kung / Juan, Chi-Yin / Ying Pao-Lo / Wei, Yung-Tu / Li, Kuo-Hsiang Ying Pao-Lo / Wei, Yung-Tu / Li, Kuo-Hsiang
NT$2,000,000 (inclusive) to	-	-	-	-
NT$3,500,000 (inclusive) to	-	-	Wu, Yi-Gui / Wu,Pei-Chi	-
NT$5,000,000 (inclusive) to	-	-		-
NT$10,000,000 (inclusive) to	-	-	-	Wu, Pei-Chi
NT$15,000,000 (inclusive) to	-	-	-	Wu, Yi-Kuei
NT$30,000,000 (inclusive) to	-	-	-	-
NT$50,000,000 (inclusive) to	-	-	-	-
More than NT$100,000,000	-	-	-	-
Total	8,000 thousand	8,000 thousand	16,793 thousand	43,336 thousand

Note 1: The names of Directors shall be listed separately (for corporate shareholders, their names and the name of their representatives shall be listed separately) and the amount of remuneration paid to them shall be disclosed collectively. This table and table (3-1), or tables (3-2-1) and (3-2-2) below shall be filled out if a Director concurrently serves as the General Manager or Deputy General Manager.

Note 2: Remuneration received by a director in the most recent fiscal year (including director's salary, job-related allowances, separation pay, various bonuses and incentives).

Note 3: Fill the amount of rewards approved by the Board of Directors and distributed to the directors in the most recent fiscal year.

Note 4: Business expenses paid to the directors in the most recent fiscal year (including services and goods provided such as transportation allowances, special allowances, various allowances, accommodation and vehicle). If housing, vehicle and other modes of transportation or personal expenses are provided, the nature and cost of the assets provided, the rent fees and fuel costs calculated based on the actual amount or fair market value, and other payments shall be disclosed. If a driver is provided, please indicate the amount of compensation paid to the driver by the Company in a separate note (not included in the remuneration).

Note 5: Salary, job-related allowances, severance pay, various bonuses, incentives, transportation allowance, special allowance, various allowances, accommodation allowance and driver allowance received by directors who concurrently serve as employees (including general manager, deputy general manager, other managerial officers and employees) in the most recent fiscal year. If housing, vehicle and other modes of transportation or personal expenses are provided, the nature and cost of the assets provided, the rent fees and fuel costs calculated based on the actual amount or fair market value, and other payments shall be disclosed. If a driver is provided, please indicate the amount of compensation paid to the driver by the Company in a separate note (not included in the remuneration). Any compensation listed under IFRS 2 Share-Based Payment, including issuance of employee stock options, new restricted employee shares and cash capital increase by stock subscription shall be included. The related oil fund was NT$160 thousand.

Note 6: For directors concurrently serving as employees (including general manager, deputy general manager, other managerial officers and employees) who receive employee rewards (including shares and cash), the amount of employee rewards that have been approved by the Board of Directors and are distributed to them in the most recent fiscal year shall be disclosed. If the amount of rewards cannot be estimated, the amount of rewards in the current fiscal year shall be calculated based on the ratio of the amount of rewards distributed in the previous fiscal year, and this amount shall also be filled in Table 1 - 3.

Note 7: The total amount of all the remuneration paid to the Company's Directors by all the companies in the consolidated financial statements (including the Company) shall be disclosed.

Note 8: The name of each Director shall be disclosed in the range of remuneration corresponding to the amount of all the remuneration paid to each Director by the Company.

Note 9: The total amount of all the remuneration paid to each Director of the Company by all the companies in the consolidated financial statements (including the Company) shall be disclosed. The name of each Director shall be disclosed in the range of remuneration corresponding to the total amount.

Note 10: Net income after tax refers to net income after tax listed in the parent company only or individual financial statements in the most recent year.

Note 11:
a. This field shall clearly indicate the amount of remuneration received by the Company's Directors from investees other than a subsidiary or the parent company (if not, please fill in "none").
b. If a Director of the Company receives remuneration from investees other than subsidiaries or the parent company, the amount of remuneration received by the Director from investees other than subsidiaries shall be combined into Column I of the table for range of remuneration, and this column shall be renamed "Parent Company and All Investees."
c. The remuneration means pay, compensation (including compensation of employees, directors and supervisors) and business expenses received by the directors, serving as a director, supervisor or manager of a reinvestment business or parent company of the Company other than

* The content of compensation disclosed in this table is derived based on a concept different from the concept of income stipulated in the Income Tax Act. The purpose of the table is for the disclosure of information, instead of taxation.

2. Remuneration paid to supervisors: Not applicable as the Company has an Audit Committee that replaces the functions of Supervisors.

3. Remuneration for General Manager and Deputy General Managers

Unit: NT$ 1,000

Title	Name	Salary (A) (Note 2)		Separation Pay and Pension (B)		Bonuses and special allowances (C) (Note 3)		Amount of employee rewards (D) (Note 4)				Proportion of the sum of A, B, C, and D to NIAT (Note 8)(%)		Remuneration from Invested Companies Other than Subsidiaries or the Parent Company (Note 9)
		The Company	All companies in the Financial Report (Note 5)	The Company	All companies in the Financial Report (Note 5)	The Company	All Companies in the Financial Report (Note 5)	The Company		All the Companies Included in the Consolidated Financial Statements (Note 5)		The Company	All Companies in the Financial Report	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
Chief Executive Officer	Wu, Yi-Kuei	3,793	3,793	0	0	339	339	0	0	0	0	4,132 (1.51%)	4,132 (1.51%)	20,361
General Manager	Wu, Pei-Chi	1,566	1,566	108	108	2,987	2,987	0	0	0	0	4,661 (1.70%)	4,661 (1.70%)	6,116
Deputy General Manager	Yen, Tai-Ming	2,327	2,484	99	99	2,061	2,061	0	0	0	0	4,487 (1.64%)	4,644 (1.70%)	11

* Regardless of job titles, positions that are equivalent to general manager, deputy general manager (such as president, chief executive director and director) shall be disclosed.

Range of Remuneration

Rangeof Remuneration Paid to the General Manager and DeputyGeneral Manager	Name of General Manager and Deputy General Manager	
	The Company (Note 6)	The parent company and all investees (Note 7) E
Less than NT$1,000,000	-	-
NT$1,000,000 (inclusive) to NT$2,000,000 (exclusive)	-	-
NT$2,000,000 (inclusive) to NT$3,500,000 (exclusive)	-	-
NT$3,500,000 (inclusive) to NT$5,000,000 (exclusive)	Wu, Yi-Gui / Wu, Pei-Chi / Yen, Tai-Ming	Yen, Tai-Ming
NT$5,000,000 (inclusive) to NT$10,000,000 (exclusive)	-	-
NT$10,000,000 (inclusive) to NT$15,000,000 (exclusive)	-	Wu, Pei-Chi
NT$15,000,000 (inclusive) to NT$30,000,000 (exclusive)	-	Wu, Yi-Kuei
NT$30,000,000 (inclusive) to NT$50,000,000 (exclusive)	-	-
NT$50,000,000 (inclusive) to NT$100,000,000 (exclusive)	-	-
More than NT$100,000,000	-	-
Total	13,280 thousand	39,925 thousand

Note 1: The names of the General Manager and Deputy General Manager shall be listed separately, and the amount of remuneration paid to them shall be disclosed collectively. If a Director concurrently serves as a General Manager or Deputy General Manager, this table, Table (1-1) or (1-2-1) and (1-2-2) above shall be filled in.

Note 2: Fill the salary, job-related allowances and severance pay received by the General Manager and Deputy General Managers in the most recent fiscal year.

Note 3: Fill the amount of various bonuses, incentives, transportation allowances, special allowance, various allowances, accommodation, and vehicle received by the General Manager and Deputy General Managers in the most recent fiscal year. If housing, vehicle and other modes of transportation or personal expenses are provided, the nature and cost of the assets provided, the rent fees and fuel costs calculated based on the actual amount or fair market value, and other payments shall be disclosed. If a driver is provided, please indicate the amount of compensation paid to the driver by the Company in a separate note (not included in the remuneration). Any compensation listed under IFRS 2 Share-Based Payment, including issuance of employee stock options, new restricted employee shares and cash capital increase by stock subscription shall be included. A housing facility is provided to the Deputy General Manager. The housing rent for 2023 totaling NT$486 thousand has been included in the salary, bonus, and special allowance in the table above. The fuel expenses amounted to NT$531 thousand.

Note 4: Fill the amount of employee rewards (including shares and cash) that have been approved by the Board of Directors and are distributed to the general manager and deputy general manager in the most recent fiscal year. If the amountof rewards cannot be estimated, the amount of rewards in the current fiscal year shall be calculated based on the ratio of the amount of rewards distributed in the previous fiscal year, and this amount shall also be filled in Table 1 - 3. Net income after taxes refers to net income after taxes in the most recent fiscal year. Where IFRS is adopted, net income after taxes refers to net income after taxes recorded in the parent company-only or individual financial statements in the most recent fiscal year.

Note 5: The total amount of the remuneration of all the companies (including the Company) in the consolidated report to the General Manager and Deputy General Manager and

Deputy General Managers of the Company shall be disclosed.

Note 6: The name of each general manager and deputy general manager should be disclosed in the range of remuneration corresponding to the amount of all the remuneration paid to the general manager and deputy general manager by the company.

Note 7: The total amount of all the remuneration paid to each general manager and deputy general manager of the company by all the companies (including the company) listed in its consolidated financial statements shall be disclosed. The name of each general manager and deputy general manager shall be disclosed in the range of remuneration corresponding to the total amount mentioned in the preceding sentence.

Note 8: Net income after tax (NIAT) refers to net income after taxes in the most recent fiscal year. Where IFRS is adopted, net income after tax refers to net income after tax recorded in the parent company only or standalone financial statements in the most recent fiscal year.

Note 9:
a. This field shall clearly indicate the amount of remuneration received by the Company's General Manager or Deputy General Manager from investees other than subsidiaries or the parent company (if not, please fill in "none").
b. If the General Manager or Deputy General Managers of the Company receive remuneration from investees other than subsidiaries or the parent company, the remuneration received by the General Manager or Deputy General Managers of the Company from investees other than subsidiaries or the parent company shall be included in Column E in the Range of Remuneration Table, and the column shall be renamed "Parent Company and All Investees."
c. Remuneration in this case refers to remuneration and bonuses (including employee, Director, or supervisor compensation) received by the General Manager or Deputy General Managers of the Company as the Directors, supervisors, or managerial officers of investees other than subsidiaries or the parent company.

* The content of compensation disclosed in this table is derived based on a concept different from the concept of income stipulated in the Income Tax Act. The purpose of the table is for the disclosure of information, instead of taxation.

4. The remuneration of the top five executives with the highest remuneration (name and remuneration shall be disclosed individually)

Unit: NT$ 1,000

Title	Name	Salary (A) (Note 2)		Separation Pay and Pension (B)		Bonuses and special allowances (C) (Note 3)		Amount of employee rewards (D) (Note 4)				Proportion of the sum of A, B, C, and D to NIAT (Note 6)(%)		Remuneration from Invested Companies Other than Subsidiaries or the Parent Company (Note 7)
		The Company	All companies in the Financial Report (Note 5)	The Company	All companies in the Financial Report (Note 5)	The Company	All Companies in the Financial Report (Note 5)	The Company		All the Companies Included in the Consolidated Financial Statements (Note 5)		The Company	All Companies in the Financial Report	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
Chief Executive Officer	Wu, Yi-Kuei	3,793	3,793	0	0	339	339	0	0	0	0	4,132 (1.51%)	4,132 (1.51%)	20,361
General Manager	Wu, Pei-Chi	1,566	1,566	108	108	2,987	2,987	0	0	0	0	4,661 (1.70%)	4,661 (1.70%)	6,116
Executive Deputy General Manager	Yen, Tai-Ming	2,327	2,484	99	99	2,061	2,061	0	0	0	0	4,487 (1.64%)	4,644 (1.70%)	11
Assistant Vice President	Huang, Chun-Hao	1,957	2,565	108	108	1,018	1,088	0	0	0	0	3,083 (1.13%)	3,761 (1.37%)	0
Head of Operations Department	Yu, Pai-Chuan	1,894	1,894	251	251	897	897	0	0	0	0	3,042 (1.11%)	3,042 (1.11%)	0

Note 1: The term " individual remuneration to the top five management personnel" refers to the company's managerial officers. The criteria for identifying these managerial officers are based on the rules set forth in the letter Tai-Cai-Zheng-III No. 0920001301 issued by the Securities and Futures Commission, Ministry of Finance, dated March 27, 2003. As for the principle of determining the " individual remuneration to the top five management personnel", it is based on the total amount of salaries, pensions, bonuses, and special allowances, as well as employee remuneration received by the company's managerial officers from all companies in the consolidated financial reports (i.e., the sum of A+B+C+D), and the top five management personnel with the highest remuneration are determined after sorting. If a Director concurrently serves as a managerial officer as above, this table and Table (1-1) above shall be filled in.

Note 2: Fill the salary, job-related allowances and severance pay received by the top five management personnel with the highest remuneration in the most recent fiscal year.

Note 3: Fill the amount of various bonuses, incentives, transportation allowances, special allowance, various allowances, accommodation, and vehicle received by the top five management personnel with the highest remuneration in the most recent fiscal year. If housing, vehicle and other modes of transportation or personal expenses are provided, the nature and cost of the assets provided, the rent fees and fuel costs calculated based on the actual amount or fair market value, and other payments shall be disclosed. If a driver is provided, please indicate the amount of compensation paid to the driver by the Company in a separate note (not included in the remuneration). Any compensation listed under IFRS 2 Share-Based Payment, including issuance of employee stock options, new restricted employee shares and cash capital increase by stock subscription shall be included. Provide the deputy general manager and associate dormitory, the rent of NT$486 thousand yuan and NT$173 thousand have been included in the above table bonus and special expenses respectively. In addition, the company provides transportation and other expenses of NT$935 thousand.

Note 4: Fill the amount of employee rewards (including shares and cash) that have been approved by the Board of Directors and are distributed to the top five management personnel with the highest remuneration in the most recent fiscal year. If the amount of rewards cannot be estimated, the amount of rewards in the current fiscal year shall be calculated based on the ratio of the amount of rewards distributed in the previous fiscal year, and this amount shall also be filled in Table 1 - 3.

Note 5: The total amount of all the remuneration paid to the Company's top five management personnel with the highest remuneration by all the companies in the consolidated financial statements (including the Company) shall be disclosed.

Note 6: Net income after tax refers to net income after tax listed in the parent company only or individual financial statements in the most recent year.

Note 7: a. This field shall clearly indicate the amount of remuneration received by the Company's top five management personnel with the highest remuneration from investees other than a subsidiary or the parent company (if not, please fill in "none").

b. Remuneration refers to the compensation, rewards (including rewards distributed to employees, Directors, and supervisors) and remuneration related to business expenses that are received by the Company's top five management personnel with the highest remuneration who serve as Directors, supervisors or managerial officers at investees other than subsidiaries or the parent company.

* The content of compensation disclosed in this table is derived based on a concept different from the concept of income stipulated in the Income Tax Act. The purpose of the table is for the disclosure of information, instead of taxation.

5. Name of Managerial Officers to Which Employee Rewards Are Distributed, and Status of Distribution

December 31, 2023

Unit: NT$ 1,000

	Title (Note 1)	Name (Note 1)	Stock Amount	CashAmount	Total	Percentage of total remuneration on NIAT (%)
Managerial Officer	Chief Executive Officer	Wu, Yi-Kuei	0	0	0	0%
	General Manager	Wu, Pei-Chi				
	Deputy General Manager	Yen, Tai-Ming				
	Assistant Vice President	Huang, Chun-Hao				
	Head of Operations Department	Yu, Pai-Chuan				
	Director of Corporate Governance	Chen, Yung-Chih				
	Head of Accounting Department	Lin, Chin-Tsai				
	Head of Accounting Department	Hsiao, Sheng-Ying				
	Head of Accounting Department	Chang, Pi-Ling				
	Head of Finance Department	Chuang, Kai-Hui				

Note 1: Names and positions shall be listed individually, and the amount of profit distributed shall be disclosed collectively.

Note 2: Refers to compensations paid to the Managers (including stock and cash) approved by the Board of Directors in the most recent year; If such compensations cannot be estimated, an estimation for this year shall be calculated in proportion to the compensations paid last year. Net income after tax (NIAT) refers to net income after taxes in the most recent fiscal year. Where IFRS is adopted, net income after tax refers to net income after tax recorded in the parent company only or standalone financial statements in the most recent fiscal year.

Note 3: The scope of application for the term “managerial officer” shall follow the approved document with Reference No. T.C.Z.S.Z. No. 0920001301 dated March 27, 2003. Its scope of application shall be as follows:

(1) General Manager and its equivalent
(2) Deputy General Manager and its equivalent
(3) Senior Manager and its equivalent
(4) Head of Finance Department
(5) Head of Accounting Department
(6) Other personnel authorized to manage company operations and sign for approval

Note 4: Directors, General Manager and Deputy General Manager who receive employee rewards (including shares and cash) shall be listed not only in Table 1-2, but also in this table.

Note 5: Deputy General Manager Yen, Tai-Ming retired on November 30, 2023.

Note 6: The head of the Accounting Department, Lin, Chin-Tsai, retired on August 31, 2023.

Note 7: The head of the Accounting Department, Hsiao, Sheng-Ying, resigned on November 30, 2023.

(II) Analysis and comparison of percentages of remuneration paid to the Company's Directors, Supervisors, General Manager and Deputy General Managers by the Company and all the companies listed in its consolidated financial statements in the most recent two fiscal years to the net income (loss) after taxes recorded in its parent company-only or individual financial statements, and explanation on the remuneration policies, standards and packages, procedures for determining remuneration and their correlations with its business performance and future risk exposure.

1. Analysis of total remunerations of directors, general managers and deputy general managers in proportion to earnings after tax:

Year / Category	2023		2022	
	The Company	All companies in the Financial Report	The Company	All companies in the Financial Report
General Directors	(0.95%)	(0.95%)	0.65%	0.65%
Independent Director	(1.97%)	(1.97%)	1.34%	1.34%
General Directors (Including Those Who Concurrently Serve as Employees and Receive Employees' Compensation)	(4.18%)	(4.18%)	3.29%	3.29%

Independent Directors (Including Those Who Concurrently Serve as Employees and Receive Employees' Compensation)	(1.97%)	(1.97%)	1.34%	1.34%
Chief Executive Officer, General Manager and Deputy General Managers	(4.85%)	(4.91%)	3.83%	3.90%

2. Remuneration Policies, Standards and Packages, Procedures for Determining Remuneration and Correlation of Remuneration with Business Performance and Future Risks:

   (1) Remuneration policies, standards and packages

   - The remuneration of the directors is in accordance with Article19-1 of the Company's Articles of Incorporation, which stipulates, "Regardless of the Company's operating profit or loss, the remuneration shall be based on the value of their participation in and contribution to the Company's operations, with the industry standards in the R.O.C. as a reference." The remuneration of the directors shall not exceed one percent of the profit for the year, and the remuneration of the employees shall not be less than one percent of the profit for the year in accordance with Article34of the Company's Articles of Incorporation. The foregoing remuneration is determined with reference to the Company's operating performance and the results of the evaluation of the directors' performance. In addition, the Company shall pay the traffic allowance in accordance with the resolution of the shareholders' meeting, but the manager of the

Company who concurrently serves as the director shall not receive the traffic allowance. Among them, the aspects of directors' regular evaluation include the mastery of the Company's objectives and tasks, directors' cognition of their responsibilities, their participation in the Company's operation, internal relationship management and communication, directors' professionalism and continuous learning, and internal control.

- The manager's remuneration shall be handled in accordance with the relevant personnel regulations and Article 22 of the Articles of Incorporation. It shall be approved by the board of directors by considering the operating performance. Among them, business performance includes financial aspects (operating income, operating profits, and net profit before tax), customer aspects (customer satisfaction, service quality...), product aspects (brand management, quality innovation...), talent aspects (talent cultivation, potential development...); safety aspects (zero pollution, zero emissions, zero occupational accidents, zero incidents, zero failures...); project aspects (digital transformation, energy conservation, carbon reduction, circular economy, net zero emissions...); and other relevant aspects, with sustainability-related indicators carrying a minimum weight of 5%.
- The Company's remuneration packages are determined by the Remuneration Committee Charter. They include cash compensation, stock options, profit sharing and stock ownership, retirement benefits or severance pay, allowances or stipends of any kind, and other substantive incentive measures. The scope is consistent with the remuneration for Directors and managerial officers specified in the Regulations Governing Information to be Published in Annual Reports of Public Companies.

(2) Procedures for determining the remuneration

The results of the evaluations conducted in accordance with the Company's "Regulations for Evaluating the Performance of the Board of Directors" and the "Performance Management Regulations" for managerial officers and employees are used as the basis for regular evaluations of the salary and remuneration of Directors and managerial officers.

The performance evaluation and reasonableness of the remuneration of Directors and managerial officers are regularly assessed and reviewed by the Remuneration Committee and the Board of Directors every year. The Company reviews their performance achievement rate and contributions to the Company, considers the overall performance of the Company's operations, future risks, and development trends of the industry, and reviews the remuneration system whenever necessary based on actual operations and relevant laws and regulations to provide reasonable remuneration and attain a balance between the Company's sustainable operations and risk management.

(3) Correlations with the Company's business performance and future risk exposure

The Remuneration Committee references the Company's overall business performance, outlook of the industry, business risks, and development trends and evaluates the performance targets of the Company's Directors and managerial officers to establish the content and amount of their remuneration individually. The Committee forms recommendations and submits them to the Board of Directors for passage. The Committee reviews the remuneration system for the Company's Directors and managerial officers any time in light of the actual operating conditions and relevant laws and regulations and should not guide the Company's Directors and managerial officers to pursue compensation and engage in behaviors beyond the Company’s risk appetite.

IV. Implementation of Corporate Governance

(I) Implementation by the Board of Directors

A total of four (4) meetings (A) were held by the Board of Directors in the most recent fiscal year (2023). The attendance of the members of the Board are as follows:

Title	Name	1st meeting 2023.3.3	2nd meeting 2023.5.3	3rd meeting 2023.8.1	4th meeting 2023.11.3	Number of Attendance in Person B	Attendance by Proxy	Rate(%)of Attendance in Person [B/A] (Note 2)	Notes
Chairman	Wu, Yi-Gui (representative of Union Polymer International Investment Corporation)	◎	◎	◎	◎	4	0	100	
Director	Ma, I-Kung (representative of USIFE Investment Co., Ltd.)	◎	◎	◎	◎	4	0	100	
Director and General Manager	Wu, Pei-Chih (representative of Union Polymer International Investment Corporation)	◎	◎	◎	◎	4	0	100	
Director	Yin, Bao-Luo (representative of USIFE Investment Co., Ltd.)	◎	◎	◎	◎	4	0	100	
Director	Ko, I-Shao (representative of Tai Lien International Investment Co., Ltd.)	◎	◎	◎	◎	4	0	100	
Independent Director	Chen, Tien-Wen	◎	◎	◎	◎	4	0	100	
Independent Director	Wei, Yung-Tu	◎	◎	◎	◎	4	0	100	
Independent Director	Li, Kuo-Hsiang	☆	◎	◎	◎	3	1	75	
Independent Director	Juan, Chi-Yin	◎	◎	—	—	2	0	100	Passed away in June 2023, with two meetings required to attend

Note 1: For directors and supervisors who are juristic persons, the name of juristic person shareholders and their representatives shall be disclosed.

Note 2: (1) Where a director or a supervisor resigns before the end of the fiscal year, the Remark column shall be filled with the director's or supervisor's resignation date, whereas his/her percentage of attendance in person shall be calculated based on the number of Board of Directors' meetings held and the actual attendance in person during the period during his/her term of office.(%)

(2) Where Directors and Supervisors were re-elected before the end of the year, both the incoming and outgoing Directors and Supervisors shall be listed accordingly. The "remark" column shall be annotated to indicate whether the Director or Supervisor was outgoing, incoming, or reelected as well as the date of re-election. The Director's rate of attendance in person shall be calculated based on the number of Board of Directors' Meetings held and the actual attendance in person during his/her term of office.

Note 3: Attendance in person:◎; Attendance by proxy:☆.

Other matters to be noted:

1. If any of the following applies to the operations of the Board of Directors, the date and session of the Board of Directors' Meeting, as well as the resolutions, opinions of independent directors and the company's actions in response to the opinions of independent directors shall be stated:

   (1) Items listed in Section 3, Article 14 of Securities and Exchange Act:

<table>
<tr><th>Board of Directors Term Date</th><th>Resolution and Follow-up Actions</th><th>Items specified in Article 14-3 of the Securities and Exchange Act</th><th>Dissenting Opinion or Qualified Opinion by Independent Directors</th></tr>
<tr><td rowspan="9">2023
1st
2023.3.3</td><td>1. Approve the remuneration distribution to directors and employees for 2022.</td><td>Yes</td><td>None</td></tr>
<tr><td>2. Approved the appointment of the accountant of 2023.</td><td>Yes</td><td>None</td></tr>
<tr><td colspan="3">Opinions of Independent Directors: None</td></tr>
<tr><td colspan="3">The Company's actions in response to the opinions of Independent Directors: None</td></tr>
<tr><td colspan="3">Voting results: All Directors present voted in favor of the resolution without any dissenting opinion.</td></tr>
<tr><td>3. Reviewed the proposal to lift the restriction of non-competition for directors.</td><td>Yes</td><td>None</td></tr>
<tr><td colspan="3">Opinions of Independent Directors: None</td></tr>
<tr><td colspan="3">The Company's actions in response to the opinions of Independent Directors: None</td></tr>
<tr><td colspan="3">Voting results: The Chair consulted all Directors present, except for Directors Juan, Chi-Yin and Wu, Pei-Chi who had to recuse himself from voting due to a conflict of interest, and they voted unanimously in favor of the resolution.</td></tr>
<tr><td rowspan="5">2023
2nd
2023.5.3</td><td>1. Ratify the provision of endorsement guarantee for subsidiary Taita Chemical (Zhongshan) Co., Ltd.</td><td>Yes</td><td>None</td></tr>
<tr><td>2. Passed the amendments to the Company's internal control system.</td><td>Yes</td><td>None</td></tr>
<tr><td colspan="3">Opinions of Independent Directors: None</td></tr>
<tr><td colspan="3">The Company's actions in response to the opinions of Independent Directors: None</td></tr>
<tr><td colspan="3">Voting results: All Directors present voted in favor of the resolution without any dissenting opinion.</td></tr>
<tr><td rowspan="4">2023
3rd
2023.8.1</td><td>Passed the replacement of the accounting manager of the company.</td><td>Yes</td><td>None</td></tr>
<tr><td colspan="3">Opinions of Independent Directors: None</td></tr>
<tr><td colspan="3">The Company's actions in response to the opinions of Independent Directors: None</td></tr>
<tr><td colspan="3">Voting results: All Directors present voted in favor of the resolution without any dissenting opinion.</td></tr>
</table>

Board of Directors Term Date	Resolution and Follow-up Actions	Items specified in Article 14-3 of the Securities and Exchange Act	Dissenting Opinion or Qualified Opinion by Independent Directors
2023 4th 2023.11.3	1. Ratify the provision of endorsement guarantee for subsidiary TAITA (BVI) Holding Co., Ltd.	Yes	None
	2. Approved CPAs' remuneration for 2023.	Yes	None
	Opinions of Independent Directors: None		
	The Company's actions in response to the opinions of Independent Directors: None		
	Voting results: All Directors present voted in favor of the resolution without any dissenting opinion.		

(2) Other than the matters mentioned above, other resolutions with objections or reservations from the Independent Directors and are documented or stated: None.

2. In regards the recusal of independent directors from voting due to conflict of interests, the name of the independent directors, the agenda, reasons for recusal due to conflict of interests and voting outcomes shall be stated:

Names of Director	Agenda	Reason for Recusal	Participation in Voting	Term of Board meeting
Juan, Chi-Yin Wu, Pei-Chi	Removal of the non-compete clause for Directors	The recused Director is the subject in the removal of the non-compete clause.	Did not participate in voting	2023 1st Meeting 2023.3.3
Wu, Pei-Chi	Managerial officers to engage in competitions.	They had a conflict of interest with this proposal as Directors.	Did not participate in voting	2023 4th Meeting 2023.11.3

3. Information regarding cycle, period, scope, and method of self- (or peer) evaluation of the Board of Directors of a listed company shall be disclosed.

Evaluation of the performance for the Board of Directors in 2023:

Evaluation cycle (Note 1)	Period of evaluation (Note 2)	Scope (Note 3)	Evaluation Method (Note 4)	Evaluation Content (Note 5)
Once every year	January 1, 2023 to December 31, 2023	Performance Evaluation of the Board of Directors	Self-Evaluation of the Board of Directors	I. Performance Evaluation of the Board of Directors 1. Degree of participation in the Company's operations 2. Improvement in the quality of decision-making of the Board of Directors

Evaluation cycle (Note 1)	Period of evaluation (Note 2)	Scope (Note 3)	Evaluation Method (Note 4)	Evaluation Content (Note 5)
				3. Composition and structure of the Board of Directors 4. Election and continuous education of directors 5. Internal control
		Performance evaluation of individual directors	Self evaluation of board members	II. Self performance evaluation of board members 1. Mastery of company objectives and tasks. 2. Understanding of the director's roles and responsibilities 3. Degree of participation in the Company's operations 4. Internal relationship management and communication 5. Expertise and continuing education of the directors 6. Internal control
		Evaluation of functional committees' performance	Self-evaluation of functional committees' members	III. Evaluation of the Audit Committee's Performance 1. Degree of participation in the Company's operations 2. Understanding of duties of the Audit Committee 3. Improvement of the decision-making quality of the Audit Committee 4. Composition of the Audit Committee and selection of committee members 5. Internal control
				IV. Evaluation of the Remuneration Committee's performance 1. Degree of participation in the Company's operations 2. Understanding of the Remuneration Committee's roles and responsibilities 3. Improvement in the Remuneration Committee's decision-making quality 4. Composition and member selection of the Remuneration Committee

Evaluation cycle (Note 1)	Period of evaluation (Note 2)	Scope (Note 3)	Evaluation Method (Note 4)	Evaluation Content (Note 5)
				V. Evaluation of the Sustainable Development Committee's performance 1. Degree of participation in the Company's operations 2. Understanding of the Sustainable Development Committee's roles and responsibilities 3. Improvement in the Sustainable Development Committee's decision-making quality 4. Composition and member selection of the Sustainable Development Committee

※ The results of performance evaluation for the Board of Directors and functional committees for 2023 have been reported to the 1st meeting of the Board of Directors in 2024 (March 7, 2024) and disclosed on the Company's website.

Note 1: Fill in the cycle of the evaluation of Board of Directors; for example: once a year.

Note 2: Fill in the period covered by the evaluation of the Board of Directors. For example, the performance evaluation of the Board of Directors from January 1, 2023 to December 31, 2023.

Note 3: The scope of the evaluation includes the performance evaluation of the Board of Directors, individual Board members, and functional committees.

Note 4: The evaluation methods include self-evaluation of the Board of Directors, self-evaluation of the Directors, peer evaluation, appointment of external professional institutions or experts, or other appropriate methods.

Note 5: The evaluation content includes at least the following items according to the evaluation scope:

(1) Performance evaluation of the Board of Directors: It shall at least include the degree of participation in the Company's operations, the quality of decision-making of the Board of Directors, the composition and structure of the Board of Directors, the selection and continuous learning of directors, and internal control.

(2) Evaluation of individual Directors' performance: It shall at least include the knowledge about the Company's objectives and tasks, the understanding of Director duties, the participation in the Company's operations, the internal relationship management and communication, Directors' specialties and continuous learning, and internal control.

(3) Performance evaluation of functional committees: It shall include the degree of participation in the Company's operations, the understanding of the functional committee's responsibilities, the quality of decision-making of the functional committee, the composition and selection of members of the functional committee, and internal control.

4. The targets for strengthening the functions of the Board of Directors in the current year and recent years (such as the establishment of the Audit Committee and enhancement of information transparency) and the assessment of implementation:

(1) The Board of Directors operates in compliance with laws, regulations, the Articles of Incorporation, and the resolutions adopted by the shareholders' meeting. In addition to possessing necessary professional knowledge to carry out their duties, all Directors shall act in accordance with the principles of honesty and good faith and their due obligations, to create the maximum interests for all shareholders.

(2) The Company constantly pays attention to changes in laws and regulations of the competent authority, reviews its Rules of Procedure for Board of Directors' Meetings and the Rules Governing the Scope of Powers of Independent Directors, evaluates its Audit Committee Charter and Remuneration Committee Charter in due course. The Company seeks to improve information transparency in accordance with the amended laws, and the implementation of these regulations has been effective.

(3) To have a corporate governance officer tosafeguard shareholders' interests and to strengthen the functions of the Board of Directors, the Board of Directors engaged a corporate governance office to support operations of the Board on May 9, 2019.

(4) TheCompany has formed functional committees, such as the Remuneration Committee and the Audit Committee in 2011 and 2015 and the Sustainable Development Committee in 2017, and it has continued to improve its performance.

(5) The Company's website and MOPS have disclosed relevant information regarding the Company's internal rulesand major resolutions adopted by the Board of Directors, so as to facilitate shareholders' understanding of the development and to improve its information transparency.

(6) The Company organizes 6 hours training courses for Directors and encourages Directors to attend corporate governance-related courses organized by external institutions. Below details the continued training sessions attended by the Company's Directors in 112:

Title	Name	Course date	Organizer	Course Title	Number of Hours
Chairman	Wu, Yi-Kuei	2023/07/05	Securities & Futures Institute	Political Economy of the Chinese Communist Party, International Situation, and Cross-Strait Relations	3
		2023/10/13	Securities & Futures Institute	Supervision of Companies by Directors in the Implementation of Effective Enterprise Risk Management and Crisis Management	3
Director	Ma, I-Kung	2023/07/05	Securities & Futures Institute	Political Economy of the Chinese Communist Party, International Situation, and Cross-Strait Relations	3
		2023/09/19	Taiwan Corporate Governance Association	Corporate Credits and Carbon Asset Management Under the Operation of Global Carbon Trading Mechanism	3
Director and General Manager	Wu, Pei-Chi	2023/07/05	Securities & Futures Institute	Political Economy of the Chinese Communist Party, International Situation, and Cross-Strait Relations	3
		2023/10/13	Securities & Futures Institute	Supervision of Companies by Directors in the Implementation of Effective Enterprise Risk Management and Crisis Management	3
Director	Ying, Bao-Luo	2023/07/05	Securities & Futures Institute	Political Economy of the Chinese Communist Party, International Situation, and Cross-Strait Relations	3
		2023/10/13	Securities & Futures Institute	Supervision of Companies by Directors in the Implementation of Effective Enterprise Risk Management and Crisis Management	3
Director	Ko, I-Shao	2023/06/02	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	2023 Taishin Net Zero Power Summit Forum	3
		2023/07/04	Taiwan Stock Exchange (TWSE)	2023 Cathay Sustainable Finance and Climate Change Summit Forum	6

Title	Name	Course date	Organizer	Course Title	Number of Hours
Independent Director	Chen, Tien-Wen	2023/07/05	Securities & Futures Institute	Political Economy of the Chinese Communist Party, International Situation, and Cross-Strait Relations	3
		2023/10/13	Securities & Futures Institute	Supervision of Companies by Directors in the Implementation of Effective Enterprise Risk Management and Crisis Management	3
Independent Director	Wei, Yung-Tu	2023/04/07	Securities & Futures Institute	2030/2050 Green Industrial Revolution	3
		2023/06/21	Taiwan Financial Research Institute	Promotion of National Net Zero Work: Stepping into Sustainable Finance In-Depth	3.6
		2023/07/04	Taiwan Stock Exchange (TWSE)	2023 Cathay Sustainable Finance and Climate Change Summit Forum	3
		2023/07/05	Securities & Futures Institute	Political Economy of the Chinese Communist Party, International Situation, and Cross-Strait Relations	3
		2023/08/30	Taiwan Corporate Governance Association	The Impact of ChatGPT on Industries and Response	1
		2023/09/08	Taipei Foundation of Finance	Corporate Governance - Financial Industry Cybersecurity Governance and Enterprise Resilience	3
		2023/10/13	Securities & Futures Institute	Supervision of Companies by Directors in the Implementation of Effective Enterprise Risk Management and Crisis Management	3
		2023/12/08	Taiwan Corporate Governance Association	The Development of Artificial Intelligence and the Application of Third-Generation Semiconductors in Servers	3
		2023/12/12	Taiwan Corporate Governance Association	Creation of a New Governance Landscape to Enhance Corporate Value	3
Independent Director	Li, Kuo-Hsiang	2023/07/05	Securities & Futures Institute	Political Economy of the Chinese Communist Party, International Situation, and Cross-Strait Relations	3
		2023/10/13	Securities & Futures Institute	Supervision of Companies by Directors in the Implementation of Effective Enterprise Risk	3

Title	Name	Course date	Organizer	Course Title	Number of Hours
				Management and Crisis Management	
Corporate Governance Officer	Chen, Yung-Chih	2023/2/9	Taiwan Institute for Sustainable Energy	31st TCCS Council Meeting and CEO Lecture	2
		2023/3/27	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	Resilience of Enterprises and Competitiveness in Taiwan	3
		2023/4/20	Taiwan Institute for Sustainable Energy	32nd TCCS Council Meeting and CEO Lecture	2
		2023/4/27	Taiwan Stock Exchange (TWSE)	Promotion of Action Plan for Sustainable Development in Listed Companies	3
		2023/6/2	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	2023 TaishinNet Zero Power Summit Forum	3
		2023/7/4	Taiwan Stock Exchange (TWSE)	2023Cathay Sustainable Finance and Climate Change Summit Forum	6
		2023/7/5	Securities & Futures Institute	Political Economy of the Chinese Communist Party, International Situation, and Cross-Strait Relations	3
		2023/7/13	Taiwan Institute for Sustainable Energy	33rdTCCSCouncil Meeting and CEOLecture	2
		2023/9/4	Financial Supervisory Commission	The 14th Taipei Corporate Governance Forum	6
		2023/10/13	Securities & Futures Institute	Supervision of Companies by Directors in the Implementation of Effective Enterprise Risk Management and Crisis Management	3
		2023/10/20	Securities & Futures Institute	2023Insider Trading Prevention Seminar	3
		2023/10/26	Taiwan Institute for Sustainable Energy	34thTCCSCouncil Meeting and CEOLecture	2
		2023/11/13	Taiwan Institute for Sustainable Energy	Strategies, Leadership,and Sustainable Innovation of Exceptional CEOs	5
		2023/11/15	Securities & Futures Institute	Workshopon Equity Trading Compliance for Insiders in 2023	3
		2023/11/29	Taiwan Stock Exchange (TWSE)	Carbon Markets: A New Chapter for a Sustainable Future Summit	3
Head of Accounting Department	Chang, Pi-Ling	2023/6/15-2023/6/16	Accounting Research and Development Foundation	Continuing Training Class for Principal Accounting Officers of Issuers,	12

Title	Name	Course date	Organizer	Course Title	Number of Hours
				Securities Firms, and Securities Exchanges	
Head of Audit	Hsu, Liang-Wei	2023/4/19	Internal Audit Association of the Republic of China	Regulations and Practical Analysis of Fund Lending, Endorsements or Guarantees, and Asset Acquisition or Disposal	6
		2023/12/4	Internal Audit Association of the Republic of China	Production Cycle Practice and Audit Key Points	6

The number of learning hours, scope of learning, learning systems, arrangements and information on the above-mentioned training sessions which comply with the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies shall be disclosed.

(II) Operations of the Audit Committee:

1. Operations of the Audit Committee

(1) Functions

- Formulation and amendment of the internal control system pursuant to Article 14-1 of the Act.
- Evaluation of the effectiveness of the internal control systems.
- Pursuant to Article 36-1 of the Securities and Exchange Act, formulate or revise procedures for major financial business actions including the acquisition or disposal of assets, engaging in derivative trading, loaning of funds to others, making endorsement or guarantees for others
- Items involving the interests of directors.
- Major assets or derivative trading.
- Major loaning of funds, making of endorsements or provision of guarantees.
- Offering, issuance, or private placement of any equity - type securities.

- Appointment, dismissal and compensation of CPAs.
- Appointments and dismissal of finance, accounting and internal audit managers.
- Annual financial reports signed and sealed by the Chairman, a managerial officer, and the accounting manager.
- Other major items required by other companies or the competent authority.

(2) Annual Work Summary

The Audit Committee is composed of four independent directors. In total four meetings (A) were held during the fiscal year of 2023. The attendance of the members is listed below:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Percentage of attendance in person (%) (B/A) (Note 1, Note 2)	Notes
Independent Director	Chen, Tien-Wen	4	0	100	
Independent Director	Wei, Yung-Tu	4	0	100	
Independent Director	Li, Kuo-Hsiang	4	1	75	
Independent Director	Juan, Chi-Yin	2	0	100	Passed away in June 2023

Note1: Where an independent director resigns before the end of the fiscal year, the Remark column shall be filled with the independent director's resignation date, whereas his/her percentage of attendance in person shall be calculated based on the number of meetings held by the Audit Committee and the actual number of meetings attended during his/her term of office.(%)

Note2: If independent directors are re-elected before the end of the fiscal year, incoming and outgoing independent directors shall be listed accordingly, and the Remark column shall indicate whether the status of an independent director is "outgoing," "incoming" or "re-elected," and the date of re-election. Actual attendance percentage is calculated based on the number of meetings held by the Audit Committee and the actual number of meetings attended during his/her term of office.(%)

Main Items for Review:

1. Assessment of the effectiveness of the internal control system.
2. Financial statements and earnings distribution proposal.
3. Lift competition restrictions against Directors.
4. Assessment on the independence of CPAs and appointment of CPAs.
5. Implemented the Non-Assurance Services Pre-Approval Policy by CPAs.
6. Amendment of the internal control system.
7. Endorsements/guarantees.
8. Interim financial report.
9. Replacement of the accounting manager of the company.
10. CPA fees.
11. Amendment to the Procedures for Transactions with Related Parties, Specific Companies, and Group Enterprises
12. Audit plan.
13. Oversee the implementation of risk management policies.

- Review the annual accounts and earnings distribution and issue an audit report.
- Formulation of the Non-Assurance Services Pre-Approval Policy by CPAs and amendment to the Procedures for Transactions with Related Parties, Specific Companies, and Group Enterprises

- Modification of the internal control system and amendment to the Regulations on Stock Affairs.
- Assess the effectiveness of the internal control system and issue the Internal Control System Statement.
- Assess the independence of CPAs and appoint CPAs and audit their remuneration.

(3) Implementation Status

a. The date of the Board meeting, the term, contents of the proposals, resolutions of the Audit Committee, and the Company's handling of the resolutions of the Audit Committee shall be recorded under the following circumstances in the operations of the Audit Committee meeting.

(a) Items listed in Article 14-5 of the Securities and Exchange Act:

Audit Committee	**Resolution and Follow-up Actions**	**Items listed in Article 14-5 of the Securities and Exchange Act**	**Dissenting Opinion or Qualified Opinion by Independent Directors**
2023 1st Meeting 2023.3.3	1. Internal Control System Statement in 2022.	V	None
	2. Preparation of 2022 consolidated and parent company only financial statements	V	None
	3. Lift competition restrictions against Directors.	V	None
	4. Appointment of CPAs for 2023.	V	None
	Opinions of the Audit Committee: None.		
	The Company's Handling of Opinions of the Audit Committee: None		
	Resolution: The motions were passed unanimously by the Directors in attendance and filed for discussion at the board meeting.		
2023 2nd	1. Amendment of the Company's internal	V	None

Meeting 2023.5.3	control system.		
	2. TTC (Zhongshan) ratified guarantees and endorsements.	V	None
	Opinions of the Audit Committee: None.		
	The Company's Handling of Opinions of the Audit Committee: None		
	Resolution: The motions were passed unanimously by the Directors in attendance and filed for discussion at the board meeting.		
2023 3rd Meeting 2023.8.1	Replacement of the accounting manager of the company.	V	None
	Opinions of the Audit Committee: None.		
	The Company's Handling of Opinions of the Audit Committee: None		
	Resolution: The motions were passed unanimously by the Directors in attendance and filed for discussion or report at the board meeting.		
2023 4th Meeting 2023.11.3	1. TAITA (BVI) ratified guarantees and endorsements.	V	None
	2. Remuneration of CPAs for 2023.	V	None
	Opinions of the Audit Committee: None.		
	The Company's Handling of Opinions of the Audit Committee: None		
	Resolution: The motions were passed unanimously by the Directors in attendance and filed for discussion at the board meeting.		

(b) In addition to the items in the preceding items, other resolutions passed by two-thirds of all the Directors but yet to be approved by the Audit Committee: None.

b. In regard to the recusal of independent Directors from voting due to conflict of interests, the name of the independent Directors, the resolutions, reasons for recusal due to conflict of interests and voting outcomes shall be stated: No such occurrences.

c. Communications between independent directors and the head of internal audit and CPAs (material issues, methods and outcomes related to the Company's financial and business status should be included).

(a) Besides submitting the monthly audit reports to independent directors for review, the internal Chief Audit Officer also reports major audit findings to independent directors each quarter at the Audit Committee meeting.

(b) CPAs review the Company's consolidated financial statements (annual as well as parent only statements) and presented the result as well as any governance issues in person or in writing to the Audit Committee on a quarterly basis, in accordance with the Statement of Auditing Standards No. 39 - "Communication with Those Charged with Governance" and the approved letter with Reference No. Tai Tsai Cheng Liu Tzu 0930105373 issued by SFB on March 11, 2004.

Summary of communication between independent directors and CPAs and Chief Audit Officer in 112:

Date/Meeting	Attendee	Communication Item	Communication Results
2023/11/2 The 12th meeting of the 3rd term of Audit Committee	Independent Directors: Chen, Tien-Wen Wei, Yung-Tu Li, Kuo-Hsiang CPA Chiu, Cheng-Chun Chief Audit Officer Hsu, Liang-Wei	CPA: Reported and communicated the review of the financial statements for the third quarter of 2023 and key audit matters. Chief Audit Officer: 1. Internal audit execution report 2. 2024 annual audit plan report.	No dissenting opinion

2. Participation of Supervisors at the board meeting: Not applicable for the Company has an Audit Committee that replaces the functions of supervisors.

(III) Corporate Governance Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Abstract Illustration	
I. Has the company formulated and disclosed its corporate governance best practice principles in accordance with the "Corporate Governance Best Practice Principles for TWSE or TPEx Listed Companies"?	V		The Company has established its "Corporate Governance Best Practice Principles" and complied with the "Corporate Governance Best Practice Principles for TWSE or TPEx Listed Companies" to promote the implementation of corporate governance and discloses such information on its own website.	No material discrepancy
II. Shareholding Structure and Shareholders' Rights				
(I) Has the company established internal operating procedures for handling matters related to shareholders' recommendations, doubts, disputes and lawsuits, and implemented them accordingly?	V		The Company has appointed specific personnel to take charge of such matters.	No material discrepancy
(II) Does the Company maintain a list of major shareholders who have actual control over the Company and persons who have ultimate control over the major shareholders?	V		The Company has been maintaining contact with its major shareholders and persons who have ultimate control over the major shareholders.	No material discrepancy
(III) Has the Company established and implemented risk control and firewall mechanisms among its affiliated	V		The Company has established and implemented a system to monitor its subsidiaries.	No material discrepancy

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Abstract Illustration	
companies? (IV) Has the company formulated internal regulations that prohibit insiders of the company from trading securities using undisclosed information in the market?	**V**		The Company has formulated its “Procedures for Ethical Management and Guidelines for Conduct”, in which Article 14 forbids insiders to use undisclosed information to trade securities.	No material discrepancy
III. Composition and responsibilities of the Board of Directors (I) Has the Board of Directors drawn up policies on diversity of its members and implemented them?	V		1. The diversity policy of board members According to Article 20 of the Company’s “Corporate Governance Best Practice Principles”, diversity shall be considered in the composition of the Company’s Board of Directors, and members of the Board of Directors shall possess the knowledge, skills and qualities required to perform their duties. To achieve the ideal goal of corporate governance, the Board of Directors shall possess the following abilities: (I) Ability to make sound business judgment. (II) Ability to conduct accounting and financial analysis. (III) Business management ability. (IV) Crisis management ability. (V) Knowledge of the industry. (VI) An understanding of international markets. (VII) Leadership skills.	No material discrepancy

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Abstract Illustration	
			(VIII) Decision-making ability. In addition to the eight competencies above, the Company has added two professional abilities, namely legal capability and environmental protection for the diversification of the Board members by taking into consideration the growing importance of global issues concerning corporate governance and environmental protection. At present, existing members of the Board of Directors possess the knowledge, skills and qualities required to perform their duties, and specialize in professional areas including accounting and finance, international markets, law and environmental protection. 2. Specific management objectives for board diversity The current directors were elected on July 26, 2021. Among the two new directors, Wei, Yung-Tu is an independent director with an MBA degree from George University in the United States. He once served as the president of Deloitte Taiwan, with accounting professional qualification or relevant financial management expertise. Li, Kuo-Hsiang, an independent director, holds an MBA degree from the University of Chicago, USA. He is currently the chairman of Shiseido (stock) company in Taiwan Province, and has the ability of operation and management, international market and leadership	

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Abstract Illustration	
			decision-making. Both new directors are helpful to improve the quality of the board of directors' review proposals and achieve the goal of implementing the policy of diversity of directors. The future goal of diversifying the Board of Directors is to add a director with professional experience in sustainable development to assist the Company in implementing carbon reduction targets and green power policies, and to add a director with expertise in law or business risk management to enhance the Company's sustainable competitiveness and improve the functions of the Company's Board of Directors. III: Executive status of board member diversity For details on the diversity of Board please refer to the table below. Please take note that Ma, Yi-Kung is a female Director.	

Names of Director	Gender	Core Competence									
		Business judgment	Accounting and finance	Business management	Crisis management	Knowledge of the industry	International markets	Leadership	Decision-making abilities	Law	Environmental protection
Wu, Yi-Ku	Male	V	V	V	V	V	V	V	V		
Ma, I-Kung	Female	V	V		V				V		V
Wu, Pei-Ch	Male	V		V	V	V	V	V	V		
Ying, Bao-L	Male	V		V	V	V	V	V	V		V
Ko, I-Shao	Male	V		V	V	V	V	V	V		
Chen, Tien-V	Male	V	V	V	V		V	V	V		
Wei, Yung-T	Male	V	V	V	V	V	V	V	V		
Li, Kuo-Hsiang	Male	V	V	V	V		V	V	V		

※ The Company's Directors with employee status accounted for

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Abstract Illustration	
			25% and Independent Directors with employee status 37.5% ※ 5 directors are over 70 years old, 2 between 60 and 69 years old, and 1 under 60 years old. ※ None of the 3 independent directors have not served more than three consecutive terms. ※ Mr. Juan, Chi-Yin, an independent director, passed away in June 2023. The above data was calculated based on the total number of directors actually on the board (eight), including three independent directors.	
(II) Has the Company voluntarily established functional committees other than the Remuneration Committee and Audit Committee that are established in accordance with the law?	V		The Company has established a remuneration committee and an audit committee, which exercise their authority in accordance with the Remuneration Committee Charter and the Audit Committee Charter respectively with favorable performance. The Company has voluntarily established a Sustainable Development Committee which exercises its authority in accordance with the Sustainable Development Committee Charter with favorable performance.	No material discrepancy
(III) Does the company formulate the performance evaluation methods for the Board of Directors, conduct performance evaluations annually and regularly, and report the results of the performance evaluations to the Board of Directors, and	V		I. Performance evaluation results of the board of directors and individual members 1. In accordance with the "Regulations Governing the Evaluation of the Performance of the Board of Directors" amended and approved by the Board of Directors in November 2019, the Company plans to	No material discrepancy

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Abstract Illustration	
use them as a reference for individual Directors' remuneration and nomination and renewal?			conduct the performance evaluation of the Board of Directors as a whole and individual Directors at the end of each year. 2. The performance assessment of the Board of Directors as a whole and individual directors is performed by the Secretariat of the Board using internal self-assessment. The results of the performance evaluation will be used as a reference for the Company's review and improvement, as well as for the remuneration of individual directors and their nomination and renewal. 3. The Company completed the performance evaluation of the Board of Directors in January 2024 for the evaluation period from January 1 to December 31, 2023. The below is the evaluation result: (1) Performance of the Board of Directors	

Aspect	Score (Note)	Evaluation results and supplementary notes
Degree of participation in the Company's operations	4.75	1. According to the overall evaluation results of the board of directors, the average score of the five aspects is above 4.6, and the evaluation results are good. 2. In the past year, with the turbulent international landscape, the Russia-Ukraine war, the Israeli–Palestinian conflict, volatile
Improvement in the quality of decision-making	5	

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Abstract Illustration	

of the Board of Directors		energy prices, and rising global inflation rates have weakened consumer spending and impacted the global economy, which has had an impact on the Company's operations. Moreover, in light of evolving energy and carbon emission policies and regulations, the company will persist in pursuing carbon reduction targets and devising green energy initiatives to accomplish its sustainable development objectives. The Board of Directors and management should always attach attention to the challenges and risks faced by the Company and oversee its progress in the right direction of operation.
Composition and structure of the Board of Directors	5	
Election and continuous education of directors	4.60	
Internal control	5	

Note: The evaluation score is expressed in the range of 0-5, and the full score is 5.

(2) Performance of individual directors

Aspect	Score	Evaluation results
Mastery of company	4.88	The Director's self-evaluation result shows that the average
Understanding of the	5	
Degree of participation in the	4.88	

Evaluation Item	Implementation Status (Note) Yes	No	Abstract Illustration	Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons

Internal relationship	4.94	score of the six aspects is above 4.8, which is a good evaluation result
Expertise and continuing	4.96	
Internal control	4.92	

Note: The evaluation score is expressed in the range of 0-5, and the full scoreis 5.

4. The results of performance evaluation for the Board of Directors as a whole and board members were reported to the Board of Directors meeting in the first quarter of 2024.

II. Performance Evaluation for the Audit Committee, Compensation Committee, and Sustainable Development Committee

The Company completed the performance evaluation of the Board of Directors in January 2024 for the evaluation period from January 1 to December 31, 2023. The below is the evaluation result:

(1) Audit Committee's performance

Aspect	Score (Note)	Evaluation results
Degree of participation in the Company's operations	4.92	According to the Audit Committee's self-evaluation results, the average score of
Understanding of duties of the Audit Committee	5	

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Abstract Illustration	

Improvement of the decision-making quality of the Audit Committee	5	the five aspects is above 4.9, and the overall evaluation result is good.
Composition of the Audit Committee and selection of committee members	5	
Internal control	5	

Note: The evaluation score is expressed in the range of 0-5, and the full score is 5.

(2) Remuneration Committee's performance

Aspect	Score (Note)	Evaluation results
Degree of participation in the Company's operations	5	According to the self-evaluation results of the Remuneration Committee, the average score of the four major aspects is 5, and the overall evaluation result is excellent.
Understanding of the Remuneration Committee's roles and responsibilities	5	
Improvement in the Remuneration Committee's decision-making quality	5	
Composition and member selection of the Remuneration Committee	5	

Note: The evaluation score is expressed in the range of 0-5, and the full score is 5.

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status (Note)</th><th rowspan="2">Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td></td><td></td><td></td><td>(3) Sustainable Development Committee’s performance
<table>
<tr><th>Aspect</th><th>Score (Note)</th><th>Evaluation results</th></tr>
<tr><td>Degree of participation in the Company’s operations</td><td>5</td><td rowspan="4">According to the self-evaluation results of the Sustainable Development Committee, the average score of the four major aspects is above 4.8, and the overall evaluation result is good.</td></tr>
<tr><td>Understanding of the Sustainable Development Committee’s roles and responsibilities</td><td>4.85</td></tr>
<tr><td>Improvement in the Sustainable Development Committee’s decision-making quality</td><td>4.96</td></tr>
<tr><td>Composition and member selection of the Sustainable Development Committee</td><td>5</td></tr>
</table>
Note: The evaluation score is expressed in the range of 0-5, and the full score is 5.
2. Results of the performance evaluation of functional committees, presented to the board of Directors in the first quarter of 2024.</td><td></td></tr>
<tr><td>(IV) Does the Company regularly evaluate the independence of the CPAs?</td><td>V</td><td></td><td>The Audit Committee of the Company evaluates the independence and competency of its CPAs, and requires the CPA audit member group to, in addition to providing the Declaration of Independence and the Audit Quality Indicators (AQIs), evaluate according to the standards in the table below and the five dimensions of AQIs (including 13</td><td>No material discrepancy</td></tr>
</table>

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Abstract Illustration	
			indicators): 1. As of the most recent assurance operation, no CPA has yet to be replaced for seven (7) years. 2. The CPA does not have significant financial interest in his/her trustor. 3. The CPA avoids any inappropriate relationship with his/her trustor. 4. The CPA shall ensure that his/her assistants are honest, fair and independent. 5. The CPA may not perform audit and assurance services on the financial statements of companies he/she has served within two (2) years before practicing. 6. The CPA may not permit others to practice under his/her name. 7. The CPA does not own any shares of the Company and its affiliated companies. 8. The CPA has not engaged in lending and borrowing of money with the Company and its affiliated companies. 9. The CPA has not engaged in joint investments or benefit sharing with the Company or its affiliated companies. 10. The CPA does not concurrently serve as a regular employee of the Company or its affiliated companies and does not receive a fixed salary from them. 11. The CPA is not involved in the decision-making process of	

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Abstract Illustration	
			the Company and its affiliated companies. 12. The CPA does not concurrently engage in other businesses that may lead to loss of independence. 13. The CPA does not have a spouse, immediate family members or relatives within the second degree of kinship who serve in the senior management of the Company. 14. The CPA has not collected any commission related to his/her service. 15. As of now, the CPA has not engaged in any matter that may result in disciplinary actions taken against him/her or damage to the principle of independence. It is confirmed that there is no other financial interest and business relationship with the Company except for the audit fee, financial and tax expenditures and that their family members do not violate the independence requirements, and by referring to the AQI index information, it is confirmed that the audit experience meets the level and the number of training hours of the CPAs and the CPA firm is better than the average level of the industry. In addition, we will introduce audit innovation tools, expand audit support center and introduce cloud audit platform to improve audit quality. The latest annual appraisal result was discussed and approved by the audit committee on March 7, 2024, and reported to the board of directors on the same day to approve the appraisal of independence and eligibility of the accountant.	

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Abstract Illustration	
IV. Has the TWSE/TPEx listed company designated an appropriate number of qualified corporate governance personnel and appointed a corporate governance officer responsible for matters related to corporate governance(including but not limited to providing directors and supervisors with the necessary information for operation,assisting directors and supervisors in following regulations, handling matters related to Board meetings and the shareholders' meetings in accordance with the regulations, preparing minutes for Board meetings and the shareholders' meetings, etc.)?	V		In order to safeguard the interests of the shareholders and strengthen the functions of the Board of Directors, the Company has appointed Chen, Yung-Chih, Head of Legal Division, as the Corporate Governance Officer, the top-level manager in charge of corporate governance, as approved by the Board of Directors on May 9, 2019. Corporate Governance Officer Chen, Yung-Chih has over 20 years of experience as a practicing lawyer and has held the position of head of a legal unit in a listed company for nearly ten years. His main duties are to handle matters related to Board of Directors meetings and the shareholders' meetings in accordance with the laws, prepare minutes of the said meetings, assist Directors with their appointment and continuing education, provide information required by the Directors to perform their duties, assist them with compliance, report the examination results of independent directors' qualifications to the Board of Directors during nomination, appointment, and tenure, and managing matters related to changes in the board of directors. Key points for business execution in 2023: 1. Assisted Directors in performing their duties, provide the necessary information, arrange continuing education for Directors, and process liability insurance policies. (1) Compile the latest laws and regulations related to the business areas and corporate governance of the	No material discrepancy

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Abstract Illustration	
			Company, put them forward at the Board of Directors meeting for discussion, and keep members of the Board informed accordingly from time to time. (2) Assist Directors, upon request, in understanding the regulations to be complied with in the execution of their business. (3) Provide corporate information required by the Directors and assist them with communication and interaction with supervisors in various business categories. (4) Assist Independent Directors in arranging meetings with the chief internal auditor or CPAs to understand the financial and business needs of the Company. (5) Assisted the Company in arranging at least 6 hours of continuing education courses for members of the Board of Directors. (6) Confirm that the Company has purchased the "Directors and Supervisors and Important Staff Liability Insurance" for the members of the Board and reported to the Board of Directors. 2. Handle matters related to the proceedings of Board of Directors' meetings and shareholders' meetings and confirmed compliance matters of resolutions. (1) Prepare notice and agenda of Board of Directors meetings in accordance with laws; where Directors have	

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Abstract Illustration	
			to recuse themselves from the agenda items, they shall be reminded beforehand; the minutes shall be prepared within the statutory period. (2) Registered the date of the shareholders' meeting in advance according to the law and prepared the meeting notice, handbook, and meeting minutes within the statutory time limit. (3) Confirm that the convening of the Board of Directors' meetings and shareholders' meetings, procedures for resolutions, and minutes of the said meetings are in compliance with relevant laws and regulations and the Corporate Governance Best Practice Principles. (4) Change registration 3. Confirmation of Independent Director Qualifications and Handling of Director Changes: (1) Ensure that the qualifications of independent directors align with applicable laws and regulations throughout the nomination, appointment, and tenure processes, and provide the Board of Directors with a report on the review outcomes. (2) In relation to any changes in the Board of Directors, all relevant matters will be managed in accordance with the law. 4. Maintain investor relations:	

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Abstract Illustration	
			The Company’s website is updated from time to time to keep investors abreast of the Company’s financial, business, and corporate governance information in order to protect shareholders’ rights and interests. Directors’ continuing education in 2023 is as follows: Pursuant to Article 24 of the “Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board’s Exercise of Powers,” a listed company shall arrange continuing professional education for its corporate governance officer. The Corporate Governance Officer shall receive at least 12 hours of continuing education each year, except for at least 18 hours within one year for the first term commencing from the date of his/her appointment. In 2023, Mr. Chen, Yung-Chih, the corporate governance officer of the company, has completed 49 hours of further study after taking office. The details are as follows:	

Course date	Organizer	Course Title	Course duration	Total training hours during the year
2023/2/9	Taiwan Institute for Sustainable Energy	31st TCCS Council Meeting and CEO Lecture	2	49
2023/3/27	Chinese	Resilience of	3	

Evaluation Item	Yes	No	Abstract Illustration					Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
				National Association of Industry and Commerce, Taiwan (CNAIC)	Enterprises and Competitiveness in Taiwan			
			2023/4/20	Taiwan Institute for Sustainable Energy	32ndTCCSCouncil Meeting and CEOLecture	2		
			2023/4/27	Taiwan Stock Exchange (TWSE)	Promotion of Action Plan for Sustainable Development in Listed Companies	3		
			2023/6/2	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	2023 TaishinNet Zero Power Summit Forum	3		
			2023/7/4	Taiwan Stock Exchange (TWSE)	2023Cathay Sustainable Finance and Climate Change Summit Forum	6		
			2023/7/5	Securities & Futures Institute	Political Economy of the Chinese Communist Party, International Situation, and Cross-Strait Relations	3		
			2023/7/13	Taiwan Institute for Sustainable Energy	33rd TCCS CouncilMeeting and CEO Lecture	2		
			2023/9/4	Financial Supervisory	The 13th Taipei Corporate Governance	6		

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status (Note)</th><th rowspan="2">Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><td></td><td>Commission</td><td>Forum</td><td></td></tr>
<tr><td>2023/10/13</td><td>Securities & Futures Institute</td><td>Supervision of Companies by Directors in the Implementation of Effective Enterprise Risk Management and Crisis Management</td><td>3</td></tr>
<tr><td>2023/10/20</td><td>Securities & Futures Institute</td><td>2023Insider Trading Prevention Seminar</td><td>3</td></tr>
<tr><td>2023/10/26</td><td>Taiwan Institute for Sustainable Energy</td><td>34th TCCS Council Meeting and CEO Lecture</td><td>2</td></tr>
<tr><td>2023/11/13</td><td>Taiwan Institute for Sustainable Energy</td><td>Strategies, Leadership,and Sustainable Innovation of Exceptional CEOs</td><td>5</td></tr>
<tr><td>2023/11/15</td><td>Securities & Futures Institute</td><td>Workshopon Equity Trading Compliance for Insiders in 2023</td><td>3</td></tr>
<tr><td>2023/11/29</td><td>Taiwan Stock Exchange (TWSE)</td><td>Carbon Markets: A New Chapter for a Sustainable Future Summit</td><td>3</td></tr>
</table>
</td><td></td></tr>
<tr><td>V. Has the Company established channels of communication with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), dedicated a section of the Company's website for stakeholder affairs, and adequately responded to stakeholders'</td><td>V</td><td></td><td>In the Sustainable Development section of our website, we have an Stakeholders section, which provides information on stakeholder consultation, communication channels, core stakeholder types, issues of concern and ways to respond. Every year, the Company will report to the board of directors the ways and frequencies of communication with stakeholders, issues of concern, communication results and response methods, and on</td><td>No material discrepancy</td></tr>
</table>

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Abstract Illustration	
inquiries on significant corporate social responsibility issues?			November 3, 2023, the board of directors reported the ways and frequencies of communication with stakeholders, issues of concern, communication results and response methods in 2022.	
VI. Has the company commissioned a professional shareholder services agency to handle Shareholders' Meetings and other relevant affairs?		V	The Company takes charge of its own shareholder services and handles matters related to shareholders' meetings in accordance with the law.	The Company manages its own securities services to ensure quality and efficiency.
VII. Information Disclosure				
(I) Has the company established a website to disclose information on financial operations and corporate governance?	V		The Company has set up a website and regularly discloses company information.	No material discrepancy
(II) Has the Company adopted other means ofinformationdisclosure (such as establishing a website in English, appointing specific personnel to collect and disclose Company information, implementing a spokesperson system, and disclosing the process of investor conferences on the Company's website)?	V		The Company has appointed specific personnel in charge of the collection and disclosure of company information and has implemented a spokesperson system.	No material discrepancy
(III) Does the Company publish and report its annual financial report within two months after the end of a fiscal year, and publish		V	The Company has not published and disclosed its annual financial reports within two months after the end of the fiscal year. However, the Company has published and disclosed its	No material discrepancy

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Abstract Illustration	
and report its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline?			quarterly financial reports, monthly revenues, and information on endorsements and guarantees before the statutory deadlines.	
VIII. Has the company provided important information to better understand the state of corporate governance (including but not limited toemployee rights,employee care, investor relations,supplier relations, stakeholders' rights, progress of training of Directors and Supervisors, risk management policy and implementation of risk impact standards, implementation of customer policies and the Company's purchase of liability insurance for its Directors and Supervisors)?	V		(I) The Company provides its employees with comprehensive health care. In addition to the formulation of guidelines related to employee assistance services and gender equality in the workplace, the Company also provides annual health checkups, sports and fitness equipment, organizes various outdoor recreational activities and talks on mental, emotional and spiritual health, and purchases group insurance. In addition, employees volunteered to organize the Employee Assistance Program Center(EAPC)that assists employees in solving problems relating to work, life, and mental health. (II) The Company has always been committed to the principle ofequal opportunities and recognizes the contribution of employees from different backgrounds. The Company adopts an open selection process and hires the right talent for the right position, instead of restricting employees' career development based on their race, gender, age, religion, nationality or political affiliation. (III) With regard to the promotion of environmental	No material discrepancy

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Abstract Illustration	
			protection, occupational safety and health management system, and process safety management (PSM) system, the Company not only complies with the domestic laws and regulations, but strives to meet internationally recognized standards. The Company has successfully obtained ISO-9000, ISO-14001, ISO-45001, and ISO-500001 certifications and will continue to push for further certifications. To enhance self-GHG accounting capability, the Company has implemented the Group Safety and Health Partners Regional Joint Rescue system and actively participates in events organized by Linyuan Industrial Park's Safety and Health Promotion Association. (IV) The Company actively attends activitiesheld by Taiwan Responsible Care Association (TRCA) in the chemical engineering industry and upholds its spirit, participates in community events, and cares for product protection in order to create a better living environment. Additionally, the Company also helps contractors by building a safe and health-conscious environmental management system to ensure safety at work. (V) The Company hasformulated "Risk Management Policies and Procedures", which include risk management policies, organization, processes, risk management	

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Abstract Illustration	
			categories and mechanisms, so as to effectively manage risk arising from the Company's operations, including measurement of risk exposure as well as internal control system, clear policies around authorization of risk tolerance limit, strong internal audit for effective management of risk, and disclosure of risk in the annual report. (VI) The Company has established the intellectual property rights management system in orderto strengthen the Company's competitive edge in the industry by offering high value-added products and services to achieve higher profitability. (VII) The Company has established a spokesperson's function to respond to all shareholder questions. The spokesperson serves as the bridge between the Company and shareholders, and maintains close contact with major shareholders. (VIII) Implementation of consumer protection or customer protection policies: The Company has a qualitypolicy, which aims to improve the quality of products and services, and continues to work hard to improve customer satisfaction. The Company also maintains good relationships with suppliers based on the principles of	

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Abstract Illustration	
			good faith and mutual benefits. (IX) The Company promotes continuing education of its directors through offering internal training courses from time to time, providing Directors with continuing education information, and inviting Directors to take courses on corporate governance. (X) The Company has purchased liability insurance for its directors andsupervisors	
IX. Please explain the improvements made in accordance with the Corporate Governance Evaluation results released by the Taiwan Stock Exchange's Corporate Governance Center, and provide the priorities and plans for improvement with items yet to be improved. (Leave blank if the Company was not evaluated): Improvements: (I) The minutes of the shareholders' general meeting document the significant questions raised by shareholders and the Company's corresponding responses. (No.1.18) (II) Please upload the full and uninterrupted audio and video recording following the conclusion of the shareholders' meeting. (No.1.19)				

Regardless of whether "Yes" or "No" is selected, provide a brief description in the Summary column.

(IV) If the Company has set up a Remuneration Committee, the composition, responsibilities and operations of the Committee shall be disclosed

1. Information on the members of the Remuneration Committee

December, 31, 2023

Criteria / Title (Note 1)	Name	Professional Qualifications and Experiences (Note 2)	Status of Independence (Note3)	Number of Other Public Companies in Which the Individual is Concurrently Serving as a Remuneration Committee Member
Independent Director (Convener)	Wei, Yung-Tu	Formerly the President of Deloitte Taiwan, CPA, with professional experience in accounting and finance.	Two years before the appointment and during the term of office, there is no matter described in Item 1, Article 3 of "Measures for setting up and Matters to be Followed by Independent Directors of public offering Companies".	3
Independent Director	Chen, Tien-Wen	Formerly the Chairman of affiliates of the Capital Group and now the Chairman of Chia Shih Construction Co., Ltd., with expertise in corporate operations management.	Two years before the appointment and during the term of office, there is no matter described in Item 1, Article 3 of "Measures for setting up and Matters to be Followed by Independent Directors of public offering Companies".	2

Title (Note 1)	Name / Criteria	Professional Qualifications and Experiences (Note 2)	Status of Independence (Note3)	Number of Other Public Companies in Which the Individual is Concurrently Serving as a Remuneration Committee Member
Independent Director	Li, Kuo-Hsiang	Currently as the Chairman of Taiwan Shiseido, experienced in business operation and management.	Two years before the appointment and during the term of office, there is no matter described in Item 1, Article 3 of “Measures for setting up and Matters to be Followed by Independent Directors of public offering Companies”.	0

Note 1: Please specify in the form the relevant working years, professional qualifications and experience and independence of the members of the Remuneration Committee. If they are independent directors, please indicate to refer to Schedule 1 on page OO and the Directors and Supervisors (I) for details. Fill “Director,” “Independent Director,” or “Others” in the Title column (specify in case of convenor).

Note 2: Professional qualifications and experience: Specify the professional qualifications and experience of individual Compensation Committee members.

Note 3: Circumstances conforming to the independence: The independent director shall state the circumstances conforming to the independence, including but not limited to whether he/she, his/her spouse or his/her second relative are directors, supervisors or employees of the company or its related enterprises; the number and proportion of shares held by himself, his spouse or his second-degree relatives (or in the name of others); whether he/she serves as a director, supervisor or employee of a company that has a specific relationship with the Company (refer to Sub-paragraphs 5 to 8, Paragraph 1, Article 6 of the Regulations on the Establishment and Exercise of Powers of the Compensation and Remuneration Committee of Companies Listed in Stocks or Trading at the Business Office of Securities Firms); the amount of remuneration obtained by providing the Company or its affiliates with business, legal, financial, accounting and other services in the last two years.

Note 4: For disclosure, please refer to the best practice examples on the Taiwan Securities Exchange.

2. Responsibilities

The Remuneration Committee shall exercise the care of a good administrator to faithfully fulfill the following functions and powers, and submit the recommendations to the Board of Directors for deliberation:

(1) Regularly review the Committee's charter and propose recommendations to amend it when necessary.

(2) Establishing and regularly reviewing the BOD and upper management's performance evaluation in conjunction with the remuneration policies, systems, standards, and structure.

(3) Regular evaluation and stipulation on the remuneration of directors and managers.

3. Operations of the Remuneration Committee:

(1) The Company's Remuneration Committee consists of three (3) members.

(2) Term of office of the current members: August 4, 2021 to July 25, 2024. The Remuneration Committee convened three (3) meetings (A) in the most recent year. The qualification and attendance of members are as follows:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Percentage of attendance in person (%) (B/A) (Note)	Notes
Convener	Wei, Yung-Tu	3	0	100%	
Committee Member	Chen, Tien-Wen	3	0	100%	
Committee Member	Juan, Chi-Yin	1	0	100%	Passed away in June 2023
Committee Member	Li, Kuo-Hsiang	1	0	100%	Newly appointed on August 1, 2023.

I.	If the Board of Directors rejects or amends the suggestions of the Remuneration Committee, it should state the date of the Board Meeting, the term of the fiscal year, the content of the proposal, and resolution of the Board Meeting and the follow-up treatments (e.g., if the resolution of the Board Meeting states that the amount of remuneration is higher than that of the suggestions from the Remuneration Committee, the Board should specify the difference in number and the reason behind the resolution): None.
II.	Resolutions of the remuneration committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None

Note:

(1) Where a member of the Remuneration Committee resigns before the end of the fiscal year, the Remark column shall be filled with the member's resignation date, whereas his/her percentage of attendance(%) in person shall be calculated based on the number of meetings held by the Remuneration Committee and the actual number of meetings attended during his/her term of office.

(2) If members of the Remuneration Committee are re-elected before the end of the fiscal year, incoming and outgoing members shall be listed accordingly, and the Remark column shall indicate whether the status of a member is "outgoing", "incoming" or "re-elected", and the date of re-election. Actual attendance percentage(%) is calculated based on the number of meetings held by the Remuneration Committee and the actual number of meetings attended during his/her term of office.

Remuneration Committee	Resolution and Follow-up Actions	Dissenting opinions or qualified opinions of members of the Remuneration Committee
The 5th term 6th 2023.3.3	1. Proposal on the Company's 2022 remuneration distribution plan for Directors and employees.	None
	2. Proposal for the 2022 special bonus for managerial officers.	None
	3. Reviewed the remuneration of the Directors and managers and the performance appraisal system.	None
	Opinions of the Remuneration Committee: None.	
	Resolution of the Remuneration Committee: All members in attendance unanimously passed the proposals and filed for discussion in the board meeting.	
	The Company's actions in response to the opinions of the Remuneration Committee: All the Directors in attendance voted in favor of the resolution.	
The 5th term	1. The Company's annual salary adjustment.	None

<table>
<tr><th>Remuneration Committee</th><th>Resolution and Follow-up Actions</th><th>Dissenting opinions or qualified opinions of members of the Remuneration Committee</th></tr>
<tr><td rowspan="3">7th
2023.8.1</td><td colspan="2">Opinions of the Remuneration Committee: None.</td></tr>
<tr><td colspan="2">Remuneration Committee resolution: The proposal was passed unanimously by the Committee Members in attendance.</td></tr>
<tr><td colspan="2">The Company’s handling of the resolution results of the Remuneration Committee: carry out relevant operations according to the results of the resolution.</td></tr>
<tr><td rowspan="6">The 5th term
8th
2023.11.3</td><td>1. Amended certain articles of the “Remuneration Committee Charter”.</td><td>None</td></tr>
<tr><td>2. Review of the Company’s “Articles of Incorporation of the Remuneration Committee”.</td><td>None</td></tr>
<tr><td>3. Establish the work plan of the Committee for 2024.</td><td>None</td></tr>
<tr><td colspan="2">Opinions of the Remuneration Committee: None.</td></tr>
<tr><td colspan="2">Remuneration Committee resolution: The proposal was passed unanimously by the Committee Members in attendance.</td></tr>
<tr><td colspan="2">The Company’s handling of the resolution results of the Remuneration Committee: carry out relevant operations according to the results of the resolution.</td></tr>
</table>

(V) Implementation of the promotion of sustainable development and the differences and reasons from the Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies

Promotion items	Implementation Status (Note 1)			Discrepancies between its implementation and the “Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies,” and reasons for such discrepancies
	Yes	No	Abstract Illustration	
I. Does the Company establish a governancestructure to promote sustainable development, andset up a full-time (part-time) unit to promotesustainabledevelopment, which is authorized by the Board of Directors to be handled by senior management, and the supervision of the Board of Directors ?	V		In April 30, 2015, to enhance corporate governance, the Company approved to upgrade the status of the Corporate Social Responsibility Committee to the functional committee of the Board of Directors on December 22nd, 2017. The Company has also formulated the “Corporate Social Responsibility Charter” in accordance with Article 23-3 of the Company’s Articles of Incorporation and Article 26 of the Regulations for Corporate Governance, which is to be complied with by this committee. On March 9, 2022, the Company renamed its “Corporate Social Responsibility Committee”to”ESG Committee”, and the “Organizational Rules of Corporate Social Responsibility Committee”tothe “Organizational Rules of ESG Committee”. The Committee is composed of the chairman, general manager and two independent directors, of which the chairman is an independent director and the deputy chairman is the general manager. The Committee has three working groups, namely, corporate governance, environmental protection and social relations, and an project secretary. The working groups are composed of representatives of relevant departments and are responsible for promoting sustainabledevelopment. The AD hoc Secretary is responsible for integrating the working groups and reporting the annual plan and implementation results to the Committee. After discussion by the committee, the annual plan and results will be submitted to the Board of Directors. The ESG Committee has the following main functions: 1. Agreement of sustainability policies.	Compliant with the requirements of the “Corporate SustainableDevelopmentBest Practice Principles for TWSE or TPEx Listed Companies.”

Promotion items	Implementation Status (Note 1)			Discrepancies between its implementation and the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies," and reasons for such discrepancies
	Yes	No	Abstract Illustration	
			2. Agreement of sustainability strategic plan, annual plan and project plan. 3. Supervising the implementation of sustainable development strategic plan, annual plan and project plan, and evaluate the implementation. 4. Approval of the Sustainability Report. 5. Report the implementation of sustainable development activities to the Board of Directors each year. 6. Other matters handled by the Committee according to the instruction by the resolution of the Board of Directors. The Committee reports the implementation of sustainable development to the Board of Directors at least twice a year. In addition, it held two ESG Committee meetings on March 9, 2023 and November 3, 2023 and reported to the board. In 2023, it reported the annual core stakeholder concerns, communication channels and actual implementation status to the Board of Directors. Board's supervision situation (including but not limited to management principle, strategy, and goal formulation and review measures) The Board of Directors oversees and reviews the management, strategies, and goals related to governance, environment, and social (ESG) aspects. It also evaluates the progress and performance and reviews and approves the ESG report, while providing guidance on strategies and directions for important key issues.	
II. Does the company assess ESG risks associated with its operations	V		The Company's risk assessment covers all factories and operating units in Taiwan Province and mainland China. For a long time, the Company has	Compliant with the requirements of the

Promotion items	Implementation Status (Note 1)			Discrepancies between its implementation and the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies," and reasons for such discrepancies
	Yes	No	Abstract Illustration	
based on the principle of materiality, and establish related risk management policies or strategies? (Note 2)			complied with the relevant laws and regulations of the competent authorities, formulated the operation standard of each risk management unit for the risk assessment of major issues related to the environment, society and corporate governance, so as to carry out risk control in daily operations, and to cope with short-term, medium-term and long-term risks, such as operational risks, regulatory risks, climate change and environmental risks, disaster and accident risks and financial risks. In December 2020, in order to strengthen corporate governance, the Audit Committee and the Board of Directors passed the "Measures for Risk Management Policies and Procedures". The Company's risk management process includes risk identification, risk measurement, risk monitoring, risk reporting and disclosure, and risk response. The risk management operation situation includes how to respond to COVID-19, strengthen information security, reduce industrial safety risks and legal compliance risks, etc. The identification and measurement of operational risks have been completed one after another, and the effective supervision and control of risks are within an affordable range. In order to effectively implement the risk management mechanism, the Company was jointly promoted by the board of directors, the Audit Committee, the persons responsible for the daily affairs of each risk management unit, the auditors, the risk management units and the subsidiaries to identify, measure and control risks according to the work scope of each risk management unit. Every year, the Company regularly identifies, measures and controls risks according to the work scope of each risk management unit. The Company currently assigns units responsible for execution of specific items or	"Corporate SustainableDevelopmentBest Practice Principles for TWSE or TPEx Listed Companies."

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			management of important risks to assess and formulate response strategies. The Audit Office shall regularly follow up on results of the plans and report the internal control self-assessment results to the Committee for prompt corrections and improvements to implement the PDCA management cycle and enhance risk management.	
III. Environmental issues (I) Has the company established a suitable environmental management system based on its industrial characteristics?	V		(I) 1. The Company belongs to petrochemical materials industry. According to the laws and regulations such as air pollution prevention and control law, water pollution prevention and control law, waste cleaning law, management measures for toxic and concerned chemicals, etc., and by introducing the ISO 14001 environmental management system, the Company has established appropriate safety management and environmental management systems for raw materials, production, products, transportation, pollution prevention and control, etc., so as to comply with the laws, regulations and policies of the government. 2. The Company has passed the ISO 14001 Environmental Management System certification (valid from 10/2022 to 10/2025), the scope of which includes, for example, the external and internal issues related to the performance of its business, the needs and expectations of workers and stakeholders, and accordingly defines the Company's environmental policy and confirms its objectives and commitments to its environmental management system.	Compliant with the requirements of the "Corporate SustainableDevelopmentBest Practice Principles for TWSE or TPEx Listed Companies."

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(II) Does the company endeavor to improve energy efficiency and use renewable materials that have low impact on the environment?	V		(II) 1. In 2020, the Company began to promote the introduction of ISO 50001 (current validity period: 2023/11-2026/11), an energy management system, with the standards and methods adopted by the Energy Management Manual as the guiding principle of the energy management system, so as to ensure the effective operation of the energy system, and continue to promote energy conservation and carbon reduction projects to achieve the Company's energy policies and objectives. 2. Each plant has the goal of setting the energy consumption per unit product according to the product category. The base year data of 2017 are: 2.06GJ/ ton products of Linyuan Plant, 1.21GJ/ ton products of Qianzhen Plant, 1.09GJ/ ton products of Zhongshan Plant and 17.32GJ/ ton products of Toufen Plant. The data for 2023 are: 2.15GJ/ton products of Linyuan Plant, 1.07GJ/ton products of Qianzhen Plant, 1.22 GJ/ ton products of Zhongshan Plant and 16.34 7GJ/ton products of Toufen Plant. 3. At present, the Company does not use related recycled materials.	
(III) Has the company assessed the present and future potential risks and opportunities of climate change for the entity, and taken measures to respond to climate-related issues?	V		(III) The Company has established the Sustainable Development Committee under the Board of Directors as the highest authority for climate management. The committee is led by an independent director and conducts annual reviews of the company's climate change strategies and goals. It also manages climate change risks and opportunities, and evaluates the progress of implementation, reporting directly to the Board of Directors. The Company utilizes the framework provided by the Task Force on Climate-related Financial	

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			Disclosures (TCFD) to identify climate-related risks and opportunities. It assesses risks and opportunities across various departments, evaluates their financial impacts, and establishes response plans. The Company plans to conduct a comprehensive assessment every three years and review and update it annually. In 2023, a questionnaire survey was conducted on the ESG Committee and senior executives to assess the relevance of various risks to the Company's operations and the potential timings of such impacts, as well as the development and feasibility of various opportunities. Eleven material climate issues were identified: one physical risk: drought; five transition risks: (1) government regulation or supervision - water consumption fee collection, (2) carbon fee, (3) renewable energy regulations - energy-heavy industries clause risk, (4) low-carbon technology transition, (5) rising raw material prices; and five opportunities: (1) efficient production, (2) recycling and reuse - circular economy, (3) reduction of water usage and consumption, (4) use of low-carbon energy, (5) development of new products and research and development (R&D) and innovation of services - low-carbon energy-efficient product R&D. The countermeasures include monitoring water conditions and implementing water usage improvement plans; improving wastewater recycling systems and strengthening operational management to increase water recycled and reduce water consumption; setting internal carbon pricing as a shadow price; investing in green energy development projects; planning and implementing energy-efficient and carbon reduction programs;	

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			adopting AI for process scheduling to improve efficiency; dedicating efforts to the development of sustainable products; recycling and reusing wastewater product powder processes; saving water, recycling wastewater, and harvesting rainwater in the production process; establishing rooftop solar energy facilities; and paying attention to and participating in the renewable energy market.	
(IV) Does the Company collect data for greenhouse gas emissions, water usage and waste quantity in the past two years, and set greenhouse gas emissions reduction, water usage reduction, and other waste management policies?	V		(IV) 1. Every year, the Company conducts greenhouse gas emission inventory and gathers water consumption and waste treatment statistics (including Linyuan Plant, Qianzhen Plant, Toufen Plant and Zhongshan Plant). The data of the base year 2017 are as follows: the emissions of Scope I and Scope II greenhouse gases were 79,700 metric tons CO2e/year(Taiwan Plants), water consumption was 1,064,299 metric tons, and waste disposal capacity was 3,691 metric tons/year. In 2023 and 2022, the emissions of Scope I and Scope II greenhouse gases were 66,595 tons of Co2e and 64,151 tons of CO2e, respectively, the water consumptions in 2023 and 2022 were 930,137 tons and 935,065 tons, respectively, and the waste disposal capacity in 2023 and 2022 was 3,412 tons and 3,495 tons, respectively. 2. Improvement measures such as energy saving, carbon reduction and water conservation are implemented according to the Group's management approach, such as using natural gas, replacing old and old high-energy consuming motors, increasing the amount of	

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			recycled waste water in the process to reduce the amount of water required in the process, establishing sludge drying system to reduce the amount of waste generated, formulating policy management plan for relevant improvement measures, and regularly tracking and reviewing the progress. 3. The Company's 2022 ESG report was inspected and externally verified by AFNOR in June 2023, and completed the GHG accounting and verification for 3 plants in Taiwan and Taipei headquarters in August 2023. In 2024, ISO 140641-1 GHG accounting and verification will continue for individual companies, and will be expanded into ISO 140641-1 GHG accounting for the subsidiaries under the consolidated financial statements.	
IV. Social Issues (I) Has the company formulated the relevant management policies and procedures in accordance with relevant laws and regulations and the International Bill of Human Rights?	V		(I) **Human Rights policy** In order to fulfill corporate social responsibility and implement human rights protection, with reference to internationally recognized human rights standards such as the International Code of Human Rights (International Bill of Rights) and the Declaration on Fundamental Principles and Rights at Work of the International Labor Organization (ILO), the Company should formulate human rights policies to put an end to violations and violations of human rights, and make the employees of the company get reasonable and dignified treatment.	Compliant with the requirements of the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies."

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			Measures to mitigate human rights risks The Company is committed to reasonably ensuring the safety of its employees and working environment, that people are treated with respect and dignity, that operations are environmentally friendly and that compliance with regulations and ethics is followed. To reflect this commitment, the Company adheres to the business philosophy of integrity, respects its employees on a legal basis, assigns dedicated personnel to implement employee occupational safety and health operations in accordance with the law, and establishes reasonable channels for appeals in addition to continuous publicity and education to implement human rights policies in daily life. **Human Rights Concerns and Practices** **Providing a safe and healthy working environment** In order to maintain the workplace safety of our employees, we have not only installed various pollution prevention and fire safety equipment, but also introduced the ISO 14001 environmental management system, ISO 45001 occupational safety and health management system, and ISO 50001 energy management systemfor review and verification, and actively promoted improvement activities such as energy saving and carbon reduction, disaster prevention, and pollution prevention to ensure a safe working environment. We are committed to achieving the carbon reduction target set by the USI Group, which aims to reduce carbon emissions by 27% by 2030 compared to 2017. We also set annual carbon reduction targets and review them annually to replace plans as	

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			needed. In addition to providing a safe and healthy working environment in accordance with laws and regulations, the Company has established a dedicated unit and committee organization for occupational safety and health, employed professional doctors and nursing staff, and regularly conducted education and training on safety and health, fire protection, etc., and taken necessary precautions to prevent occupational disasters, thereby reducing the risk factors of the working environment. **Friendly Workplace** Diversity, Equity, and Inclusion (DEI) Our company is committed to creating a welcoming work environment that values and leverages the strengths of all individuals, regardless of gender, age, or cultural background. In the workplace, it is crucial to embrace individuals from diverse backgrounds, races, genders, sexual orientations, abilities, and perspectives in order to foster a diverse environment. Providing equal opportunities and fair treatment to all employees is essential for bridging the gap between different groups and ensuring that every employee is respected, accepted, and able to actively participate and contribute. We are dedicated to promoting gender equality policies and preventing workplace misconduct through advocacy and educational training. Our objective is to create a dignified and welcoming work environment for our employees.	

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			Putting an end to unlawful discrimination to reasonably ensure equal job opportunities The Company implements its human rights policies in the internal control procedures, applies them to employment, remuneration and benefits, training opportunities, promotion, dismissal or retirement and other matters related to labor rights and interests, and does not treat employees and job-seekers unfairly based on their race, class, language, thought, religion, party affiliation, native place, place of birth, gender, sexual orientation, age, marriage, pregnancy, appearance, facial features, physical and mental disabilities, constellation, blood type and other factors. **Prohibition of Child Labor** To ensure compliance with corporate social responsibility and ethics, the Company has explicitly prohibited child labor since the beginning of recruitment. As of the end of December 2023, the total number of employees was 496, and the number of child labor was 0. **Prohibition of Forced Labor** The Company does not force or coerce any unwilling personnel to perform labor services. The daily and weekly working hours, extended working hours, vacations, special leave and other types of leave for employees are in accordance with the law. A reminder function is set up in the attendance system for employees applying for overtime, overtime pay or compensatory leave is provided after overtime, and a dedicated person is assigned to inspect	

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			and control the working hours of the factory on a monthly basis. **Assisting employees to maintain physical and mental health and work-life balance** ● The Company provides venues or sponsorship funds to encourage employees to participate in healthy activities, and employees can form their own clubs to unite colleagues by emotion through club activities. ● Besides holding activities such as beano, Mid-Autumn Festival party, guess lantern riddles, etc. to adjust employees' body and mind and cohesion, the company also sets up sports and fitness equipment for employees to use after work. ● In order to promote employees' autonomy in exercise and health management, we organize sporadic sports competitions. In April of 2023, the Taipei region sponsored and encouraged employees to participate in the "2023 Taipei Technology Cup Love Earth Charity Road Run." Additionally, from October to December of 2023, we held the 'Get Together and Walk' event to promote physical and mental well-being. **Training Practices on Human Rights Protection** ● **New employee training**- New education and training on compliance with relevant laws is required upon induction, including: sexual harassment prevention, anti-discrimination, anti-harassment, implementation of working hour management, and protection of humane treatment. ● **Prevention of workplace violence**- Through promotion and public	

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announcements, employees are made aware of their responsibility to help ensure that THE workplace is free of unlawful abuse in the course of their duties, and a complaint line is disclosed to create a friendly working environment.

- **Occupational safety series training - content**includes: safety and health education and training, fire safety training, emergency response, first aid personnel training, etc.
- **Integrity and moral education -**Educate and promote daily behavior and ethical standards in order to provide a healthy and positive workplace culture.

The company continues to pay attention to human rights protection and carries out relevant training, so as to raise awareness of human rights protection and reduce the possibility of related risks. In 2023, the Company held trainings related to human rights protection, with 3,518 participants and 11,811 training hours in total.

Course Title	Total Participants	Total hours
[Integrity Lecture] Stop, Look, and Listen: Avoiding Cybersecurity Traps	137	274
[Integrity Lecture] Enhancing Legal Awareness and Response in the Era of Artificial Intelligence	137	274
[Integrity Seminar] Legal Advocacy - Insider Trading and Gender Equality	18	36
[Integrity Lecture] Preventing Unlawful	8	16

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<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
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<tr><td>Violations in the Workplace</td><td></td><td></td></tr>
<tr><td>[Ethical Management Lecture] Insider Trading Practice Cases and Related Legal Liabilities (2023)</td><td>1</td><td>3</td></tr>
<tr><td>[Ethical Management Lecture] Trade Secrets Act Introduction and Case Analysis (2023)</td><td>1</td><td>3</td></tr>
<tr><td>[Ethical Management Lecture] 2023 Employee Code of Conduct</td><td>239</td><td>239</td></tr>
<tr><td>Process Safety Training</td><td>1049</td><td>3801</td></tr>
<tr><td>Work Safety Training/Propaganda</td><td>797</td><td>3468</td></tr>
<tr><td>Environmental Protection Training</td><td>19</td><td>311</td></tr>
<tr><td>On-the-job Health Education and Training (Including On-the-job Training and Retraining of Operation Supervisors)</td><td>380</td><td>1842</td></tr>
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<tr><td>Special Operations and Cancer Screening Seminar</td><td>10</td><td>10</td></tr>
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<tr><td>Emergency Medical Personnel and Education and Training in Healthcare</td><td>14</td><td>20</td></tr>
<tr><td>Promoting a Friendly Workplace: Maintaining a Workplace Free from Violence, Harassment, and Intimidation</td><td>120</td><td>120</td></tr>
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			Total 3,518 11,811 **Complaint System** The Company has a smooth complaint channel, through which colleagues can file a complaint with supervisors at all levels or the Human Resources Department when they encounter various problems within the Company. In addition, the Company has a dedicated complaint mailbox and e-mail for sexual harassment prevention, in order to maintain gender equality in work and provide employees and job seekers with a work and service environment free from sexual harassment. During the period of complaint investigation, it will be handled in a confidential manner, and the name of the complainant or other relevant information sufficient to identify the complainant will not be disclosed to protect the complainant.	
(II) Does the Company establish and implement reasonable employee welfare measures (including salary, leave and other benefits) and appropriately reflect operational performance or results in employee compensation?	V		(II) The salary and benefits of the company include labor insurance/health insurance/overtime pay/two days off a week/paternity leave/parental leave/physiological leave/special leave (the minimum unit is 0.5 hours)/maternity leave/annual physical examination of employees/payment for labor retirement/occupational injury insurance/nursing room, etc. The welfare system includes annual bonus/three welfare benefits/employee group insurance/food allowance/employee canteen/employee travel allowance/beano/maternity allowance/employee domestic and overseas study allowance/community allowance/employee on-the-job education and training/senior employee gold medal commendation/performance appraisal, etc., and year-end bonus is	

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			given to employees according to the Company's operating results and employee performance. In 2023, there were 496 employees in total, including 67 female employees, accounting for 13.5%; The number of supervisors was 54, accounting for 10.88%.	
(III) Does the company provide a safe and healthy work environment to its employees, and regularly offer safety and health education to its employees?	V		(III) The Company distributes personal safety protective equipment to each employee, conducts education and training on the inspection and safety of the working environment every six months, conducts irregular inspections on the working safety environment and conducts regular annual health check-ups, and sets up an occupational safety and health special unit and committee organization, and employs professional doctors and nursing staff to provide consultation and assistance on employees' health problems.1. 2. The Company has passed the examination and verification ofISO 14001 (Environmental Management System) and ISO 45001(Occupational Safety and Health Management System), which covers workers (employees and contractors of the Company) and stakeholders (such as internal and external government and non-governmental organizations entering the workplace, etc.), so as to provide a safe working environment for workers and personnel. 3. In 2023, the Company underwent 29 on-site occupational safety audits by government agencies all of which were in compliance with the occupational safety regulations. There was no occupational accident involving employees or contractors.	
(IV) Has the company established an	V		(IV) For the pre-service education and training for new employees of the	

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effective training plan for employees' career development?			Company, in addition to common courses (introduction of the Company and various systems and methods, safety and health training), professional courses and occupational safety courses of each unit shall be implemented according to the needs of each unit, and all relevant professional courses shall be completed within three months, and the assignment or return training of professional training shall also be implemented; Training for supervisors (including class/department/factory-level supervisors) will be held irregularly, while other colleagues will be assigned training at the technical/R&D/industrial safety/process improvement/laws and regulations, which will provide external or internal education and training to meet the personal career development needs of employees and the Company's management policy, and provide training courses for all-round talents. For staff training, a survey of staff training needs is conducted in the fourth quarter of each year, and an education and training implementation plan is compiled. In addition, a digital learning platform is set up to provide a channel for self-learning, so as to enhance staff's professional or management skills and balance their physical and mental development. Additionally, online e-learning courses allows coworkers to effectively participate in learning activities anytime, anywhere, thereby enhancing their career development and overall work performance.	
(V) Does the Company comply with relevant laws and regulations and international standards, and has a	V		(V) The Company establishes long-term cooperation with high-quality suppliers based on quality, capability and environmental protection policies, fulfills corporate social responsibilities, and delivers the idea	

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policy and complaint procedure to protect the rights of consumers or customers with respect to the health and safety of customers, customer privacy, marketing and labeling of products and services?			of environmental protection policies to contractors and carriers. At the same time, the Company complies with the RoHS directive and enhances environmental protection education and training. The Company also pays serious attention to the safety of construction companies in the plant area and ensures the safety of various operations so as to protect the safety and health of workers and jointly engage in good risk management with them. 1. Customer health and safety: all products have SDS (safety data sheet) to provide customers with guidelines for storage and transportation, so as to maintain health and safety. 2. Customer privacy: In 2013, theCustomer Personal Data Control Operation was formulated for compliance to maintain customer privacy. 3. Marketing and labeling: all comply with relevant laws and international standards. Trademark labeling on packaging bags is processed in accordance with regulations in the Trademark Act. 4. Establishment of related consumer rights protection policy and grievance-filing procedures: The Company provides customers with complaint channels in accordance with the "Operating Procedures for Processing Customer Complaints" to protect their interests.	
(VI) Does the company formulate and implement supplier management policies that require suppliers to follow relevant regulations on	V		(VI) The supplier management policy is mainly to promote and encourage suppliers to sign the Letter of Commitment of Supplier's Corporate Social Responsibility (hereinafter referred to as the Letter of Commitment). The Company has drawn up this Letter of	

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environmental protection, occupational safety and health or labor human rights?			Commitment, which requires suppliers to make commitments to the requirements of human rights, industrial safety, sanitation, environmental protection and conflict minerals. 1. Requirements: (1) Labor and human rights: including non-forced labor, prohibition of child labor, provision of due wages and benefits, protection of working hours and rest time, elimination of sexual harassment, bullying and discrimination in the workplace, and non-use of conflict minerals, etc. (2).health and safety: Including necessary measures such as occupational safety, emergency response, industrial hygiene, machine protection, public health, accommodation and health and safety information. (3) Environment: Including environmental operation permit, pollution prevention and resource conservation, hazardous substances, sewage, harmless solid waste, noise, exhaust gas emission, product and service restriction, energy/resource consumption and greenhouse gas emission, etc. (4) Ethics: Including operating in good faith, respecting intellectual property rights, abiding by relevant confidentiality agreements, safeguarding privacy and avoiding conflicts of interest, etc. 2. Implementation status: (1) Existing suppliers: The Company promotes and encourages suppliers of regular procurement items to sign the letter of commitment. The achievement rate was about 80% by 2019, about 90% by 2020, about 98% by 2021, and more than 99% by 2022, and is expected to reach 100% in 2023 in signing letter of commitment with existing and newly	

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			added raw material suppliers. (2) New suppliers: Since 2019, all new suppliers have been required to sign the Letter of Commitment when submitting supplier information. (3) Planning the content of supplier's factory visit audit: it is estimated that the social and environmental assessment project will be included in the supplier evaluation audit project before 2024; Suppliers who fail to meet the Company's social and environmental assessment will be assisted to carry out improvement work.	
V. Does the company refer to internationally-used standards or guidelines for the preparation of reports such as sustainability reports to disclose non-financial information? Are the reports certified or assured by a third-party accreditation body?	V		The Company's CSR reports are drafted based on the Global Reporting Initiative (GRI) Standards: 2021(GRI Standards) published by the Global Reporting Initiative (GRI). Does the Company obtain third-party assurance or qualified opinions for the reports above every year. The 2022 ESG report has been verified by an independent third party, AFNOR Asia Ltd. (AFNOR), with a verification statement obtained. After verification, this report has been certified with AA1000 V3 (Type 1 Moderate Assurance).	Compliant with the requirements of the "Corporate SustainableDevelopmentBest Practice Principles for TWSE or TPEx Listed Companies."
VI. If the company has established sustainable developmentbest-practice principlesbased on the "Sustainable DevelopmentBest Practice Principles forTWSE/TPEx Listed Companies," describe the implementation and any deviations from such principles: The Company added its Sustainable Development Best Practice Principles on March 11, 2015. There has been no material discrepancy between these principles and their implementation.				
VII. Other important information that is helpful to understand theoperation of promoting sustainabledevelopment: 1. Investment in various energy-efficient and environmentally sustainable equipment 2023 The expenditure for the addition of energy-efficient equipment is approximately NT$42.18 million. It is estimated to save 2.724 million kilowatt-hours of electricity and reduce carbon emissions by 1,348 metric tons (CO_2e) annually.				

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The expenditure for the replacement with energy-efficient motors is approximately NT$3.6 million. It is estimated to save 416,000 kilowatt-hours of electricity and reduce carbon emissions by 206 metric tons (CO_2e) annually.

Strengthening energy management and optimizing equipment inverter settings can save 653,000 kilowatt-hours of electricity and reduce carbon emissions by 324 metric tons (CO_2e) annually.

2. TTC upholds the spirit of "giving back to the society what is taken from it" to care for the community, local groups and local schools, as well as continuing to interact with local communities to maintain good relations. Risks or opportunities to the community are as follows:

Giving back to the community: including community development associations, education and culture, environmental protection agencies, community associations, local folk festivals, and emergency assistance.

Offer job opportunities: local talents are prioritized for appropriate vacancies and contractors are encouraged to hire local residents.

Community fellowship: Including activities for local inhabitant, community representatives, environmental protection groups, religious activities.

2023 Community Care Activities for Social Participation and Implementation Results

Category	Results / Implementation
Caring for the neighborhood	* Linyuan District neighborhood care get-together or activities and social lectures feedback
	* District community club development association and the association study activities
	* Taita Chemical's Linyuan Plant upholds the corporate ESG spirit and continues to participate in the 2023 Air Purification Zone Management Program and the 2023 Kaohsiung City Interdepartmental Greenhouse Gas Reduction Program launched by the Environmental Protection Bureau Kaohsiung City Government. It also adopts the Chunyun Elementary Schoolin Linyuan District, Kaohsiung City, and sponsors the update of energy-efficient equipment of Kaohsiung Municipal Lin Yuan Senior High School.
	* Renovation of various public facilities in Linyuan Plant
	*Marketing of New Year folklore and agricultural and fishery products in Linyuan Plant
Community clubs	* USI Tennis Tournament was jointly held on December 16, 2023, with 7 employees from Linyuan Plant
	* In July 2023, the Linyuan Plant participated in the Group's southern public welfare softball tournament and sponsored

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		the meal ordering activity of Children Are Us’s catering kitchen. The USI Educational Foundation sponsored an amount of NT$26,400, and each plant donated NT$3,500 (a total of NT$14,000 from the Group’s four plants in southern Taiwan). This event aims to enhance the USI Group’s corporate social responsibility and the engagement of employees in social charity.
	*	In 2023, we actively participated in the softball tournaments hosted by regional corporate unions and federation of petrochemical unions, allowing employees to showcase their vitality and passion for sports.
	*	We participated in the USI Group’s basketball charity tournament and sponsored Kaohsiung Municipal Renwu Senior High School’s events.
	*	Scholarships for schools in Linyuan District
	*	We were awarded an excellence award for contributions to the adoption of air quality purification zones by the Environmental Protection Bureau, Kaohsiung City Government.
	*	We were awarded a Honorary Certificate from the Taiwan Responsible Care Association
	*	Subsidies for school facilities at all levels in Linyuan District
Donations and other sponsorship	*	We worked with the Experimental Forest, National Taiwan University, investing in a 20-year, five-hectare afforestation program.
	*	Taita Chemical won the Taiwan Corporate Sustainability Awards.
	*	We were awarded a Honorary Certificate from the Taiwan Responsible Care Association
	*	We participated in activities held by the USI Educational Foundation.
	*	Temple celebrations and other sponsorships
	*	Taita Chemical’s Linyuan Plant responded to blood donation events.

3. Implementation of Social Services and Public Welfare:
Donation to the USI Education Foundation
USI Group upholds the business philosophy of “Solid Operation, Professional Management, Seeking Excellence and Serving the Society”. On December 30, 2011, USI Corporation and Asia Polymer Corporation jointly established the USI Education Foundation with a fund of NT$ 50

Promotion items	Implementation Status (Note 1)			Discrepancies between its implementation and the “Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies,” and reasons for such discrepancies
	Yes	No	Abstract Illustration	
million. The USI Education Foundation aims to engage in education-related charitable activities, and focuses on care for the disadvantaged, people in rural areas, and the ecology. The foundation has carried out the following activities in accordance with the relevant laws: (1) Sponsor education in rural areas. (2) Set up scholarships. (3) Hold talks, seminars or other education-related charitable activities. (4) Sponsor schools at various levels or educational groups to engage in activities such as literature, sports, music, dance, arts and drama. (5) Industry-academia collaboration. (6) Other educational activities of public interest in line with the objectives of the Foundation.				

Note 1: If “Yes” is selected in the operating status, please explain the important policies, strategies, and measures adopted, and the implementation status; if “No” is selected in the operating status, please specify the difference reason and explain related future policies and plans for strategies and measures in the column “Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof”.

Note 2: The principle of materiality refers to environmental, social, and corporate governance issues that have significant impacts on the Company’s investors and other stakeholders.

Note 3: For disclosure, please refer to the best practice examples on the Taiwan Securities Exchange.

(VI) Climate-related Information for Listed Companies

1. Risks and Opportunities of Climate Change for the Company and the Company's Response Measures

ITEM	Implementation Status
1. This report provides an overview of how the Board of Directors and management supervise and manage climate-related risks and opportunities. 2. Describe how the identified climate risks and opportunities affect the business, strategy and finances of the Company (short, medium and long term). 3. This report aims to elucidate the effects of extreme weather events and transition actions on the financial sector. 4. This report outlines the integration of the process of identifying,	Climate change poses a global challenge that affects us all. To align with international standards and fulfill the requirements of sustainable development, our nation announced on February 15, 2023 the amendment of the Greenhouse Gas Reduction and Management Act to the Climate Change Response Act. In light of the impact of climate change, carbon reduction has become a global collaborative endeavor. At the start of 2022, USI Group established a carbon reduction target for 2030, aiming to decrease carbon emissions by 27% compared to the 106th year. Additionally, in 2023, the Company set a long-term objective of attaining carbon neutrality by 2050. In order to achieve the company's sustainable vision, USI Group is actively implementing response strategies and management mechanisms through practical actions. The domestic production plants are continuing to implement ISO 14064-1 Greenhouse Gas Inventory and Verification and have plans to execute carbon reduction plans. The group is also actively developing external renewable energy sites, with a cumulative grid-connected capacity of 7.2MW as of the end of 2023 at the solar energy site. Taita Chemical is aligning with the group's 2030 carbon reduction target to chart its own path towards carbon reduction. Moving forward, the Company will proactively implement energy-saving and carbon reduction measures. The midterm decarbonization strategy will prioritize the transition to low-carbon energy, enhancing energy efficiency, implementing intelligent monitoring, and promoting the installation and utilization of renewable energy. The long-term decarbonization strategy will further prioritize low-carbon fuels, carbon capture and utilization technologies, and negative carbon emission technologies to attain carbon neutrality and foster sustainable development. Taita Chemical has established the Sustainable Development Committee under the Board of Directors as the highest authority for climate management. The committee is led by an independent director and conducts annual reviews of the company's climate change strategies and goals. It also manages climate change risks and opportunities, and evaluates the progress of implementation, reporting directly to the Board of Directors. The Company utilizes the framework provided by the Task Force on Climate-related Financial Disclosures (TCFD) to identify climate-related risks and opportunities. It assesses risks and opportunities across various departments, evaluates their financial impacts, and establishes response plans. The Company plans to conduct a comprehensive assessment every three years and review and update it annually.

assessing, and managing climate risks into the overall risk management system.

5. When utilizing scenario analysis to evaluate resilience to climate change risks, it is crucial to provide a clear explanation of the scenario, parameters, assumptions, analysis factors, and significant financial impacts employed.
6. If you have a transition plan in place to mitigate climate-related risks, please provide a detailed description of the plan's content. Additionally, include the indicators and objectives that are utilized to identify and manage both physical and transitional risks.
7. If internal carbon pricing is used as a

Task Force on Climate-related Financial Disclosures (TCFD)

Category	Management Strategies and Actions
governance	● The Sustainable Development Committee: the highest-level organization responsible for climate change management. It is chaired by independent directors and is responsible for annually planning and reporting on climate change initiatives and achievements. The committee reports to the Board of Directors. ● The Management and Administration Meeting: chaired by the Chairman, periodically promotes planning and provides updates on the progress of major energy-saving and carbon reduction policies. ● The Group Environmental Department Quarterly Report Meeting: is held every quarter to report progress and plans to the Chairman and make decisions. As the highest authority for energy management in USI Group, this meeting serves as an opportunity to update the Chairman and seek approval for future actions. ● The Green Energy Team: the responsible unit within USI Group for promoting green energy. They report monthly to the Chairman on the progress of green energy development and future plans.
Strategy	● Situation Analysis: Evaluating the physical risks encountered in various climate scenarios ● Risk and Opportunity Identification: Evaluate the importance of risks and opportunities by considering the level of correlation and likelihood for risk items, as well as the operational feasibility and growth potential for opportunity items. ● Assessment of Potential Financial Impacts: Conducting an assessment of the potential financial impacts associated with identified significant risks and opportunities.
Risk Management	● Adoption of the TCFD: The adoption of the TCFD framework enables the identification of risks and opportunities, facilitates communication with relevant departments, and requires confirmation from senior executives. ● Identification Results Report: As part of the annual company risk management assessment, the General Manager reports the control measures and management operations to the Audit Committee and the Board of Directors each year.
Indicators and Goals	● In line with the group's carbon reduction target, establish energy management goals starting from the baseline year of 2017. The objective is to achieve a 27% reduction in carbon emissions by 2030 and attain carbon neutrality by 2050. ● The midterm decarbonization strategy: prioritize the transition to low-carbon energy, enhancing energy

planning tool, it is important to provide an explanation for the basis of price determination. 8. If climate related targets are set, the activities covered, the scope of greenhouse gas emissions, the planning period, the annual progress of achievement, etc. should be stated; if carbon offsets or renewable energy certificates (RECs) are used to achieve the relevant targets, the source and quantity of carbon credits to be offset or the quantity of renewable energy certificates (RECs) should be stated. 9. Greenhouse Gas Inspection and Verification (separately filled in 1-1).	**efficiency, implementing intelligent monitoring, and promoting the installation and utilization of renewable energy. The long-term decarbonization strategy will further prioritize low-carbon fuels, carbon capture and utilization technologies, and negative carbon emission technologies to attain carbon neutrality and foster sustainable development.** ● **Disclosure of Greenhouse Gas Emissions: The Sustainability Report includes an annual disclosure of data on Scope 1 and Scope 2 emissions, along with regular reviews to analyze the reasons behind any increases or decreases.** The Company's three plants in Taiwan have completed their own GHG self-accounting in 2023, with total emissions of 16,748 metric tons of CO_2e in Scope 1 and 49,847 metric tons of $CO2e$ in Scope 2. The third-party greenhouse gas inventory and verification of the parent company and its subsidiaries will be completed by 2024.

Identification of Climate Risks and Opportunities

In response to the escalating global climate change, Taita Chemical Co., Ltd. continues to adopt the TCFD framework, further identifying potential risk factors in the face of extreme weather conditions and seizing new business opportunities.

Scenario analysis

Referencing the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP) and the National Science and Technology Center for Disaster Reduction, projecting for conditions of rising temperatures, rainfall, flooding, and droughts during 2016-2035 under the RCP 8.5 scenario. 3 physical risk issues were identified. Based on group strategy, industry characteristics, Intended Nationally Determined Contribution (INDC), and TCFD indicators, 9 transformation risk issues and 12 opportunity issues are identified, totaling 24 potential risk and opportunity topics.

Risk Management

In 2023, a questionnaire survey was conducted for the ESG committee and senior management to assess the relevance of various risks to the Company's operations and the potential timing of their impacts, as well as the developmental and executable nature of various opportunities. A total of 10 questionnaires were collected, and after statistical analysis by the team, 11 significant climate issues were identified (1 physical risk issue, 5 transformation risk issues, and 5 opportunity issues).

Taita Chemical Co., Ltd. conducted evaluations on the potential financial impacts of the 11 significant risk and opportunity items, and formulated response strategies and management mechanisms, aiming at understanding the potential impacts of climate change across various aspects and reducing operational impacts caused by extreme weather conditions, establishing a resilient climate change culture.

According to the time frame of climate-related risk events, they can be divided into three intervals: short-term (< 3 years), medium-term (3-5 years), and long-term (> 5 years). Climate-related opportunity projects are classified into five levels based on their impact on the Company development and technical feasibility. The corresponding classifications are shown in the table below:

Type	Item	Timeframe of occurrence
Physical risk	Drought	Short-term (< 3 years)
Transformation risk	Government regulation or supervision - Water conservation charge	Short-term (< 3 years)
	Carbon fee	Short-term (< 3 years)
	Renewable energy regulations - Risks of large electricity consumers' terms and conditions	Short-term (< 3 years)
	Low carbon technology transformation	Short-term (< 3 years)
	Increase in raw material prices	Short-term (< 3 years)

Type	Item	Development prospect	Feasibility of technology
Opportunities	High-efficiency production	Developmental, it is already an existing policy of the Company.	Expansion in progress
	Recycling and reuse - circular economy	Developmental, it is already an existing policy of the Company.	Expansion in progress
	Reduced water utilization and consumption	Developmental, it is already an existing policy of the Company.	Technology has been matured
	Use of low-carbon energy sources	Developmental, it is already an existing policy of the Company.	Technology has been matured
	Research and innovation in the development of new products and services - R&D of low carbon and energy efficient products	Developmental, it is already an existing policy of the Company.	Expansion in progress

Potential financial impact of risk and opportunity items and the corresponding measures

Climate change issue	Category	Description of risks and opportunity item	Potential financial impact	Company's strategy and countermeasure
Drought	Physical risk / Chronic	1. Based on the period from 1986 to 2005, the recent climate conditions (2016 to 2035) indicate that there will be 50 to 58 consecutive days each year with no rainfall, which may lead to water shortages or drought. 2. Due to abnormal weather conditions, the plant sites may experience water restrictions or shortages, which could result in reduced production or a complete shutdown of the production line in severe cases.	**Increased operating costs** If there is a water shortage, it will be necessary to purchase water trucks. In severe cases, production on the assembly line will be reduced or halted entirely. It is estimated that the cost of purchasing purified water will increase by NT$24,000 per day.	1. Monitoring of water conditions and emergency response procedures. 2. Countermeasures during the dry season: Cease non-essential water usage, enhance inspection of pipelines and valves, reduce discharge of cooling water. Additionally, there is a water storage buffer from the fire fighting tanks and purchased water from the water trucks. 3. Implement water improvement initiatives to progressively reduce total water withdrawal year by year.
Government regulation or supervision - Water conservation charge	Transformation risk / Policy and law	The Ministry of Economic Affairs released the "Regulations on the Water Conservation Charge" in January 2023, which imposes a "Water Conservation Charge" on heavy water users with a monthly consumption exceeding 9,000 cubic meters during the dry season (January to April and November to December).	**Increased operating costs** According to Taita Chemical Co., Ltd.'s actual water consumption and water reclaimed rate during the dry season from November 2022 to April 2023, along with the corresponding water consumption rate, the estimated annual water consumption fee is NT$150,000.	1. Set unit product water consumption targets and achieve reduction targets year by year. 2. Improve wastewater recycling systems and enhance operational management to increase the volume of recycled water and reduce water consumption.
Carbon fee	Transformation risk / Policy and law	The Ministry of Environment released the draft of the Regulations for Charging of Carbon Fees in December 2023, with plans to impose carbon fees on heavy carbon emitters with annual emissions exceeding 25,000 tons starting in 2025.	**High input costs in the first phase, but low carbon emissions in the subsequent years, reducing operational costs** According to Taita Chemical Co., Ltd.'s estimated carbon emissions for 2023, with a carbon fee of NT$300 per ton, the projected annual carbon fee amounts to NT$2,830,000.	1. Taita Chemical Co., Ltd. assesses the use of internal carbon pricing as a shadow price, integrating carbon costs into investment assessments to improve the implementation opportunities for carbon reduction projects. 2. Replace the old equipment and improve energy efficiency
Renewable energy regulations - Risks of large electricity consumers' terms	Transformation risk / Policy and law	The "Regulations for the Management of Setting up Renewable Energy Power Generation Equipment of Power Users above a Certain Contract Capacity" of the Ministry of Economic Affairs was implemented in 2021. It requires large electricity consumers with a contract capacity greater than 5,000 kW to install renewable energy facilities with a	**Increased operating costs** Taita Chemical Co., Ltd. has installed solar energy equipment on the roof and plans to obtain green electricity from the Group's procurement company in order to comply with regulatory requirements.	1. Due to the electricity price increase by Taiwan Power Company in April 2024, it is estimated that the electricity bill will increase by NT$23.97 million per year. We will actively invest in low-carbon technology transformation to mitigate the impact of the electricity price increase.

Climate change issue	Category	Description of risks and opportunity item	Potential financial impact	Company's strategy and countermeasure
and conditions		contract capacity of 10% by 2025.		2. USI Green Energy Corporation, a subsidiary of USI Group, actively seeks suitable sites for investing in green energy development projects. By 2023, the cumulative installed capacity of solar photovoltaic systems reaches 7.2 MW, with an annual electricity generation of 9.15 million kWh. Taita Chemical Co., Ltd. estimates purchasing 825,000 kWh of green energy from USI Green Energy Corporation.
Low carbon technology transformation	Transformation risk / Energy & Technology	Investments in the development of low-carbon technologies, including energy transformation, efficiency improvement, and fuel substitution for carbon reduction increases the technology costs for the enterprise.	**Increase in capital expenditure and decrease in operating costs**	1. In 2023, Taita Chemical Co., Ltd. invested NT$45.78 million in updating energy-saving equipment, resulting in a reduction of 3.79 million kWh in electricity and 1,878 tons of CO2e.
Increase in raw material prices	Transformation risk / Market	With the future implementation of carbon taxes in mind, the cost of raw materials will incorporate carbon emissions, leading to an increase in prices.	**Increased operating costs**	1. Continuously promoting the recycling and reuse of substandard materials 2. Assessing the feasibility of implementing AI-based intelligent scheduling within the factory.
High-efficiency production	Opportunity / Resource efficiency	Through AI intelligent production, industrial motors, automatic packaging and other production tools, enhancing overall production efficiency and reducing energy consumption.	**Increase in capital expenditure and decrease in operating costs**	In 2023, Delta Chemicals invested NT$20.61 million to improve overall production efficiency, resulting in a reduction of 520 metric tons CO2e.
Recycling and reuse - circular economy	Opportunity / Resource efficiency	Based on the three principles of circular economy (3R): Reduce, Reuse and Recycle. Reduce the cost of waste disposal, or the amount of raw materials used.	**Increased revenue**	1. Research and develop sustainable products by transforming waste glass into fire-resistant, thermal-insulating, and soundproof glass wool. The product has successfully obtained the Green Building Material certification 2. Recycle the wastewater product powder in the process area to the process for reuse
Reduced water utilization and consumption	Opportunity / Resource efficiency	Water is an irreplaceable resource in the manufacturing process. Reducing factory water leakage and increasing the proportion of water recycling and reuse saves operating costs and enhances the resilience of the factory.	**High upfront cost of water-saving technology**	1. Invest in wastewater recovery facilities 2. Improvement of process equipment and operation to reduce steam volume 3. Continuously develop reduction plans for water consumption
Use of low-carbon energy sources	Opportunity / Resilience & Energy source	Promote coal-to-gas plan and carbon reduction measures, increase the use of renewable energy, reduce carbon costs, and lower the carbon footprint of products.	**Increase in operating costs and decrease in carbon fee**	1. Established site for rooftop solar energy proposal 2. Prioritize natural gas source for purchased steam supply source 3. Focus on and engage in the renewable electricity market 4. In 2023, Taita Chemical Co., Ltd. implemented 32 energy-saving and carbon reduction measures, with a total investment of NT$45.78 million. This resulted in a reduction of 3.79 million kWh in electricity and a reduction of 1,878 tons of CO2e
Research and innovation in the development of new products and services - R&D of low carbon and energy efficient products	Opportunities / Products and services	Researching and developing products oriented towards circular economy, low-carbon, and energy-saving. Investing in technology from the perspective of the complete product and service lifecycle to develop low-carbon products.	**Increased revenue** The thermal insulation and cooling properties of glass wool can adjust indoor air conditioning to reduce the temperature by 2-3 degrees Celsius, resulting in energy savings for air conditioning.	Taita Chemical Co., Ltd.'s products - glass wool is made from recycled glass and possesses characteristics such as fire resistance, thermal insulation, heat retention, and soundproofing. It has passed multiple national standard testing items, meeting Class A flame retardancy standards while providing high sound absorption efficiency. Furthermore, it has obtained certification as healthy green building material.

The group promotes internal carbon pricing

In February 2023, the government announced the implementation of the Climate Change Response Act, which includes the addition of a carbon fee collection mechanism. The detailed content of the charging method and specific rates will be formulated by the Ministry of Environment through relevant subsidiary laws. The collection targets will be planned to be phased in from large to small, and the rates will be regularly reviewed and gradually increased. To proactively respond to government policies and effectively address climate change and carbon risk, USI Group will implement an internal carbon pricing system by 2024. The pricing will be based on domestic carbon fees and integrated into the Company's decision-making and investment evaluation processes. This will enable the assessment of the impact of carbon emissions on business operations and expedite the implementation of carbon reduction measures. The Group will also hold two educational training sessions to help relevant departments understand the concept and application of internal carbon pricing. The aim is to assist all factories in implementing it as soon as possible, and to plan to organize a carbon-related general education course, inviting all group employees to participate and enhance their awareness of carbon reduction. This will help achieve the goal of sustainable business operations.

1-1 Greenhouse Gas Inspection and Verification of the Company in the Last Two Years

1-1-1 Greenhouse Gas Inventory Information

1. The Parent Company should start the inventory from 2026 in the Parent Company Only Financial Statements.
2. Subsidiaries should start the inventory from 2027 in the Consolidated Financial Statements.
3. The parent company has performed greenhouse gas inventories in accordance with the ISO 14064-1 greenhouse gas inventory standard issued by the International Organization for Standardization (ISO) since 2021 in order to grasp the status of greenhouse gas emissions. The emissions for the last two years are described below:

Year	2022		2023	
The Company	Emissions (CO_2e)	Intensity (metric tons of CO_2e / NT$ million of revenue)	Emissions (CO_2e)	Intensity (metric tons of CO_2e / NT$ million of revenue)
Scope 1 (direct GHG emissions)	14,869		16,748	
Scope 2 (indirect GHG emissions)	49,282		49,847	
Subtotal	64,151	3.6657	66,595	4.5302

Note 1: The self-inventory data for 2023 has not yet been finalized before the publication of the Annual Report. The full assurance information will be disclosed in the Sustainability Report.
Note 2: Subsidiaries should is scheduled to complete its inventory by 2024 in the Consolidated Financial Statements.

1-1-2 Greenhouse Gas Assurance Information

1. The Parent Company should implement assurances from 2028 in the Parent Company Only Financial Statements. 2. Subsidiaries should implement assurances from 2029 in the Consolidated Financial Statements. 3. The inventory information for 2021 and 2022 in the Parent Company Only Financial Statements has been assured by SGS Taiwan Inspection Technology Co., Ltd. in accordance with the ISO 14064－3:2006 standard issued by the International Organization for Standardization (ISO). The assurance results for Scope 1 and Scope 2 are at a reasonable level of confidence and are unqualified. Note 1: The inventory information for 2023 has not yet been finalized before the publication of the Annual Report. The full assurance information will be disclosed in the Sustainability Report. Note 2: Subsidiaries should is scheduled to complete its assurance by 2024 in the Consolidated Financial Statements.

1-2 Greenhouse Gas Reduction Goals, Strategies, and Specific Action Plan

Reduction Goals: At the start of 2022, USI Group established a carbon reduction target for 2030, aiming to decrease carbon emissions by 27% compared to the 106th year. Additionally, in 2023, the Company set a objective of attaining carbon neutrality by 2050, which covers nine domestic factories and the GHG emission scope is Category 1 and 2. Base Year: As the Group's carbon reduction goal for 2030 is "to reduce carbon emissions by 27% in 2030 compared to 2017", 2017 was set as the base year. Strategies and Specific Action Plan: The domestic production plants of the Group are continuing to implement ISO 14064-1 Greenhouse Gas Inventory and Verification, continue to implement energy management systems and have plans to execute carbon reduction programs. The group is also actively developing external renewable energy sites, with a cumulative grid-connected capacity of 7.2MW as of the end of 2023 at the solar energy site. Carbon reduction programs implemented in Taita Chemical's plants include the renewal of cooling water towers, discharge pumps, air compressors, the replacement of roots blowers with air-bearing turbo blowers, the replacement of motors with high-efficiency motors of IE3 or higher, furnace temperature preservation, inverter control, and lighting improvement. Achievement: Taita Chemical's Plant 3 in Taiwan has completed the self-inventory of greenhouse gas emissions in 2023. The total emissions for Category 1 are 16,748 metric tons of CO_2, and the total emissions for Category 2 are 49,847 metric tons of CO_2. The inventory and assurance of greenhouse gas emissions for the parent company and subsidiaries will be completed in 2024. The self-reported greenhouse gas emissions of Taita Chemical's Plant 3 in Taiwan for the year 2023 have decreased by 16.4% compared to the baseline year (2017). The emissions in 2017 were 79,700 metric tons of CO2e, while the self-reported emissions for 2023 are 66,600 metric tons of CO_2e.

(VII) Implementation of Ethical Management; Deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, and the Reasons Therefor

Evaluation Item	Implementation Status (Note)			Discrepancies between its implementation and the "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies" and reasons for such discrepancies
	Yes	No	Abstract Illustration	
I. Establishment of ethical corporate management policies and programs				
(I) Does the Company establish an ethical corporate management policy approved by the Board of Directors, and declare its ethical corporate management policy and measures in its regulations and external documents, as well as the commitment of its Board and management to implementing the management policies?	V		(I) The Group upholds the business philosophy of "Solid Operation, Professional Management, Seeking Excellence and Serving the Society" and exercises its corporate culture that "seeks truth, honesty and comprehensiveness". The Company has established the "Ethical Corporate Management Best Practice Principles" "Procedures for Ethical Management and Guidelines for Conduct", "Guidelines for the Adoption of Codes of Ethical Conduct for Directors and Managerial Officers", which were approved by the board of directors, to specify its ethical corporate management policies. The Company's Board of Directors and the General Manager have signed statements of ethical management to fulfill their commitments in management policies.	Consistent with the Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies.
(II) Does the company establish an assessment	V		(II) The Company has established the Ethical	Consistent with the

Evaluation Item	Implementation Status (Note)			Discrepancies between its implementation and the "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies" and reasons for such discrepancies
	Yes	No	Abstract Illustration	
mechanism for unethical risks, according to which it analyzes and assesses operating activities with high potential unethical risks? Does the mechanism include any precautionary measures against all the conducts as stated in Article 7, Paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies?			Corporate Management Best Practice Principles, which has been approved by the Board of Directors, and established a risk assessment mechanism for unethical conduct to regularly analyze and evaluate business activities with higher risk of unethical conduct within the business scope, so as to formulate prevention programs, while reviewing the adequacy and effectiveness of prevention programs on a regular basis and strengthening relevant preventive measures. The prevention programs adopted by the Company shall include preventive measures against the following actions: 1. Offering and acceptance of bribes. 2. Illegal political donations. 3. Improper charitable donations or sponsorship. 4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits. 5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights.	Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies.

Evaluation Item	Implementation Status (Note)			Discrepancies between its implementation and the "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies" and reasons for such discrepancies
	Yes	No	Abstract Illustration	
			6. Engaging in unfair competitive practices. 7. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.	
(III) Does the Company specify operating procedures, guidelines for conduct, punishments for violation, rules of appeal in the unethical conduct prevention plan, and does it implement and periodically review and revise the plan?	V		(III) 1. The Company has established the Ethical Corporate Management Best Practice Principles and the Procedures for Ethical Management and Guidelines for Conduct with the approval of the Board of Directors, which specifically regulate the matters to which Directors, managerial officers, employees and persons in effective control should pay attention in the execution of their business, and the disciplinary and complaint systems for non-compliance. 2. The Company has established the "Procedures for Handling Cases of Illegal and Unethical or Dishonest Conduct" to promote the reporting of any illegal behavior or violation of the Code of Conduct or the Ethical Corporate Management Principles.	Consistent with the "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies".

Evaluation Item	Implementation Status (Note)			Discrepancies between its implementation and the "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies" and reasons for such discrepancies
	Yes	No	Abstract Illustration	
			Any employee or external party can report cases of illegal, unethical or dishonest conduct by freely choosing to access the Company's website or the hotline set up at the Audit Office: ● Audit Committee: Accept reports from shareholders, investors, and other stakeholders. ● Auditing Division: Accept reports from clients, suppliers, and contractors. ● Human Resources Division: Accept reports from internal employees. In 2022, no unit received any illegal reports. 3. Related regulations have been fully implemented and we continue to organize training courses to promote the ideals.	
II. Implementing Ethical Corporate Management (I) Does the Company evaluate business partners' ethical records and include ethics-related clauses in the business contracts signed with the counterparties?	V		(I) The Company has requested for terms of ethical conduct to be clearly defined in commercial contracts in accordance with its Ethical Corporate Management Best Practice Principles and the Procedures for Ethical Management and Guidelines for Conduct.	Consistent with the Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies.

Evaluation Item	Implementation Status (Note)			Discrepancies between its implementation and the "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies" and reasons for such discrepancies
	Yes	No	Abstract Illustration	
(II) Has the company established an exclusively (or concurrently) dedicated unit under the Board to implement ethical corporate management, and report to the Board on a regular basis (at least annually) about the ethical corporate management policies, precautionary measures against unethical conducts, as well as the implementation and supervision thereof?	V		(II) To strengthen ethical corporate management, the corporate governance team is responsible for establishing the ethical corporate management policy and prevention programs while supervising such implementation; the Corporate Governance Officer reports to the Board of Directors regularly at least once a year. The Director of Corporate Governance shall report to the Board of Directors on November 3, 2023 on the implementation of ethical business for the year, including the following: 1. Cooperate with laws and regulations to formulate and implement relevant regulations for the implementation of honest business policy 2. Regularly analyze and assess the risk of dishonest conduct in the business area. Assess the risk of dishonest conduct within the business scope according to the checklist for assessing the risk of dishonest conduct. No significant risk was assessed for the current year. 3. The Company has planned its internal	Consistent with the "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies".

Evaluation Item	Implementation Status (Note)			Discrepancies between its implementation and the "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies" and reasons for such discrepancies
	Yes	No	Abstract Illustration	
			organizational structure and placed a control mechanism on business activities with higher risk of dishonest conduct in the business scope. 4. It promoted and coordinated honesty policy advocacy training. 5. Developing a whistle-blowing system and ensuring its operating effectiveness. No illegal incidents were reported this year. 6. Assist the Board of Directors and the General Manager in reviewing and assessing whether the prevention measures taken for the purpose of implementing ethical corporate management are carried out effectively, and prepare reports on the regular assessment of compliance with operating procedures.	
(III) Does the Company establish policies to prevent conflicts of interest, provide appropriate communication channels, and implement them accordingly?	V		(III) The Company has formulated the Code for Ethical Conduct of Directors and Managerial Officers to prevent conflict of interest and provide suitable channels for Directors, managers, and employees to explain any potential conflict of interest with the Company.	Consistent with the Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies.
(IV) Does the Company establish effective accounting systems and internal control	V		(IV) The Company's accounting systems and internal control systems can run independently and	Consistent with the Ethical Corporate

Evaluation Item	Implementation Status (Note) Yes	No	Abstract Illustration	Discrepancies between its implementation and the "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies" and reasons for such discrepancies
systems to implement ethical corporate management, with the internal audit unit being responsible for devising relevant audit plans based on the results of assessment of any unethical conduct risk, examining accordingly the compliance with the prevention programs, or engaging CPAs to carry out the audit?			objectively. Internal control personnel regularly report the audit opinions to the Audit Committee and the Board of Directors. CPAs appointed by the Company regularly perform internal audits and hold discussions with the management. After conducting risk assessment, the internal audit unit formulates the audit plan for the next year, and adds the audit item"management of reports of illegal and unethical or dishonest conduct" to check the compliance with the scheme for preventing dishonest conduct.	Management Best Practice Principles for TWSE or TPEx Listed Companies.
(V) Does the Company regularly hold internal and external training on ethical corporate management?	V		(V) To help employees understand professional ethical regulations, the Company published related regulations on the corporate website and continues to invite renowned academics and experts to provide training and awareness programs for Directors, managerial officers, employees, and substantial controllers so they understand the Company's resolve for implementing ethical corporate management, the related policies, prevention programs and the consequences of committing unethical conduct. In order to implement good-faith management and ethical behavior, the Company continues to	Consistent with the Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies.

Evaluation Item	Implementation Status (Note)			Discrepancies between its implementation and the "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies" and reasons for such discrepancies
	Yes	No	Abstract Illustration	
			promote and hold training courses on a regular basis. In 2023, the Company held totally 313 hours of education and training related to ethical management issues, with a total of 608.5 participants. The breakdown of the courses is as follows	

Course Title	Hours	Person-time	Total hours
[Ethical Management Lecture] Stop, Look, and Listen: Avoiding Cybersecurity Traps	2	137	274
[Ethical Management Lecture] Video Promotion - Prevention of Insider Trading Video	0.5	11	5.5
[Ethical Management Lecture] Enhancing Legal Awareness and Response in the Era of Artificial Intelligence	2	138	276
[Ethical Management Lecture] Legal Advocacy - Insider Trading and Gender Equality	2	17	34
[Ethical Management Lecture] Preventing Unlawful Violations in the Workplace	2	7	14
[Ethical Management Lecture] Insider Trading Practice Cases and Related Legal	3	1	3

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<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status (Note)</th><th rowspan="2">Discrepancies between its implementation and the “Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies” and reasons for such discrepancies</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><td>Liabilities</td><td></td><td></td><td></td></tr>
<tr><td>[Ethical Management Lecture] Internet Copyright and How to Use Software Legally</td><td>2</td><td>1</td><td>2</td></tr>
<tr><td>[Ethical Management Lecture] Trade Secrets Act Introduction and Case Analysis</td><td>3</td><td>1</td><td>3</td></tr>
<tr><td>Total</td><td></td><td>313</td><td>611.5</td></tr>
</table>
</td><td></td></tr>
<tr><td>III. Implementation of the Company’s whistleblowing system
(I) Has the Company established a specific whistleblowing and reward system, set up convenient whistleblowing channels and designated appropriate personnel to handle investigations against wrongdoers?</td><td>V</td><td></td><td>(I) The Company’s Board of Directors passed the amendments to the “Procedures for Handling Cases of Illegal and Unethical or Dishonest Conduct” on November 13, 2019 (Website: https://www.ttc.com.tw/OthersPDF/TTC_HandlingForIllegalImmoral.pdf).
The specific whistleblowing channels, incentive system, dedicated personnel, and whistleblower protection are as follows:
1. Whistle-blowing channels:
(1) Personal report: Face-to-face explanation.
(2) Report via telephone: 02-26503783
(3) Written report: Auditing Division, 7F.,</td><td>Consistent with the “Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies”.</td></tr>
</table>

Evaluation Item	Implementation Status (Note)			Discrepancies between its implementation and the "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies" and reasons for such discrepancies
	Yes	No	Abstract Illustration	
			No. 37, Jihu Rd., Neihu Dist., Taipei City. 2. Incentive system: Where a report is verified as true and its contribution generates significant economic benefits, the incident may be submitted to the General Manager to provide the whistleblower with appropriate rewards. 3. Dedicated personnel: (1) Audit Committee: Accept reports from shareholders, investors, and other stakeholders. (2) Audit Office: Accept reports from customers, suppliers, and contractors. (3) HR Department: Accept reports from employees. 4. Whistle-blower protection: Whistleblowers or persons involved in investigations shall be fully protected and the confidentiality of their identities and information provided shall be fully maintained, so that they will not be subjected to unfair treatment or retaliation. Where the whistleblower is an employee, the Company	Consistent with the

Evaluation Item	Implementation Status (Note)			Discrepancies between its implementation and the “Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies” and reasons for such discrepancies
	Yes	No	Abstract Illustration	
			shall guarantee that the employee shall not sustain inappropriate treatment that may arise from the report.	“Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies”.
(II) Has the company established standard operating procedures for the investigation of reports, follow-up measures to be taken after the investigation is completed, and the relevant confidentiality mechanism?	V		(II) The measures mentioned in the preceding paragraph specify the standard operating procedures for investigating the case being exposed by the whistleblower and the relevant confidentiality mechanism; where whistleblower is anonymous or did not use his/her true name, or the content stated or the proof of origin provided is deemed necessary for investigation, the case may still be reported to the Chairman/General Manager before the case is handled and recorded as a reference for internal review. Once they are verified as true, the Company shall, based on the violation or severity of the violation, implement disciplinary measures and process such violations in accordance with related regulations.	Consistent with the “Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies”.
(III) Has the Company set up protection for whistleblowers to prevent them from being subjected to inappropriate measures as a result of reporting such incidents?	V		(III) The procedures above also specify that whistleblowers or persons involved in investigations shall be fully protected and the confidentiality of their identities fully maintained, so that they will not be subjected to unfair treatment or retaliation.	

Evaluation Item	Implementation Status (Note)			Discrepancies between its implementation and the "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies" and reasons for such discrepancies
	Yes	No	Abstract Illustration	
IV. Strengthening Information Disclosure Has the Company disclosed the content and effectiveness of its integrity management principles on the Company's website and the Market Observation Post System?	V		The Company has disclosed relevant regulations and information on ethical corporate management on the Company's website, which is available for employees at any time. (Website: https://www.ttc.com.tw/OthersPDF/TTC_FaithManageRule.pdf). The information related to ethical corporate management and the effectiveness of implementation is disclosed on the MOPS website and in the annual report.	Consistent with the "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies".
V. If the Company has established the Ethical Corporate Management Principles based on the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", please describe any discrepancy between the policies and the implementation: The Company has established its "Guidelines for the Adoption of Codes of Ethical Conduct for Directors and Managerial Officers", the "Ethical Corporate Management Best Practice Principles", the "Procedures for Ethical Management and Guidelines for Conduct", the "Code of Conduct for Employees Regarding Concurrent and Part-time Work", and the "Procedures for Handling Cases of Illegal and Unethical or Dishonest Conduct". The operation is in accordance with the Ethical Corporate Management Best Practice Principles.				
VI. Other important information to facilitate better understanding of the Company's ethical corporate management (e.g., review of and amendments to ethical corporate management policies) The Company has formulated the Ethical Corporate Management Best Practice Principles and the Procedures for Ethical Management and Guidelines for Conduct, which were approved by the Board of Directors, in accordance with the amended Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies announced by the competent authority. The Corporate Governance Officer reportstothe Board of Directors once each year. On November 3, 2023, it reported to the Board of Directors on matters related to ethical corporate management.				

(VIII) If the Company has stipulated best practices for corporate governance and other relevant bylaws, the means for inquiry shall be disclosed

1. The Company has formulated various corporate governance guidelines and rules:

   (1) Articles of Incorporation.

   (2) Regulations Governing the Acquisition and Disposal of Assets

   (3) Regulations Governing the Making of Endorsements/ Guarantees

   (4) Regulations Governing the Loaning of Funds to Others

   (5) Rules of Procedure for Board of Directors' Meetings

   (6) Regulations Governing the Evaluation of the Performance of the Board of Directors

   (7) Codes of Ethical Conduct for Directors and Managerial Officers

   (8) Regulations Governing the Election of Directors

   (9) Employee Work Rules

   (10) Procedures for Handling Material Inside Information

   (11) Procedures for Ethical Management and Guidelines for Conduct

   (12) Ethical Corporate Management Best Practice Principles

   (13) Procedures for Handling Cases of Illegal and Unethical or Dishonest Conduct

   (14) Rules of Procedure for Shareholders' Meetings

   (15) Rules Governing the Scope of Powers of Independent Directors

   (16) Remuneration Committee Charter

(17)Sustainable Development Best Practice Principles

(18)Sustainable Development Committee Charter

(19)Audit Committee Charter

(20)Corporate Governance Best Practice Principles

(21)Management Guidelines for Employee Complaint and Feedback Mailboxes

(22)Standard Operating Procedures for Handling Requests by Directors

(23)Human Rights Policy and Management Plan

(24)Formulation of Intellectual Property Management Plan

(25)Risk management policies and procedures

(26)Non-Assurance Services Pre-Approval Policy by CPAs

(27)Amendment to the Procedures for Transactions with Related Parties, Specific Companies, and Group Enterprises

2. Please refer to the Corporate Governance section on the MOPS website (https://mops.twse.com.tw) or the Company's website (https://www.ttc.com.tw).

(IX) Other material information that can enhance the understanding of the state of corporate governance at the Company:

The Company regularly audits its subsidiaries and regularly analyzes and reviews the financial and business information of its subsidiaries in accordance with the requirements for supervision and monitoring of subsidiaries stipulated in the Regulations Governing Establishment of Internal Control Systems by Public Companies.

(X) Implementation Status of Internal Control System:

1. Statement of Internal Control

Taita Chemical Company, Ltd.
Internal Control System Statement

Date: March 7, 2024

The Company makes the following statement according to the self-evaluation conducted of the internal control system in 2023:

I. The Company acknowledges that the establishment, implementation and maintenance of the internal control system are the responsibilities of the Company's Board of Directors and managerial officers, and thus the Company has established such a system. Its purpose is to reasonably ensure that operational effectiveness and efficiency (including income, performance, and asset safety) and reporting are reliable, timely, and transparent, as well as to ensure compliance with relevant regulations and laws.

II. An internal control system has inherent constraints. No matter how comprehensive its design may be, an effective internal control system is only capable of providing adequate assurance for achieving the above-mentioned objectives. In addition, the effectiveness of the internal control system may change with the environment and under different situations. Nevertheless, the Company's internal control system contains self-monitoring mechanisms, and the Company takes immediate remedial actions in response to any identified deficiencies.

III. The Company determines whether or not the design and implementation of its internal control system is effective according to the items for determining the effectiveness of internal control systems as stated in the Regulations Governing Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the "Regulations"). The criteria adopted by the Regulations identify five key components of managerial internal control: (1) Control Environment; (2) Risk Assessment; (3) Control Activities; (4) Information and Communication; and (5) Monitoring Activities. Each component includes a number of items. For more information on the above-mentioned items, please refer to the Regulations.

IV. The Company has adopted the items for determining internal control systems in order to evaluate the effectiveness of its internal control system design and implementation.

V. Based on the above results, the Company believes that the design and implementation of its internal control systems (including supervision and management of its subsidiaries), as of December 31, 2023, and the understanding of the level of goal achievement in regards to operational benefits and efficiency, as well as whether the reporting is reliable, timely and transparent and whether it complies with the relevant laws and regulations, is effective and can reasonably assure the accomplishment of the above-mentioned goals.

VI. The Statement shall become the main content of the Company's annual report and prospectus, and shall be made public. Should the above-mentioned content contain illegalities such as fraudulent and hidden information, the Company shall assume legal liabilities involving Article 20, Article 32, Article 171 and Article 174 of the Securities and Exchange Act.

VII. In witness whereof, this statement was approved by the Board of Directors of the Company on March 7, 2024, among which eight Directors were present, all agreeing to the contents of this statement.

Taita Chemical Company, Ltd.
Chairman: Wu, Yi-Gui Signature
General Manager: Pei-Chi Wu Signature

2. Any CPA commissioned to conduct a project review of the ICS shall disclose the CPA's audit report: None.

(XI) Any penalties imposed upon the Company or internal personnel by laws, or punishment imposed by the Company on internal personnel for violation of the Company's internal control system regulations, details on the punishment if it might have significant impact on the shareholders' equity or securities prices, major defects and corrective action thereof in the most recent fiscal year and as of the date of this annual report: None.

(XII) Critical resolutions made during shareholders and Board of Directors' meetings and implementation status in the most recent fiscal year up to the publication date of this annual report

1. Shareholders' Meeting

Year of Meeting	Date of Meeting	Key Resolutions
2023	2023/5/30	The minutes of the Shareholders' Meeting were posted onto MOPS on June 13, 2023. The resolutions and their status of implementation are as follows: 1. Approved the 2022 financialstatements. Implementation status: Resolution passed 2. Recognition of the 2022 Distribution of the Annual Surplus. Implementation status: Resolution passed The distribution of cash dividends of NT$198,793,424 to the shareholders, with August 4, 2023 as the record date, was completed on August 25, 2023. 3. Deliberated on the amendment of the Regulations Governing the Acquisition and Disposal of Assets Implementation status: The resolution was passed and has been implemented according to the resolution passed by the Shareholders' Meeting. 4. Discussed amendments to Rules of Procedure for Shareholders' Meetings Implementation status: The resolution was passed and has been implemented according to the resolution passed by the Shareholders' Meeting. 5. Discussed the amendmentsto the Regulations Governing the Election of Directors. Implementation status: The resolution was passed and has been implemented according to the resolution passed by the Shareholders' Meeting. 6. Discussed the removal of the non-compete clause for newlyappointed Directors. Implementation status: Resolution passed

2. Board of Directors

Session (Year) of Meeting	Date of Meeting	Key Resolutions
2023 1st Meeting	2023/3/3	1. Ratified the conclusion of a three-year medium-term loan limit with Taipei Fubon Bank. 2. Approved the 2022 Account Book. 3. Approved the 2022 remuneration distribution plan fordirectors and employees 4. Approve the 2022Earning Distribution Plan 5. Approved the amendment to certain articles in the Articles of Incorporation. 6. Approved the amendment to certain articles in the Rulesof Procedures forShareholders' Meetings 7. Approve the amendment tocertain articles in the Regulations Governingthe Election of Board Members 8. Approved the recommendation to lift competition restrictions against newly-appointed Directors at the general shareholders' meeting. 9. Approved matters related to the convening of the 2023 Annual General Meeting. 10. Approved theperiod and location for accepting shareholder proposals. 11. Approved the 2023 evaluation of the independence and qualification of appointed CPAs 12. Approved the appointment of CPAs for 2023. 13. Approved the amendment tocertain articles of theESG Best Practice Principles. 14. Approved the issuance of the internal control system statement in 2022. 15. Approved the authorization of the Chairman to sign and deliver short-term credit loan contracts and related documents to financial institutions.
2023 2nd Meeting	2023/5/3	1. Ratified the provision of endorsement guarantee for subsidiary Taita Chemical (Zhongshan) Co., Ltd. 2. Approved the 2023 Quarter 1 Consolidated Financial Statements. 3. Passedthe amendments to the Company's internal control system.
2023 3rd Meeting	2023/8/1	1. Ratified the renewal of the three-year medium-term loan limit signed with Yuanta Commercial Bank 2. Approved the 2023 Quarter 2 Consolidated Financial Statements. 3. Passed the replacement of the accounting manager of the company. 4. Approved audit supervisorsto engage in competitions. 5. Approvedmanagerial officersto engage in competitions. 6. Approved the appointment of independent director Li, Kuo-Hsiang to serve on the Company's Remuneration Committee. 7. Approved the appointment of independent director Chen, Tien-Wen to serve on the Company's Remuneration Committee.

Session (Year) of Meeting	Date of Meeting	Key Resolutions
2023 4th Meeting	2023/11/3	1. Ratified the three-year medium-term loan limit signed with the Japanese company Mizuho Bank 2. Ratified the renewal of the three-year medium-term loan limit signed with Chang Hwa Bank 3. Ratified the provision of endorsement guarantee for subsidiary TAITA (BVI) Holding Co., Ltd. 4. Approved the 2023 Quarter 3 Consolidated Financial Statements. 5. Approved the annual audit budget in 2024. 6. Approved CPAs' remuneration for 2023 7. Approved the annual audit plan in 2024. 8. Amendment to the Procedures for Handling Material Inside Information. 9. Approved the amendment of certain articles in the Remuneration Committee Charter. 10. Approved the amendment to certain articles of the Corporate Governance Best Practice Principles. 11. Approvedmanagerial officersto engage in competitions.
2024 1st Meeting	2024/3/7	1. Passed the replacement of the accounting manager of the Company. 2. Approved accounting supervisorsto engage in competitions. 3. Approved the 2023 financial statements. 4. Approved the 2023profit distribution plan. 5. Approved the reelection of directors at the annual general meeting. 6. Approved the recommendation to lift competition restrictions against newly-appointed Directors at the general shareholders' meeting. 7. Approved matters related to the convening of the 2024 general shareholders' meeting. 8. Approved theperiod and location for accepting shareholder proposals. 9. Approved the 2024 evaluation of the independence and qualification of appointed CPAs 10. Approved the appointment of the accountant of 2024. 11. Approve the amendment tocertain articles in the Rulesof Procedure for Directots' Meetings. 12. Approve theamendment to certainarticles of the Audit Committee Charter. 13. Approved the issuance of the internal control system statement in 2023. 14. Approved the authorization of the Chairman to sign and deliver short-term credit loan contracts and related documents to financial institutions. 15. Approvedmanagerial officersto engage in competitions.

(XIII) For the most recent year and up to the date of publication of the annual report, if a director or supervisor has different opinions on important resolutions passed by the Board of Directors and there are records or written statements, the main content is: none.

(XIV) Summary of the resignation or dismissal of the Company's Chairman, General Manager, Heads of Accounting, Finance, Internal Audit and R&D in the most recent fiscal year up to the publication date of this annual report

Title	Name	Date of appointment	Date of dismissal	Reasons for Resignation or Dismissal
Head of Accounting Department	Lin, Chin-Tsai	2000.02.01	2023.08.31	Retirement
Head of Accounting Department	Hsiao, Sheng-Ying	2023.06.19	2023.11.30	Resignation at his own request
Head of Accounting Department	Chang, Pi-Ling	2023.12.01	2024.03.07	Job transfer

V. Visa accountant public fee information

Visa accountant public fee information

Unit: NT$ thousands

Name of CPA Firm	CPA	Audit Period	Audit Fees	Non-Audit Fees	Total
Deloitte & Touche	Chiu, Cheng-Chun Huang, Hsiu-Chun	2023/01/01-2023/12/31	2,600	480	3,080

Please specify the non-audit services: tax certification 410 / others 70

Note: If the Company has replaced the CPAs or accounting firm in the current fiscal year, the audit period should be listed separately, and the reason for replacement should be stated in the "remark" column. Information regarding the audit and non-audit fees paid should also be disclosed in order. Non-audit fees should be listed in the"Remarks" column.

(I) Where the CPA firm was replaced, and the audit fees in the fiscal year when the replacement was made was less than that in the previous fiscal year before replacement, the amount of audit fees paid before replacement and reasons for paying this amount

The Company has not changed the CPA firm in 112, and thus it is not applicable.

(II) Where the audit fees were reduced by more than 10 percent compared to the previous fiscal year, the amount and percentage of decrease in audit fees, as well as the reason

The Company's audit fee has not been reduced by more than 10% of that paid in the previous year. This is therefore not applicable.

VI. Information on Replacement of CPA

(I) Previous CPAs:Not applicable

<table>
<tr><td>Date of Replacement</td><td colspan="4"></td></tr>
<tr><td>Replacement reasons and explanations</td><td colspan="4"></td></tr>
<tr><td rowspan="3">Statement on whether the authorizing party or the accountant terminate or reject the authorization</td><td colspan="2">Contracting Party / Scenario</td><td>CPA</td><td>Appointer</td></tr>
<tr><td colspan="2">Termination of appointment</td><td colspan="2" rowspan="2">N/A</td></tr>
<tr><td colspan="2">No longer accepted (continued) appointment</td></tr>
<tr><td>Other issues (except for unqualified issues) in the audit reports within the last two years</td><td colspan="4">2023 and 2022 audit report with unqualified opinion</td></tr>
<tr><td rowspan="6">Is there any disagreement with the issuer?</td><td rowspan="4">Yes</td><td></td><td colspan="2">Accounting principles or practices</td></tr>
<tr><td></td><td colspan="2">Disclosure of financial statements</td></tr>
<tr><td></td><td colspan="2">Audit scope or procedures</td></tr>
<tr><td></td><td colspan="2">Others</td></tr>
<tr><td>None</td><td colspan="3">V</td></tr>
<tr><td colspan="4">Descriptions: None</td></tr>
<tr><td>Other Revealed Matters (Matters that should be disclosed in accordance with Item 1-4 to 1-7, Subparagraph 6, Article 10 of the Regulations)</td><td colspan="4">None</td></tr>
</table>

(II) Successor CPAs:Not applicable.

Name of CPA Firm	
Name of CPAs	
Date of Appointment	
Subjects and outcomes of consultation on the accounting treatment of or application of accounting principles to specific transactions, or opinions that might be included on financial statements before the appointment of new CPAs	
Succeeding CPA's written opinion of disagreement toward the former CPA	

(III) Former CPA's response to Article 10, Subparagraph 6, Item 1 and Item 2-3 of the accounting standards:Not applicable.

VII. The Company's Directors, General Manager, Managerial Officer in Charge of Finance or Accounting Who Has Served in a CPA's Accounting Firm or Its Affiliated Companies in the Most Recent Fiscal Year Shall Disclose Their Names, Positions and the Period of Employment in CPA's Accounting Firm or Its Affiliated Companies:None.

VIII. Equity Transfer or Changes in Equity Pledged by the Company's Directors, Managerial Officers or Shareholders with Shareholding Percentage Exceeding Ten (10) Percent in the Most Recent Fiscal Year up to the Publication Date of this Annual Report

(I) Changes in shareholdings of Directors, Supervisors, managerial officers and substantial shareholders

Share Equity Change Status for Directors, Supervisors, Managers and Major Shareholders [Position (Note 1)]	Name	2023		For the year ended March 31,2024	
		Increase (decrease) in number of shares held	Increase (decrease) in number of shares pledged	Increase (decrease) in number of shares held	Increase (decrease) in number of shares pledged
Major Shareholder	Union Polymer International Investment Corporation	0	0	0	0
Director	Wu, Yi-Gui (Representative of Union Polymer Int'l Investment Corp.)	0	0	0	0
	Wu, Pei-Chi (Representative of Union Polymer Int'l Investment Corp.)	0	0	0	0
Shareholder	USIFE Investment CO., Ltd.	0	0	0	0
Director	Ma, I-Kung (representative of USIFE Investment Co., Ltd.)	0	0	0	0

Share Equity Change Status for Directors, Supervisors, Managers and Major Shareholders [Position (Note 1)]	Name	2023		For the year ended March 31,2024	
		Increase (decrease) in number of shares held	Increase (decrease) in number of shares pledged	Increase (decrease) in number of shares held	Increase (decrease) in number of shares pledged
	Ying, Bao-Luo (representative of USIFE Investment Co., Ltd.)	0	0	0	0
Shareholder	Tai Lien International Investment Co., Ltd.	0	0	0	0
Director	Ko, I-Shao (representative of Taiwan Union International Investment Corp.) (dismissed on March 1, 2024)	0	0	0	0
Director	Bi, Shu-Chien (representative of Tai Lien International Investment Co., Ltd.) (newly appointed on March 1, 2024)	N/A		0	0
Independent Director	Chen, Tien-Wen	0	0	0	0
Independent Director	Wei, Yung-Tu	0	0	0	0
Independent Director	Li, Kuo-Hsiang	0	0	0	0
Independent Director	Juan, Chi-Yin (dismissed on June 21, 2023)	0	0	N/A	
Chief Executive Officer	Wu, Yi-Kuei	0	0	0	0
General Manager	Wu, Pei-Chi	0	0	0	0
Executive Deputy General Manager	Yen, Tai-Ming (dismissed on December 1, 2023)	0	0	N/A	
Assistant Vice President	Huang, Chun-Hao (newly appointed on June 1, 2023)	0	0	0	0
Corporate Governance Officer	Chen Yung-Chih	0	0	0	0
Head of Accounting Department	Lin, Chin-Tsai(dismissed on September 1, 2023)	0	0	N/A	

Share Equity Change Status for Directors, Supervisors, Managers and Major Shareholders [Position (Note 1)]	Name	2023		For the year ended March 31,2024	
		Increase (decrease) in number of shares held	Increase (decrease) in number of shares pledged	Increase (decrease) in number of shares held	Increase (decrease) in number of shares pledged
Head of Accounting Department	Hsiao, Sheng-Ying (newly appointed on September 1, 2023 and dismissed on December 1, 2023)	0	0	N/A	
Head of Accounting Department	Zhang Bi-ling (appointed on January 16, 2024 and dismissed on March 7, 2024)	N/A		0	0
Head of Accounting Department	Wu, Chia-Ling(newly appointed on March 7, 2024)	N/A		0	0
Head of Finance Department	Chuang, Kai-Hui	0	0	0	0

Note 1: Shareholders who hold more than ten (10) percent of the Company's shares shall be noted as major shareholders, and listed separately.

Note 2: Counterparties involved in equity transfer or pledging of shares to related parties should be shown in the following table.

(II) Share transfer information: Information on the counterpart of equitypledge not being a related party of the Company's directors, supervisors, managers and shareholders holding over 10% of total shares

Name (Note 1)	Reason for Equity Transfer (Note 2)	Date of Transaction	Transferee	Relationship between the counterparty and the Company, its Directors, Supervisors, managerial officers, and shareholders with shareholding percentage exceeding ten (10) percent	Number of Shares	Transaction Price
N/A						

Note 1: Fill the name of the Company's directors, supervisors, managerial officers and shareholders with shareholding percentage exceeding ten (10) percent.
Note 2: Fill either "Acquisition" or "Disposal".

(III) Information on pledging of shares:No counterparty involved in pledging of shares is a related party of the Company's Directors, Supervisors, managerial officers and shareholders with shareholding percentage exceeding ten (10) percent.

Name (Note 1)	Reason for Pledging of Shares (Note 2)	Date of Change	Transferee	Relationship between the counterparty and the Company, its Directors, Supervisors, managerial officers, and shareholders with shareholding percentage exceeding ten (10) percent	Number of Shares	Percentage of Shares Held	Percentage of Shares Pledged	Pledge (Redemption) Amount
N/A								

Note 1: Fill the name of the Company's directors, supervisors, managerial officers and shareholders with shareholding percentage exceeding ten (10) percent.
Note 2: Fill in either "Pledged" or "Redeemed."

IX. Relationship Information, if among the Company's Top 10 Shareholders any one is a Related Party, Spouse or a Relative within the Second Degree of Kinship

April 2, 2024

Name (Note 1)	Shares Held in Person		Shares Held by Spouse and Minors		Shareholding by Nominee Arrangement		Title or name and relationship of top 10 shareholders who are defined by the Statement of Financial Accounting Standard No. 6 to be related parties or each other's spouses and relatives within the second degree of kinship		Notes
	Number of Shares	Shareholding Percentage (Note 2)	Number of Shares	Shareholding Percentage (Note 2)	Number of Shares	Shareholding Percentage (Note 2)	Title (Or Name)	Relationship (Note 3)	
Union Polymer International Investment Corporation	146,263,260	36.79%	–	–	0	0%	China General Terminal and Distribution Corporation APC Investment Corporation	Same final parent company	
Representative: Wu, Yi-Gui	0	0%	–	–	0	0%			
Tai Lien International Investment Co., Ltd.	8,854,995	2.23%	–	–	0	0%	None	None	
Representative: Pi, Shu-Chien	0	0%	0	0%	0	0%	China General Terminal and Distribution Corporation	Director	
China General Terminal & Distribution Corporation	2,278,217	0.57%	–	–			Union Polymer International APC Investment Corporation	Same final parent company	
Representative: Chang, Hung-Chiang	0	0%	0	0%	0	0%	None	None	
Chien Shing Stainless Steel Co., Ltd.	2,107,000	0.53%	–	–					
Representative: Ye Shuotang	No information has been provided by the shareholder								
USIFE Investment CO., Ltd.	1,415,368	0.36%	–	–	0	0%	Union Polymer International China General Terminal and Distribution Corporation	Same final parent company	
Representative:Wu, Yi-Gui	0	0%	–	–	0	0%			
Citibank (Taiwan) as custodian of Dimensional Fund Advisors' Emerging Markets Core Portfolio Investment	1,314,792	0.33%	–	–					
Fubon investment account as	1,054,318	0.27%	–	–					

Name (Note 1)	Shares Held in Person		Shares Held by Spouse and Minors		Shareholding by Nominee Arrangement		Title or name and relationship of top 10 shareholders who are defined by the Statement of Financial Accounting Standard No. 6 to be related parties or each other's spouses and relatives within the second degree of kinship		Notes
	Number of Shares	Shareholding Percentage (Note 2)	Number of Shares	Shareholding Percentage (Note 2)	Number of Shares	Shareholding Percentage (Note 2)	Title (Or Name)	Relationship (Note 3)	
custodian of the new pension scheme fund for the second time in 2020									
Lin, Tse-Tian	1,052,900	0.26%	489,050	0.12%	0	0%	None	None	
Li, Yao-Kuei	826,875	0.21%	0	0%	0	0%	None	None	
Huang, Tsung-Ming	800,000	0.20%	0	0%	0	0%	None	None	

Note 1: All the top ten shareholders shall be listed (names of corporate shareholders and their representatives shall be presented separately).

Note 2: Shareholding percentage is calculated separately based on the number of shares held in the name of the person, his/her spouse and minors, and others.

Note 3: Relationships between the aforementioned shareholders, including juristic person shareholders and natural person shareholders shall be disclosed based on the financial reporting standards used by the issuer.

X. Number of Shares Held by the Company, Its Directors, Supervisors, Managerial Officers and Directly or Indirectly Controlled Investment Companies in the Same Investment Companies, and the Combined Calculation of Shareholding Percentages

Dec. 31, 2023 Unit: Shares

Reinvestment Entities	Ownership by the Company		Investments by Directors Supervisors, manageria officers and directly or indirectly controlled enterprises		Combined Investment	
	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio
TAITA(BVI) Holding Co., Ltd.	89,738,000	100.00%	0	0.00%	89,738,000	100.00%
China General Plastics Corporation	11,516,174	1.98%	145,629,958	25.06%	157,146,132	27.04%
China General Terminal & Distribution Corporation	25,053,468	33.33%	0	0.00%	25,053,468	33.33%
Acme Electronics Corporation	4,991,556	2.34%	1,510,750	0.71%	6,502,306	3.05%

Note: Invested by the Company using the equitymethod

Chapter4. Funding Status

I. Capital and Shares

(I) Source of share capital

Year and Month	Par Value	Authorized Capital		Paid-in Stock Capital		Notes		
		Number of Shares	Amount (NTD)	Number of Shares	Amount (NTD)	Source of share capital (NTD)	Capital Increase by Assets Other than Cash	Others
2022.8	10	400,000,000 shares	NT$4,000,000,000	397,586,848 shares	NT$3,975,868,480	Capitalization of earnings of NT$189,327,070 (Note)	None	None

(Note) Approved with document No. J.S.S.Z. 11101161590 dated August 26, 2022.

Note 1: Fill information for the current fiscal year as of the publication date of this annual report.

Note 2: The effective (approval) date together with the doc. No. should be added for any capital increase.

Note 3: Shares traded below par value shall be indicated in a clear manner.

Note 4: Capital increase by currency debts or technology should be stated, and the type and amount of assets involved in such capital increase should be noted.

Note 5: Shares traded via private placement shall be indicated in a clear manner.

Share type	Authorized Capital			Notes
	Outstanding Shares (Note)	Unissued Shares	Total	
Registered Common Stock	397,586,848shares issued	2,413,152 shares	400,000,000 shares	-

Please indicate whether the shares are issued by a company listed on the Taiwan Stock Exchange (TWSE) or the Taipei Exchange (TPEx) (Shares of which trading is restricted on the TWSE or those which are traded on the TPEx should be noted).

Information on shelf registration: N/A.

(II) Shareholder Structure

April 2, 2024

Shareholder Structure / Quantity	Government institutions	Financial Institutions	Other Juristic Persons	Individual	Foreign Institutions and Natural Persons	Total
Number	1	0	238	73,548	88	73,875
Shares Held	351,442	0	165,271,737	226,168,500	5,795,169	397,586,848
Shareholding Ratio	0.09 %	0	41.57 %	56.88 %	1.46 %	100.00%

Note: Companies primarily listed on the TWSE or the TPEx shall disclose the proportion of their shares held by investors from Mainland China. Investors from Mainland China refer to natural persons, corporations, organizations, other institutions or companies invested in areas other than Taiwan and Mainland China as defined in Article 3 of the Regulations Governing Investment of Mainland Chinese in Taiwan.

(III) Shareholding Distribution Status

April 2, 2024

Range of Shares	Number of Shareholders	Shares Held	Shareholding Ratio
1 - 999	39,968	5,039,008	1.27 %
1,000 - 5,000	23,992	51,930,829	13.07 %
5,001 - 10,000	4,904	34,238,656	8.61 %
10,001 - 15,000	2,202	26,175,927	6.58 %
15,001 - 20,000	802	14,066,639	3.54 %
20,001 - 30,000	914	21,837,496	5.49 %
30,001 - 40,000	353	12,265,059	3.08 %
40.001 - 50.000	215	9,619,655	2.42 %
50,001 - 100,000	345	23,822,283	5.99 %
100,001 - 200,000	121	16,347,049	4.11 %
200,001- 400,000	36	9,140,432	2.30 %
400,001- 600,000	9	4,516,048	1.14 %
600,001- 800,000	5	3,420,042	0.86 %
800,001-1,000,000	1	826,875	0.21 %
1,000,001 and above (This range can be further classified where necessary)	8	164,340,850	41.33 %
Total	73,875	397,586,848	100.00 %

(IV) List of Major Shareholders

April 2, 2024

Shares / Names of Substantial Shareholders	Shares Held	Shareholding Ratio
Union Polymer International Investment Corporation	146,263,260	36.79%
Tai Lien International Investment Co., Ltd.	8,854,995	2.23%
China General Terminal & Distribution Corporation	2,278,217	0.57%
Chien Shing Stainless Steel Co., Ltd.	2,107,000	0.53%
USIFE Investment CO., Ltd.	1,415,368	0.36%
Citibank (Taiwan) as custodian of Dimensional Fund	1,314,792	0.33%

Names of Substantial Shareholders \ Shares	Shares Held	Shareholding Ratio
Advisors' Emerging Markets Core Portfolio Investment		
Fubon investment account as custodian of the new pension scheme fund for the second time in 2020	1,054,318	0.27%
Lin, Tse-Tian	1,052,900	0.26%
Li, Yao-Kuei	826,875	0.21%
Huang, Tsung-Ming	800,000	0.20%

(V) Market Price, Net Asset Value Per Share (NAVPS), Earnings Per Share (EPS), Dividends Per Share (DPS) and Related Information in the Most Recent Two Fiscal Years

Unit: Share/NTD

Item \ Year			2023	2022	Current year up to March 31, 2024
Market Price per Share (Note 1)	Highest		23.75	35.60	17.65
	Lowest		16.15	18.75	15.00
	Average		20.08	26.53	16.16
Net Value Per Share (Note 2)	Before Distribution		16.72	18.12	18.54
	After Distribution		16.42	17.62	*
Earnings (Losses) per Share	Weighted Average Shares		397,586,848	397,586,848	397,586,848
	Before Adjustment		0.69	1.04	(0.26)
	After Adjustment (Note 3)		*	1.04	*
Earnings per Share	Cash Dividends		0.3	0.5	-
	Stock Dividends	Dividends from Surplus Earnings	0	0	-
		Stock Dividends Appropriated from Capital	0	0	-

Item \ Year			2023	2022	Current year up to March 31, 2024
		Surplus			
	Accumulated Unpaid Dividends (Note 4)		0	0	-
Return on Investment	Price/Earnings Ratio (Note 5)		28.22*	25.80	-
	Price-to-dividend Ratio (Note 6)		64.90*	53.66	-
	Cash Dividend Yield (Note 7)		1.54%*	1.86%	-

* The Board of Directors resolved to distribute dividends, which is yet to be approved in the shareholders' meeting.

* If any revenue or capital surplus is transferred to capital increase or common stock, disclose the information on market prices and cash dividends retroactively adjusted based on the number of shares after distribution.

Note1: List the highest and lowest market price of common shares for each fiscal year and calculate the average market price for each fiscal year based on trading value and volume in each fiscal year.

Note2: Please fill in data based on the shares issued by year-end and share allocation resolution of the Board of directors or next annual shareholders' meeting for the subsequent year.

Note3: If there is any retrospective adjustment required due to stock dividends, earnings per share before and after such adjustment shall be listed.

Note4: If there was any condition regarding the issuance of equity securities stating that undistributed dividends for the current fiscal year has to be accumulated till the year when a profit is recorded, the Company shall separately disclose cumulative undistributed dividends as of the current fiscal year.

Note5: Price/earnings ratio = Average closing price per share for the year / Earnings per share after adjustment.

Note6: Price/dividend ratio = Average closing price per share for the current fiscal year/cash dividend per share

Note7: Cash dividend yield = Cash dividend per share/average closing price per share for the current fiscal year

Note8: The net asset value per share and earnings per share should be populated with the data audited (or reviewed) by the accountant for the most recent quarter up until the date of printing the annual report. The remaining fields should be filled with the data for the current year up until the date of printing the annual report.

(VI) Dividend policy of the company and its implementation

1. Dividend policy set forth in the Company's Articles of Association:

   If the Company records net income after tax (NIAT) as indicated in its final annual accounts for the year, it can use it to cover any accumulated losses in previous years. If there is a balance remaining, ten percent of it shall be set aside as legal reserve, while the rest shall be considered as distributable profit. This distributable profit shall then be combined with the undistributed earnings accumulated over the previous years. Part of this combined amount shall be considered as or transferred to special reserve as required by the law or the authority in charge, and the balance shall be treated as accumulated distributable profit. The Board of Directors shall propose a profit distribution plan which is then submitted to the shareholders' meetings for approval. The meeting may retain all or part of it based on the business performance of the Company.

   According to the Company's Articles of Incorporation, R&D requirements and business diversification are considered when allocating dividends as the Company's industry is at a maturity stage. Dividends paid to shareholders shall not be less that ten (10) percent of distributable profit in the current fiscal year and cash dividends shall not be less than ten (10) percent of the total dividends. However, dividends may be stopped if the distributable profit per share in the current fiscal year is less than NT$ 0.1.

2. Distribution of dividends proposed at the most recent Shareholders' Meeting

   The cash dividend per share was NT$0.3.

3. Any expected material changes to the dividend policy shouldfurther be explained:

   N/A.

(VII) The impacts of issuing stock grants in this Shareholder's Meeting on the Company's operational performance and dividend per share:

The Company did not formulate a financial forecast for 2024 and is therefore not required to disclose forecast information.

<table>
<tr><th colspan="3">Year / Item</th><th>2024 (forecast)</th></tr>
<tr><td colspan="3">Beginning paid-in capital</td><td>NT$3,975,868,480</td></tr>
<tr><td rowspan="3">Distribution of stock and cash dividends in the current fiscal year</td><td colspan="2">Cash dividends per share</td><td>NT$0.3</td></tr>
<tr><td colspan="2">Number of shares distributed per share held due to capital increase from surplus earnings</td><td></td></tr>
<tr><td colspan="2">Number of shares distributed per share held due to capital increase by capital reserves</td><td></td></tr>
<tr><td rowspan="7">Changes in Business Performance</td><td colspan="2">Operating Income</td><td></td></tr>
<tr><td colspan="2">Percentage of increase (decrease) in operating profit over the same period in the previous fiscal year</td><td></td></tr>
<tr><td colspan="2">Net income after taxes (NIAT)</td><td></td></tr>
<tr><td colspan="2">Percentage of increase (decrease) in NIAT over the same period in the previous fiscal year</td><td></td></tr>
<tr><td colspan="2">Earnings per share:</td><td></td></tr>
<tr><td colspan="2">Percentage of increase (decrease) in EPS over the same period in the previous fiscal year</td><td></td></tr>
<tr><td colspan="2">Annual average return on investment (reciprocal of average annual price/earnings ratio)</td><td></td></tr>
<tr><td rowspan="6">Pro forma earnings per share and price/earnings ratio</td><td rowspan="2">If capital increase from surplus earnings is entirely replaced by distribution of cash dividends</td><td>Pro forma earnings per share</td><td></td></tr>
<tr><td>Pro forma average annual return on investment</td><td></td></tr>
<tr><td rowspan="2">If capital reserves are not used for capital increase</td><td>Pro forma earnings per share</td><td></td></tr>
<tr><td>Pro forma average annual return on investment</td><td></td></tr>
<tr><td rowspan="2">If capital reserves are not used for capital increase and capital increase by retained earnings is replaced by cash dividend distribution</td><td>Pro forma earnings per share</td><td></td></tr>
<tr><td>Pro forma average annual return on investment</td><td></td></tr>
</table>

1. The Company shall explain the basic assumptions for estimates and planned information.

2. Proforma earnings per share if capital increase by retained earnings is entirely replaced by cash dividend distribution

   = [Net income after tax - interest expense on imputed cash dividends* x (1 - tax rate)] / [Total number of shares outstanding at the end of the year - number of shares allotted from surplus**].

   Interest expenses arising from cash dividends*= Amount of capital increase from surplus earnings x one-year general loan interest rate.

   Number of shares in earnings appropriation**: The number of increased shares from the earnings appropriation in the previous year

3. Annual average price-to-earnings ratio = Annual average market price per share/Earnings Per Share reported in the annual financial statements

(VIII) Remuneration for Employees, Directors, and Supervisors:

1. Quantity or scope of compensation for employees, directors, and supervisors as prescribed by the articles of association

   (1) Employee remuneration percentage or range: Employee remuneration shall not be less than 1% of the profit of the current year.

   (2) Percentage or scope of rewards for directors: the rewards of directors shallnot be more than 1% of the profit for the year.

2. Basis for estimating the amount of compensation to be distributed to employees, Directors and Supervisors, basis for calculating the number of shares to be distributed as employee rewards and accounting treatment for discrepancies between the actual and estimated amount of rewards to be distributed for this period:

(1) Basis of estimation:The Company's rewards for employees shall be not lower than 1% of profit of the current yearand the rewards of directors shall be not higherthan 1%of the profit of the current year. However, if there are still accumulated losses, the amount to be compensated should be retained in advance.

(2) Changes in account processing: If changes are made to the estimated amount after the issuance of annual financial statements, the changes be accounted for as changes in accounting estimates and considered in the financial statements of the following year.

3. The Board of Directors approved the distribution of rewards

(1) Number,reason and disposition of the difference between the rewards of employees and the rewards of directors and supervisors distributed in cash or stock and the annual estimated amount of the recognized expenses:

a. Employees' compensation and remuneration ofdirectors

b. Discrepancy between the amount and the estimate for the year: N/A

c. Reason for the difference with the estimate: N/A.

d. Disposition: Not applicable.

(2) The amount of rewards of employees distributed in stocks and the amount as a percentage of net income stated in the consolidated and parent company only financial statements for the current period and total employee rewards: N/A.

4. Wherethere is any discrepancy between the actual amount of rewards distributed to employees, directors and supervisors (including number and amount of shares distributed, as well as share price) and the recognized amount of rewards for employees, directors and supervisors in the previous fiscal

year, the amount, causes and treatment of such discrepancies shall be stated:

(1) Rewards to employees and directors: NT$5,524 thousand.

(2) Differences:None.

(3) Reason for the differences:N/A.

(4) Disposition:N/A.

(IX) Stock repurchases: N/A.

II. Issuance of Corporate Bonds

(I) Corporate Bonds:None.

(II) Information regarding the Conversion of Corporate Bonds: None.

(III) Information regarding Corporate Bond Swap: None.

(IV) Information regarding Shelf Registration for Corporate Bonds: None.

(V) Information regarding Equity Warrant Bonds: None.

III. Issuance of Preferred Shares: None.

IV. Issuance of Global Depository Receipts: None.

V. Issuance of employees' stock option certificate and new restricted employee shares: None

VI. Status of New Share Issuance in Connection with Mergers and Acquisitions: None.

VII. Implementation of Capital Utilization Plan

(I) Content:

As of the quarter prior to the publication date of this annual report, the Company has no securities issuance that was incomplete or completed over the past three years but not fully yielded the planned benefits.

(II) Implementation status: N/A.

Chapter5. Operational Overview

I. Business Activities

(I) Business scope:

1. Principal business activities and revenue distribution

   (1) Production and sales of polystyrene (GPS) resins and foaming polystyrene (EPS) resins

   (2) Production and sales of acrylonitrile-butadiene-styrene copolymer resin (ABS)

   (3) Production and sale of styrene-acrylonitrile (SAN) resin.

   (4) Manufacture and sales of plastic raw materials and processed products.

   (5) Manufacture and sell glass wool and related products.

   (6) Production and sales of cubic printing and related products.

   (7) E303020 noise and vibration control engineering.

   (8) E801010 interior decoration.

Main Products	Percentage
1. Expandable polystyrene (EPS)	46.39%
2. Acrylonitrile-butadiene-styrene copolymer resin (ABS)	25.42%
3. General purpose polystyrene (GPS)	24.69%
4. Glasswool products	3.46%
5. Impact-resistant polystyrene (IPS)	0.04%

2. New products planned for development

   (1) Development of acrylonitrile-butadiene-styrene polymer (ABS) high gloss material.

   (2) Development of rapid shaping expandable polystyrene (EPS) material.

(II) Industry Overview

1. Current State and Development of the Industry

There are four manufacturers of ABS/GPS/EPS in Taiwan. The domestic demand of ABS/GPS/EPS only accounts for 10% of the annual output of each product. The rest needs to be maintained by export sales. In response to the trade competition between the United States and China, downstream processing plants have gradually transferred from mainland China to Southeast Asia and other countries, while the Middle East, Africa, Central and South America become emerging markets with more potential for growth in demand.

There are many EPS producers in mainland China, and the total production capacity is far greater than the demand. According to the statistical data of 2023, the annual production capacity of EPS in mainland China is about 9.3 million metric tons, and the operating rate is only about 50%. Demand for EPS in mainland China is generally from four major areas based on application - packaging for electrical appliances, boxes for vegetables and fruits, ceramic packaging and building slabs. Among them, packaging for electrical appliances and building slabs are the main products. Based on the market distribution, demand for EPS is mainly concentrated in South China (Guangdong), East China (Jiangsu and Zhejiang), North China (Shanxi, Hebei and Shandong), and Northeast China (Heilongjiang, Jilin and Liaoning). Demand in the South and East China regions is mainly for packaging of electrical appliances, while that in the North and Northeast China regions is concentrated on building slabs, while the application of vegetable and fruit boxes and ceramic packaging is mainly used in Yunnan and Guangdong. With advancements in the Chinese government's policy for expanding the domestic market, the electrical appliance production sites in the South China and Eastern China regions have gradually relocated inland along the Yangtze river basin. The transfer is exemplified in the emerging appliance manufacturing bases in Hefei, Wuhan, Chongqing, and Chengdu. Demand in the North China and Northeast China regions, which has been affected by the severe overcapacity, has led to fierce competition in the regional market. Moreover, the increasingly stringent environmental protection policies in China have led to early closure or relocation of some EPS molding plants.

2. Upstream, midstream and downstream correlation

Among main styrene products, the primary raw material GPS/ EPS styrene monomer (SM), while that for ABS includes SM, acrylonitrile (AN) and butadiene (BD).

SM: SM producers in Taiwan include Taiwan Styrene Monomer Corporation, Formosa Chemicals & Fibre Corporation, and Grand Pacific Petrochemical Corporation. They have a combined output of approximately 2 million metric tons, which is sufficient for total domestic demand (Taiwan needs approximately 1.85 million metric tons per year). SM is traded in large quantities in international trade, and the transportation conditions are more convenient. Therefore, it is relatively easy to obtain. In addition to making purchases from domestic sources, some of the SM required in Taiwan is purchased from foreign sources on a spot basis. The total annual production capacity of SM producers in Mainland China is currently about 14.08 million metric tons. There have been expansions and new plants since 2020, resulting in an oversupply, and therefore SM producers in Mainland China seek to export SM. The main raw material of EPS, SM, for the Company's Zhongshan plant is obtained mainly from domestic SM plants in mainland China.

AN: AN producers in Taiwan include China Petrochemical Development Corporation and Formosa Chemicals & Fibre Corporation. They have a combined output of approximately 500,000 metric tons, which is sufficient for all domestic demand (Taiwan needs approximately 380,000 metric tons per year). AN is toxic and its transportation is governed by numerous regulations and restrictions. It is therefore less favorable for long-distance transportation. The Company mainly obtained AN from domestic sources.

BD: BD producers in Taiwan include CPC Corporation and Formosa Petrochemical Corporation. They have a combined output of approximately 600,000 metric tons, which equals the overall domestic demand of 600,000 metric tons. However, companies sometimes import the product during annual maintenance shutdowns. The main users of this product are the rubber industry and ABS production plants. The Company obtained most of BD from domestic sources.

The upstream materials for ABS/GPS/EPS are crude oil derivatives and prices usually fluctuate along with fluctuations in oil prices. Reference prices of raw materials for SM/AN/BD are available globally for buyers and sellers.

Downstream customers are mainly small and medium enterprises with a generally low processing scale. The design of molds and craftsmanship also differ based on product design provided by final customers. ABS/GPS/EPS manufacturers shall provide technical services and material recommendations to meet the needs and product requirements of downstream customers.

3. Various product trends

ABS products are mainly supplied to downstream processed products, such as household appliances, household necessities, automobiles, toys, tool machines, safety hats, battery cases and other industries. Among these products, most of which have been distributed overseas to Mainland China or Southeast Asia. Affected by the rise in global inflation, ABS showed a significant reduction in market demand in 2022; Along with the increase of new production capacity in 2023, the market is facing a greater threat.

The GPS market grew steadily due to the demand for downstream food packaging and disposable tableware. However, the continuous increase of production capacity in China will have an impact on the export sales of GPS.

EPS is mainly used for packaging, fishing containers and construction purposes. It is also affected by rising global interest rates and the continued increase of EPS capacity in mainland China. The market competition becomes more fierce.

4. Competition

ABS resin are widely used in automotive engineering, electrical appliances, equipment and building materials, due to the product's synthesized feature of resistance to impact, heat, low temperature, and chemical erosion, in addition to its easy processing and molding and good surface gloss. It is a type of polymer material between general-purpose plastic and engineering plastic. In mainland China, the downstream consumption of ABS is mainly concentrated in the household appliance industry, accounting for 60% of the total market share. Among all the applications, air conditioners, vacuum cleaner, refrigerator and laundry machines incur the most demand for ABS.

In 2023, due to the war between Russia and Ukraine and rising interest rates, the demand for consumer electronics in Europe and the U.S. decreased significantly, resulting in a sharp decline in global ABS production rates. TTC's ABS products were also affected by the inflationary factors. The production rate has remained steady at approximately 80%, with only a 1% increase compared to 2022.

The market will become more competitive in the future as new production capacity in mainland China continues to increase.

GPS is widely used plastic whose market value mainly fluctuates with the price of its main raw material, SM. Due to the advantage of vertical integration, Taiwan's largest GPS manufacturer, Formosa Chemicals & Fibre Corporation, has a lower GPS production cost than other manufacturers, and thus it can easily dominate the market. Other manufacturers in Taiwan (including TTC) purchase SM to produce GPS, SM prices have a greater impact on their competitive ability. The Company is the only manufacturer in Asia who adopts NOVA manufacturing technology in the production of GPS. Featuring the character of low free monomer, the quality of the Company's product is competitive in the market, and our sales areas are widely distributed in Mainland China, Southeast Asia, Africa, South America, and the Middle East. The main markets for GPS are disposable tableware and food packaging materials, which are markets with steady growth in demand. In 2023, it maintained full production and sales, experiencing a slight increase of approximately 6% compared to 2022. GPS still has a stable spread. TTC continues to develop markets other than mainland China and Hong Kong to maximize production and sales and ensure profit improvement. The future market competition will continue to focus on the impact of new GPS production capacity in mainland China.

Due to the successive relocation of large EPS processing plants from Taiwan, the demand for EPS as packaging material has shrunk significantly in Taiwan. In addition, because Taiwan is located in the subtropical zone and rarely uses EPS as a thermal insulation material in building, so about 90% of the current 4 EPS manufacturers' capacity in Taiwan rely on export. TTC's former EPS plant continued to develop markets outside of mainland China and Hong Kong and achieved results. The decline in demand in 2023, still driven by inflation, was approximately 3% lower than in 2022.

(III) Technology and R&D Overview

1. Research and development (R&D) expenses in the most recent fiscal year up to the publication date of this annual report

   The Company's R&D expenses in 2023 were NT$15,832 thousand and the R&D expenses from January to March 2024 were NT$4,805 thousand.

2. Technology or product developed

   2.1 Acrylonitrile-butadiene-styrene (ABS)

   2.1.1. The enhancement of glossiness in Acrylonitrile Butadiene Styrene Polymer (ABS) polymer improves the basic performance of general grade ABS products.

   2.1.2. The market expansion of Acrylonitrile-Butadiene-Styrene (ABS) polymer in India is being supported by the Bureau of Indian Standards (BIS) through the certification of ABS products. Starting from July 2023, the capacity increased to an average of 1700MT per month.

   2.1.3. Heat-resistant Acrylonitrile-butadiene-styrene (ABS)

Development of a heat-resistant ABS alloy using a non-traditional copolymer formula. Both can meet the heat deformation temperature of 100°C.

2.2 Expandable polystyrene (EPS) polymer

2.2.1 By increasing the storage period of expanded polystyrene (EPS) products, we have achieved a 30% improvement in the efficiency of container storage for export purposes.

2.3 Improvement of ABS / GPS / EPS manufacturing processes

Year	2023	2022	2021	2020	Total
Electricity savings (kWh)	2,827,257	1,427,215	681,170	449,770	5,835,412
Electricity consumption (kWh)	72,101,600	70,313,600	82,315,600	80,993,597	305,724,397
Electricity saving ratio (%)	3.77	1.99	0.82	0.55	7.14

Remarks: The central government's policy requires 10% electricity savings from 2015 to 2024

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

1. Short-term business development plan

(1) All ABS produced are sold, continuing to increase the proportion of direct customers and develop markets outside of mainland China and Hong Kong.

(2) After the introduction of the Toyo SAN manufacturing process in the production of ABS, the background color and quality of ABS have been improved. In the future, we will actively take such advantage to expand our market applications.

(3) In terms of GPS product, TTC also needs to continue to develop the market outside of mainland China and Hong Kong, and at the same time to take advantage of the quality of the NOVA process to seek continued growth opportunities in the food packaging market.

(4) In terms of EPS product, Qianzhen Plant still needs to increase its global sales layout to ensure full sale of production.

(5) The Company will realize the integrated supply chain management to maximize production and sales and maintain the inventory of raw materials and finished products at a low level.

(6) It will strengthen business development ability, develop market with low market share and product market application, expand sales base customer group and stabilize market sales.

(7) The Company will enhance functionality and flexible organization. Besides, the Company will actively expand overseas sales and develop markets in emerging and developing countries in particular.

(8) The main development targets for EPS in mainland China is in South China:

a. The Company will continue to improve and stabilize the quality of rapid materials and ultra-light materials volume and expand market sales.

b. The Company will continue to strengthen core markets (in Yunnan and Guangdong Provinces) and develop markets in Guangxi, Fujian, Hubei, Sichuan and Chongqing and other regions.

c. The Company will leverage the complementarity of market demands to balance sales volume, continue to increase and expand technical service capabilities and scope for customers to increase customer loyalty.

d. The Company will improve the pellet concentration to meet the market sales needs.

2. Long-term business development plans

(1) The Company will collect information on trends in the selection of materials and develop suitable products and materials.

(2) With the improvement of physical properties of its products, the Company will increase market share in the "high-quality, high-priced" market segment.

(3) The Company will keep increasing its market share in overseas emerging markets.

II. Overview of Market, Production and Sales:

(I) Market Analysis

1. Sales regions and market share of main products

Products made in Taiwan are mainly exported, approximately 90% of the Company's total sales, in which mainland China and Hong Kong are the two largest markets for the Company, but sales are gradually increasing in other regions such as Southeast Asia/South Asia/Central and South America/North America/Egypt. The expansion of and the increase of sales proportion in overseas market will help to achieve the purpose of diversifying the market and risk.

The Company's product sales destinations in 2023 were:

(1) ABS/PS products

Mainland China and Hong Kong	17%
Southeast Asia/South Asia	27%

Central and South America	15%
Domestic market	9%
The Americas	1%
Africa	17%
Others	14%

(2) Glass wool products

Domestic market	62%
Australia	20%
New Zealand	10%
Other regions (including Southeast Asia)	8%

The sales ratio of the mainland subsidiary Zhongshan Plant in 2023 by region was as follows:

Sales Region	Province	Sales ratio
Greater China	Guangdong	58 %
	Yunnan	20 %
	Hunan & Hubei	9 %
	Fujian	8 %
	Anhui	2 %
	Guangxi	2 %
	Sichuan	1 %
	Others	1 %

2. Market supply and demand and market growth in the future

(1) ABS/PS products

ABS: The demand for consumer electronics in Europe and the U.S. declined significantly in 2023 due to the impact of inflation. In 2024, we need to continue to pay attention to geopolitics and the impact of the U.S. Federal Reserve's decision to raise interest rates in response to inflation and other factors on the market. and the market competition will become increasingly fierce due to new ABS production capacity in mainland China; TTC's strategy will continue to develop high-profit direct customers, and develop markets outside mainland China and Hong Kong to achieve the strategic goal of full sales of production, in order to ensure operating performance.

GPS Aspect: The global plastic ban issue is still a topic of discussion, especially with an estimated of 1 million MT of new PS production capacity in mainland China in 2024. We will closely monitor the impact on the market. Hence, TTC's strategy will continue to develop markets outside of mainland China and Hong Kong to achieve the strategic goal of full sales of production, in order to ensure operating performance.

EPS: EPS in mainland China is still in oversupply, and it is estimated that about 1 million metric tons of new production capacity will be put into operation in China in 2024. Looking ahead to 2024, new markets/new customers have been developed, such as Africa, Central and South America, etc. TTC's strategy is to achieve full sales of production of EPS to improve operational performance.

(2) EPS in mainland China

There are four major EPS manufacturers in South China. In December 2023, an additional capacity of 150,000 tons was put into operation in Zhuhai, which increased the production capacity in South China to about 1.35 million metric tons. TTC Zhongshan Plant takes advantage of the quality of ordinary materials (301), fast materials (391) and extra-light materials (381) and continues to improve the quality to strengthen our competition in the main market of electric appliance and vegetable and fruit packaging and plate market; in addition, it improves the production granularity concentration, increases the output ratio of products with effective specifications, reduces the production of slack materials, strengthens the production efficiency.

In order to achieve the goal of sustainable development, we are also actively promoting the establishment of a new 200,000-ton plant at TTC's Gulei Plant.

(3) Glass wool products

The domestic market of glass wool declined by 8% in 2023, and the import volume accounted for about 3% of the overall market. India was the main import countries, and it is estimated that the domestic demand market in 2024 will decline by 2% compared with 2023.

In addition, the export market in Southeast Asia is highly competitive and the unit price is low. The sales focus will be on New Zealand, Australia and other markets with high unit price. At present, the sales in New Zealand and Australia are stable, and other market opportunities are continuously developed to actively improve the breadth and depth of the export market. The ratios of domestic and export sales are estimated to be 60% and 40% in 2024.

3. Competitive niches

TTC focuses its operations on providing customers with satisfying service quality and creating value for shareholders. Our competitive advantages are:

(1) Continue to maintain the business strategy of total production and sales and continue to optimize the customer mix to ensure operational performance. In addition, under the premise of full sale of production, effectively control the reasonable inventory of raw materials and finished products to avoid the impact on the Company's operating performance caused by sharp fluctuations in market prices.

(2) Continuously strengthen development capabilities and effectively developing markets outside of mainland China and Hong Kong.

(3) Continuous development of customized products.

(4) Fast and timely customer service and regular customer visit plan, strengthen after-sales service, enhance product added value.

4. Favorable and unfavorable factors affecting the Company's development prospects and corresponding countermeasures

(1) Favorable factors

◆ABS/PS products

a. Stable product quality, integrated R&D capability, strengthened customer service, management system in place, etc., helpful for customers to have confidence in our products.

b. The NOVA manufacturing process technology for GPS provides the quality advantage of heat-resistance and low-residual monomers.

c. The development of new EPS product has catapulted the Company to a leading position in the domestic market. The Company is the first to develop fire-rate anti-static products, which has gained it considerable reputation in the international market.

d. The mainland government's continued policy of stimulating domestic demand is favorable to the growth of the domestic demand market (fruits and vegetables, cold chain transportation services, etc.) in South China. Since the demand for EPS is still growing, this will bring benefit to the operation of the Company's Zhongshan plant.

e. Production capacity of SM, the main raw material, continues to increase in the Mainland China, which will promote TTC's bargaining power over raw material SM.

◆Glass wool products

a. Leading brand with accepted quality.

b. High service quality effectively precludes competition from foreign products.

c. Solid marketing channels strengthen market development and competitiveness.

d. Glass wool is used as a filler in calcium silicate board partition systems. This application has been gradually accepted in the market.

e. The sales volume of gypsum board partition systems increases each year and the use of glass wool is expected to increase as well.

f. The conversion of CNS6532, the standard for non-combustibility testing, to CNS14705 has helped fiberglass ceilings pass the non-combustibility test.

g. In addition to the successful renewal of BRANZ certification in New Zealand Australia, the Company has also helped its New Zealand customers to successfully obtain the Environmental Choice New Zealand (ECNZ), an eco-friendly label, and became qualified to bid for New Zealand government projects.

h. The market for fire-retardant glass wool for roof and exterior walls has declined by approximately 19% in 2023 compared to 2022. This decline can be attributed to negative factors such as rising interest rates, inflation, and labor shortages in the construction industry.

i. Regulations related to floor impact sound has been implemented in January, 2021. The new product Porter panel and glass wool sound insulation system for flooring has passed tests, thus facilitating new market development, continuing to visit and promote contractors, engineering and construction companies.

j. Value-added six-sided covered products have been newly developed, and the application market grew steadily, with the sales volume in 2023 increased by 32% compared to 2022, reaching 210 metric tons.

(2) Unfavorable Factors

◆ABS/PS products

a. The continuous investment in new production capacity in mainland China has led to a trend of overcapacity and fierce market competition.

Response measures:

- Enhance product quality and product added value, segment markets, and avoid market price competition.
- Maximize capacity, reduce cost, as well as select and sell products with relatively good profit margin.
- Analyze and keep abreast of the market development pulse, and develop emerging markets with potential outside of mainland China and Hong Kong.

b. The market of main raw material SM is volatile and unstable:

Response measures:

- Effectively realize integrated supply chain management.
- Effectively reduce the inventory of raw

materials and finished products, thereby lowering risks.

◆Glass wool products

India's import cost is low and its products have passed the one-hour calcium silicate board fire test causing a major impact on the domestic market.

Response measures:

- Carry out special sales for imported specifications and consolidate distribution network.
- Strengthen project tracking and conduct direct sales.

a. Alternative products flood the market.

Response measures:

- Enhance project visits and control to prevent changes in glass wool materials.

b. Products from Mainland China have entered the Taiwanese market through imports via ad hoc application.

Response measures:

- Actively participate in related trade associations, maintain contact with the Industrial Development Bureau, and keep an eye on product trends in Mainland China at all times.

(II) Important use of the main products and production process

1. Important use of major products

(1) ABS resin: IT equipment, OA equipment, home appliances and electronic parts, consumer electronics, bathroom equipment, toys, automotive and machine components, heels, suitcases, everyday items, telephones, stationery, sports equipment, battery cases, safety helmets, and machine tools.

(2) SAN resin: External casing of blenders, powder boxes, coffee machine water tanks, transparent decorations, air conditioning axial fans, electric fan blades, stationery, and utensils, etc.

(3) GPS: Lighting equipment, stationery, home appliance parts, everyday items, diffusion plates, insulation boards, disposable tableware, food and pharmaceutical packaging materials, etc.

(4) EPS: Insulation boards for buildings, packaging materials, antistatic packaging materials, vegetable and fruit boxes, fishing boxes, insulation materials, slabs, and building insulation walls, and safety helmet cushion lining, etc.

(5) Glass wool: Cooling materials for air-conditioning ducts, metal roofs, insulation materials for walls, floor insulation materials, dry partitions filled with sound-absorbing insulation materials, ceilings for interior decoration, wall panels, insulation materials for the petrochemical industry, machinery and equipment, insulation and sound-absorbing materials for home appliances, vehicles, heat- and sound-insulating materials for ships and insulation materials for curtain walls.

(6) Cubic printing: specialized printing technique used for plastic, metal, wood, gypsum, glass, and ceramic

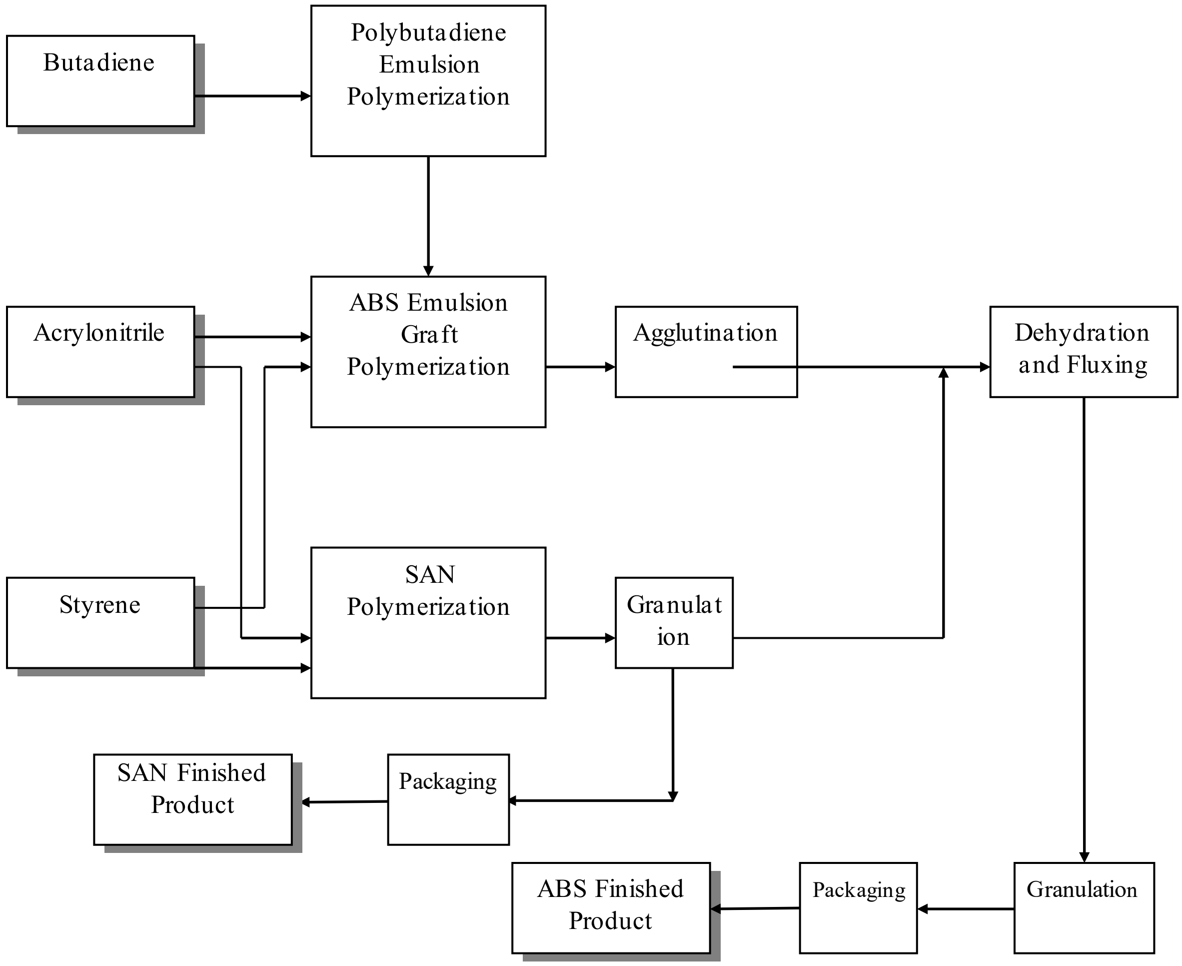
products.

In view of the long-term and continued contraction of the cubic printing market, after extensive discussions, it was decided to temporarily suspend production and operation of the cubic printing department starting from April 2021.

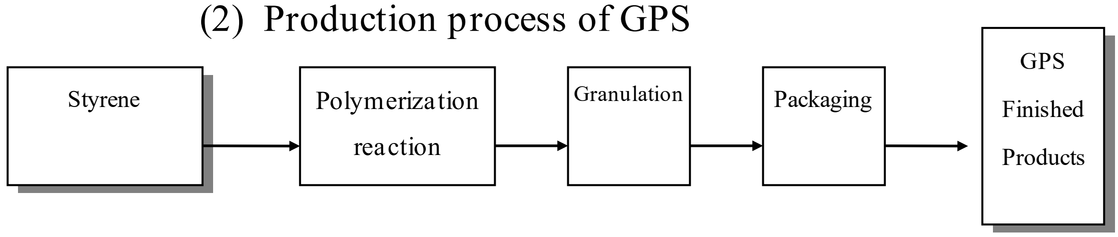
(7) Impact-resistant polystyrene: IT equipment, home appliances, toys, everyday items, stationery, electronic components and menstrual cups.

2. Production process of primary products

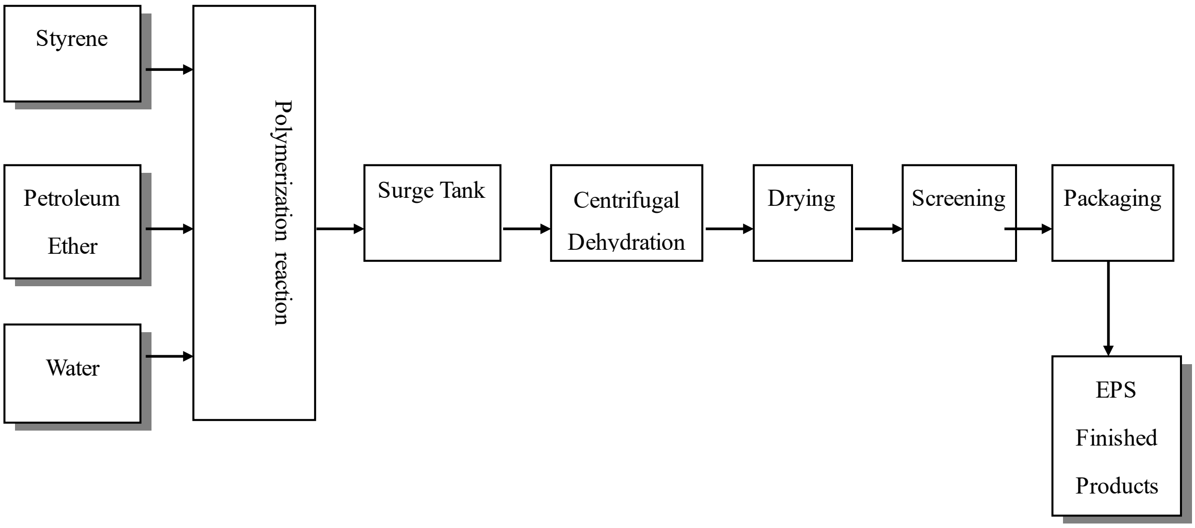
(1) Production process for styrene acrylonitrile-butadiene-styrene (ABS) and acrylonitrile-styrene copolymer resin (SAN)



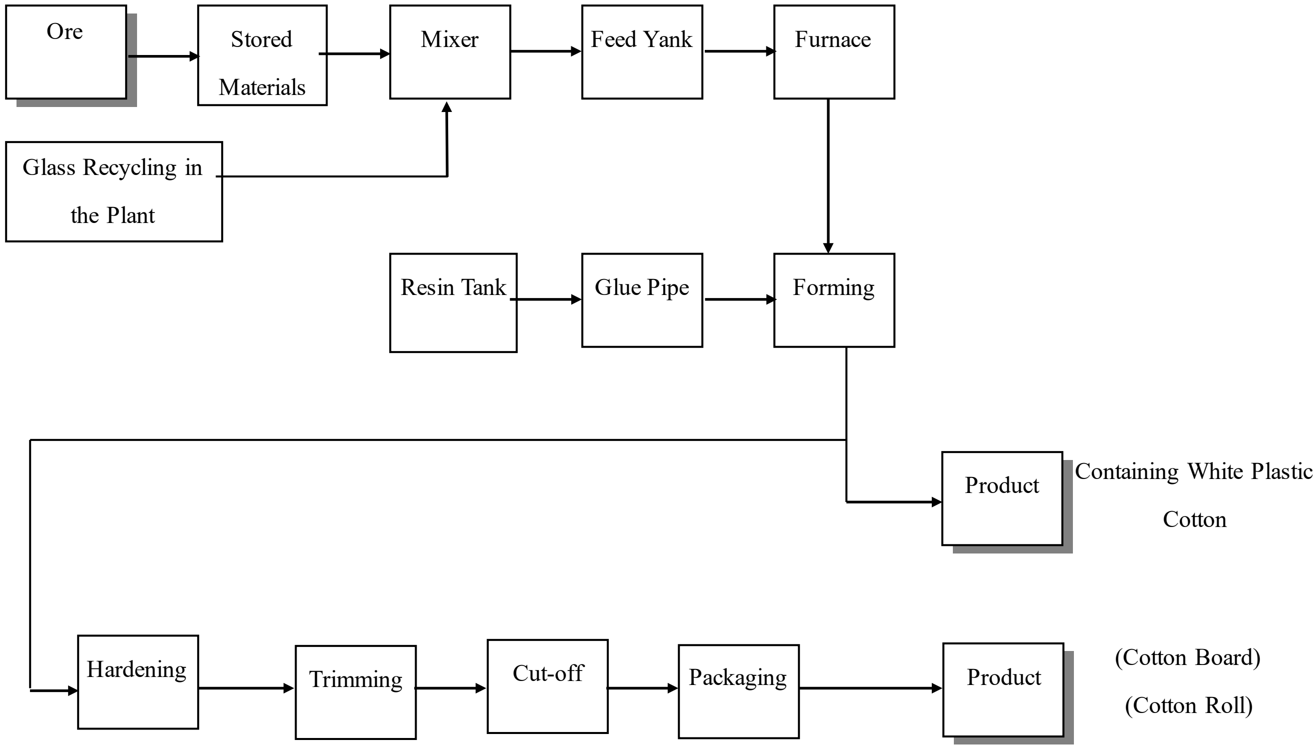
(2) Production process of GPS



(3) Production process of EPS



(4) Production process for glass wool products



(III) Supply of major raw materials

1. Styrene monomer (SM)

The supply and demand for styrene monomer (SM) is balanced. The Company continuously purchases SM from Taiwan Styrene Monomer Corporation, Formosa Chemicals & Fibre Corporation, China Petrochemical Development Corporation and Shell Petrochemicals Company Limited, to balance the price risk. Thus, there is no risk of shortages.

2. Acrylonitrile (AN)

The Company has signed a contract with SinoPec Chemical Commercial (Huanan) Holding Co., Ltd. with regard to the supply of this product. Besides, the Company also regularly purchases AN from Formosa Plastics Corporation, and imports AN from time to time according to supply and demand to increase dispatch flexibility. Hence, there is no concern regarding the shortage of supply for this material.

3. Butadiene (BD)

   The Company has signed a material supply agreement with CPC Corporation and Formosa Petrochemical Corporation. The Company imports BD from time to time according to market supply and demand to meet its own demand.

4. Pentane

   Pentane is mainly available in ready stock abroad. The usage of pentane is stable, and there is no issue regarding the shortage of supply for this material.

5. Glass quality sand

   Glass-quality sand is the main raw material for glass-wool products. As the unit price is low, it is procured from domestic sources. There are little changes in quantity and price, and thus we have full control over the material.

(IV) Name of customers who account for more than ten (10) percent of the total purchases (or sales) of goods and their amount and proportion of purchases (or sales) of goods in any one of the most recent two fiscal years, and reasons for the increase or decrease in purchases or sales of goods

1. List of suppliers with purchase amount exceeding 10% of total purchase, the purchase amount and proportion, and reasons for increase or decrease

Information on Major Suppliers in the Most Recent Two Years

Unit: NT$ thousands

	2023				2022				As of Q1 2024			
Item	Name	Amount	Proportion to Annual Net Purchases (%)	Relationship with the Issuer	Name	Amount	Proportion to Annual Net Purchases (%)	Relationship with the Issuer	Name	Amount	Percentage to net purchase in the year up to the previous quarter (%)	Relationship with the Issuer
1	Formosa Chemicals & Fibre Corporation	4,872,083	33.46	None	Formosa Chemicals & Fibre Corporation	4,345,378	30.02	None	Formosa Chemicals & Fibre Corporation	1,302,233	39.60	None
2	SinoPec Chemical Commercial (Huanan) Holding Co., Ltd.	1,901,320	13.06	None	SinoPec Chemical Commercial (Huanan) Holding Co., Ltd.	2,508,120	17.33	None	CNOOC and Shell	517,540	15.74	None
3	CNOOC and Shell	1,856,447	12.75	None	Taiwan Styrene Monomer Corporation	2,411,800	16.66	None	SinoPec Chemical Commercial (Huanan) Holding Co., Ltd.	468,267	14.24	None
4	Taiwan Styrene Monomer Corporation	1,670,170	11.47	None	CNOOC and Shell	1,804,417	12.47	None	Taiwan Styrene Monomer Corporation	353,039	10.73	None
5	Others	4,261,893	29.26	Note 3	Others	3,403,979	23.52	Note 3	Others	647,736	19.69	Note 3
	Net purchase	14,561,913	100.00	-	Net purchase	14,473,694	100.00	-	Net purchase	3,288,815	100.00	-

Note 1: List the name of suppliers who account for more than 10% of the total purchases of goods and their amount and proportion of purchase of goods in the most recent two years. However, if the name of suppliers or counterparties who are individuals or non-related parties cannot be revealed due to contractual agreements, their code shall be indicated.

Note 2: As of the date of publication of the Annual Report, if financial information of the Company that are publicly listed or whose shares are traded over the counter has recently been audited or reviewed by CPAs, such information shall be disclosed.

Note 3: The purchases of goods from other suppliers did not reach 10% of the total purchases of goods. In 2023, the amount of purchases of goods from related parties was NT$4,580 thousand, accounting for

0.03% of the total purchases of goods. In 2022, the amount of purchases of goods from related parties was NT$2,546 thousand, accounting for 0.02% of the total purchases of goods. In 1Q2024, the amount of purchases of goods from related parties was NT$1,596 thousand, accounting for 0.05% of the total purchases of goods.

2. List of customers with sales amount exceeding 10% of total sales, the sales amount and proportion, and reasons for increase or decrease:

Information of major customers for the last 2 years

Unit: NT$ thousands

Item	2023				2022				As of Q1 2024			
	Name	Amount	Proportion to Annual Net Sales (%)	Relationship with the Issuer	Name	Amount	Proportion to Annual Net Sales (%)	Relationship with the Issuer	Name	Amount	Percentage to net sales in the year up to the previous quarter (%)	Relationship with the Issuer
	Others	15,205,462	100.00	Note 3	Others	18,083,799	100.00	Note 3	Others	3,790,749	100.00	Note 3
	Net sales	15,205,462	100.00	-	Net sales	18,083,799	100.00	-	Net sales	3,790,749	100.00	-

Note 1: List the names of suppliers with more than 10% of the total sales amount in the most recent 2 fiscal years, as well as the purchase amount and proportion. However, if it is not allowed to disclose the names of suppliers or trading partners as individuals and non related parties due to contractual agreements, it can be coded as such.

Note 2: As of the date of publication of the Annual Report, if financial information of the Company that are publicly listed or whose shares are traded over the counter has recently been audited or reviewed by CPAs, such information shall be disclosed.

Note 3: The individual sales amount of other manufacturers was less than 10%, among which the sales amount of related parties as a percentage of the net sales of the whole year was NT$12,931 thousand (0.09%) in 2023, NT$14,065 thousand (0.08%) in 2022, and there was no sales of related parties in 1Q2024.

(V) Production volume and value in the most recent two fiscal years

Quantity: Tons Amount: NT$ thousands

Year / Production volume / Main Product	2023			2022		
	Production Capacity	Production Volume	Production Value	Production Capacity	Production Volume	Production Value
ABS	100,000	96,467	4,184,034	100,000	91,106	4,359,980
GPS	100,000	97,283	3,389,157	100,000	92,937	3,572,925
EPS	380,000	183,714	6,818,572	380,000	190,442	7,781,299
Subtotal	580,000	377,464	14,391,763	580,000	374,485	15,714,204
Glass wool products	8,600	8,950	324,193	8,600	9,116	318,884
Cubic printing (Note)	50,000	0	0	50,000	12,288	11,590
Total	-	-	14,715,956	-	-	16,044,678

Note: Cubic printing measurement unit: jig.

(VI) Sales volume in the most recent two years

Quantity: Tons　Amount: NT$ thousands

2023						
Product Category	Domestic sales		Exports		Total	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
ABS	9,457	430,178	83,105	3,434,603	92,562	3,864,781
GPS	8,300	321,008	88,843	3,433,510	97,143	3,754,518
Impact-resistant polystyrene (IPS)	18	841	122	5,199	140	6,040
EPS	5,327	207,798	179,195	6,846,126	184,522	7,053,924
Subtotal	23,102	959,825	351,265	13,719,438	374,367	14,679,263
Glass wool products (Note 1)	8,595	387,793	3,341	137,936	11,936	525,729
Cubic printing (Note 2)	0	470	0	0	0	470
Total	-	1,348,088	-	13,857,374	-	15,205,462

Note 1: Glass-wool products include the sales of imported stone wool and aluminum foil.

Note 2: Cubic printing measurement unit: jig.

Quantity: Tons　Amount: NT$ thousands

2022						
Product Category	Domestic sales		Exports		Total	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
ABS	9,244	487,509	82,696	4,231,853	91,940	4,719,362
GPS	9,586	413,988	83,178	4,017,017	92,764	4,431,005
Impact-resistant polystyrene (IPS)	6	314	104	5,190	110	5,504
EPS	4,022	177,033	185,052	8,215,068	189,074	8,392,101
Subtotal	22,858	1,078,844	351,030	16,469,128	373,888	17,547,972
Glass wool products (Note 1)	8,919	407,422	3,157	114,442	12,076	521,864
Cubic printing (Note 2)	14,044	13,963	0	0	14,044	13,963
Total	-	1,500,229	-	16,583,570	-	18,083,799

Note 1: Glass-wool products include the sales of imported stone wool and aluminum foil.

Note 2: Cubic printing measurement unit: jig.

III. Information on Employees

Year		2023	2022	Current year up to March 31, 2024
Number of employees	Staff	189	192	187
	Operator	303	311	302
	Total	492	503	489
Average age		44.4	44.2	44.7
Average year of services		14.1	14.3	14.3
Distribution of academic qualifications	PhD/Master's degree	12%	11%	12%
	Bachelor (University)	33%	30%	33%
	Junior college	22%	25%	21%
	Senior high/vocational school	25%	28%	26%
	High school or lower	8%	6%	8%

IV. Expenditure Related to Environmental Protection

(I) In the most recent years as of the publication date of this annual report, the losses incurred due to the environment pollution (including compensation and environmental protection audit results that violated environmental protection laws and regulations, the date of disciplinary action, disciplinary official letter number, the provision of laws violated, the content of laws violated, and the content of disciplinary action), current and future estimated amounts that may occur, and responding measures:

Penalty date/number	Regulations violated	Amount of penalty (thousand)	Cause	Improvement measures
2023/12/01 / 20-112-120002	Paragraph 1, Article 20 of the Air Pollution Control Act	150	On September 12, 2023, the Environmental Protection Agency conducted testing for volatile organic compound (VOC) emissions from equipment components involved in the acrylonitrile-styrene copolymer (AS) chemical manufacturing	The two leakage components at Zone 24 (P2423-2N03) and Zone 25 (E2521-2F02) have undergone inspection and testing. The machine repair class

Penalty date/number	Regulations violated	Amount of penalty (thousand)	Cause	Improvement measures
			process (M01) at the Linyuan plant. The results revealed that two equipment components (Component ID: P2423-2N03, background value 3.14 ppm, detected value 17,922 ppm; Component ID: E2521-2F02, background value 1.18 ppm, detected value 8,687 ppm) exceeded the net detection value for VOC emissions specified in the "Kaohsiung City Equipment Component VOC Control and Emission Standards," which is set at 2,000 ppm. This violation constitutes a breach of Article 20, Paragraph 1 of the Air Pollution Control Act.	was promptly assigned to complete the necessary repairs, and an external inspection company has been scheduled for re-inspection on September 13. The results of the re-inspection have been reported to the Environmental Protection Agency upon completion of the improvements.
2023/12/12 / 20-112-120025	Article 23, Paragraph 1 of the Air Pollution Control Act and Article 32, Paragraph 1, Clause 3 of the Air Pollution Control Act	130	During the inspection on September 9, 2023, the Environmental Protection Bureau discovered that the feed from the neutralization tank to the screening machine in Area B-26 was open, which contradicted the indication of enclosed collection in the operating permit (Kaohsiung-City-Huan-Ju-Kong-Cao-Xu-Ke-Zheng-Zi No. E1516-03). This violated Article 24, Paragraph 2 of the Air Pollution Control Act.	1. The extrusion die head hood and collection pipes in Line A of Zone 26 were promptly steam-cleaned, and the fan belt was promptly replaced for maintenance without delay. 2. Please replace the pulley and damper regulator. 3. After completing the aforementioned air hood maintenance, it is necessary to take photos and videos and test the VOC concentration (recommended to be below 10ppm) to verify the effectiveness of the air hood in exhaust ventilation before driving. 4. The personnel from the Environmental Protection Bureau have confirmed that the improvements on the A Line in Area 26 were completed on September 12, 2023.

Penalty date/number	Regulations violated	Amount of penalty (thousand)	Cause	Improvement measures
2023/12/12 / 20-112-120024	Paragraph 2, Article 24 of the Air Pollution Control Act	225	During the inspection on September 9, 2023, the Environmental Protection Bureau discovered that the feed from the neutralization tank to the screening machine in Area B-26 was open, which contradicted the indication of enclosed collection in the operating permit (Kaohsiung-City-Huan-Ju-Kong-Cao-Xu-Ke-Zheng-Zi No. E1516-03). This violated Article 24, Paragraph 2 of the Air Pollution Control Act. During the inspections conducted by the Environmental Protection Bureau on September 8 and September 9, 2023, it was discovered that the operation of the ABS dehydrator compressors (E092, E093) resulted in the emission of air pollutants. Although these pollutants were collected and treated by the control equipment through the hood, the collection efficiency was inadequate, resulting in the release of plastic odors through the gaps and windows of the factory building, causing pollution outside the factory. These actions have violated the provisions of Article 32, Paragraph 1, Subparagraph 3, and Article 23, Paragraph 1 of the Air Pollution Control Act.	1. The dimensions of the neutralization tank and coagulation tank covers will be verified again. If they do not meet the requirements, they will be remade and strengthened with rubber gaskets to improve the effectiveness of the seal. 2. The air hood of the screening machine has been redesigned and manufactured, and the exhaust gas is now directed to RTO for treatment. 3. In compliance with the Environmental Protection Bureau's requirements, an application to amend the air pollution permit (M02) was submitted on 10/17. Following this, a report on the improvements will be submitted to the Environmental Protection Bureau within 90 days, as mandated by the "Regulations on the deadlines for improvement of violations of Air Pollution Control Act."

(II) Current and future potential estimated amount and response measures:

1. Environmental protection policy

(1) Comply with regulations relevant to environmental protection and occupational health and safety, and

relevant requirements derived from such regulations.

(2) Sustainable energy saving regeneration and industrial waste reduction.

(3) Prevent pollution, reduce potential risks in operations.

(4) Continuously provide education and training for employees to implement environmental safety work

(5) Actively communicate with customers and residents, manage suppliers and contractors, and encourage all employees to participate in matters related to environmental protection and occupational safety and health.

(6) Thoroughly implement the environmental management system to enhance environmental performance and reduce environmental risks in the community.

(7) Promote the process safety management system (PSM) to achieve the purpose of safe process operation and personnel safety through "prior prevention, impact mitigation and abnormality improvement" of accidents.

(8) Implement ISO 14064-1 management system for all possible GHG sources within the organization, and conducting emission source inventory and data collection.

2. The Company's major environmental protection expenditures in the most recent year and as of the publication date of this annual report are as follows:

Unit: NT$ thousands

Expenditure Item	Project Name	Amount
Linyuan Plant		
(1)	Replacement of 82A biological aeration tank blower (B8266-3)	2,650
(2)	Replacement of B2644C Lu style blower in Area 26 (ABS process area) with energy-saving air suspension blower	3,360
(3)	Replacement of B3473 Lu style blower in Area 34 (ABS tank	3,500

Expenditure Item	Project Name	Amount
	area) with energy-saving air suspension blower	
(4)	Replacement of P2432-1 single reflux pump in Area 24	430
(5)	Procurement of spare parts for the oxygen analyzer sensor in the secondary flue of the incinerator	120
(6)	Rust removal and painting works for incinerator equipment	200
(7)	Incinerator inspections and repairs	770
(8)	Replacement of Z3285-2 electrostatic precipitator (EP) in Area 32	5,440
(9)	Update of monomer feed control valve FV27111/FV27110A/LV27203/LV27601 in Area 27 to non-leakage type	1490
(10)	Replacement of DMF pump P2542 in Area 25 with non-leakage type	240
(11)	Leading emergency discharge tank discharge pipeline in Area 25/27 into the combustion tower	400
(12)	Change of EP cleaning steam in Area 27 from 2S to 4S	450
	Total	19,050
Qianzhen Plant		
(1)	Construction of GPS process cooling water tower to improve energy efficiency and achieve energy-saving and carbon reduction goals. (in progress)	14,230
(2)	A total of 3 IE3 motors was replaced in the GPS process and 1 high-efficiency explosion-proof motor was replaced in the EPS process, resulting in a motor efficiency increase from 90% to 95.4% to achieve energy-saving and carbon reduction goals. (in progress)	2,491
(3)	The purchase of a total of 5 reducers for the EPS process (including the replacement of motors with high-efficiency IE3) can effectively reduce energy consumption and improve efficiency, achieving the goal of energy conservation and carbon reduction (completed)	1,194
(4)	Replacement of the GPS reaction tank weight display with a new one to ensure process safety and avoid material leakage. (Completed)	260
(5)	Update of the 2B3T resin in the pure water system can improve the efficiency of pure water manufacturing and	591

Expenditure Item	Project Name	Amount
	reduce the consumption of regeneration drugs. (Completed)	
(6)	Update of the EPS process dryer radiator to improve energy efficiency and achieve energy conservation and carbon reduction. (in progress)	700
(7)	Procurement of instrument and control spare parts for heat medium boiler (FB-650) to avoid damage to control parts, resulting in boiler abnormalities and environmental pollution. (Completed)	485
(8)	Purchase of spare parts of glandless pumps for EPS process and purchase of new type glandless pumps to avoid VOCs leakage. (in progress)	533
(9)	Purchase of spare parts for steam control valves to avoid steam leakage and reduce energy waste. (Completed)	845
(10)	Coating of the roof of dangerous goods warehouse and RTO control room for insulation to reduce the temperature inside the factory building and achieve the goal of energy conservation and carbon reduction. (Completed)	751
(11)	Proposal for addition of steam flow meters, thermometers, and pressure regulating valves to effectively stabilize boiler line pressure and steam quality, and improve energy efficiency. (in progress)	350
(12)	Replacement of cooling water pipeline in GPS process slot area 4 to avoid environmental pollution caused by leakage. (Completed)	200
(13)	Maintenance of ice chiller for GPS process to improve operational efficiency and achieve energy-saving and carbon reduction goals. (Completed)	1,050
(14)	Update of the active aluminum balls of the air dryer to reduce energy consumption and achieve the goal of energy conservation and carbon reduction. (Completed)	319
(15)	Replacement of corroded condensate main pipeline in EPS area 24 to avoid leakage and environmental pollution. (Completed)	475

Expenditure Item	Project Name	Amount
(16)	Replacement of the GPS process computer DCS program processor module (HPMM) due to malfunction, so as to ensure safe operation of the process. (Completed)	1,596
	Total	26,070
Toufen Plant		
(1)	Addition of the waste storage facilities (in progress)	5,120
(2)	Regular maintenance of electrostatic precipitators (completed)	110
(3)	Electrostatic precipitator effluent discharge pipe (completed)	41
(4)	Purchase request for backup equipment A-008 (completed)	182
(5)	Dust improvement for the cutting machine (completed)	110
(6)	Dust filter bag replacement (completed)	160
(7)	Installation of ultrasonic flow meter with pressure regulator (completed)	27
(8)	Motor and blade replacement for molded fan (completed)	860
(9)	Improvement of dust dispersion in the ingredient room (completed)	288
	Total	6,898
Zhongshan Plant		
(1)	Expenses for monitoring environmental emissions and wastewater	2,399
(2)	Costs associated with operating and maintaining air and water pollution monitoring instruments	1,288
(3)	National Ranking of Taiwan Account Commission Service Fees	195
	Total	3,882
	Total of the Company	55,900

3. The Company's expected environmental protection expenditures in 2024 are as follows:

Unit: NT$ thousands

Expenditure Item	Project Name	Amount
Linyuan Plant		
(1)	Replacement of B2790 Lu style blower in Area 27 (TOYO SAN process area) with energy-saving air suspension blower	3,300
(2)	Replacement of B3403-3 Lu style blower in Area 26 (ABS	3,000

Expenditure Item	Project Name	Amount
	process area) with energy-saving air suspension blower	
(3)	Replacement of B3403-4 Lu style blower in Area 26 (ABS process area) with energy-saving air suspension blower	3,000
(4)	Replacement of B3403-5 Lu style blower in Area 26 (ABS process area) with energy-saving air suspension blower	3,000
(5)	Replacement of B3403-7 Lu style blower in Area 26 (ABS process area) with energy-saving air suspension blower	3,300
(6)	Replacement of P2572-2 in Area 25 (SUKA SAN process area) with high-efficiency pump	310
(7)	Replacement of the outdated TAP-II PBDL feed pump (P2134-2) in Area 22	215
(8)	Procurement of spare carriers for the PVA carrier tank in Area 82A (sewage treatment area)	640
(9)	Renovation project for the existing waste storage facility	300
(10)	Incinerator inspections and repairs	700
(11)	Acquisition of ai smoke detection software and hardware equipment	1,410
(12)	Installation of a control valve for the steam pipeline (gas seal) in Burning Tower 10S of Area 81	250
(13)	Replacement of the corroded discharge pipeline at the bottom of the metering tank (D8220-2) in Zone 82A	250
	Total	19,675
Qianzhen Plant		
(1)	Replacement project for energy-saving air dryers in the EPS manufacturing process, replacing them with energy storage air dryers to achieve environmental protection and energy-saving effects.	220
(2)	Replacement project for the EPS manufacturing process air compressor, purchasing a variable frequency air compressor to ensure stable PA supply and achieve energy savings.	2,170
(3)	Procurement of a total of 5 IE3 high-efficiency motors to replace old conventional motors MELTING PUMP for GPS process, aiming to achieve energy savings and carbon reduction.	9,210
(4)	The purchase of a total of 9 reducers for the EPS process	2,230

Expenditure Item	Project Name	Amount
	(including the replacement of motors with high-efficiency IE3) can effectively reduce energy consumption and improve efficiency, achieving the goal of energy conservation and carbon reduction.	
(5)	Replacement proposal for the adsorption tank filter plates in the GPS process to avoid process disruption and prevent environmental leaks.	1,200
(6)	Replacement proposal for the level detectors of the extruder in the GPS process to prevent process disruption and environmental leaks.	470
(7)	Replacement proposal for insulation of the reaction tank in the GPS process to avoid energy loss and achieve energy-saving and carbon reduction goals.	230
(8)	Replacement proposal for the SLURRY PUMP in the EPS manufacturing process, replacing it with IE3 high-efficiency motors to achieve energy savings and carbon reduction.	330
(9)	Replacement proposal for the ice water machine in the EPS manufacturing process MCC room to prevent damage or failure of instrumentation equipment, ensuring production safety and preventing environmental pollution.	267
(10)	Spare parts procurement proposal for the mechanical shaft seals of the agitators in the GPS process to prevent damage to the shaft seals, avoiding process abnormalities and potential environmental pollution.	580
(11)	Procurement proposal for spare cooling water control valves in the EPS manufacturing process to prevent corrosion and wear, avoiding frequent shaft seal leaks that could lead to environmental pollution.	450
(12)	Spare parts procurement proposal for shaft-less pumps in the EPS manufacturing process. Newly purchased shaft-less pumps will serve as backups to prevent equipment damage and VOCs leaks.	310
(13)	Regular maintenance proposal of air compressors for EPS process to improve operational efficiency and achieve energy-saving and carbon reduction goals.	300

Expenditure Item	Project Name	Amount
(14)	Comprehensive cleaning project for electrostatic precipitators in the GPS process to ensure compliance with environmental regulations and permit requirements.	270
(15)	Styrene VOC system improvement project to ensure compliance with environmental regulations and permit requirements.	2,140
	Total	20,377
Toufen Plant		
(1)	Cooling fan located behind the furnace (update/backup)	855
(2)	Rectification of the energy supply method for the ceiling line drying furnace	390
(3)	Rectification of GW wastewater pipelines	520
(4)	Conversion of natural gas combustion for edge heating of the packaging machine's PE film exit to infrared electric heating with hot air delivery	370
(5)	Replacement of the old air compressor #1 with an energy-saving device	3,030
	Total	5,165
Zhongshan Plant		
(1)	Expenses for monitoring environmental emissions and wastewater	2,500
(2)	Costs associated with operating and maintaining air and water pollution monitoring instruments	1,400
(3)	National Ranking of Taiwan Account Commission Service Fees	200
	Total	4,100
	Total of the Company	49,317

4. The impact of improvement: improving production efficiency, saving energy and reducing waste.

(III) The EU Restriction of Hazardous Substances Directive (RoHS) has no impact on the Company.

V. Labor Relations

(I) Employee Welfare Measures, Continuing Education and Training, Retirement System and Implementation Status, as well as Agreements between the Company and Employees and Measures for Protecting Employees' Rights and Interests

1. Benefit Measures

(1) Formulate and implement reasonable employee welfare measures (including salary, leave and other benefits, etc.), and appropriately reflect business performance or results in employee remuneration in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.

(2) All the employees in the Company participate in labor insurance, health insurance and group insurance, and are given medical benefits for their spouses and children and medical care for cancer. In addition, the Company also purchases travel insurance for traveling employees, thereby fully protecting employees' various insurance needs. Employees in mainland China are provided with social security that mainly includes basic pension insurance, basic medical insurance, unemployment insurance, occupational injury insurance, and maternity insurance.

(3) The Company organizes regular health checkups for its employees and pays great attention to their health.

(4) According to the Company's Articles of Incorporation, if the Company posts a net profit in the current year, employee compensation shall not be less than 1% of the Company's net profit for the current year, while the performance bonus and year-end bonus shall also be distributed based on the Company's business performance and individual performance.

2. Implementing education and training

(1) The Company has always valued employees' continuing education and training and formulated the employee training standards to provide pre-employment training, on-the-job training, work instructions, and online learning to improve the skills and quality of employees.

(2) The Company has designed tiered courses to encourage employees to actively learn and study. Employees must complete the prescribed courses before they can be officially promoted.

(3) The Company has set up an employee training database to record the progress of employees, and requires them to attend at least 8 hours of training every year.

(4) In addition to conducting a survey among trainees for each course, the Company has also designed a comprehensive survey at the end of a year as a reference for improving training operations.

(5) Continuing education and training at each plant

In addition to assigning employees to participate in external professional training, the Group also organizes various internal training programs. The Plants continuously send employees to participate in labor safety, technology training, and various external operations and safety training. Each plant also organizes various internal training programs and they also organize periodic General Manager management seminars and various management skills training programs to strengthen cohesion and improve management skills. The contents are summarized below:

In 2023, the total training hours for employees reached 21,048 hours, with an average of 42.4 hours per person, achieving the original target of 18.5 hours per person. We provide subsidies for employees with high willingness to learn and development potential to pursue further education in domestic universities, supplemented by job adjustment experience, in order to cultivate excellent corporate talents.

Statistics on the number of hours of further education and training in each operating station in 2023

Education and training participation		Male	Female	The whole company
Supervisors	Average (hour/number of people)	67.44	35.58	60.76
Director staff	Average (hour/number of people)	29.12	24.10	28.96
Indirect staff	Average (hour/number of people)	80.04	38.58	65.79
The whole company	Number of participants	5,984.0	828.0	6,812.0
	Hours	18,647.0	2,401.0	21,048.0
	Number of employees	429.0	67.0	496.0
	Average (hour/number of people)	43.47	35.84	42.44

Remarks: Direct staff are workers, and indirect staff are employees who are not supervisors.

Classification of Education and Training Hours by Curriculum in 2023

Course Type	Hours	Proportion
Management skills	1,448.5	6.88%
Professional skills	4,315.5	20.5%
Occupational safety and environmental protection	12,941.5	61.49%
Others	2,342.5	11.13%

(6) The talent training expenditure in 2023 totaled NT$1,780 thousand.

3. Retirement system and implementation status

(1) For employees eligible for the pension pursuant to the Labor Standards Act, the Company has contributed a pension preparatory fund equal to 12% of their monthly salary to a dedicated account and established the Labor Pension Reserve Fund Supervision Committee to manage and supervise its operations.

(2) In accordance with the Labor Pension Act, the Company allocates 6% of an employee’s total monthly salary as a retirement reserve fund to the dedicated personal account managed by the Bureau of Labor Insurance and notifies the employees in writing each month.

(3) Employees of companies in Mainland China are given social security payment according to their average monthly income based on average monthly salaries in the previous year in accordance with the requirements set forth by the Ministry of Labor and the Regulations on the Composition of Gross Wages set forth by the National Bureau of Statistic in Mainland China.

4. Agreements between the Company and employees and measures for protecting employees’ rights and interests

For good labor and management relations, the Company maintains communication with officers of the labor union and has also set up a mailbox for employees to freely express their views.

5. Licenses held by the personnel involved in the transparency of financial information

Department	Name	Certification
Audit Office	Hsu, Liang-Wei	Institute of Internal Auditors, R.O.C. Certificate No.: J.X.B.Z.F.Z. 1121077 Certificate No.: J.X.B.Z.F.Z. 1127965

Department	Name	Certification
Audit Office	Tu, Ying-Chun	1. International certified internal auditor (CIA) 2. Certification of Qualification for Enterprise Internal Control Basic Abilities Test offered by the Securities and Futures Institute
Accounting Division	Chang, Pi-Ling	Certification of Qualification in Continuous Studies for Accounting Supervisor, Accounting Research and Development Foundation

6. Employee Code of Conduct or Ethics

(1) The Company has formulated Employee Work Rules which are given to employees while starting their job and are provided access to the Company's website (https://www.ttc.com.tw) too for their reference. There are written regulations for employees and the ethics to be followed. Both employees and the management shall abide by them for an orderly workplace.

(2) To protect the Company's reputation for ethical and decent management, the Company has established the Code of Work Ethics and Professional Ethics, and includes this code as part of the new employee training program. If any employee violates this code, the violation will be included in the employee's performance evaluation. Employees who violate this code in a serious manner will be punished according to the Employee Work Rules.

(3) The Company signs a letter of undertaking with each new employee to specify his or her obligations.

(4) To enhance ethical corporate management at the Company, the Human Resources Division has established ethical management policies and prevention plan, and regularly report the implementation of such policies and plan to the Board of Directors. Besides, the Human Resources Division has also established the "Sustainable Development Best Practice Principles"

which stipulates sustainable development policies, systems and management guidelines

(5) In order to ensure that the conduct of the Company's Directors and managerial officers is in line with the ethical standards, the Company has formulated a Code of Ethical Conduct for Directors and Managerial Officers with reference to the Guidelines for the Adoption of Codes of Ethical Conduct for TWSE or TPEx Listed Companies, and has made it as part of the compulsory study materials for relevant personnel every year. The targets for these guidelines include the Company's Directors and managerial officers, and other personnel with signing authority over management affairs at the Company. The contents of these guidelines include avoiding conflict of interests with the Company due to improper benefits provided by individuals holding the specific positions in the Company for their relatives. These guidelines serve to prevent: (1) competition with the Company, and (2) opportunities for personal gains or direct private gains through the use of the Company's properties and information or by virtue of the specific positions held in the Company.

Targets for the aforementioned guidelines shall assume confidentiality obligations to protect the Company's confidential information, including all undisclosed information that can damage the Company after leakage. In addition, the Company shall offer equal treatment to its suppliers, customers, competitors and employees, and shall not make false statements about important matters or engage in other unfair trading methods to obtain improper benefits. For related content, please visit the Company's website (https://www.ttc.com.tw).

7. Work Environment and Personal Safety Protection

Measures

(1) To maintain workplace safety for employees, the Company has installed pollution prevention and fire safety equipment and introduced an environmental management system (ISO 14001) and occupational safety and health management system (ISO 45001) and Process Safety Management (PSM) to build a sound management system and provide a safe and healthy working environment.

(2) The Company provides personal protection equipment such as earmuffs, ear plugs, visors, and toxicity filtering masks. It also organizes training from time to time or send employees to participate in related training to improve their knowledge and ideas/skills in occupational safety.

(3) To reduce the risk of hazards in processes and related operations, and the impact of products, services and activities on the environment through process and operational improvements, good management and optimal use of limited resources.

(4) The Company participates in and supports activities relating to responsible care, and incorporates them into the operations of its management system. Besides, the Company also makes timely response to the demand of the public and other stakeholders, so as to gradually realize the concept of responsible care.

(5) The Company selects and uses the best and most feasible technologies and management techniques, and is committed to housekeeping, industrial waste reduction, cherishing resources, pollution prevention and safeguarding the health and safety of employees, contractors and nearby residents.

(6) The Company continues to provide employees training and participate in communication and consultation with

employees, encourages participation of all employees, and strengthens communication and consultation with contractors and customers, so that they fully understand the Company's occupational safety and health environment and energy policies.

(7) The Company implements inspections audits and management reviews to continuously improve and enhance its overall occupational safety and health and environmental management performance.

(8) The Company has established an occupational safety and health organization and set up a labor union at Linyuan Plant, Qianzhen Plant and Toufen Plant, respectively, in addition, each plant has also established the Occupational Safety and Health Committee in accordance with the Regulations Governing Occupational Safety and Health. In the committee, labor representatives are elected by the labor union. The committee holds a meeting every quarter, where labor representatives speak for all employees and discuss issues relating to environmental protection, safety and healthy with the management of the Company.

(9) The Company implements occupational safety and health operations, participates in Taiwan Responsible Care Association (TRCA), the safety and health promotion associations and pollution control coordination groups in industrial parks. With regard to work safety, health and environmental protection, the Company engages in mutual observation and learning to enhance the protection of employees' safety and health, and regularly conducts emergency drills, fire drills and occupational safety and health training, so as to train employees to respond to emergencies and manage their safety.

(II) In the most recent years as of the publication date of the annual report, the losses suffered due to the labor disputes (including matters with labor inspection results that violate the Labor Standards Act, the punishment date, the punishment font size, the provisions of the statute violated, the content of the statute violated, and the punishment content are listed), and the current and future estimated amounts and responding measures shall be estimated. If it cannot be estimated reasonably, state the fact that it cannot be estimated reasonably:

The Company enjoys harmonious relationship between labor and management and there are no major labor disputes or losses as of date of the publication of the annual report.

VI. Information Security Management

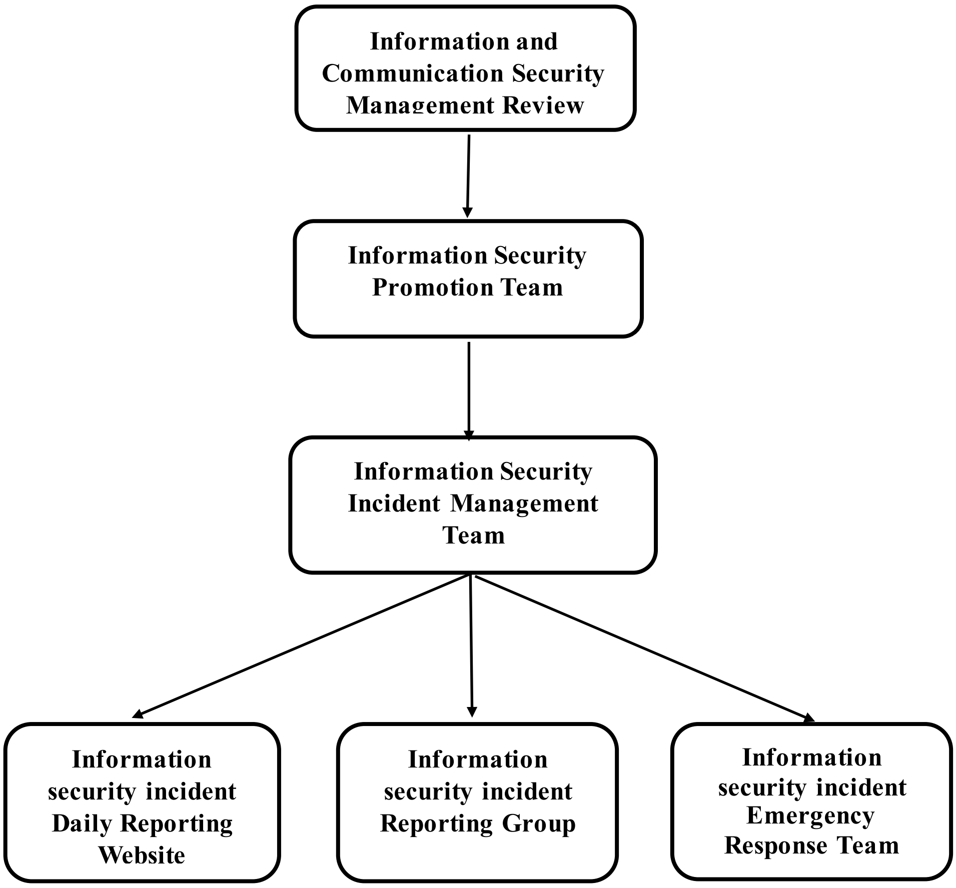
(I) Describe the information security risk management framework, the information security policy, the specific management plan and the resources invested in the information security management, etc.:

1. Information security risk management framework:

(1) Information security governance organization:

The Company holds an annual "Information Security Management Review Meeting " at fixed date, make a judgment on the six input projects (resolution status of past management reviews, changes to internal and external issues related to the information security management system, feedback on information security performance, feedback from related parties, status of risk assessment results and risk management plans, opportunities for continuous improvement) of the information security system management, and make a conclusion on the two output projects of the information security management system (including decisions related to continuous improvement opportunities and any need for changes to the information security management system), to achieve the objectives of the information security management system.

Organization Chart of Information and Communication Security Management Review Committee

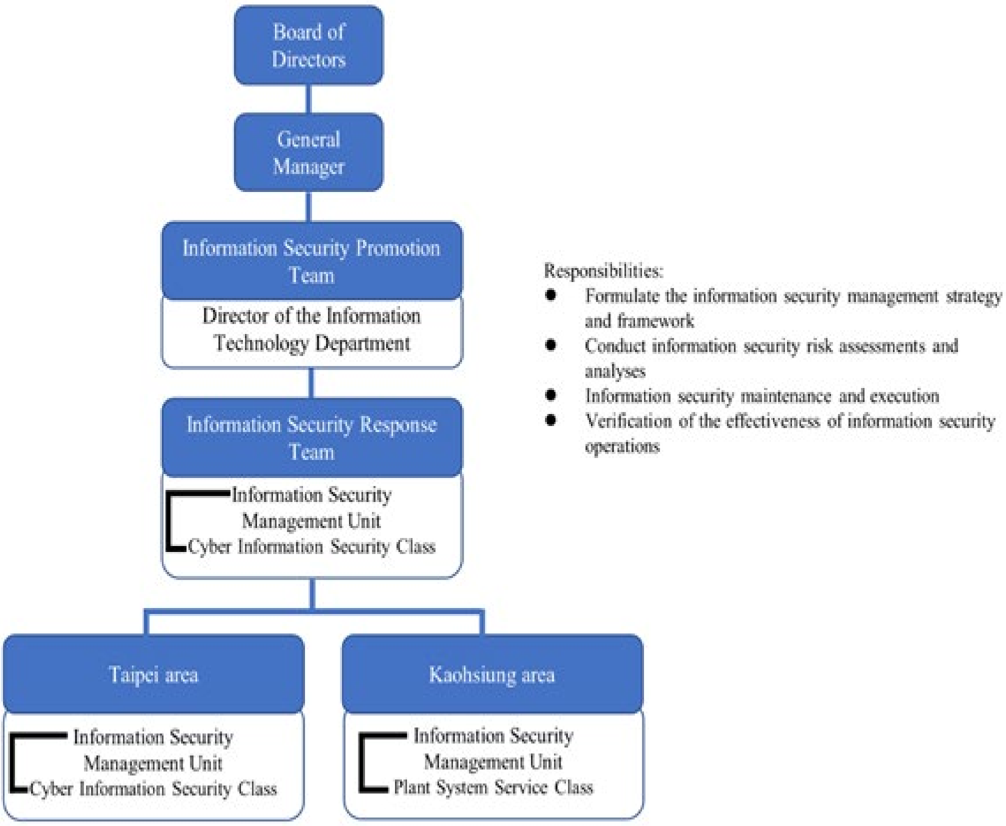


(2) Information security organization framework:

According to the provisions in the standard operating procedure (SOP) of the Company "Setting Standards of Information Security Promotion Organization," an "information security promotion team" has been set up to supervise the operation of internal information security management and define the roles and responsibilities of each promotion organization. Regular meeting is held once a year, and may be held immediately in the event of a major information security incident within the Company. The Director of the Group's Information Technology Department serves as the convener of the Team and takes charge of the meetings of the Information Security Implementation Team as well as decisions and arbitration of opinions in the meetings. The executives of units under the jurisdiction of the Information

Technology Department are members of the Team. In the event of a material information security incident, the Director of the Information Technology Department shall report to the General Manager or heads of related departments.

Organization Chart of Information Security Promotion Team



Responsibilities of Information Security Promotion Team:

- Formulate the structure of the Information Security Management Strategy
- Conduct information security risk assessments and analyses
- Information security maintenance and execution
- Verification of the effectiveness of information security operations

2. Information Security Policy:

(1) Information security management strategy and framework

(a) ISO 27001 information security system:

Since 2014, the ISO / IEC 27001:2013 Information Security Management System has been established and continuously operated. Every year, external professional asset safety audit and certification companies are engaged for review. Up to now, the Company has passed certification audits for 9 consecutive years (The current certificate is valid from July 4, 2023 to October 31, 2025).

(b) NIST CSF Information Security Management Framework:

Incorporated into the Cybersecurity Framework (CSF) developed by the National Institute of Standards and Technology (NIST).

(2) Enterprise information security risk management and continuous improvement framework

Based on the ISO 27001 information security management system, supplemented by the NIST CSF information security management framework, it strengthens risk management and control, improves information security resilience, and has the ability to withstand, contain and quickly recover from information security incidents, so as to continue to provide key operational services.

3. Specific management plan

- Vulnerability scanning detection: Regularly perform server operating system vulnerability scanning detection to identify potential risks, make system corrections or propose compensatory measures, and improve information security. It has been continuously running for 8 years so far.

- Information asset control: establish an information asset management platform to log information assets, note asset items, usage status, and maintain records, and conduct regular inspection and maintenance.

- Firewall and industrial control equipment (OT): Palo Alto networks PA-3220 is adopted to improve the execution efficiency of filtering incoming and outgoing packets and effectively reduce the risk of system vulnerability exposure with the next-generation 7-layer firewall system.

- Critical Server (SEVER): deploy Crowd Strike terminal endpoint detection software, use artificial intelligence (AI) and machine learning (ML) modes of non-feature comparison, to analyze potential attack behaviors in real time, and block known and unknown potential threats.

- Email: Adopt the Microsoft Office 365 solution, plus Advanced Threat Protection (ATP) service mechanism, enhancing defense against unknown malicious linkage and phishing emails. Through migrating email hosting to the cloud, we gradually reduce the number of AD and DC (Domain Controller) hosts, thereby reducing the potential attack scope.

- Office equipment (IT): Use the Trend Micro anti-virus software to detect abnormal network usage behaviors. For instance: Monitor the behavior of users' computers to log in to AD (Active Directory) hosts to block attacks in time.
- Personnel information security management: Prevent hacking or data leakage, and organize at least four hours of information security education and training for the information personnel conduct every year.
- Social engineering exercises: External consultants are engaged to conduct social engineering exercises at least twice every year to enhance employees' awareness of information security for the purpose of maintaining information security and protecting information from foreign intrusion, tampering, and theft.

4. Resources invested in the security management of Zitong:

Information security has become a critical issue for the Company's operations. The following outlines the corresponding plans for information security management and resource allocation:

- Dedicated Personnel: Establish a dedicated corporate unit called the "Cyber Information Security Class," comprising a dedicated officer and personnel responsible for information security planning, technology implementation, and related audit matters. This department will be responsible for maintaining and continuously enhancing information security.
- Certification: Achieved ISO 27001 Information Security certification for nine consecutive years, with no material deficiencies identified in related information security audits.

- Customer Satisfaction: There have been no major cybersecurity incidents and no complaints regarding customer data loss.
- Education and Training: All IT personnel have successfully completed two annual sessions of information security education and training, including assessments. All employees participated in two annual social engineering phishing email drills, totaling 426 participants across the year.
- Information security investment: a total of about NT$1,598 thousand.
- Information Security Announcement: A total of nine notices have been issued.

(II) List the losses suffered due to major information security incidents in the most recent fiscal year up to the publication date of the annual report, and the possible impact and countermeasures. If the amount cannot be reasonably estimated, facts of which estimation cannot be made shall be explained:

As of the publication date of the annual report, the Company has no losses suffered due to major information security incidents and the possible impacts.

VII. Important Contracts

(I) Supply and Sales Contracts

Nature of Contract	Contracting Party	Contract Start/End Date	Main Content	Restrictive Clause
Purchase of material	Taiwan Styrene Monomer Corporation	2023/1/1~2024/12/31 (Renewed every two years)	The Company purchases styrene from Taiwan Styrene Monomer Corporation and the price is determined through negotiations.	None
Purchase of material	Formosa Chemicals & Fibre Corporation	2023/1/1~2023/12/31 (Renewed every year)	The Company purchases styrene from Formosa Chemicals & Fibre Corporation and the price is determined through negotiations.	None
Purchase of material	CPC Corporation	2023/1/1~2023/12/31 (Renewed every	CPC Corporation has agreed to supply butadiene to the Company	None

Nature of Contract	Contracting Party	Contract Start/End Date	Main Content	Restrictive Clause
		year)	every year at a price set by it. Payment for the material must be made on the 15th of the following month after delivery.	
Purchase of material	Formosa Petrochemical Corporation	2023/1/1~2023/12/31 (Renewed every year)	Formosa Petrochemical Corporation has agreed to supply butadiene to the Company every year at a price set by it. Payment for the material shall be made on the 14th of the following month after delivery.	None
Purchase of material	China Petrochemical Development Corporation	2023/1/1~2024/12/31	China Petrochemical Development Corporation has agreed to supply acrylonitrile to the Company every year at a negotiated price. Payment for the material shall be made on the 15th of the following month after delivery.	None
Purchase of material	CNOOC and Shell Petrochemical Co., Ltd (CSPC)	2023/1/1~2023/12/31 (Renewed every year)	The Company purchases polystyrene from CHOOC and Shell Petrochemicals every year at a negotiated price. The Company is required to provide domestic letters of credit before loading.	None
Purchase of material	SinoPec Chemical Sales (Huanan) Co., Ltd.	2023/1/1~2023/12/31 (Renewed every year)	SinoPec Chemical Commercial (Huanan) Holding Co., Ltd. agreed to supply styrene to the Zhongshan Company every year at a price based on the original price agreed to by both parties. Payment for the material must be made before delivery.	None

(II) Technical Cooperation Contracts

Nature of Contract	Contracting Party	Contract Start/End Date	Main Content	Restrictive Clause
Technical cooperation	TAICA (Japanese Company)	Starting from November 25, 1996, the request will be automatically extended every five years if there is no objection by both parties after the	This contract involves the transfer of cubic printing technology, which is the first of its kind in the world and enables printing of various patterns on uneven surfaces (such as telephones, automobile parts and components) to add value to	None

Nature of Contract	Contracting Party	Contract Start/End Date	Main Content	Restrictive Clause
		contract expires	products. This technology has been patented in many countries, including the United States, Japan, Canada, Germany, the Netherlands, France and the United Kingdom.	
Provision of Technology	Owens Corning Company (American Company)	2014/4/1-2024/3/31	Provision of expertise on the manufacture of glass wool insulation products for the Company.	None

(III) Construction contracts: None.

(IV) Long-term Loan Contracts

Nature of Contract	Contracting Party	Contract Start/End Date	Main Content	Restrictive Clause
Medium-term Lending Limit Contract	Far Eastern Bank	2021/05/06 ~ 2024/05/06	The Company and Far Easter International Bank signed a three-year medium-term comprehensive lending contract with a revolving credit limit of NT$300 million.	Based on its consolidated annual report, its current ratio shall not be less than 100%, and its debt ratio (debt/net worth) shall not be more than 175%.
Medium-term Lending Limit Contract	Bank of China, Taipei Branch	2022/07/26 ~ 2025/07/25	The Company and Bank of China, Taipei Branch, signed a three-year medium-term lending limit contract worth NT$300 million, which is a revolving loan facility.	Based on its consolidated annual report/semi-annual report, its current ratio shall not be less than 100%, and its debt ratio (debt/net worth) shall not be more than 150%.
Medium-term Lending Limit Contract	Taipei Fubon Bank	2022/11/07 ~ 2025/09/12	The Company and Taipei Fubon Bank signed a three-year medium-term lending contract with a revolving credit limit of NT$300 million.	Based on its consolidated annual report/semi-annual report, its current ratio shall not be less than 100%, and its debt ratio (debt/net worth) shall not be more than 150%.
Medium-term Lending Limit Contract	Taishin International Bank	2022/09/15 ~ 2025/09/15	The Company and Taishin International Bank signed a three-year medium-term lending contract with a	Based on its consolidated annual report/semi-annual report, its current ratio shall not be less than

Nature of Contract	Contracting Party	Contract Start/End Date	Main Content	Restrictive Clause
			revolving credit limit of NT$300 million.	100%, and its debt ratio (debt/net worth) shall not be more than 175%.
Medium-term Lending Limit Contract	Yuanta Commercial Bank	2023/05/05 ~ 2026/05/05	The Company and Yuanta Commercial Bank signed to secure a 3-year medium-term lending contract with a revolving credit limit of NT$ 300 million, the contract is fully secured.	Based on its consolidated annual report, its current ratio shall not be less than 100%, and its debt ratio (debt/net worth) shall not be more than 150%.
Medium-term Lending Limit Contract	Chang Hwa Commercial Bank	2023/08/16 ~ 2026/08/16	The Company and Chang Hwa Commercial Bank signed a three-year medium-term lending contract with a revolving credit limit of NT$500 million.	None
Medium-term Lending Limit Contract	Mizuho Bank	2023/08/30 ~ 2026/08/30	The Company and Mizuho Bank signed a three-year medium-term lending contract with a revolving credit limit of NT$300 million.	None

Chapter6. Financial Overview

I. Condensed Balance Sheet, Statement of Comprehensive Income, as well as Name and Audit Opinions of CPAs in the Most Recent Five Years

(I) Condensed Balance Sheet and Statement of Comprehensive Income - Consolidated Financial Statements

Condensed Balance Sheet - Consolidated Financial Statements

Unit: NT$ thousands

Item \ Year		Financial information for the most recent 5 years 2023	2022	2021	2020	2019	Current year as of March 31, 2024 (Note 6)
Current assets		5,515,323	6,006,957	7,290,336	5,942,120	4,801,480	5,893,224
Real property, plant		1,937,325	1,960,833	2,007,587	2,076,043	2,174,859	1,931,477
Intangible assets		498	2,279	4,094	5,406	7,448	61
Other assets		1,438,207	1,270,807	1,442,642	1,222,301	1,020,954	1,419,525
Total assets		8,891,353	9,240,876	10,744,659	9,245,870	8,004,741	9,244,287
Current liabilities	Before	1,920,663	1,357,962	2,343,160	2,170,177	2,278,694	2,319,439
	After	2,039,939	1,556,755	3,100,468	2,858,639	2,378,955	-
Non-current liabilities		322,699	676,700	739,686	719,887	1,426,284	347,805
Total liabilities	Before	2,243,362	2,034,662	3,082,846	2,890,064	3,704,978	2,667,244
	After	2,362,638	2,233,455	3,840,154	3,578,562	3,805,239	-
Equity attributable to owners of parent		6,647,991	7,206,214	7,661,813	6,355,806	4,299,763	6,577,043
Share capital		3,975,868	3,975,868	3,786,541	3,442,310	3,342,048	3,975,868
Capital surplus		3,201	1,099	992	816	810	3,201
Retained earnings	Before	2,555,838	3,020,683	3,524,977	2,716,694	997,971	2,454,285
	After	2,436,562	2,821,890	2,578,342	1,684,001	797,448	-
Other equity		113,084	208,564	349,303	195,986	(41,066)	143,689
Treasury stock		0	0	0	0	0	0
Non-controlling		0	0	0	0	0	0
Total equity	Before	6,647,991	7,206,214	7,661,813	6,355,806	4,299,763	6,577,043
	After	6,528,715	7,007,421	6,904,505	5,667,344	4,199,502	-

* If the Company has prepared the parent company only financial statements, it shall prepare a parent company only concise balance sheet and comprehensive income statement for the most recent five years.

* If the financial information prepared by adopting IFRS is less than 5 years old, the financial data in the following table (2) shall be prepared separately adopting the ROC GAAP.

Note 1: Years not audited and certified by CPAs shall be noted.

Note 2: Where asset revaluation is performed for the year, the date of asset revaluation and the amount of asset revaluation shall be noted.

Note 3: As of the date of publication of the Annual Report, if financial information of the Company that are publicly listed or whose shares are traded over the counter has recently been audited or reviewed by CPAs, such information shall be disclosed.

Note 4: The aforementioned figures after distribution shall be filled in based on the Board of Directors resolutions passed by the shareholders' meeting in the following year.

Note 5: Where the Company is notified by the authority in charge that its financial information shall be corrected or re-prepared, the Company shall compile its financial information using the corrected or re-prepared figures, and shall indicate related circumstances and reasons.

Note 6: Financial information for Q1 2024 was reviewed by CPAs.

Note 7: The proposal to compensate for the losses of the most recent fiscal year is still awaiting approval from the shareholders' meeting.

Condensed Statement of Comprehensive Income - Consolidated Financial Statements

Unit: NT$ thousands

Item \ Year	Financial information for the most recent 5 years					Current year as of March 31, 2024 (Note 5)
	2023	2022	2021	2020	2019	
Operating revenue	15,205,462	18,083,799	20,771,165	15,498,381	17,672,204	3,790,749
Gross profit	435,577	1,760,125	3,385,956	3,123,272	1,246,066	32,224
Profit from operations	(464,397)	225,457	2,247,372	2,421,463	514,665	(189,235)
Non-operating income and expenses	118,385	318,917	160,072	60,526	43,539	62,393
Profit (Loss) before income tax	(346,012)	544,374	2,407,444	2,481,989	558,204	(126,842)
Continuing operations Net profit for the period	(273,537)	412,078	1,849,932	1,919,818	397,977	(101,553)
Loss from discontinued operations	0	0	0	0	0	0
Net profit for the period	(273,537)	412,078	1,849,932	1,919,818	397,977	(101,553)
Other comprehensive income for the period (Net amount after tax)	(87,995)	(110,476)	144,361	236,480	-21,618	30,605
Total comprehensive income for the period	(361,532)	301,602	1,994,293	2,156,298	376,359	(70,948)
Net income (loss) attributable to owners of parent company	(273,537)	412,078	1,849,932	1,919,818	397,977	(101,553)

Item / Year	Financial information for the most recent 5 years					Current year as of March 31, 2024 (Note 5)
	2023	2022	2021	2020	2019	
Net income attributable to non-controlling interests	0	0	0	0	0	0
Total comprehensive income attributable to owners of parent company	(361,532)	301,602	1,994,293	2,156,298	376,359	(70,948)
Total comprehensive income attributable to non-controlling interests	0	0	0	0	0	0
Earnings (losses) per share	(0.69)	1.04	4.65	5.07	1.19	(0.26)

* If the Company has prepared the parent company only financial statements, it shall prepare a parent company only concise balance sheet and comprehensive income statement for the most recent five years.

* If the financial information prepared by adopting IFRS is less than 5 years old, the financial data in the following table (2) shall be prepared separately adopting the ROC GAAP.

Note 1: Years not audited and certified by CPAs shall be noted.

Note 2: As of the date of publication of the Annual Report, if financial information of the Company that are publicly listed or whose shares are traded over the counter has recently been audited or reviewed by CPAs, such information shall be disclosed.

Note 3: Loss from discontinued operations is shown in net amount after deducting income tax.

Note 4: Where the Company is notified by the authority in charge that its financial information shall be corrected or re-prepared, the Company shall compile its financial information using the corrected or re-prepared figures, and shall indicate related circumstances and reasons.

Note 5: Financial information for Q1 2024 was reviewed by CPAs.

(II) Condensed Balance Sheet and Statement of Comprehensive Income - Parent Company Only Financial Statements

Condensed Balance Sheet - Parent Company Only Financial Statements Financial Statement

Unit: NT$ thousands

Item \ Year		Financial information for the most recent 5 years				
		2023	2022	2021	2020	2019
Current assets		2,969,085	3,206,642	4,393,306	3,154,122	2,830,260
Real property, plant and equipment		1,643,175	1,648,052	1,710,988	1,777,067	1,836,939
Intangible assets		498	2,279	4,094	5,406	7,448
Other assets		4,165,359	4,274,467	4,484,012	4,072,199	2,372,990
Total assets		8,778,117	9,131,440	10,592,400	9,008,794	7,047,637
Current liabilities	Before distribution	1,810,630	1,252,666	2,194,978	1,935,890	1,323,907
	After distribution	1,929,906	1,451,459	2,952,286	2,624,352	1,424,168
Non-current liabilities		319,496	672,560	735,609	717,098	1,423,967
Total liabilities	Before distribution	2,130,126	1,925,226	2,930,587	2,652,988	2,747,874
	After distribution	2,249,402	2,124,019	3,687,895	3,341,450	2,848,135
Equity attributable to owners of parent company						
Share capital		3,975,868	3,975,868	3,786,541	3,442,310	3,342,048
Capital surplus		3,201	1,099	992	816	810
Retained earnings	Before distribution	2,555,838	3,020,683	3,524,977	2,716,694	997,971
	After distribution	2,436,562	2,821,890	2,578,342	1,684,001	797,448
Other equity		113,084	208,564	349,303	195,986	(41,066)
Treasury stock		0	0	0	0	0
Non-controlling interests		0	0	0	0	0
Total equity	Before distribution	6,647,991	7,206,214	7,661,813	6,355,806	4,299,763
	After distribution	6,528,715	7,007,421	6,904,505	5,667,344	4,199,502

* If the Company has prepared the parent company only financial statements, it shall prepare a parent company only concise balance sheet and comprehensive income statement for the most recent five years.

* If the financial information prepared by adopting IFRS is less than 5 years old, the financial data in the following table (2) shall be prepared separately adopting the ROC GAAP.

Note 1: Years not audited and certified by CPAs shall be noted.

Note 2: Where asset revaluation is performed for the year, the date of asset revaluation and the amount of asset revaluation shall be noted.

Note 3: As of the date of publication of the Annual Report, if financial information of the Company that are publicly listed or whose shares are traded over the counter has recently been audited or reviewed by CPAs, such information shall be disclosed.

Note 4: The aforementioned figures after distribution shall be filled in based on the Board of Directors resolutions passed by the shareholders' meeting in the following year.

Note 5: Where the Company is notified by the authority in charge that its financial information shall be corrected or re-prepared, the Company shall compile its financial information using the corrected or re-prepared figures, and shall indicate related circumstances and reasons.

The proposal to compensate for the losses of the most recent fiscal year is still awaiting approval from the shareholders' meeting.

Condensed Statement of Comprehensive Income - Parent Company Only Financial Statements

Unit: NT$ thousands

Item \ Year	Financial information for the most recent 5 years				
	2023	2022	2021	2020	2019
Operating revenue	10,576,796	12,870,472	15,726,081	10,993,555	12,219,221
Gross profit	455,330	1,744,743	3,072,264	2,204,114	897,143
Profit from operations	(339,676)	304,683	2,025,224	1,610,188	304,007
Non-operating income and expenses	666	242,188	304,634	648,225	156,968
Profit before income tax	(339,010)	546,871	2,329,858	2,258,413	460,975
Net income from continuing operations in current period	(273,537)	412,078	1,849,932	1,919,818	397,977
Loss from discontinued operations	0	0	0	0	0
Net profit for the period	(273,537)	412,078	1,849,932	1,919,818	397,977
Other comprehensive income for the period (Net amount after tax)	(87,995)	(110,476)	144,361	236,480	-21,618
Total comprehensive income for the period	(361,532)	301,602	1,994,293	2,156,298	376,359
Net income attributable to owners of parent company	(273,537)	412,078	1,849,932	1,919,818	397,977
Net income attributable to non-controlling interests	0	0	0	0	0
Total comprehensive income attributable to owners of parent company	(361,532)	301,602	1,994,293	2,156,298	376,359
Total comprehensive income attributable to non-controlling interests	0	0	0	0	0
Earnings (loss) per share	(0.69)	1.04	4.65	5.07	1.19

* If the Company has prepared the parent company only financial statements, it shall prepare a parent company only concise balance sheet and comprehensive income statement for the most recent five years.

* If the financial information prepared by adopting IFRS is less than 5 years old, the financial data in the following table (2) shall be prepared separately adopting the ROC GAAP.

Note 1: Years not audited and certified by CPAs shall be noted.

Note 2: As of the date of publication of the Annual Report, if financial information of the Company that are publicly listed or whose shares are traded over the counter has recently been audited or reviewed by CPAs, such information shall be disclosed.

Note 3: Loss from discontinued operations is shown in net amount after deducting income tax.

Note 4: Where the Company is notified by the authority in charge that its financial information shall be corrected or re-prepared, the Company shall compile its financial information using the corrected or re-prepared figures, and shall indicate related circumstances and reasons.

(III) Name and Audit Opinions of CPAs

Year	Name of CPAs	Auditor Opinion
2023	Chiu, Cheng-Chun/Huang, Hsiu-Chun	Unqualified opinion
2022	Chiu, Cheng-Chun/Huang, Hsiu-Chun	Unqualified opinion
2021	Huang, Hsiu-Chun/Chiu, Cheng-Chun	Unqualified opinion
2020	Huang, Hsiu-Chun/Chiu, Cheng-Chun	Unqualified opinion
2019	Huang, Hsiu-Chun/Chiu, Cheng-Chun	Unqualified opinion

II. Financial Analysis for the Most Recent Five Fiscal Years

(I) Financial Analysis - Consolidated Financial Statements

Analysis Item (Year)		Financial Analysis for the Most Recent Five Fiscal Years					Current year up to March 31, 2024
		2023	2022	2021	2020	2019	
Financial structure	Debt-to-assets ratio	25.23	22.02	28.69	31.26	46.28	28.85
	Ratio of long-term capital to property, plant and equipment	359.81	402.02	418.49	340.83	263.28	358.53
Solvency	Current ratio %	287.16	442.35	311.13	273.81	210.71	254.08
	Quick ratio %	224.21	355.31	254.06	235.39	172.37	196.55
	Interest coverage ratio	(16.43)	80.65	467.29	119.17	11.93	(19.55)
Operating ability	Receivables turnover ratio (times)	8.81	8.80	8.86	6.97	6.84	7.89
	Average collection days	41	41	41	52	53	46
	Inventory turnover ratio (times)	14.39	15.28	18.05	16.64	17.24	14.14
	Payables turnover ratio (times)	21.20	19.48	15.74	13.28	20.45	19.20
	Average days for sale	25	24	20	22	21	26
	Property, plant, and equipment turnover ratio (times)	7.80	9.11	10.17	7.29	7.77	7.85
	Total asset turnover ratio (times)	1.68	1.81	2.08	1.80	2.11	1.64
Profitability	Return on assets (%)	(2.84)	4.18	18.55	22.45	5.25	(4.25)
	Return on equity (%)	(3.95)	5.54	26.39	36.03	9.60	(6.14)
	Ratio of profit and loss before tax to paid-in capital (%) (Note 7)	(8.70)	14.03	66.61	73.17	16.87	(6.38)
	Net profit margin (%)	(1.80)	2.28	8.91	12.39	2.25	(2.68)
	Earnings (losses) per share (NT$)	(0.69)	1.04	4.89	5.07	1.19	(0.26)
Cash flows	Cash flow ratio (%)	(12.63)	81.22	31.42	140.37	70.34	(17.04)
	Cash flow adequacy ratio (%)	189.48	216.96	255.40	552.16	382.58	-
	Cash reinvestment ratio (%)	(3.62)	2.67	0.36	24.78	14.33	(4.21)
Leverage	Operating leverage	(1.32)	6.30	1.41	1.51	3.89	(2.42)

	Financial leverage	0.96	1.03	1.00	1.01	1.11	0.97
Reasons for changes in financial ratios for the most recent two years. (Analysis is not required if such changes are within 20%) The decrease in the current ratio and quick ratio in 2023 is mainly due to an increase in short-term borrowings. The decrease in the interest coverage ratio and profitability-related ratios in 2023 is mainly due to the decrease in net profit for the period. The cash flow ratio and cash reinvestment ratio in 2023 showed negative values due to the net cash outflow from operating activities in that year. The operating leverage for 2023 is negative due to a decrease in operating profit.							

Note: The Company began adopting IFRS since 2012. Consolidated financial statements for each year have been audited by CPAs.

(II) Financial Analysis - Parent Company Only Financial Statements

Analysis Item		Financial Analysis for the Most Recent Five Fiscal Years (Year) 2023	2022	2021	2020	2019
Financial structure	Debt-to-assets ratio	24.27	21.08	27.67	29.45	38.99
	Ratio of long-term capital to property, plant and equipment	424.03	478.07	490.79	398.01	311.59
Solvency	Current ratio %	163.98	255.99	200.15	162.93	213.78
	Quick ratio %	109.46	190.97	154.06	130.03	167.97
	Interest coverage ratio	(16.08)	81.01	452.26	210.07	20.06
Operating ability	Receivables turnover ratio (times)	9.82	8.65	9.52	7.47	7.70
	Average collection days	37	42	38	49	47
	Inventory turnover ratio (times)	12.40	13.27	16.70	15.72	18.78
	Payables turnover ratio (times)	15.83	14.49	12.35	10.28	18.24
	Average days for sale	29	28	22	23	19
	Property, plant, and equipment turnover ratio (times)	6.43	7.66	9.02	6.08	6.48
	Total asset turnover ratio (times)	1.18	1.31	1.60	1.37	1.69
Profitability	Return on assets (%)	(2.88)	4.23	18.92	24.02	5.77
	Return on equity (%)	(3.95)	5.54	26.39	36.03	9.60
	Ratio of net income before tax to paid-in capital (%) (Note 7)	(8.53)	14.09	64.46	66.58	13.93
	Net profit margin (%)	(2.59)	3.20	11.76	17.46	3.26
	Earnings per share (NT$)	(0.69)	1.04	4.89	5.58	1.19
Cash flows	Cash flow ratio (%)	(2.91)	82.33	27.88	115.44	60.98
	Cash flow adequacy ratio (%)	95.47	124.22	122.22	216.16	213.53
	Cash reinvestment ratio (%)	(2.25)	2.27	(0.62)	19.41	7.81
Leverage	Operating leverage	(1.56)	4.48	1.90	2.07	7.15
	Financial leverage	0.94	1.02	1.00	1.01	1.09
Reasons for changes in financial ratios for the most recent two years. (Analysis is not required if such changes re within 20%)						

The decrease in the current ratio and quick ratio in 2023 is mainly due to an increase in short-term borrowings. The decrease in the interest coverage ratio and profitability-related ratios in 2023 is mainly due to the decrease in net profit for the period. The cash flow ratio and cash reinvestment ratio in 2023 showed negative values due to the net cash outflow from operating activities in that year. The decrease in the cash flow adequacy ratio in 2023 is mainly due to a decrease in average net cash inflow from operating activities. The operating leverage for 2023 is negative due to a decrease in operating profit.

* If the Company has prepared a parent company only financial report, an analysis of the Company's parent company only financial ratios shall be prepared.

* If the financial information prepared by adopting IFRS is less than 5 years old, the financial data in the following table (2) shall be prepared separately adopting the ROC GAAP.

Note 1: The Company began adopting IFRS since 2012 and parent company only consolidated financial statements for each year have been audited by CPAs.

Note 2: Years not audited and certified by CPAs shall be noted.

Note 3: As of the publication date of the annual report, companies that have been listed or have been traded at TPEx should analyze the financial information of the most recent period audited or reviewed by CPAs.

Note 4: The table at the end of the annual report shall include the following formulas:

1. Financial structure
   (1) Debt-to-asset ratio = total liabilities / total assets.
   (2) Ratio of long-term capital to property, plant and equipment = (Total equity + Non-current liabilities) / Net property, plant and equipment.
2. Solvency
   (1) Current ratio =current assets / current liabilities.
   (2) Quick ratio = (current assets - inventory - prepaid expenses) / current liabilities.
   (3) Interest coverage ratio = income before income tax and interest expense / interest expense of the current period
3. Operating ability
   (1) Receivables (including accounts receivable and notes receivable due to business operations) turnover ratio = Net sales / Balance of average receivables (including accounts receivable and notes receivable due to business operations).
   (2) Average collection days = 365 / receivables turnover.
   (3) Turnover rate of inventories = cost of sales / average inventories.
   (4) Payables (including accounts payable and notes payable due to business operations) turnover ratio = Cost of goods sold / Balance of average payables (including accounts payable and notes payable due to business operations).
   (5) Average inventory turnover days = 365 / Inventory turnover ratio.
   (6) Turnover rate of property, plant and equipment = Net sales / Average net property, plant and equipment.
   (7) Total asset turnover = net sales / average total assets.
4. Profitability
   (1) Return on assets = [Net income + Interest expenses × (1-Tax rate)] / Average total assets.
   (2) Return on equity = Net income / Average total equity.
   (3) Net profit ratio = Net income / Net sales.
   (4) Earnings per share = (net gain or loss attributable to owners of the parent company - preferred stock dividend) / weighted average number of shares outstanding. (Note 5)
5. Cash flows
   (1) Cash flow ratio = Net cash flow of operating activities/ Current liability.
   (2) Net cash flow adequacy ratio = Net cash flow for business activities in the 5 most recent years / (capital

expenditure + inventory increase + cash dividends) for the 5 most recent years.

(3) Cash reinvestment ratio = (Net cash flow from operating activities - Cash dividends)/(Gross amount of property, plant and equipment + Long-term investments + Other non-current assets + Working capital). (Note 6)

6. Leverage:

(1) Operating leverage = (Net operating revenue - Variable operating costs and expenses) / Operating income (Note 7).

(2) Degree of financial leverage = Operating gain /(Operating gain - Interest expense).

Note 5: In calculating earnings per share with the formula mentioned above, special attention should be paid to the following matters:

1. Based on the weighted average number of common shares, not based on the number of issued shares at the end of the year.
2. Capital increase for cash or treasury stock transactions shall be considered when the weighted average number of shares is calculated.
3. Capital increase from surplus earnings or capital reserve shall be retrospectively adjusted by the proportion of capital increase when earnings per share for previous annual and semi-annual periods are calculated. The issue period for capital increase does not have to be considered.
4. For preferred shares that are non-convertible accumulated preferred shares, dividends (regardless of whether they are distributed) shall be deducted from net income after tax or included as net loss after tax. If the preferred shares are non-cumulative in nature, where net income after taxes is available, preferred share dividends should be deducted from it. No adjustment is required if the company generates loss after taxes.

Note 6: In calculating cash flow, special attention should be paid to the following matters:

1. Net cash flow from operating activities is the net cash inflow from operating activities in the cash flow statement.
2. Capital expenditure is the annual cash outflow of capital investment.
3. The increase in inventory is counted only when the balance at the end of the period is greater than at the beginning. If the inventory decreases at the end of the year, it is considered as zero.
4. Cash dividends include cash dividends on common shares and preferred shares.
5. Gross property, plant and equipment refers to the property, plant and equipment before depreciation.

Note 7: The issuer shall classify the operating costs and operating expenses as fixed or variable according to their nature. If it involves estimation or subjective judgment, attention should be paid to its reasonableness and consistency.

Note 8: Where company shares have no par value or where the par value per share is not NT$10, any calculations that involve paid-up capital ratio shall be replaced with the equity ratio attributable to the owners of the parent company as stated in the balance sheet.

III. Supervisors' or Audit Committee's Review Report for the Most Recent Financial Statements

(I) Supervisory review report: Not applicable.

(II) Audit Committee's Review Report

Audit Report from the Audit Committee of Taita Chemical Company, Limited

The Audit Committee has completed the review of the 2023 financial statements (including parent company only financial statements and consolidated financial statements) and the earnings distribution plan produced by the Board of Directors and audited by CPAs Chiu, Chiu, Cheng-Chun and Huang, Hsiu-Chun from Deloitte Taiwan in accordance with the law, and found no inconsistencies. Please review the Report which has been prepared in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Sincerely yours,

2024 Annual Shareholders' Meeting, Taita Chemical Company, Ltd.

Taita Chemical Company, Ltd.

Audit Committee

Independent Director: Chen, Tien-Wen

Independent Director: Wei, Yung-Tu

Independent Director: Li, Kuo-Hsiang

March 7, 2024

IV. Financial report for the most recent year: Please refer to Page 260.

V. The parent company only financial report audited by the CPAs for the most recent year: Please refer to Page 331.

VI. If The Company or its Affiliates Have Experienced Financial Difficulties in The Most Recent Fiscal Year or During The Current Fiscal Year up to The Date of Publication of The Annual Report, The Annual Report Shall Explain How Said Difficulties Will Affect The Company's Financial Situation: None.

Chapter7. Review and Analysis of Financial Position and Financial Performance and Risk Matters

I. Financial Position

Comparison Analysis of Financial Position

Unit: NT$ thousands

Item \ Year	2023	2022	Difference	
			Amount	%
Current assets	5,515,323	6,006,957	(491,634)	(8)
Real property, plant and equipment	1,937,325	1,960,833	(23,508)	(1)
Intangible assets	498	2,279	(1,781)	(78)
Other assets	1,438,207	1,270,807	167,400	13
Total assets	8,891,353	9,240,876	(349,523)	(4)
Current liabilities	1,920,663	1,357,962	562,701	41
Non-current liabilities	322,699	676,700	(354,001)	(52)
Total liabilities	2,243,362	2,034,662	208,700	10
Share capital	3,975,868	3,975,868	0	0
Capital surplus	3,201	1,099	2,102	191
Retained earnings	2,555,838	3,020,683	(464,845)	(15)
Other equity	113,084	208,564	(95,480)	(46)
Total equity	6,647,991	7,206,214	(558,223)	(8)

(I) Main reasons for material changes in assets, liabilities and equity in the most recent two years (by more than 20% and NT$10 million)

1. The decrease in intangible assets was due to amortization by period.
2. The decrease in non-current liabilities is mainly due to a reduction in long-term borrowings at the end of the period.
3. The increase in capital surplus is mainly due to the recognition of the premium on investments using the equity method.
4. The decrease in other equity was mainly due to the unrealized valuation loss on equity investments.

(II) Effects: No material effect.

(III) Future response plan: Not applicable.

II. Financial Performance

(I) Comparative analysis of financial performance

Unit: NT$ thousands

Item \ Year	2023	2022	Amount of increase (decrease)	Percentage of increase (decrease) (%)
Sales revenue	15,205,462	18,083,799	(2,878,337)	(16)
Cost of goods sold	14,769,885	16,323,674	(1,553,789)	(10)
Gross profit	435,577	1,760,125	(1,324,548)	(75)
Operating expenses	899,974	1,534,668	(634,694)	(41)
Net profit from operations	(464,397)	225,457	(689,854)	(306)
Non-operating income and expenses	118,385	318,917	(200,532)	(63)
Profit before income tax	(346,012)	544,374	(890,386)	(164)
Income tax expenses	(72,475)	132,296	(204,771)	(155)
Net profit for the year	(273,537)	412,078	(685,615)	(166)

(I) Main reasons for material changes (by more than 20%) in operating revenue, operating income and income before tax in the most recent two years (where gross profit changes by more than 20%, the following analysis of changes in gross profit (loss) shall be disclosed):

1. For the reasons for the decrease in gross operating profit, operating profit, net profit before tax and net profit for the year, please refer to (2) Analysis of changes in gross operating profit (loss).
2. The decrease in operating expenses was mainly attributable to a decrease in marketing expenses
3. The decrease in non-operating income and expenses was mainly attributable to the decrease in other incomes.
4. The decrease in income tax expense was attributable to a decrease in net income before tax.

(II) Sales volume forecast and basis
According to the market supply and demand, the estimated sales volume in 2024 is: the estimated sales volume of petrochemical products is about 419,000 tons, and the estimated sales volume of glass wool products is about 12,000 tons.

(III) Possible effects on the Company’s financial operations in the future: None.

(IV) Response plan: Not applicable.

(II) Analysis of Changes in Gross Profit (Loss):

Unit: NT$ thousands

	Change amount	Reasons for difference			
		Price difference	Cost difference	Difference in product sales combination	Volume difference
Gross profit from sales	(1,324,548)	(2,917,756)	1,516,858	55,933	20,417
Description	1. Sales of ABS products saw a marginal increase, however, a decline in prices led to a reduced price margin. This resulted in a decrease in gross profit compared to the previous year, amounting to a reduction of NT$363,677 thousand. The development of GPS/IPS has effectively attracted new clients, thereby boosting sales. However, a reduction in the price differential has led to a decline in the total gross profit compared to the previous year, which amounts to NT$493,891 thousand. The economic climate, market supply and demand, and competition from industry counterparts have negatively impacted EPS Product Zhongshan, leading to a reduction in both production and sales volume. Furthermore, the Qianzhen plant has experienced a decline in both sales volume and price differential, contributing to a decrease in the overall gross profit of EPS products compared to the previous year. This decrease amounts to NT$481,390 thousand. 2. The sales volume of glass wool remained consistent, with a minor rise in price disparity, leading to a gross profit increase of NT$14,410 thousand.				

III. Cash flows

(I) Analysis of changes in cash flow in the most recent year

Unit: NT$ thousands

Year	Beginning cash balance	Net cash inflow (outflow) from operating activities for the year	Other net cash inflow (outflow) for the year	Cash surplus (shortfall)	Cash inadequacy improvement plan
2023	2,662,088	(243,159)	(207,600)	2,211,329	N/A

1. The net cash outflow from operating activities was mainly attributable to net loss before tax and a decrease in accounts receivable and inventory.
2. Other net cash outflows were mainly attributable to the acquisition of real estate, plant and equipment.

(II) Improvement plan for cash shortage: Not applicable.

(III) Cash liquidity analysis for the coming year

Unit: NT$ thousands

Year	Beginning cash balance	Cash inflow for the year	Cash outflow for the year	Cash surplus (shortfall)	Cash inadequacy
2024	2,211,329	28,840	(260,258)	1,979,911	N/A

IV. Impact of Major Capital Expenditures on Financial Business in the Most Recent Year

Use of significant capital expenditures and sources of funds: None.

V. Company Reinvestment Policy for the Most Recent Fiscal Year, Main Reasons for Profits/Losses Generated Thereby, Plan for Improving Re-investment Profitability, and Investment Plans for Coming Year

(I) Investment Policies in the Most Recent Year

We have made capital contribution to a company in mainland China to produce and sell expandable polystyrene (EPS) so as to expand the Company’s product development.

(II) Main reasons for profit or loss: Not applicable.

(III) Improvement plan: Not applicable.

(IV) Investment plan for the upcoming year: None.

VI. Risk Analysis and Assessment

Risk Management Organization Structure

Key risk assessment items	Execution and responsible units	Supervision unit
1. Impact of interest rate, fluctuation in exchange, and inflation on the Company's gain and loss and future response measures	Finance Division	Audit Office
2. Policies on engaging in high-risk and high-leverage investments, provision of loans to others, making of guarantees and endorsements, and derivatives trading, major reasons for profit or loss, and future response measures		
3. Future Research and Development (R&D) Plans and the R&D expenses expected to be invested	Research and Development Division	
4. The impact of changes in important domestic and foreign policies and laws on the Company's finance and business, and the corresponding measures	Legal Division Accounting Division	
5. Impact of technological and industrial changes (including information and communication security risks) on the Company's finance and business and corresponding measures	Information Systems Division ABS/PS Operations Department Toufen Plant	
6. The impact of changes in corporate image on the enterprise crisis management and the responding measures	Human Resources Division	
7. Expected benefits and possible risks of merger & acquisition and the countermeasures	Finance Division	
8. Expected benefits and possible risks of expansion of plants and the countermeasures	ABS/PS Production Department Toufen Plant	
9. Risks faced with centralized purchases or sales and the countermeasures	Procurement and Logistics Division ABS/PS Operations Department	

Key risk assessment items	Execution and responsible units	Supervision unit
	Toufen Plant	
10.The impact and risk of a significant transfer or replacement of equity by directors, supervisors, or major shareholders holding more than 10% of the shares on the Company and the countermeasures	Finance Division	
11.The impact, risks and response measures for changes in management rights on the Company	Board of Directors	
12.For any litigious or non-litigious matters, the Company and its directors, supervisors, general managers, person with actual responsibility in the Company, and major shareholders holding more than 10 percent of the Company's shares, shall be disclosed. If there has been any substantial impact upon shareholders' equity or prices for the Company's securities as a result of any litigation, non-litigious proceeding, or administrative dispute involving the Company that has been finalized or has remained pending, the report shall disclose the facts in dispute, amount in dispute, commencement date, main parties involved, and current status of the case as of the publication date of this annual report	Legal Division	
13.Climate change affects the Company's operations, finance, supply chain, policy and investment decisions, etc.	ESG Committee	
14.Responding to risks in environmental, social, and corporate governance issues	ESG Committee	

Risk management policy

(I) Impact of interest rate, fluctuation in exchange, and inflation on the Company's gain and loss and future response measures

Item	2023 (NT$ thousands; %)
Net interest income (expenses)	25,240
Net currency exchange gain (loss)	16,305
Ratio of net interest income (expenses) to sales revenue	0.17%
Ratio of net interest income (expenses) to net income before tax	(7.29%)
Ratio of net currency exchange gain (loss) to sales revenue	1.11%
Ratio of net currency exchange gain (loss) to net profit before taxes	(4.71%)

1. Interest rate: In order to reduce the risk of interest rate fluctuation, idle funds will be invested in fixed deposit of banks, beneficiary certificates of money market funds, buy back transactions of bonds (bills) and REITs.

   Reserve sufficient short-term funds for operational needs; For medium and long-term capital demand, during periods of stable interest rates, obtain medium and long-term credit from financial institutions at an appropriate timing, lock in the capital cost with fixed interest rate, and cope with the long-term capital stability.

2. Exchange rates: The Company hedges its net position of foreign currency generated by operation. In addition to closely following the trend of international foreign exchange market, it also seek to avoid the risks through spot selling in the market and undertaking forward foreign exchange contracts.

3. Inflation: The main cost of the Company is the raw material cost, and the product selling price fluctuates in the same direction as the raw material cost. Continuously assess the

exposure of assets and liabilities to interest rate changes to the Company.

(II) Policy Regarding High-risk Investments, Highly Leveraged Investments, Loans to Other Parties, Endorsements/Guarantees, and Derivatives Transactions, Main Reasons for the Profit (Loss) Generated Thereby, and Response Measures to Be Taken in the Future:

1. Engaging in high-risk, highly-leveraged investment and lending funds to other parties:

   The Company's Regulations Governing the Acquisition and Disposal of Assets stipulates that it shall not engage in high-risk and high-leverage investments. The Company has also established the Procedures for Loaning of Funds to Others, but it is yet to implement such an operation.

2. Making of guarantees and endorsements: Endorsements or guarantees are handled in accordance with the Company's Regulations Governing Endorsements and Guarantees, and evaluation before operation and follow-up are performed.

3. Derivatives trading: The Company engages in derivative commodity trading for the purpose of avoiding operational management risks. The trading commodities are mainly undertaken as forward foreign exchange and speculative operations are not involved. In addition, the counterparties should choose reputable financial institutions to avoid credit risks.

(III) Future Research and Development (R&D) Plans and the R&D expenses expected to be invested

Type	R&D item	Current progress	R&D expenditure to be invested (NT$ thousands)	Expected year of completion	Factors affecting R&D results in the future
ABS	Standard grade ABS rubber particle size homogenizing formula	80%	1,200	2024	Processing hardware equipment Raw material procurement cost Market demand layout
	Butadiene emulsion polymerization-reactor stirring blade control of PBDL particle size and concentration control study	60%	12,000	2024	Processing hardware Human resource allocation
EPS	Optimization of the curing time and the molding cycle for EPS.	70%	1,000	2024	Market demand layout
	Conservative improvement of EPS products.	80%	1,000	2024	Polymerization formulation design Processing hardware Market demand layout

(IV) The impact of changes in important domestic and foreign policies and laws on the Company's finance and business, and the corresponding measures

1. Please refer to (3) The EU Restriction of Hazardous Substances Directive (RoHS) has no impact on the Company in IV. Expenditure Related to Environmental Protection in Chapter 5. Operations Overview.
2. The Company keeps monitoring the impact of the newly applicable IFRSs, various rental incentives and other statutory updates on the Company's taxation.

3. The Company continues to assess the effects of the Anti-tax avoidance Clauses on taxation.

   For the assessment of legal risks and countermeasures, the Company has a legal department to review important contract documents, legal documents and prompt risks in advance, and provide legal advice to deal with legal affairs whenever necessary, so as to protect the Company's rights and interests and reduce the risk of default and loss. In addition, the accounting department evaluates the impacts of changes in accounting and tax-related laws and regulations on the financial operations of the Company at all times and come up with action plans. It would discuss with CPAs to make prior planning for the relevant changes.

(V) Impact of technological and industrial changes (including information and communication security risks) on the Company's finance and business and corresponding measures

1. Risk of information technology security:

   Plant maintenance management is the core of the manufacturing industry, and its production processes and procedures are mainly managed and controlled by the Operational Technology (OT), such as the Distributed Control System (DCS) and the Supervisory Control and Data Acquisition (SCADA) system. Based on requirements such as production stability, the operating system or program itself is often not upgraded and updated after installation, and becomes the so-called Legacy System. Its security protection level is compared with that of general Information Technology (IT), such as: ERP, CRM, OA and other hardware equipment, is obviously insufficient.

2. Management measures for information technology security:

   - The company's internal audit department and external professional security consulting company will conduct the audit regularly. In addition, we urge the British Standards Institution (BSI), an internationally renowned certification company, to carry out the ISO 27001 certification audit every year. In addition to reviewing the information and communication security risk assessment management framework, we also provide assistance and prevention measures for internal and external issues and conduct information and communication security risk assessments and analyses.

   - Multi-Factor Authentication (MFA) mechanism is fully enabled in the Group's mail system. Besides the first password authentication, other tools are used for the second authentication to enhance the level of security.

   - Industrial control equipment (OT) uses Fortinet firewall, a next-generation 7-layer firewall system, to enhance the efficiency of filtering incoming and outgoing packets and effectively reduce the risk of system vulnerability exposure.

- External device control for strengthening industrial control equipment: Restricting USB access to prevent data leakage and external information security attacks, avoiding impact on the production line.
- External storage media health check: Comprehensive examination of external storage media through regular virus scanning, inspection, and inventory to reduce the risk of data loss and hidden information security threats from external devices.
- External consultants are engaged to conduct vulnerability scanning for operating systems, such as servers, every year to identify potential risks and modify systems or propose compensatory measures.
- Enhance personnel information security management, prevent hacking or data leakage, and organize at least four hours of information security education and training for the information personnel conduct every year, and enhancement of employees' awareness of information security through sharing of new information on information security.

(VI) The impact of changes in corporate image on the enterprise crisis management and the responding measures

The Company always upholds the principles of professionalism and integrity. The Company pays close attention to corporate governance and fulfill corporate social responsibility. Therefore, there is no foreseeable risk associated with changes in corporate image.

(VII) Expected benefits and possible risks of merger & acquisition and the countermeasures

There has been no merger and acquisition implemented by the Company in the most recent year up to the date of publication of the Annual Report.

(VIII) Expected benefits and possible risks of expansion of plants and the countermeasures

In order to expand the product development of the Company, after careful evaluation, the subsidiary TAITA (BVI) Holding Co., Ltd will invest and set up the company Zhangzhou Taita Chemical Co., Ltd. in Gulei Port Economic Development Zone, Zhangzhou, Fujian Province to engage in EPS business.

(IX) Risks faced with centralized purchases or sales and the countermeasures

The Group had no customer whose sales accounted for more than 10% of the total sales in 2023.

In addition, the bulk raw materials are widely dispersed and easily available in the spot market, so there is no concentration risk.

(X) The impact and risk of a significant transfer or replacement of equity by directors, supervisors, or major shareholders holding more than 10% of the shares on the Company and the countermeasures: None.

(XI) The impact, risks and response measures for changes in management rights on the Company

There have been no changes in management control at the Company in the most recent fiscal year up to the publication date of this annual report.

(XII) For any litigious or non-litigious matters, the Company and its directors, supervisors, general managers, person with actual responsibility in the Company, and major shareholders holding more than 10 percent of the Company's shares, shall be disclosed. If there has been any substantial impact upon shareholders' equity or prices for the Company's securities as a result of any litigation, non-litigious proceeding, or administrative dispute involving the Company that has been finalized or has remained pending, the report shall disclose the facts in dispute, amount in dispute, commencement date, main parties involved, and current status of the case as of the publication date of this annual report

Significant litigious, non-litigious or administrative disputes that have been decided or are still pending in the most recent fiscal year up to the publication date of this annual report:

(1) The Company: None.

(2) Directors, general managers, person with actual responsibility in the Company, and major shareholders holding more than 10% of the Company's shares: None.

(3) Investee companies adopting equity method:

The Group's investee company China General Terminal & Distribution Corporation (hereinafter referred to as CGTD) adopting equity method was entrusted to operate the propylene pipeline of LCY CHEMICAL CORP. (hereinafter referred to as LCY), experienced a gas explosion on the evening of July 31, 2014. The criminal part of the gas explosion case was rejected by the Supreme Court on September 15, 2021, and the 3 employees of CGTD were found innocent.

On February 12, 2015, CGTD reached an agreement with the

Kaohsiung City Government to provide pledging certificates of bank deposits of NT$231,585 thousand, including interest, to the Kaohsiung City Government as collateral for the loss caused by the gas explosion. Kaohsiung City Government has also filed civil lawsuits against LCY, CGTD and CPC Corporation. Taiwan Power Company applied for provisional attachment against CGTD's property on August 27 and November 26, 2015. CGTD had deposited cash of NT$ 99,207 thousand to the court to avoid provisional attachment. Taiwan Water Corporation also applied for provisional attachment against CGTD's property on February 3 and March 2, 2017. As of April 26, 2024, the worth of the provisionally attached properties were approx. NT$15,860 thousand.

For the victims of the gas explosion, CGTD, LCY and the Kaohsiung City Government signed a tripartite agreement for severe injuries on July 17, 2015 agreeing to negotiate the compensation first with the 32 severely injured victims, agreeing to negotiate compensation in advance for all the heirs and claimants of the 32 victims (hereinafter referred to as "the families of the victims"), paying the families of the victims NT$12,000 thousand for each victim, with a total settlement of NT$384,000 thousand. The compensation was advanced by LCY Chemical Corp., who was in charge of negotiating the compensation with the victims' families and signing the settlement agreement on behalf of the three parties involved. And as separately agreed by the parties on August 10, 2022, NT$157,347 thousand, accounting for 30% of the negligent liability decided in the first instance, shall be paid to LCY Chemical Corp., and the rest shall be done after the ruling of the civil action.

As for the seriously injured, CGTD, LCY Chemical Corp. and the Kaohsiung City Government signed a tripartite agreement for the compensation of the 65 seriously injured victims' families on October 25, 2017. Compensation was paid by CGTD and the Kaohsiung City Government, and

CGTD was in charge of negotiating the compensation with the seriously injured victims' families and signing the settlement agreement on behalf of the three parties with the 64 seriously injured victims' families.

As of April 4, 2024, victims and their families have filed civil (including supplementary civil action) lawsuits against LCY Chemical Corp., CGTD and CPC Corporation for compensation. To reduce the lawsuit costs, CGTD had reached a settlement on the original claim of NT$46,677 thousand, and the amount of the settlement was NT$4,519 thousand. The compensation amount still in the lawsuit and the settlement amount for the victims and the seriously injured as mentioned in the previous paragraph amounted to $3,831,319thousand. The first instance verdict of some of these civil cases (indemnity amount of NT$1,467,861 thousand) have been convicted since June 22, 2018 and most cases determined that the negligence liability ratio of Kaohsiung Municipal Government, Lee Chang Yung Chemical and CGTD was 4:3:3, and that CGTD, Lee Chang Yung Chemical and other defendants should pay compensation of about NT$401,979 thousand (of which $6,194 thousand was exempted from liability by the court). Currently CGTD has filed an appeal for the adjudicated but unsettled civil cases and proceeded with the second instance procedure successively. The rest of the cases are still under trial in the Court of First Instance (the amount of compensation requested is approximately NT$1,860,633 thousand). CGTD signed a claim agreement with an insurance company, according to the negligence liability ratio determined by the judgment of first instance, it is estimated the settlement amount of victims and seriously injured, the compensation amount of civil litigation cases (including the settled cases), and estimated amount to be borne by itself after deducting the upper limit of insurance claim was NT$136,375 thousand, which had been included into the account. However, the actual amount of the aforementioned relevant settlements and compensation will not be confirmed until the proportion of the liabilities that should be borne by CGTD is determined in the civil case judgment in the future.

(XIII) Climate change affects the Company's operations, finance, supply chain, policy and investment decisions, etc.

1. Identification of climate change risks and opportunities

In response to the escalating global climate change, Taita Chemical Co., Ltd. continues to adopt the TCFD framework, further identifying potential risk factors in the face of extreme weather conditions and seizing new business opportunities. Referencing the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP) and the National Science and Technology Center for Disaster Reduction, projecting for conditions of rising temperatures, rainfall, flooding, and droughts during 2016-2035 under the RCP 8.5 scenario. 3 physical risk issues were identified. Based on group strategy, industry characteristics, Intended Nationally Determined Contribution (INDC), and TCFD indicators, 9 transformation risk issues and 12 opportunity issues are identified, totaling 24 potential risk and opportunity topics.

In 2023, a questionnaire survey was conducted for the ESG committee and senior management to assess the relevance of various risks to the Company's operations and the potential timing of their impacts, as well as the developmental and executable nature of various opportunities. A total of 10 questionnaires were collected, and after statistical analysis by the team, 11 significant climate issues were identified (1 physical risk issue, 5 transformation risk issues, and 5 opportunity issues).

Taita Chemical Co., Ltd. conducted evaluations on the potential financial impacts of the 11 significant risk and opportunity items, and formulated response strategies and management mechanisms, aiming at understanding the potential impacts of climate change across various aspects and reducing operational impacts caused by extreme weather conditions, establishing a resilient climate change culture.

2. **Potential financial impact of risks and opportunities**

(1) Physical risk

Climate related risks	Potential financial impact	Company description	Corresponding measures
Drought	Increased operating costs	If there is a water shortage, it will be necessary to purchase water trucks. In severe cases, production on the assembly line will be reduced or halted entirely. It is estimated that the cost of purchasing purified water will increase by NT$24,000 per day.	• Monitoring of water conditions and emergency response procedures • Stop non-essential water usage and intensify pipeline inspections and switches • Implement water improvement initiatives to progressively reduce total water withdrawal year by year

(2) Transformation risk

Climate related risks	Potential financial impact	Company description	Corresponding measures
Water consumption fee collection	Increased operating costs	According to Taita Chemical Co., Ltd.'s actual water consumption and water reclaimed rate during the dry season from November 2022 to April 2023, along with the corresponding water consumption rate, the estimated annual water consumption fee is NT$150,000.	• Set unit product water consumption targets and achieve reduction targets year by year. • Improve wastewater recycling systems and enhance operational management to increase the volume of recycled water and reduce water consumption.
Carbon fee	High input costs in the	According to Taita Chemical Co., Ltd.'s estimated carbon	• Taita Chemical Co., Ltd. assesses the use of internal

Climate related risks	Potential financial impact	Company description	Corresponding measures
	first phase, but low carbon emissions in the subsequent years, reducing operational costs	emissions for 2023, with a carbon fee of NT$300 per ton, the projected annual carbon fee amounts to NT$2,830,000.	carbon pricing as a shadow price, integrating carbon costs into investment assessments to improve the implementation opportunities for carbon reduction projects. • Replace the old equipment and improve energy efficiency.
Risks of large electricity consumers' terms and conditions	Increased operating costs	Taita Chemical Co., Ltd. has installed solar energy equipment on the roof and plans to obtain green electricity from the Group's procurement company in order to comply with regulatory requirements.	• USI Green Energy Corporation, a subsidiary of USI Group, actively seeks suitable sites for investing in green energy development projects. By 2023, the cumulative installed capacity of solar photovoltaic systems reaches 7.2 MW, with an annual electricity generation of 9.15 million kWh. Taita Chemical Co., Ltd. estimates purchasing 825,000 kWh of green energy from USI Green Energy Corporation.
Low carbon technology transformation	Increase in capital expenditure and decrease in operating costs	Investments in the development of low-carbon technologies, including energy transformation, efficiency improvement, and fuel substitution for carbon reduction increases the technology costs for the enterprise.	• In 2023, Taita Chemical Co., Ltd. invested NT$45.78 million in updating energy-saving equipment, resulting in a reduction of 3.79 million kWh in electricity and 1,878 tons of CO_2e.
Increase in raw material prices	Increased operating costs	With the future implementation of carbon taxes in mind, the cost of raw materials will incorporate carbon emissions, leading to an increase in prices.	• Continuously promoting the recycling and reuse of substandard materials • Assessing the feasibility of implementing AI-based intelligent scheduling within the factory.

(3) Opportunities

Climate-related opportunities	Potential financial impact	Company description	Corresponding measures
High-efficiency production	Increase in capital expenditure and decrease in operating costs	Through AI intelligent production, industrial motors, automatic packaging and other production tools, enhancing overall production efficiency and reducing energy consumption.	• In 2023, Delta Chemicals invested NT$20.61 million to improve overall production efficiency, resulting in a reduction of 520 metric tons CO2e.
Recycling and reuse - circular economy	Increased revenue	Based on the three principles of circular economy (3R): Reduce, Reuse and Recycle. Reduce the cost of waste disposal, or the amount of raw materials used. The Toufen Plant procures waste glass for input into the production process of glass wool.	• Research and develop sustainable products by transforming waste glass into fire-resistant, thermal-insulating, and soundproof glass wool. The product has successfully obtained the Green Building Material certification • Recycle the wastewater product powder in the process area to the process for reuse
Reduced water utilization and consumption	High upfront cost of water-saving technology	Water is an irreplaceable resource in the manufacturing process. Reducing factory water leakage and increasing the proportion of water recycling and reuse saves operating costs and enhances the resilience of the factory.	• Invest in wastewater recovery facilities • Improvement of process equipment and operation to reduce steam volume • Continuously develop reduction plans for water consumption
Use of low-carbon energy sources	Increase in operating costs and decrease in carbon fee	Promote energy-saving and carbon reduction measures, increase the use of renewable energy, reduce carbon costs, and lower the carbon footprint of products.	• Established site for rooftop solar energy proposal • Prioritize natural gas source for purchased steam supply source • Focus on and engage in the renewable electricity market • In 2023, Taita Chemical Co., Ltd. implemented 32

Climate-related opportunities	Potential financial impact	Company description	Corresponding measures
			energy-saving and carbon reduction measures, with a total investment of NT$45.78 million. This resulted in a reduction of 3.79 million kWh in electricity and a reduction of 1,878 tons of CO2e
Research and development of low-carbon and energy-saving products	Increased revenue	Researching and developing products oriented towards circular economy, low-carbon, and energy-saving. Investing in technology from the perspective of the complete product and service lifecycle to develop low-carbon products.	• Taita Chemical Co., Ltd.'s products - glass wool is made from recycled glass and possesses characteristics such as fire resistance, thermal insulation, heat retention, and soundproofing. It has passed multiple national standard testing items, meeting Class A flame retardancy standards while providing high sound absorption efficiency. Furthermore, it has obtained certification as healthy green building material.

(XIV) Responding to risks in environmental, social, and corporate governance issues

Material Issue	Risk evaluation item	Risk Management Policy or Strategy
Environment	Management of the environment	Establish environmental protection impact and grievance channels
	Environmental protection	Produce in accordance with the requirements of laws and regulations, improve water resource efficiency, reduce air pollutant emissions, and promote waste reduction and material circulation projects
	Climate change	Established the Group's Green Power Team to set a carbon reduction target for 2030 and a long-term carbon neutrality target for 2050. Formulate and promote various energy-saving and carbon reduction plans in the factory area
Society	Employee welfare	Provide employees with welfare measures and a safe and healthy work environment
	Social responsibility	Sponsor and participate community welfare activities
	Product responsibility	Establish MSDS for products as guidance for customers' use Require suppliers to jointly abide by environmental protection and occupational safety and health policies
Corporate Governance	Shareholder equity	The Company assigns dedicated personnel to handle its shares-related affairs to ensure quality and efficiency.
	Stakeholders	Set up stakeholder areas and respond to issues of concern to stakeholders
	Information disclosure	Appoint a spokesperson system to disclose financial and non-financial information on the Company's website

VII. Other Material Matters

The Company's Key Performance Indicators

(I) Disaster-free Working Hours

Cumulative disaster-free working hours at each plant as of December 31, 2023:

Qianzhen Plant: 2,502,800 hours; Linyuan Plant: 1,754,073 hours Toufen Plant: 1,216,474 hours; Zhongshan Plant: 2,488,121 hours.

(II) Equipment Operating Rate

Equipment operating rate for products in 2023:

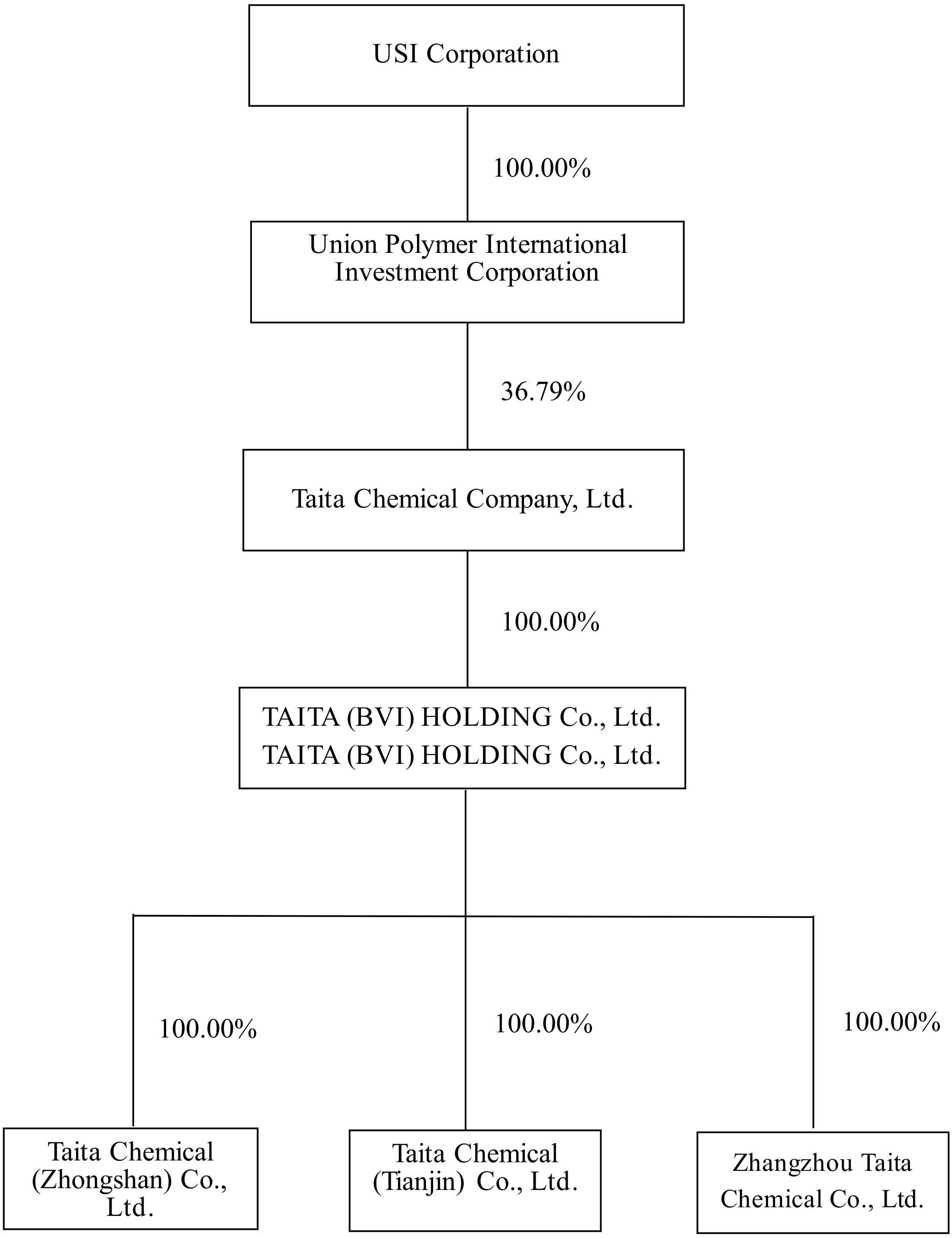
80.5% for ABS/SAN, 100.4% for GPS, 93.4% for EPS, 94.1% for Glasswool and 70 % for Zhongshan Plant.

Chapter8. Special Notes

I. Information on affiliates:

(I) Consolidated Business Report of Affiliates

1. Organizational Chart of Affiliates



2. Basic Information of Affiliated Companies

Unit: NT$ thousands

Name of company	Date of Incorporation	Address	Paid-in Capital	Major Lines of Business or Products
1. TAITA (BVI) HOLDING Co., Ltd. Taita (BVI) Holding Co., Ltd.	1997.4.10	CITCO Building, Wickhams CAY.P.O Box 662 Road Town, Tortola, British Virgin Island	2,755,405 (US$89,738,000)	Investment holding company
2. Taita Chemical (Zhongshan) Co., Ltd.	1999.03.24	No. 1, Yanjiang East 2nd Road, Zhongshan Torch Hi-Tech Industrial Development Zone, Zhongshan City, Guangdong Province, China	1,420,106 (US$46,250,000)	Production and sale of expandable polystyrene (EPS) polymer derivatives
3. Taita Chemical (Tianjin) Co., Ltd.	2003.11.27	No. 8, Hengshan Road, Tianjin Economic-Technological Development Area, Tianjin, China	839,782 (US$27,350,000)	Production and sale of expandable polystyrene (EPS) polymer derivatives
4. ZHANGZHOU TAITA CHEMICAL CO., LTD	2021.06.28	No.569, South Shugang Avenue, Gulei Town, Guleigang Economic Development Zone, Zhangzhou City, Fujian Province	1,491,636 (US$48,580,000)	Production and sale of expandable polystyrene (EPS) polymer derivatives

3. Profile of the same shareholders where they are deemed to have controlling or affiliation relationship: N/A.

4. Businesses Engaged by Affiliated Companies and Their Relationships

Industry	Name of Affiliates	Business Relationship with Other Affiliated Companies
Holding company	TAITA (BVI) HOLDING Co., Ltd.	None
Petrochemical industry	Taita Chemical (Zhongshan) Co., Ltd.	None

Industry	Name of Affiliates	Business Relationship with Other Affiliated Companies
Petrochemical industry	Taita Chemical (Tianjin) Co., Ltd.	None
Petrochemical industry	ZHANGZHOU TAITA CHEMICAL CO., LTD	None

5. Information on Directors, Supervisors and General Managers of Affiliated Companies

December 31, 2023
Unit: Share; %

Name of company	Title	Name or Representative	Number of shares held by the person/ Shareholding percentage	Number and proportion of shares held by the legal person represented
Taita (BVI) Holding Co., Ltd.	Director	Wu, Yi-Gui	0/0	—
	Director	Ko, I-Shao	0/0	—
	Director	Wu, Pei-Chi	0/0	—
	Director	Yang, Wen-Li	0/0	—
Taita Chemical (Zhongshan) Co., Ltd.	Chairman	Wu, Pei-Chi (appointed by Taita (BVI) Holding Co., Ltd.)	0/0	Capital contribution USD46,250,000/100
	Director	Chang, Te-Wei (appointed by Taita (BVI) Holding Co., Ltd.)	0/0	
	Director	Yang, Wen-Li (appointed by Taita (BVI) Holding Co., Ltd.)	0/0	
	Director	Huang, Chun-Hao (appointed by Taita (BVI) Holding Co., Ltd.)	0/0	
	Director	Chen, Yung-Chih (appointed by Taita (BVI) Holding Co., Ltd.)	0/0	
	Supervisor	Huang, Ya-Yi (appointed by Taita (BVI) Holding Co., Ltd.)	0/0	
	General Manager	Huang, Chun-Hao	0/0	—
Taita Chemical (Tianjin) Co., Ltd.	Chairman	Wu, Pei-Chi (appointed by Taita (BVI) Holding Co., Ltd.)	0/0	Capital contribution USD27,350,000/100
	Director	Huang, Chun-Hao (appointed by Taita (BVI) Holding Co., Ltd.)	0/0	

Name of company	Title	Name or Representative	Number of shares held by the person/ Shareholding percentage	Number and proportion of shares held by the legal person represented
	Director	Chen, Yung-Chih (appointed by Taita (BVI) Holding Co., Ltd.)	0/0	
	Supervisor	Huang, Ya-Yi (appointed by Taita (BVI) Holding Co., Ltd.)	0/0	
	General Manager	Huang, Chun-Hao	0/0	—
Zhangzhou Taita Chemical Co., Ltd.	Chairman	Wu, Pei-Chi (appointed by Taita (BVI) Holding Co., Ltd.)	Chairman	Capital contribution USD48,580,000/100
	Director	Yang, Wen-Li (appointed by Taita (BVI) Holding Co., Ltd.)	Director	
	Director	Chen, Yung-Chih (appointed by Taita (BVI) Holding Co., Ltd.)	Director	
	Supervisor	Huang, Ya-Yi (appointed by Taita (BVI) Holding Co., Ltd.)	Supervisor	
	General Manager	Huang, Chun-Hao	General Manager	-

6. Operating Status of Affiliated Companies

Unit: NT$ thousands

Name of company	Capital	Total assets	Total liabilities	Net value	Operating revenue	Profit from operations	Current profit and loss (after tax)	Earnings (losses) per share (NT$) (after taxes)
TAITA (BVI) HOLDING Co., Ltd.	2,755,405	3,042,616	5,248	3,037,368	--	(4,835)	(55,081)	(0.61)
Taita Chemical (Zhongshan) Co., Ltd.	1,420,106	1,862,457	112,358	1,750,099	4,633,818	(77,786)	(46,739)	-
Taita Chemical (Tianjin) Co., Ltd.	839,782	111,747	280,248	(168,501)	-	(22,010)	(18,581)	-
ZHANGZHOU TAITA CHEMICAL CO., LTD	1,491,636	1,359,638	41	1,359,597	-	(20,091)	17,358	-

(II) Consolidated Financial Statements of Affiliates

Statement of Consolidated Financial Statements of Affiliated Companies

In 2023 (from January 1 to December 31, 2023), the "companies" required to be included in the consolidated financial statements of affiliates under the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises", are all the same as companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in the International Financial Reporting Standards No. 10 (IFRS 10), and relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the proceeding consolidated financial statements of parent and subsidiary companies, thus the Company is not required to prepare separate consolidated financial statements of affiliates.

Sincerely,

Company Name: Taita Chemical Company, Ltd.

Chairman: Wu, Yi-Gui

March 7, 2024

II. Private Placement of Securities during the Most Recent Fiscal Year and during the Current Fiscal Year Up to the Date of Publication of the Annual Report: None.

III. Holding or Disposal of Shares in the Company by Subsidiaries during the Most Recent Fiscal Year and during the Current Fiscal Year Up to the Date of Publication of the Annual Report: None.

IV. Other Supplementary Information: None.

V. Occurrence of Any Events that have Significant Impact on the Shareholders' Rights or Securities Prices as Stated in Subparagraph 2 of Paragraph 3 of Article 36 of the Securities and Exchange Act during the Most Recent Years and up to the Date of Publication of the Annual Report: None

Independent Auditors' Report

To: Taita Chemical Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Taita Chemical Co., Ltd. and its subsidiaries (the "Company"), which comprise the balance sheets as from January 1 to December 31, 2023 and 2022 and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

Based on the opinion of our accountant, the above-mentioned consolidated financial statements have been prepared in all material respects in accordance with the Financial Reporting Standards for Securities Issuers, as well as the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, effectively expressing the financial position of Taita Chemical Co., Ltd. and its subsidiaries as of December 31, 2023 and 2022, as well as the consolidated financial performance and cash flows from January 1 to December 31, 2023 and 2022.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in the professional judgment of the CPA, were of most significance in our audit of the 2023 Consolidated Financial Statements of Taita Chemical Co., Ltd. and its Subsidiaries. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Consolidated Financial Statements of Taita Chemical Co., Ltd. and its subsidiaries in 2023 are stated as follows:

Authenticity of the Recognition of Sales Revenue from Customers of Specific Products

Due to changes in market supply and demand, Taita Chemical Co., Ltd. and its subsidiaries experienced a decline in sales revenue in 2023 compared to 2022. However, sales in specific regions showed a growth trend compared to 2022. The verification of whether the sales revenue in these specific regions truly satisfies contractual obligations will have a significant impact on the consolidated financial report, making it a key audit matter for the current year.

For relevant accounting policies and disclosures of the recognition of sales revenue, please refer to Notes 4 and 24 of the consolidated financial statements.

We performed the corresponding audit procedures, for the authenticity of the recognition of sales revenue, as follows:

1) We understood and tested the Company's internal control procedures on the recognition of sales revenue and its effectiveness. Also, we evaluate the appropriateness of the accounting policies used by the management for the recognition of sales revenue.
2) We verify the authenticity of the recognition of sales revenue by examining the certificate of sales transactions, including purchase orders, shipping orders, export documents and collection information.
3) We review any occurrence of sales returns, discounts and allowances, and whether there are any abnormalities in the collections after the balance sheet date.

Other Matters

The CPAs have also audited the Parent Company Only Financial Statements of Taita Chemical Co., Ltd. for 2023 and 2022, on which they have issued an unqualified opinion about the audit report.

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

To ensure that the Consolidated Financial Statements do not contain material misstatements caused by fraud or errors, the management is responsible for preparing fair-presentation

Consolidated Financial Statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as the IFRS, IAS, law, and regulation reviews and their announcements recognized and announced by the Financial Supervisory Commission, and for preparing and maintaining necessary internal control procedures pertaining to the Consolidated Financial Statements.

In preparing the financial statements, the management is responsible for assessing the ability of the Taita Chemical Co., Ltd. and its subsidiaries to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Taita Chemical Co., Ltd. and its subsidiaries or to cease operations, or has no realistic alternatives but to do so.

The governing body including the audit committee is responsible for overseeing the financial reporting process of the Taita Chemical Co., Ltd. and its subsidiaries.

The CPA's Responsibilities for the Audit of the Consolidated Financial Statements

The objectives of the CPAs are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the auditing standards will always detect a material misstatement of the consolidated financial statements when it exists. Misstatements can arise from fraud or error. If individual amounts or totals of misstatements can reasonably be expected to influence the economic decisions of users of the consolidated financial statements, they are considered material.

The CPAs exercise professional judgment and skepticism in accordance with auditing standards during the audit process. We have also completed the following jobs:

1) Identify and evaluate the risk of material misstatements due to fraud or error in the Consolidated Financial Statements; design and carry out appropriate countermeasures for the evaluated risk; and obtain sufficient and appropriate evidence as the basis for their audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of Taita Chemical Co., Ltd. and its subsidiaries.

3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Taita Chemical Co., Ltd. to cease to continue as a going concern.
5) Evaluate the overall presentation, structure, and contents of the Consolidated Financial Statements (including relevant Notes), and whether the Consolidated Financial Statements fairly present relevant transactions and items.
6) Obtain sufficient and appropriate audit evidence of the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial report. The CPA is responsible for the guidance, supervision and implementation of the audit cases, and is responsible for forming the audit opinions of the Company.

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

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

From the matters communicated with the governing body, the CPA determines the key audit matters of the Consolidated Financial Statements in 2023 of the Taita Chemical Co., Ltd. and its subsidiaries. The CPAs describe these matters in the audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, the CPAs determine that a matter should not be communicated in the audit report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche

CPA: Chiu Cheng-Chun	CPA: Huang Hsiu-Chun
Financial Supervisory Commission Approval No. Financial Supervisory Commission (FSC) Certificate No. 0930160267	Securities and Futures Commission Approval No. Securities and Futures Commission Certificate No. 0920123784

March 7, 2024

Notice to Readers:

The consolidated financial statement (Chinese version) of our company is audited by the CPA Huang, Hsiu-Chun and CPA Chiu, Cheng-Chun of Deloitte Taiwan. For the convenience of reading, the statement has been translated from Chinese to English. If there is any difference regarding the context or interpretation in the English version, the Chinese version shall prevail.

TAITA CHEMICAL CO., LTD. AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

Code	Assets	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current Assets				
1100	Cash and cash equivalents (Notes 4 and 6)	$ 2,211,329	25	$ 2,662,088	29
1110	Financial assets at fair value through profit or loss - current (Notes 4 and 7)	161,178	2	415,053	4
1140	Financial assets at amortized cost - current (Notes 4, 9 and 31)	13,000	-	5,000	-
1150	Notes receivable (Notes 4 and 10)	208,635	2	157,026	2
1170	Accounts receivable (Notes 4, 5 and 10)	1,596,090	18	1,485,302	16
1180	Accounts receivable from related parties (Notes 4, 5, 10 and 30)	4,200	-	-	-
1200	Other receivables (Notes 4 and 10)	105,403	1	87,821	1
1210	Other receivables from related parties (Notes 4, 10 and 30)	4,932	-	3,158	-
1220	Current tax assets (Notes 4 and 26)	1,571	-	9,538	-
130X	Inventories (Notes 4, 5 and 11)	1,101,680	13	951,018	10
1410	Prepayments and other current assets	107,305	1	230,953	3
11XX	Total current assets	5,515,323	62	6,006,957	65
	Non-current assets				
1517	Financial assets at fair value through other comprehensive incomes - non-current (Notes 4 and 8)	298,427	3	333,942	3
1550	Investments accounted for using equity method (Notes 4, 5 and 13)	622,689	7	643,709	7
1600	Property, plant and equipment (Notes 4, 14, 18, 30 and 31)	1,937,325	22	1,960,833	21
1755	Right-of-use assets (Notes 4, 15, 18, 30 and 31)	257,252	3	68,046	1
1760	Investment properties (Notes 4 and 16)	108,178	1	108,178	1
1780	Intangible assets (Notes 4 and 17)	498	-	2,279	-
1840	Deferred tax assets (Notes 4 and 26)	123,555	2	59,573	1
1990	Other non-current assets (Note 31)	28,106	-	57,359	1
15XX	Total non-current assets	3,376,030	38	3,233,919	35
1XXX	Total assets	$ 8,891,353	100	$ 9,240,876	100
Code	**Liabilities and Equity**				
	Current Liabilities				
2100	Short-term borrowings (Notes 14, 15, 18 and 31)	$ 825,000	9	$ 150,000	2
2170	Accounts payable (Note 19)	746,874	8	645,769	7
2180	Accounts payable from related parties (Notes 19 and 30)	49	-	657	-
2200	Other payables (Note 20)	276,188	3	297,925	3
2220	Other payables from related parties (Note 30)	4,439	-	5,094	-
2230	Current tax liabilities (Notes 4 and 26)	904	-	144,807	2
2280	Lease liabilities - current (Notes 4, 15 and 30)	4,665	-	4,614	-
2365	Refund liabilities - current (Note 21)	1,314	-	1,102	-
2399	Other current liabilities	61,230	1	107,994	1
21XX	Total current liabilities	1,920,663	21	1,357,962	15
	Non-current Liabilities				
2540	Long-term borrowings (Note 18)	-	-	300,000	3
2570	Deferred tax liabilities (Notes 4 and 26)	188,416	2	209,100	2
2580	Lease liabilities - non-current (Notes 4, 15 and 30)	29,094	1	33,760	-
2640	Net defined benefit liabilities - non-current (Notes 4 and 22)	100,640	1	127,716	2
2670	Other non-current liabilities	4,549	-	6,124	-
25XX	Total non-current liabilities	322,699	4	676,700	7
2XXX	Total liabilities	2,243,362	25	2,034,662	22
	Equity attributable to the owners of the Company (Notes 13, 22 and 23)				
	Share capital				
3110	Common stock	3,975,868	45	3,975,868	43
3200	Capital surplus	3,201	-	1,099	-
	Retained earnings				
3310	Legal reserve	502,038	6	457,804	5
3320	Special reserve	308,061	3	308,061	3
3350	Unappropriated earnings	1,745,739	20	2,254,818	25
3300	Total retained earnings	2,555,838	29	3,020,683	33
3400	Other equity	113,084	1	208,564	2
3XXX	Total equity	6,647,991	75	7,206,214	78
	Total liabilities and equity	$ 8,891,353	100	$ 9,240,876	100

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

Notice to Readers:

The consolidated financial statement (Chinese version) of our company is audited by the CPA Huang, Hsiu-Chun and CPA Chiu, Cheng-Chun of Deloitte Taiwan. For the convenience of reading, the statement has been translated from Chinese to English. If there is any difference regarding the context or interpretation in the English version, the Chinese version shall prevail

TAITA CHEMICAL CO., LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
JANUARY 1 TO DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, except Earnings per Share)

		2023		2022	
Code		Amount	%	Amount	%
4100	Net revenue (Notes 4, 21, 24 and 30)	$ 15,205,462	100	$ 18,083,799	100
5110	Cost of Goods Sold (Notes 11, 14, 15, 22, 25, and 30)	14,769,885	97	16,323,674	90
5900	Gross profit	435,577	3	1,760,125	10
	Operating expenses (Notes 10, 22, 25 and 30)				
6100	Selling and marketing expenses	681,200	5	1,332,808	8
6200	General and administrative expenses	204,786	1	184,317	1
6300	Research and development expenses	15,832	-	15,312	-
6450	Expected credit impairment (gain) loss	(1,844)	-	2,231	-
6000	Total operating expenses	899,974	6	1,534,668	9
6900	Profit (loss) from operation	(464,397)	(3)	225,457	1
	Non-operating income and expenses (Notes 7, 13, 16, 25 and 30)				
7100	Interest income	45,090	-	42,437	-
7010	Other income	91,195	1	90,742	1
7020	Other gains and losses	12,305	-	189,912	1
7060	Share of profit or loss of the associates for under the equity method	(10,355)	-	2,661	-
7510	Financial costs	(19,850)	-	(6,835)	-
7000	Total non-operating income and expenses	118,385	1	318,917	2

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Code		2023 Amount	2023 %	2022 Amount	2022 %
7900	Profit (loss) before income tax	($ 346,012)	(2)	$ 544,374	3
7950	Income tax expense (benefit) (Notes 4 and 26)	(72,475)	-	132,296	1
8200	Net profit for the year	(273,537)	(2)	412,078	2
	Other comprehensive income(loss) (Notes 8, 13, 22, 23 and 26)				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans	9,544	-	31,140	-
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	(35,516)	-	(142,789)	-
8320	Share of the other comprehensive profit or loss of associates accounted for under equity method - unrealized profit or loss on investments in equity instruments at fair value through other comprehensive profit or loss	(17,492)	-	(31,941)	-
8330	Share of the other comprehensive profit or loss of associates accounted for using the equity method - remeasurement of defined benefit plans	(150)	-	5,351	-
8349	Income tax related to components that will not be reclassified to profit or loss	(1,908)	-	(6,228)	-
		(45,522)	-	(144,467)	-

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Code		2023 Amount	2023 %	2022 Amount	2022 %
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating the financial statements of foreign operations	($ 50,285)	-	$ 39,679	-
8371	Share of the other comprehensive loss of associates accounted for using the equity method - exchange differences on translating the financial statements of foreign operations	(2,601)	-	2,511	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	10,413	-	(8,199)	-
		(42,473)	-	33,991	-
8300	Other comprehensive incomes (losses) for the year (net of income tax)	(87,995)	-	(110,476)	-
8500	Total comprehensive income for the year	($ 361,532)	(2)	$ 301,602	2
	Earnings (losses) per share (Note 27)				
9710	Basic	($ 0.69)		$ 1.04	
9810	Diluted	($ 0.69)		$ 1.04	

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

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TAITA CHEMICAL CO., LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
JANUARY 1 TO DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

		Equity attributable to the owners of the Company (Notes 13, 22 and 23)												
											Other equity			
		Share capital		Capital surplus			Retained earnings							
Code		Shares (In Thousands)	Amount	Long-tern equity investment	Other capital surplus	Total	Legal reserve	Special reserve	Unappropriated earnings	Total	Exchange differences on translating the financial statements of foreign operations	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Total	Total equity
A1	Balance at January 1, 2022	378,654	$ 3,786,541	$ 553	$ 439	$ 992	$ 273,706	$ 308,061	$ 2,943,210	$ 3,524,977	($ 144,532)	$ 493,835	$ 349,303	$ 7,661,813
	Appropriation of 2021 earnings													
B1	Legal reserve	-	-	-	-	-	184,098	-	(184,098)	-	-	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	-	-	-	(757,308)	(757,308)	-	-	-	(757,308)
B9	Share dividends distributed by the Company	18,933	189,327	-	-	-	-	-	(189,327)	(189,327)	-	-	-	-
T1	Changes in capital surplus	-	-	107	-	107	-	-	-	-	-	-	-	107
D1	Net profit for the year ended December 31, 2022	-	-	-	-	-	-	-	412,078	412,078	-	-	-	412,078
D3	Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	-	-	30,263	30,263	33,991	(174,730)	(140,739)	(110,476)
D5	Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	-	-	442,341	442,341	33,991	(174,730)	(140,739)	301,602
Z1	Balance at December 31, 2022	397,587	3,975,868	660	439	1,099	457,804	308,061	2,254,818	3,020,683	(110,541)	319,105	208,564	7,206,214
	Appropriation of 2022 earnings													
B1	Legal reserve	-	-	-	-	-	44,234	-	(44,234)	-	-	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	-	-	-	(198,793)	(198,793)	-	-	-	(198,793)
T1	Changes in capital surplus	-	-	2,102	-	2,102	-	-	-	-	-	-	-	2,102
D1	Net loss for 2023	-	-	-	-	-	-	-	(273,537)	(273,537)	-	-	-	(273,537)
D3	Other comprehensive incomes after tax for the year 2023	-	-	-	-	-	-	-	7,485	7,485	(42,473)	(53,007)	(95,480)	(87,995)
D5	Total comprehensive income for the year 2023	-	-	-	-	-	-	-	(266,052)	(266,052)	(42,473)	(53,007)	(95,480)	(361,532)
Z1	Balance at December 31, 2023	397,587	$ 3,975,868	$ 2,762	$ 439	$ 3,201	$ 502,038	$ 308,061	$ 1,745,739	$ 2,555,838	($ 153,014)	$ 266,098	$ 113,084	$ 6,647,991

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

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TAITA CHEMICAL CO., LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
JANUARY 1 TO DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

Code		2023	2022
	Cash flows from operating activities		
A10000	Profit (loss) before income tax	($ 346,012)	$ 544,374
A20010	Income, Expense, and Loss Items		
A20100	Depreciation expenses	213,626	206,813
A20200	Amortization expenses	1,781	1,815
A20300	Expected credit impairment loss (gain on reversal)	(1,844)	2,231
A20400	Net loss (gain) on financial instruments measured at fair value through profit or loss	(1,115)	18,547
A20900	Financial costs	19,850	6,835
A21200	Interest income	(45,090)	(42,437)
A21300	Dividend income	(11,884)	(36,705)
A22300	Share of Profit or Loss from Equity Method Investees	10,355	(2,661)
A22500	Loss (gain) on disposal and retirement of property, plant and equipment	(561)	(2,391)
A23700	(Reversal of) write-down of inventory valuation and obsolescence	(4,762)	32,436
A29900	Recognition of refund liabilities	8,123	7,918
A30000	Changes in operating assets and liabilities		
A31115	Financial assets at fair value through profit or loss	254,990	262,375
A31130	Notes receivable	(54,558)	102,949
A31150	Accounts receivable	(127,959)	725,160
A31160	Accounts receivable from related parties	(4,200)	-
A31180	Other receivables	(3,560)	26,576
A31190	Other receivables from related parties	(1,773)	383
A31200	Inventories	(151,119)	276,430
A31230	Prepayments and other current assets	124,691	(78,244)
A32150	Accounts payable	101,858	(384,886)
A32160	Accounts payable from related parties	(608)	629
A32180	Other payables	(29,737)	(150,759)
A32190	Other payables from related parties	(655)	(1,701)
A32230	Other current liabilities	(46,443)	42,977
A32240	Net Defined Benefit Liabilities	(17,532)	(27,563)
A33000	Net cash flows from operating activities	(114,138)	1,531,101

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Code		2023	2022
A33100	Interest received	$ 30,474	$ 40,993
A33300	Interest paid	(19,388)	(6,766)
A33500	Income tax paid	(140,107)	(462,438)
AAAA	Net cash flows from operating activities	(243,159)	1,102,890
	Cash flows from investing activities		
B00040	Purchase of financial assets at amortized cost	(10,000)	(3,000)
B00050	Proceeds from disposal of available-for-sale financial assets	2,000	1,822
B01800	Acquisition of associate	(10,931)	-
B02700	Payments for property, plant and equipment	(182,084)	(141,981)
B02800	Proceeds from disposal of property, plant and equipment	960	9,921
B03700	Increase in refundable deposits	(24,629)	(34,313)
B03800	Decrease in refundable deposits	53,548	1,705
B05350	Acquisition of right-to-use assets	(200,271)	-
B07600	Dividends received	15,339	65,495
BBBB	Net cash used in investing activities	(356,068)	(100,351)
	Cash flows from financing activities		
C00100	Increase in short-term borrowings	405,000	-
C00200	Decrease in short-term borrowings	-	(200,000)
C01600	Proceeds from long-term borrowings	270,000	750,000
C01700	Repayments of long-term borrowings	(300,000)	(750,000)
C04020	Repayments of the principal portion of lease liabilities	(4,615)	(4,564)
C04300	Increase in other non-current liabilities	(1,518)	180
C04500	Distribution of cash dividends	(198,793)	(757,308)
C04400	Refund of unclaimed overdue cash dividends	3,049	3,134
CCCC	Cash used in financing activities	173,123	(958,558)
DDDD	Effect of Exchange Rate Changes on Cash and Cash Equivalents	(24,655)	19,824
EEEE	Cash and cash equivalents (decrease) increase for the current year	(450,759)	63,805
E00100	Cash and cash equivalents at the beginning of period	2,662,088	2,598,283
E00200	Cash and cash equivalents at the end of period	$ 2,211,329	$ 2,662,088

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

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TAITA CHEMICAL CO., LTD. AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JANUARY 1 TO DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. COMPANY HISTORY

Taita Chemical Co., Ltd. ("the Company") was founded in April 1960, and is mainly engaged in the manufacturing and sales of polystyrene (PS), acrylonitrile-butadiene-styrene copolymer (ABS) resin, acrylonitrile-styrene copolymer (SAN) resin, glass wool insulation products, plastic raw materials, and other processed products. The ordinary shares of the Company has been listed on the Taiwan Stock Exchange since 1975. As of December 31, 2023, USI Corporation (USI) indirectly holds a total ownership stake of 36.79% in our Company, giving it control over our operations. Therefore, USI is our ultimate parent company.

The Consolidated Financial Statements are presented in the New Taiwan dollar, the Company's functional currency.

2. DATE OF APPROVAL OF THE FINANCIAL STATEMENTS AND APPROVAL PROCEDURES

The Consolidated Financial Statements have been approved by the Board of Directors on March 7, 2024.

3. APPLICATION OF THE NEWLY ISSUED AND/OR AMENDED STANDARDS AND INTERPRETATIONS

a. The first-time application of the latest Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Financial Reporting Interpretations Committee (IFRIC), and Standard Interpretations Committee (SIC) (the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (the "FSC").

   The initial application of the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Company's accounting policies.

b. IFRS Accounting Standards Approved by the Financial Supervisory Commission for the Year 2024

New/Revised/Amended Standards and Interpretations	Effective Date of Issuance by the IASB (Note 1)
Amendments to IFRS 16 "Lease Liabilities in a Sale and Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1 "Classify Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Financing Arrangements"	January 1, 2024 (Note 3)

Note 1: Unless otherwise specified, the aforementioned New/Amended/Revised Standards and Interpretations shall be effective for the annual reporting period after the specified dates.

Note 2: The seller-lessee shall retrospectively apply the amendments to IFRS 16 in sale and leaseback transactions after the initial application of IFRS 16.

Note 3: When applying this amendment for the first time, exemptions from certain disclosure requirements shall apply.

As of the date of authorization of the financial statements, the Company's assessment of the effects of amendments to other standards and interpretations should not cause material effects on the financial conditions and performance.

c. IASB Issued IFRS Accounting Standards Published, but Not Yet Approved by the FSC

New/Revised/Amended Standards and Interpretations	Effective Date of Issuance by the IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture"	To be determined
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendment to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

Note 1: Unless otherwise specified, the aforementioned New/Amended/Revised Standards and Interpretations shall be effective for the annual reporting period after the specified dates.

Note 2: The amendments prospectively apply to the annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendment, the impact amount shall be recognized in the retained earnings as of the date of initial application. When the merging company uses non-functional currency to express currency, it will affect the foreign exchange differences of overseas operating entities under the equity item on the initial application date.

Till the date of authorization of the Consolidated Financial Statements, the Company has continued to assess the effects of amendments to other standards and interpretations on its financial position and performance. Related impacts will be disclosed upon completion of the assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Compliance declaration

The Consolidated Financial Statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC.

b. Preparation basis

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value and net defined benefit liabilities recognized at the present value of defined benefit obligations less fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities on the measurement date.
2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. deduced from prices).
3) Level 3 inputs are unobservable inputs for the asset or liability.

c. Standards for assets and liabilities classified as current and non-current

Current assets include:

1) Assets held primarily for the purpose of trading;
2) Assets expected to be realized within 12 months after the reporting period; and
3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;
2) Liabilities due to be settled within 12 months after the reporting period; and
3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

All other assets or liabilities that are not specified above are classified as non-current.

d. Basis of consolidation

The Consolidated Financial Statements include the financial statements of the Company and entities controlled by the Company (i.e., subsidiaries). The financial statements of the subsidiaries have been adjusted to bring their accounting policies in line with those used by the Company. All intra-Company transactions, balances, income and expenses are eliminated in full upon consolidation.

For details of subsidiaries, shareholding ratios, and operating items, please refer to Note 12, Table 4, and Table 5.

e. Foreign Currency

In the preparation of each individual financial statement, transactions denominated in a currency other than the entity's functional currency (i.e., foreign currency) are translated into the entity's functional currency by using the exchange rate at the date of the transaction before they are recorded by each entity.

Monetary items denominated in foreign currencies are translated at the closing rates on the balance sheet date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate prevailing on the date when the fair value is measured. The resulting exchange difference shall be included in the current profit and loss. Where changes in the fair value are recognized in any other comprehensive incomes, it shall be recognized in the comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate on the date of the transaction.

In the preparation of the consolidated financial statements, the assets and liabilities of foreign operations (including subsidiaries and associates that operate in a country or currency different from the Company) are translated into the New Taiwan dollar at the closing rate of exchange prevailing on the balance sheet date. Income and expenses are translated at the average exchange rates for the period. The exchange difference arising are recognized in other comprehensive profit or loss.

f. Inventories

Inventories consist of raw materials, production supplies, finished goods, and work in progress. Inventories are measured at the lower of cost or net realizable value, and the comparison between costs and net realizable values is on individual item basis, except for inventories of the same type. The net realizable value is the estimated selling price of inventories less the estimated cost to be amortized until completion and all costs necessary for the sale. Inventories are measured at the weighted-average cost on the balance sheet date.

g. Investments in associates

An associate is an entity over which the Company has significant influence and that is not a subsidiary.

The Company accounts for investments in associates by using the equity method.

Under the equity method, investments in associates are initially recognized according to cost, and the carrying amount acquired in the future increases or decreases with the share and profit distribution of the profits or losses of the associates of the Company and other comprehensive profits and losses of the Company. In addition, equity changes in associates are recognized based on the shareholding ratio.

When associates issue new shares and the Company does not subscribe to such shares to the extent that its original shareholding ratio can be changed, and the net equity value of investment increases or decreases. Such difference is recorded as an adjustment to capital surplus - changes in the net equity value in associates under the equity method are recognized and other investments are made under the equity method. However, where the Company’s ownership interest in an associate is reduced because of not subscribing or acquiring new shares in proportion to its present holdings, the proportionate amount of gain or loss previously recognized in any other comprehensive incomes related shall be reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of related assets or liabilities. If such adjustment is required to be debited to capital surplus and the capital surplus recognized from investments accounted for under the equity method is insufficient, the difference shall be debited to retained earnings.

The Company ceases to recognize further losses when its share of losses to the associates equals or exceeds its equity in the associates (including the carrying amount of the investments in associates under the equity method and the Company's other long-term equities that are substantially the component of the net investment in the associates). The Company recognizes additional losses and liabilities only in the scope where the legal obligations and constructive obligations exist, or payments are made on behalf of the associates.

To assess impairment, the Company has to consider the overall carrying amount of the investment as a single asset to compare the recoverable and carrying amounts for the impairment test, and the recognized impairment loss is not allocated to any asset that forms the component of the carrying amount of the investment. The reversal of the impairment loss is recognized to the extent of subsequent increases in the recoverable amount of investment.

The Company shall cease the use of the equity method from the date when its investment is no longer an associate. Its retained interest in the associate is measured at fair value and the difference between the fair value and disposal proceeds and the carrying amount of the investment on the date when the equity method was discontinued is included in profit or loss for the current period.

Profits and losses in upstream, downstream, and side-stream transactions between the Company and associates are recognized in the consolidated financial statements only when the profits and losses are irrelevant to the Company's interests in the associates.

h. Property, plant and equipment

Property, plant and equipment are recognized at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment under construction are measured at cost less any recognized impairment loss. Costs include professional services fees and borrowing costs eligible for capitalization. Samples produced when these assets are tested for proper operation prior to their expected use are measured at low cost and net realization value, and their selling price and cost are recognized in profit or loss. Such assets are depreciated and divided into the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land, depreciation of property, plant and equipment is recognized depreciated separately for each significant part within the service life on a straight-line basis. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When property, plant and equipment is derecognized, the difference between the net disposal proceeds and the carrying amount of the asset shall be recognized in profit or loss.

i. Investment properties

Investment properties also include land held for currently undetermined future use. Investment properties also include land held for any currently undetermined future use.

The investment properties held by the Company are land, originally measured by cost (including transaction cost), and subsequently, recognized as no depreciation, measured by the amount of cost less cumulative impairment loss.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset shall be recognized in profit or loss.

j. Intangible assets

Intangible assets with a limited-service life are initially measured at cost and subsequently measured at cost less cumulative amortization and cumulative impairment loss. Intangible assets are amortized on a straight-line basis within the useful life, and the Company reviews the estimated useful life, residual value and amortization method at least at the end of each year, with the effect of any changes in estimate accounted for on a prospective basis.

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

k. Impairment of property, factory, equipment, right-of-use assets, investment property and intangible assets

On each balance sheet date, the Company reviews the carrying amounts of its property, plant, and equipment as well as right-of-use assets, investment property, and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest Company of cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the fair value minus cost of sales or its value in use, whichever is higher. Where the recoverable amount of an individual asset or a cash-generating unit is lower than its carrying amount, the carrying amount of the asset or cash-generating unit shall be reduced to the recoverable amount, and the impairment loss shall be recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. The reversal of an impairment loss is recognized immediately in profit or loss.

l. Financial Instruments

Financial assets and liabilities will be recognized in the consolidated balance sheets when the Company becomes a party to the contract of the financial instrument.

When showing the original financial assets and liabilities, if their fair value was not assessed based on profit or loss, it is the fair value plus the cost of transaction, that is, of its acquisition or issuance of the financial assets or financial liabilities. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

The regular trading of financial assets shall be recognized and derecognized under trade date accounting.

a) Types of measurement

Financial assets held by the Company are classified as financial assets at fair value through profit or loss, financial assets at amortized cost, and investments in equity instruments at fair value through other comprehensive profits or losses.

i. Financial assets at fair value through profit or loss

Financial asset is classified as at financial assets at fair value through profit or loss when such a financial asset is mandatorily classified. Financial assets mandatorily measured at fair value through profit or loss include equity instrument investments not designated by the Company to be measured at fair value through other comprehensive incomes, and debt instrument investments not subject to classification as measured at amortized cost or to be measured at fair value through other comprehensive incomes.

Financial assets at fair value through profit or loss are measured at fair value. Dividends and interest accrued are recognized in other income and interest income respectively, and profit or loss accrued from remeasurement are recognized in other gains or loses. Please refer to Note 29 for the methods for determining fair values.

ii. Financial assets at amortized cost

When the Company's investments in financial assets satisfy the following two conditions simultaneously, they are classified as financial assets at amortized cost:

i) Financial assets are under a business model whose purpose is to hold financial assets and collecting contractual cash flow; and
ii) The terms of the contract generate a cash flow on a specified date that is solely for the payment of interest on the principal and the amount of principal outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, notes receivable, accounts receivable, other accounts receivable, pledged financial assets and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

i) For purchased or originated credit-impaired financial assets, interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial assets.
ii) Financial assets that are not credit impairment from purchases or at the time of founding but subsequently become credit impairments shall be calculated by multiplying the effective interest rate in the reporting period after the credit impairment by the cost after the amortization of financial assets.

A credit-impaired financial asset refers to the situation where the issuer or debtor has experienced significant financial difficulties or defaults and therefore the debtor is likely to file for bankruptcy or declare financial restructuring, or the disappearance of an active market for that financial asset due to financial difficulties has occurred.

The cash equivalents include highly liquid investments with maturities of three months or less from the date of acquisition, easily convertible into fixed amounts of cash and having minimal risk of value changes, such as term deposits and securities with repurchase agreements. These are used to meet short-term cash commitments.

iii. Investments in equity instruments at fair value through other comprehensive incomes

The Company may, at initial recognition, make an irrevocable decision to designate an equity instrument that is neither held for trading nor contingent consideration arising from a business combination to be measured at fair value through other comprehensive incomes.

Investments in equity instruments at fair value through other comprehensive incomes are measured at fair value, and any subsequent fair value changes are recognized in other comprehensive incomes and accumulated in other equity. When the investment is disposed of, the cumulative profit or loss is directly transferred to retained earnings and not reclassified to profit or loss.

Dividends of investments in equity instruments at fair value through other comprehensive income are recognized in profit or loss when the Company's right to receive payment is confirmed unless such dividends clearly represent the recovery of a part of the investment cost.

b) Impairment of financial assets

The impairment loss of financial assets (including accounts receivable) measured at amortized cost on the basis of expected credit losses are assessed by the Company on each balance sheet date.

Accounts receivable are recognized as lifetime expected credit loss (ECLs). Where a financial asset has a credit risk not significantly increased since its initial recognition, a loss allowance for a 12-month expected credit loss is required; otherwise, a loss allowance for lifetime expected credit loss is required.

The expected credit loss is the weighted average credit loss determined by the risk of default. The 12-month expected credit loss represents the expected credit loss arising from the possible default of the financial instrument in the 12 months after the balance sheet date, and the expected credit loss during the lifetime represents the expected credit loss arising from all possible defaults of the financial instrument during the expected existence period.

For the purpose of internal credit risk management, under the premise that the collateral held is not under consideration, the Company determines that there is internal or external information indicating that the debtor cannot settle the debt, which represents that the financial assets have breached the contract.

The impairment loss of all financial assets is reduced based on the allowance account.

c) Derecognition of financial assets

The Company derecognizes the financial assets when the contractual rights to the cash flow from the said financial assets expire or when the Company transfers almost all the risks and rewards of ownership of the financial assets to other enterprises.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received is recognized in profit or loss. Through the full derecognition of the investments in equity instruments at fair value through other comprehensive incomes, the cumulative profit or loss is directly transferred to retained earnings and not reclassified to profit or loss.

2) Financial liabilities

a) Subsequent measurement

Except the financial liabilities at fair value through profit or loss, all the financial liabilities are measured at amortized cost using the effective interest method.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gain or loss arising on remeasurement recognized in profit or loss. Please refer to Note 29 for the methods for determining fair values.

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

3) Derivative instruments

The derivatives entered into by the Company are forward foreign exchange contracts to manage the exchange rate risk of the Consolidated Company.

Derivatives are initially recognized at fair value on the date when the derivative contracts are entered into, and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

m. Revenue recognition

After the Company identifies its performance obligations in contracts with customers, it shall amortize the transaction costs to each obligation in the contract and recognize revenue upon satisfaction of performance obligations.

<u>Revenue from sale of goods</u>

Proceeds of sale are derived from sales of polystyrene (PS), acrylonitrile-butadiene-styrene copolymer (ABS) resins, acrylonitrile-styrene copolymer (SAN) resins, glass wool insulation products, plastic raw materials, and the related processed products. At the time of product delivery to the clients, the clients have the right to set the price and to use the goods and also have the main responsibility for resale, and assume the risk of obsolescence of the goods, and the Company recognizes the revenue and accounts receivable at that time.

n. Leases

The Group assesses whether the contract is (or includes) a lease on the date of its establishment.

1) The consolidated company is the lessor.

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Under operating leases, lease payments after deducting lease incentives are recognized as revenue on a straight-line basis over the relevant lease term. The initial direct costs arising from acquisition of operating leases is added to the carrying amount of the underlying assets; and an expense is recognized for the lease on a straight-line basis over the lease term.

2) The consolidated company is the lessee

Except that the lease payments of the low value subject-matter assets and short-term leases applicable to recognition exemption are recognized as expenses on a straight-line basis during the lease period, other leases are recognized as right-of-use assets and lease liabilities on the lease commencement date.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment loss and adjusted for any remeasurement of the lease liabilities. A right-of-use asset is separately presented on the balance sheets.

The right-of-use assets shall be depreciated on a straight-line basis from lease commencement date to the end of the service life or the end of the lease term.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments. If the implicit interest rate of lease is easy to determine, the interest rate is used to discount the lease payment. If the interest rate is not easy to determine, the lessee's incremental borrowing rate shall be used.

Subsequently, the lease liabilities are measured on an amortized cost basis using the effective interest method, and the interest expense is apportioned during the lease term. If the change in the lease term results causes any change in the future lease benefits, the Company will measure the lease liabilities and adjust the right-of-use assets relatively. However, if the carrying amount of the right-of-use assets has been reduced to zero, the remaining remeasurement amount will be recognized in profit or loss. Lease liabilities are expressed separately in the balance sheets.

o. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the costs of those assets until the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than those stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

p. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

The costs of defined benefits under the defined benefit pension plan (including service cost, net interest, and the remeasurement amount) are calculated based on the projected unit credit method. Net interests on service costs and net defined benefit liabilities are recognized as employee benefits at the time of existence. The remeasurement amount (including actuarial gain and loss and the return on plan assets after deducting interest) is recognized in other comprehensive profit and loss and presented in retained earnings during a period in which it occurs. It shall not be reclassified to profit or loss in subsequent periods.

Net defined benefit liabilities are the deficit of the contribution made according to the defined benefit pension plan.

q. Income tax

Income tax expenses are the sum of current income taxes and deferred income taxes.

1) Current tax

The Company determines the income (loss) of the current period in accordance with the laws and regulations in each income tax declaration jurisdiction and calculates the income tax payable (recoverable) accordingly.

A tax is levied on the unappropriated earnings pursuant to the Income Tax Act of the Republic of China and is recorded as an income tax expense in the year when the shareholders' meeting resolves to appropriate the earnings.

Adjustments to prior-year income taxes payable are shown in the income taxes of the current year.

2) Deferred tax

Deferred income tax is calculated based on the temporary difference between the carrying amount of the assets and liabilities and the taxable basis of the taxable income.

Deferred income tax liabilities are generally recognized for all taxable temporary differences, while deferred income tax assets are recognized to the extent that the taxable capital is available for writing off temporary differences and loss deductions.

Deferred income tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. For deductible temporary differences associated with such investment when it is probable that sufficient taxable income will be available to realize the such temporary difference, deferred income tax assets are recognized, but only to the extent of the amount that is expected to be reversed in the foreseeable future.

The carrying amount of the deferred income tax assets is re-examined at each balance sheet date and the carrying amount is reduced for assets that are no longer likely to generate sufficient taxable income to recover all or part of the assets. A previously unrecognized deferred taxes asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rate of the period of expected realization of assets or repayment of liabilities. The rate is based on the tax rate and tax laws that have been enacted prior to the balance sheet date or have been substantially legislated. The measurement of deferred tax assets and liabilities reflects the tax consequences arising from the manner in which the Company is expected to reclaim or settle the carrying amount of its assets and liabilities on the balance sheet date.

3) Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive incomes or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive incomes or directly in equity, respectively.

5. PRIMARY SOURCES OF UNCERTAINTIES IN MATERIAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

When the Company adopts accounting policies, the management must make judgments, estimates, and assumptions based on historical experience and other critical factors for related information that are not readily available from other sources. Actual results may differ from these estimates.

When the Company develops significant accounting estimates, it incorporates considerations of the potential impact of climate change, related government policies and regulations, and energy market volatility on cash flow projections, growth rates, discount rates, and profitability. The management will continue to review the estimates and underlying assumptions.

Primary Sources of Estimation Uncertainties

a. Estimated impairment of accounts receivable

The estimated impairment of accounts receivable is based on the Company's assumptions regarding the probability of default and the rate of loss on default. The Company considers historical experience, current market conditions, and forward-looking information to make assumptions and select input values for impairment assessment. For details of the key assumptions and inputs applied, refer to Note 10. If the actual cash flow in the future is less than expected by the Company, there may be material impairment losses.

b. Write-down of inventories

The net realizable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and disposal. The estimation of net realizable value is based on current market conditions and historical experience with product sales of a similar nature. Changes in market conditions may have a material impact on the estimation of the net realizable value.

c. Estimation of damage compensation for associate’s gas explosion incidents

The Company’s associate, China General Terminal & Distribution Corporation (“CGTD”), recognized a provision for civil damages due to a gas explosion. The management considered the progress of the relevant civil and criminal procedures, settlements achieved, and legal advice to estimate the amount of the provision. However, the actual amount might differ from the current estimation.

6. CASH AND CASH EQUIVALENTS

	December 31, 2023	December 31, 2022
Cash on hand and petty cash	$ 331	$ 371
Checking accounts and demand deposits	658,841	731,789
Cash equivalents		
Fixed term deposits	1,552,157	1,784,103
Bonds sold under repurchase agreement	-	145,825
	$ 2,211,329	$ 2,662,088

The annual interest rates in time deposits and bonds for sale on the balance sheet date are as follows:

	December 31, 2023	December 31, 2022
Time deposits	1.05%-5.49%	1.18%-4.88%
Reverse repurchase agreements collateralized by bonds	-	1.05%-1.35%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31, 2023	December 31, 2022
Financial assets mandatorily measured at fair value through profit or loss		
Non-derivative financial assets		
— Domestic listed shares	$ 93,886	$ 22,540
— Foreign unlisted shares	-	-
— Mutual funds	-	333,210
— Beneficiary securities	67,292	59,303
	$ 161,178	$ 415,053

The main purpose of engaging in forward foreign exchange transactions by the consolidated company for the year 2022 is to hedge against the risk of fluctuations in foreign currency assets and liabilities due to exchange rate movements As these did not meet the criteria of hedge accounting, and therefore, the Company did not apply hedge accounting treatments for these derivative contracts (2023: None).

The Company generated a net profit of NT$3,948,000 and a net loss of NT$505,000 from financial asset transactions measured at fair value through profit or loss in the 2023 and 2022 fiscal years, respectively. In the 2022 fiscal year, a net loss of NT$13,364 thousand was incurred from financial liabilities measured at fair value through profit or loss (2023 fiscal year: None).

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT

	December 31, 2023	December 31, 2022
Investments in equity instruments		
Domestic investments		
Ordinary shares of the listed companies		
— USI Corporation	$ 298,421	$ 333,929
Ordinary shares of the unlisted companies		
— Harbinger Venture Capital Corp.	6	7
Subtotal	298,427	333,936
Overseas investments		
Ordinary shares of the unlisted companies		
— Budworth Investment Ltd	-	6
	$ 298,427	$ 333,942

The Company invests in the ordinary shares of the aforementioned companies for medium- and long-term strategic objectives and expects to make profits through long-term investments. The management chose to designate these investments to be measured at fair value through other comprehensive incomes as they believed that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes.

9. FINANCIAL ASSETS AT AMORTIZED COST - CURRENT

	December 31, 2023	December 31, 2022
Fixed deposits with original maturity exceeding 3 months	$ 10,000	$ -
Pledged time deposits	3,000	5,000
	$ 13,000	$ 5,000

The market annual interest rate range for fixed-term deposits and pledged fixed deposits with an original maturity exceeding 3 months as of the balance sheet date is as follows:

	December 31, 2023	December 31, 2022
Fixed deposits with original maturity exceeding 3 months	1.25%	-
Pledged certificates of deposit (Note 31)	1.53%	1.32%-1.41%

For pledge information on financial assets measured at amortized cost, please refer to Note 31.

10. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE, AND OTHER RECEIVABLES

	December 31, 2023	December 31, 2022
Notes receivable (1)		
Because of business operations	$ 208,635	$ 157,026
Accounts receivable (1)		
Measured at amortized cost		
Total carrying amount	$ 1,599,125	$ 1,542,964
Less: Allowance for impairment loss	(3,035)	(57,662)
	$ 1,596,090	$ 1,485,302
Accounts receivable from related parties (1) (Note 30)	$ 4,200	$ -
Other receivables (2)		
Business tax refund receivable	$ 70,889	$ 67,204
Interest receivable	33,968	19,939
Others	546	678
	$ 105,403	$ 87,821
Other receivables from related parties (Note 30)	$ 4,932	$ 3,158

a. Notes receivable and accounts receivable

The credit period of the Company for the sales of the merchandise is from 30 to 180 days, and the notes and accounts receivable are not interest-bearing. In order to mitigate credit risk, the management of the Company has assigned a dedicated team to be responsible for the determination of the credit line, credit approval, and other procedures of the supervisory control to ensure that appropriate action has been taken to reclaim past due receivables, and the Company has insured some of the receivables against credit insurance or obtained adequate guarantees if necessary to mitigate the risk of financial losses due to delinquency. In addition, the Company reviews the recoverable amount of each individual receivable on the balance sheet date to ensure that adequate allowances are made for possible irrecoverable amounts. Prior to accepting a new client, the credit quality of the prospect is assessed through the internal credit rating system and the credit facilities of the prospect will be set, and the history of the transactions and the financial position of the individual client are regularly reviewed, according to which the management of the Company believes that the credit risk of the Company has been significantly reduced.

The Company recognizes loss allowances for accounts receivables based on the lifetime expected credit losses. The expected credit loss on trade receivables is estimated using a provision matrix by reference to the past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of the current and forecast directions of economic conditions at the reporting date.

The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For accounts receivable that have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

Loss allowances for the notes and accounts receivable based on the provision matrix are as follows:

December 31, 2023

	Credit Rating A	Credit Rating B	Credit Rating C	Others	Total
Total carrying amount	$ 11,218	$ 533,152	$ 88,181	$1,179,409	$1,811,960
Provision for expected credit losses (expected credit losses over the remaining period)	-	-	-	(3,035)	(3,035)
Amortized cost	$ 11,218	$ 533,152	$ 88,18	$1,176,374	$1,808,925

December 31, 2022

	Credit Rating A	Credit Rating B	Credit Rating C	Others	Total
Total carrying amount	$ 4,192	$ 384,429	$ 82,058	$1,229,311	$1,699,990
Provision for expected credit losses (expected credit losses over the remaining period)	-	-	(219)	(57,443)	(57,662)
Amortized cost	$ 4,192	$ 384,429	$ 81,839	$1,171,868	$1,642,328

The movements of the loss allowance of accounts receivable were as follows:

	2023	2022
Beginning balance	$ 57,662	$ 55,417
Amounts written off	(52,750)	-
Expected credit impairment loss (gain on reversal)	(1,844)	2,231
Exchange difference	(33)	14
Ending balance	$ 3,035	$ 57,662

The aging of accounts receivable (including related parties) was as follows:

	December 31, 2023	December 31, 2022
Not Past Due	$ 1,761,104	$ 1,594,610
Past due within 60 days	48,008	45,283
Past due over 61 days	2,848	60,097

	December 31, 2023	December 31, 2022
Total	$ 1,811,960	$ 1,699,990

The above aging schedule was based on the number of days past due from the end of the credit term.

In the balances of accounts receivable and notes receivable as of December 31, 2023 and December 31, 2022, except for a specific customer whose accounts receivable balance accounted for 14% of the total balances of accounts receivable and notes receivable as of December 31, 2022, the balances of accounts receivable and notes receivable for other customers did not exceed 10% of the total balances of accounts receivable and notes receivable. The customer base of the consolidated company is extensive and unrelated to each other; therefore the concentration level of credit risk is limited.

b. Other receivables

Other receivables of the Company as of December 31, 2023 and 2022 have been assessed for impairment losses on the basis of expected credit losses.

11. INVENTORIES

	December 31, 2023	December 31, 2022
Finished goods	$ 535,351	$ 500,216
Work in process	153,301	130,666
Raw materials	377,658	277,596
Production supplies	35,370	42,540
	$ 1,101,680	$ 951,018

The cost of goods sold related to inventory for the years 2023 and 2022 were NT$14,769,885,000 and NT$16,323,674,000, respectively.

The cost of goods sold for the year 2023 includes a net realizable value impairment loss of NT$4,762,000.

The cost of goods sold in 2022 including the value losses of the net realizable value of the inventories is NT$32,436,000.

12. SUBSIDIARIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

The entities involved in the preparation of the Consolidated Financial Statements are listed as follows:

Investor company	Name of subsidiary	Nature of business	Proportion of ownership December 31, 2023	Proportion of ownership December 31, 2022	Description
The Company	TAITA (BVI) Holding Co., Ltd. (TAITA(BVI))	Reinvestment	100%	100%	-
TAITA（BVI）	Taita Chemical (Zhongshan) Co., Ltd. (“TTC (ZS)”)	The derivatives from the production and sale of styrene polymers	100%	100%	1.
	Taita Chemical (Tianjin) Co.,Ltd. (“TTC (TJ)”)	The derivatives from the production and sale of styrene polymers	100%	100%	2.
	Zhangzhou Taita Chemical Co., Ltd. (“TTC (ZZ)”)	The derivatives from the production and sale of styrene polymers	100%	100%	3.

1) As of December 31, 2023, the amount of investment in Taita Zhongshan was US$43,000,000, and the company's surplus was transferred to the capital increase of US$3,250,000 in 2007. As of December 31, 2023, the Company's paid-in capital was US$46,250,000. Taita Zhongshan held a meeting of the Board of Directors on October 14, 2021, and resolved to adopt a profit distribution plan from 2007 to 2020 with a total amount of CNY 306,950,000, which was allocated on March 8, 2022.

2) As of December 31, 2023, the amount of investment in Delta Tianjin was US$26,000,000, and the company's surplus in 2012 was transferred to the capital increase of US$1,350,000. As of December 31, 2023, the company's paid-in capital was US$27,350,000. Due to the curtailing demand in the local market, the management of the Company decided to suspend the production of Taita Tianjin from April 2019.

3) On December 3, 2020, the Board of Directors of the Company resolved to establish Zhangzhou Taita with an investment of CNY 314,000,000 through Taita (BVI). Taita Zhangzhou was founded and registered on June 28, 2021, and Taita (BVI) invested CNY 306,950 thousand (US$48,580,000) in Taita Zhangzhou on March 8, 2022.

13. INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD

	December 31, 2023	December 31, 2022
Individually insignificant associates		
Listed company		
China General Plastics Corporation (“CGPC”)	$ 189,901	$ 187,231
Acme Electronics Corp. (“ACME”)	41,468	33,466
Unlisted company		
China General Terminal & Distribution Co. (“CGTD”)	329,972	355,611
ACME Electronics (Cayman) Corp.（ACME (Cayman)）	61,348	67,401
	$ 622,689	$ 643,709

Aggregate information of associates that are not individually material

	2023	2022
The Company's share of:		
Profits from continuing operations	($ 10,355)	$ 2,661
Other comprehensive income	(20,243)	(24,079)
Total comprehensive income	($ 30,598)	($ 21,418)

The Company's ownership interest and percentage of voting right in associate at the end of the reporting period were as follows:

Name of Associates	December 31, 2023	December 31, 2022
CGPC	1.98%	1.98%
ACME	2.34%	2.43%
CGTD	33.33%	33.33%
ACME（Cayman）	4.42%	5.39%

For the nature of activities, principal places of business and countries of incorporation of the associates, please refer to Table 4 “Information on Investees”.

The board of directors of Acme resolved to issue 30,000,000 new shares with a par value of NT$10 per share for a cash capital increase on June 14, 2022. Among them, 15% is reserved for subscription by qualified employees of Acme and its affiliated companies. The relevant issue price is NT$20 per share, and the capital increase base date is January 16, 2023. The Group subscribed to 547,000 shares according to the original shareholding ratio, with an investment amount of NT$10,931 thousand, and the shareholding ratio decreased from 2.43% to 2.34%.

Acme (Cayman) resolved at the board meeting on April 24, 2023 to carry out a cash capital increase and issue 11,054 million new shares at a par value of $0.1 per share, with an issuance premium of $0.81 per share. The Company did not participate in the aforementioned capital increase, and its shareholding ratio decreased from 5.39% to 4.42% after the capital increase.

The Company with its affiliates jointly held more than 20% of the shareholdings of CGPC, Acme, Acme (Cayman) had significant influence over each entity. Therefore, the Company adopted the equity method to evaluate the above investments.

Fair values (Level 1) of investments in associates with open market quotations are summarized as follows:

Name of Associates	December 31, 2023	December 31, 2022
CGPC	$ 256,811	$ 304,027
ACME	$ 125,288	$ 106,458

The profits and other comprehensive income shares enjoyed by the associated enterprises and consolidated companies under the equity method in the fiscal years 2023 and 2022 are recognized based on the audited financial reports of each associated enterprise during the same period.

14. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Machinery and equipment	Transportation equipment	Other equipment	Construction in progress	Total
Cost							
Balance at January 1, 2022	$ 634,432	$ 1,300,920	$ 4,466,895	$ 41,896	$ 354,212	$ 83,376	$ 6,881,731
Addition	-	-	2,856	-	1,489	152,887	157,232
Disposal and obsolescence	-	(768)	(35,519)	(1,207)	(9,354)	-	(46,848)
Internal transfers	-	5,980	155,159	-	9,094	(170,233)	-
Exchange difference	-	6,739	8,563	281	665	1,029	17,277
Balance at December 31, 2022	$ 634,432	$ 1,312,871	$ 4,597,954	$ 40,970	$ 356,106	$ 67,059	$ 7,009,392
Accumulated depreciation and impairment							
Balance at January 1, 2022	$ -	$ 976,094	$ 3,538,218	$ 35,513	$ 322,667	$ 1,652	$ 4,874,144
Disposal and obsolescence	-	(768)	(28,370)	(1,086)	(9,094)	-	(39,318)
Depreciation expenses	-	36,858	153,403	2,597	8,127	-	200,985
Exchange difference	-	4,897	7,142	179	504	26	12,748
Balance at December 31, 2022	$ -	$ 1,017,081	$ 3,670,393	$ 37,203	$ 322,204	$ 1,678	$ 5,048,559
Carrying amounts at December 31, 2022	$ 634,432	$ 295,790	$ 927,561	$ 3,767	$ 33,902	$ 65,381	$ 1,960,833
Cost							
Balance at January 1, 2023	$ 634,432	$ 1,312,871	$ 4,597,954	$ 40,970	$ 356,106	$ 67,059	$ 7,009,392
Addition	-	-	9,785	-	1,052	176,213	187,050
Disposal and obsolescence	-	(601)	(9,047)	(2,013)	(12,945)	-	(24,606)
Internal transfers	-	2,627	118,518	1,042	15,578	(137,765)	-
Exchange difference	-	(7,348)	(11,565)	(307)	(703)	(406)	(20,329)
Balance at December 31, 2023	$ 634,432	$ 1,307,549	$ 4,705,645	$ 39,692	$ 359,088	$ 105,101	$ 7,151,507
Accumulated depreciation and impairment							
Balance at January 1, 2023	$ -	$ 1,017,081	$ 3,670,393	$ 37,203	$ 322,204	$ 1,678	$ 5,048,559
Disposal and obsolescence	-	(541)	(8,867)	(2,013)	(12,786)	-	(24,207)

	Freehold Land	Buildings	Machinery and equipment	Transportation equipment	Other equipment	Construction in progress	Total
Depreciation expenses	-	34,684	159,314	1,849	9,257	-	205,104
Exchange difference	-	(6,060)	(8,375)	(256)	(555)	(28)	(15,274)
Balance at December 31, 2023	$ -	$ 1,045,164	$ 3,812,465	$ 36,783	$ 318,120	$ 1,650	$ 5,214,182
Carrying amounts at December 31, 2023	$ 634,432	$ 262,385	$ 893,180	$ 2,909	$ 40,968	$ 103,451	$ 1,937,325

Depreciation charges are set aside on a straight-line over their estimated useful lives as follows:

Buildings	
Factories	20, 30, 35, 40 and 55 years
Offices and laboratories	26-35 Years
Warehouses	20-25 Years
Storage tanks	8-20 Years
Others	2-9 Years
Machinery and equipment	
Environmental protection equipment	15-20 Years
Monitoring equipment	11-15 Years
Storage tanks and pipeline systems	10-15 Years
Production and packaging equipment	8-15 Years
Power systems	7-15 Years
Others	2-8 Years
Transportation equipment	5-15 Years
Other equipment	2-15 Years

Please refer to Notes 18 and 31 for the amounts of real estate, factories, and equipment set as collateral for financing.

15. LEASE AGREEMENTS

a. Right-of-use assets

	December 31, 2023	December 31, 2022
Carrying amounts		
Land	$ 257,252	$ 68,046

	2023	2022
Increase in right-of-use assets	$ 200,271	$ -
Depreciation charge for right-of-use assets		
Land	$ 8,522	$ 5,828

Taita Zhangzhou acquired the land use rights in the Zhangzhou Gulei Port Economic Development Zone from the Natural Resources Bureau of the Zhangzhou Gulei Port Economic Development Zone in May 2023 for the purpose of constructing factory buildings. The duration of use is 50 years.

Except for the depreciation expense recognized, there was no material increase, sublease, or impairment of the right-of-use assets of the Company in 2023 and 2022. Please refer to Notes 18 and 31 for the amounts of real estate, factories, and equipment set as collateral for financing.

b. Lease liabilities

	December 31, 2023	December 31, 2022
Lease liabilities carrying amount		
Current	$ 4,665	$ 4,614
Non-current	$ 29,094	$ 33,760

c. Other lease information

Lease arrangements under operating leases for the leasing out of investment properties and freehold property, plant and equipment are set out in Note 16.

	2023	2022
Expenses relating to short-term leases	$ 17,693	$ 17,619
Expenses relating to low-value asset leases	$ 22	$ 21
Total cash outflow for leases	$ 22,728	$ 22,653

The Company leases certain office equipment, machinery equipment, transportation equipment which qualify as short-term leases and certain other equipment which qualify as low-value asset leases. The Company has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

16. INVESTMENT PROPERTY NET CARRYING AMOUNT

	December 31, 2023	December 31, 2022
Land	$ 108,178	$ 108,178

Management was unable to reliably measure the fair value of investment properties located in Qianzhen District, Xingbang Section and Linyuan Industrial Park, because the fair value for comparable properties is inactive and alternative reliable measurements of fair value are not available. Therefore, the Company concluded that the fair value of the investment properties is not reliably measurable.

The land of the Company's Qianzhen plant is leased to Hua Yun Company, with the rental amount determined based on the actual leased area. In the 2023 and 2022 fiscal years, monthly payments of NT$1,496,000 and NT$1,628,000 were respectively collected (please refer to footnotes 25 and 30).

17. INTANGIBLE ASSETS

	December 31, 2023	December 31, 2022
Carrying amount by function		
Information systems	$ 98	$ 278
Design expenses for factories	400	2,001
	$ 498	$ 2,279

Intangible assets are amortized on a straight-line basis over their useful life as defined below:

Information systems	3 years
Design expenses for factories	10 years

18. BORROWINGS

a. Short-term borrowings

	December 31, 2023	December 31, 2022
Unsecured borrowings		
Line of credit borrowings	$ 825,000	$ 150,000

The annual interest rates for credit limit loans were 1.66%-1.70% and 1.32% as of December 31, 2023 and December 31, 2022, respectively.

Taita Zhongshan has used real estate, factory buildings, equipment, and land use rights as collateral for the loan limit (please refer to Notes 14, 15, and 31). As of December 31, 2023 and December 31, 2022, the loan limit has not been utilized.

b. Long-term borrowings

	December 31, 2023	December 31, 2022
Unsecured borrowings		
Line of credit borrowings	$ -	$ 300,000

The annual interest rate of long-term loans of the Company is as follows:

	December 31, 2023	December 31, 2022
Credit loans	-	1.35%

To enhance the company's long-term operational capital, a long-term credit agreement was signed with the bank. As of December 31, 2023, the total credit limit amounted to NT$2,300,000. The credit agreements are set to expire gradually before August 2026, and the credit limits will be utilized within the contractual validity period.

Some of the Company's loan agreements stipulate that the current ratio and debt ratio as stated on the financial statements shall not be less than a specified percentage, and that if such a percentage fails to be met, the Company shall propose improvement measures to the banks concerned. Till December 31, 2023, the Company has not violated the aforementioned financial ratios.

19. ACCOUNTS PAYABLE

	December 31, 2023	December 31, 2022
Accounts payable (including related parties)		
Arising from operation (Note 30)	$ 746,923	$ 646,425

The average payment period for the Company's accounts payable is between 30 and 45 days. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

20. OTHER PAYABLES

	December 31, 2023	December 31, 2022
Payables for salaries or bonuses	$ 77,436	$ 100,171
Payables for freight fees	59,743	75,629
Payables for utilities	30,949	27,022
Payables for equipment	29,824	24,858
Payables for professional service expenses	11,341	9,698
Others	66,895	60,547
	$ 276,188	$ 297,925

21. REFUND PROVISIONS

	December 31, 2023	December 31, 2022
Customer returns and rebates	$ 1,314	$ 1,102

	2023	2022
Beginning balance	$ 1,102	$ 897
Provision	8,123	7,918
Returns and rebates	(7,911)	(7,713)
Ending balance	$ 1,314	$ 1,102

The refund provision is based on the management's judgments and other known reasons for which estimated product returns and rebates may occur for the year ended. The provision is recognized as a reduction of operating income in the periods in which the related goods are sold.

22. POST-RETIREMENT BENEFIT PLAN

a. Defined contribution plans

The Company adopts a pension plan under the Labor Pension Act, which is a state-managed defined contribution plan. According to the Labor Pension Act, the Company makes monthly contributions to employees' individual pension accounts at 6% of their monthly salaries.

The employees of the Company's subsidiary, TTC (ZS), in mainland China is the member of a state-managed retirement benefit plans operated by the government of mainland China. The subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit schemes to fund the benefits. The only obligation of the Company with respect to the retirement benefit plans is to make the specified contributions.

b. Defined benefit plans

The defined benefit plan adopted by the Company in accordance with the Labor Standards Law is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. Since November 1986, the Company has contributed a specific rate (currently 12%) of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts of defined benefit plans included in the consolidated balance sheet are as follows:

	December 31, 2023	December 31, 2022
Present Value of Defined Benefit Obligation	$ 403,237	$ 470,859
Fair Value of Plan Assets	(302,597)	(343,143)
Net Defined Benefit Liabilities	$ 100,640	$ 127,716

Changes in net defined benefit liabilities are as follows:

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2022	$ 543,761	($ 357,342)	$ 186,419
Service Costs			
Service Costs for the Current Period	2,903	-	2,903
Net Interest Expense (Income)	2,606	(1,724)	882
Recognized in profit or loss	5,509	(1,724)	3,785
Remeasurements			
Return on Plan Assets (Excluding Amounts Included in Net Interest)	-	(30,701)	(30,701)
Actuarial Gain			
— Changes in Financial Assumptions	(4,229)	-	(4,229)
— Experience Adjustments	3,790	-	3,790
Recognized in other comprehensive income	(439)	(30,701)	(31,140)
Contributions by the Employer	-	(31,348)	(31,348)
Benefits Paid on Plan Assets	(77,972)	77,972	-
Balance at December 31, 2022	$ 470,859	($ 343,143)	$ 127,716
Balance at January 1, 2023	$ 470,859	($ 343,143)	$ 127,716
Service Costs			
Service Costs for the Current Period	2,237	-	2,237
Net Interest Expense (Income)	5,090	(3,798)	1,292
Recognized in profit or loss	7,327	(3,798)	3,529
Remeasurements			
Return on Plan Assets (Excluding Amounts Included in Net Interest)	-	(3,542)	(3,542)
Actuarial Gain			
— Changes in Financial Assumptions	(3,201)	-	(3,201)
— Experience Adjustments	(2,801)	-	(2,801)
Recognized in other comprehensive income	(6,002)	(3,542)	(9,544)
Contributions by the Employer	-	(21,061)	(21,061)
Benefits Paid on Plan Assets	(68,947)	68,947	-
Balance at December 31, 2023	$ 403,237	($ 302,597)	$ 100,640

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	2023	2022
Cost of goods sold	$ 3,200	$ 3,318
Selling and marketing expenses	141	175
General and administrative expenses	88	197
Research and development expenses	100	95
	$ 3,529	$ 3,785

Through the defined benefit plans under the Labor Standards Act, the Company is exposed to the following risks:

1) Investment risk: The Bureau of Labor Funds, Ministry of Labor invests the labor pension fund in equity securities, debt securities, and bank deposits in domestic (foreign) banks through independent implementation and commissioned operations. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate of a 2-year time deposit with local banks.
2) Interest risk: The decrease in the interest rate of government bonds will increase the present value of defined benefit obligations, but the compensation on debt investment of plan assets will also increase accordingly, which will partially offset the impact on net defined benefit liabilities.
3) Salary risk: The present value of the defined benefit obligation is calculated with reference to the future salaries of plan participants. Therefore, the salary increase of plan members will increase the present value of the defined benefit obligation.

The present value of the Company's defined benefit obligations is measured on the basis of certified actuaries, and major assumptions on the measurement date are as follows:

	December 31, 2023	December 31, 2022
Discount rate	1.250%	1.125%
Average long-term salary adjustment rate	2.750%	2.750%

In the event of a reasonably possible change in the material actuarial assumptions, the amount of the increase (decrease) in the present value of the defined benefit obligation would be as follows, provided that all the other assumptions remain constant:

	December 31, 2023	December 31, 2022
Discount rate		
Increase by 0.25%	($ 6,279)	($ 7,345)
Decrease by 0.25%	$ 6,444	$ 7,543
Average long-term salary adjustment rate		
Increase by 0.25%	$ 6,239	$ 7,291
Decrease by 0.25%	($ 6,111)	($ 7,138)

As actuarial assumptions may be related to one another, the likelihood of fluctuation in a single assumption is not high. Therefore, the aforementioned sensitivity analysis may not reflect the actual fluctuations of the present value of defined benefit obligations.

The Company expects to allocate NT$25,800 thousand and NT$20,000 thousand to the defined benefit plans within one year as of December 31, 2023, and December 31, 2022, respectively. The weighted average duration of the Company's defined benefit obligations on 31 December 2023 and 2022 is 6.4 years.

23. EQUITY

a. Ordinary shares

	December 31, 2023	December 31, 2022
Number of shares authorized (in thousands)	400,000	400,000
Shares authorized	$ 4,000,000	$ 4,000,000
Number of shares issued and fully paid (in thousands)	397,587	397,587
Shares issued	$ 3,975,868	$ 3,975,868

Fully paid ordinary shares, which have a par value of NT$10, carry one vote per share and carry a right to dividends.

The Company's annual shareholders' meeting resolved to distribute share dividends with earnings and issued 18,933 thousand new shares for the capital increase on May 27, 2022. The above cash capital increase proposal was approved and declared by the Securities and Futures Bureau, FSC on July 6, 2022, and was resolved by the board of directors, with August 5, 2022 as the ex-rights date.

b. Capital surplus

The capital surplus which arises from the consideration received from issuance of shares (including consideration from that of ordinary shares) and donations may be used to offset a deficit. In addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).

Capital surplus arising from unpaid dividends due to overdue can offset a deficit only. Capital surplus from investments in subsidiaries and/or associates accounted for under the equity method may not be used for any purpose.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the amended Articles, where the Company made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors after the amendment, refer to employees' compensation and remuneration of directors in Note 25 (8).

According to the provisions of the Company's Articles, the Company in order to take R&D needs and diversification of operations into consideration, dividends shall not be less than 10% of the distributable earnings in the current year, of which the cash dividends shall not be less than 10% of the total dividends. However, if the distributable retained earnings per share of the current year are less than $0.1, the retained earnings are not to be distributed.

An appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

Items referred to under Rule No. 1090150022 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs" should be appropriated to or reversed from a special reserve by the Company.

The appropriations of earnings for 2022 and 2021 approved in the annual shareholders' meetings on May 27, 2022 and July 26, 2021, respectively, were as follows:

	Appropriation of earnings		Dividends per share (NT$)	
	2022	2021	2022	2021
Legal reserve	$ 44,234	$ 184,098		
Cash dividends	198,793	757,308	$ 0.5	$ 2.0
Share dividends	-	189,327	-	0.5

The appropriation of earnings for 2023 had been proposed by the Company's Board of Directors on March 7, 2024, were as follows:

	Appropriation of earnings	Dividends per share (NT$)
Cash dividends	$ 119,276	$ 0.3

The distribution of earnings for the year 2023 is still subject to resolution in the annual shareholders' meeting to be held on May 31, 2024.

d. Special reserve

The Company reserved a special reserve on the first-time adoption of IFRSs as follows:

	December 31, 2023	December 31, 2022
Special reserve	$ 308,061	$ 308,061

The Company's amount of unrealized revaluation gain and cumulative adjustments transferred into retained earnings were $279,270,000 and $160,233,000, respectively. The increase in retained earnings arising from the first-time adoption of IFRSs was not sufficient for the special reserve appropriation; thus, the Company appropriated a special reserve in the amount of $308,061,000 which was the net increase of retained earnings arising from the first-time adoption of IFRSs. As of December 31, 2023, there was no change in the special reserve.

e. Other equity items

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

	2023	2022
Beginning balance	($ 110,541)	($ 144,532)
Incurred this year		
Exchange differences on translation of foreign operations	(50,285)	39,679
Share in associates accounted for under the equity method	(2,601)	2,511
Related income tax	10,413	(8,199)
Ending balance	($ 153,014)	($ 110,541)

Exchange differences on translating net assets of foreign operations are translated into the presentation currency, the New Taiwan dollar. The resulting currency translation differences are recognized in other comprehensive income as exchange differences on translating the financial statements of foreign operations in the respective period.

2) Unrealized gains (losses) on financial assets at fair value through other comprehensive income

	2023	2022
Beginning balance	$ 319,105	$ 493,835
Incurred this year		
Unrealized gains (losses)		
Equity instruments	(35,516)	(142,789)
Share in associates accounted for under the equity method	(17,492)	(31,941)
Related income tax	1	-
Ending balance	$ 266,098	$ 319,105

24. REVENUES

	2023	2022
Revenue from contracts with customers		
Proceeds of sale	$ 15,205,462	$ 18,083,799

Refer to Note 4 for description related to contracts with customers. Please refer to Note 35 for information on segment revenue and operating results of major products.

25. PROFIT (LOSS) BEFORE INCOME TAX

Net profit before income tax includes the following:

a. Interest income

	2023	2022
Cash and cash equivalents	$ 43,259	$ 41,044
Financial assets at fair value through profit or loss (Note 7)	1,526	1,215
Others	305	178
	$ 45,090	$ 42,437

b. Other income

	2023	2022
Rental income - operating lease (Notes 16 and 30)	$ 32,903	$ 43,622
Government subsidies	26,583	513
Dividend income		
Financial assets at fair value through profit or loss (Note 7)	1,307	3,463
Financial assets at fair value through other comprehensive profit and loss (Note 8)	10,577	33,242
Compensation Benefits	8,537	88
Others	11,288	9,814
	$ 91,195	$ 90,742

c. Other gains and losses

	2023	2022
Loss and gain of financial assets at fair value through profit or loss (Note 7)	$ 1,115	($ 5,183)
Loss on financial assets at fair value through profit and loss (Note 7)	-	(13,364)
Net gain (loss) through foreign currency exchange	16,305	212,808
The gains (losses) on disposal and obsolescence of property, plant and equipment (Note 14)	561	2,391
Expenses from rental assets	(5,076)	(5,840)
Others	(600)	(900)
	$ 12,305	$ 189,912

d. Gain or loss on foreign currency exchange

	2023	2022
Total foreign exchange gains	$ 117,649	$ 326,998
Total foreign exchange losses	(101,344)	(114,190)
Net profit	$ 16,305	$ 212,808

e. Financial costs

	2023	2022
Interest on bank loans	$ 19,571	$ 6,486
Interest on lease liabilities (Note 30)	398	449
Less: Capitalized interest (included in construction in progress)	(119)	(100)
	$ 19,850	$ 6,835

Information about capitalized interest is as follows:

	2023	2022
Capitalized interest	$ 119	$ 100
Capitalization rate	1.50%-1.65%	0.85%-1.35%

f. Depreciation and amortization

	2023	2022
Property, plant and equipment (Note 14)	$ 205,104	$ 200,985
Right-of-use assets (Note 15)	8,522	5,828
Intangible assets (Note 17)	1,781	1,815
Total	$ 215,407	$ 208,628
Analysis of depreciation by function		
Cost of goods sold	$ 201,054	$ 196,055
Operating expenses	10,616	7,992
Other gains and losses	1,956	2,766
	$ 213,626	$ 206,813
Analysis of amortization by function		
Cost of goods sold	$ 1,600	$ 1,600
Administrative expenses	181	215
	$ 1,781	$ 1,815

g. Employee benefits expense

	2023	2022
Post-employment benefits (Note 22)		
Defined contribution plans	$ 21,345	$ 22,336
Defined benefit plans	3,529	3,785
	24,874	26,121
Insurance expenses	35,738	36,643
Other employee benefits	480,185	516,990
An analysis of employee benefits expense	$ 540,797	$ 579,754
An analysis of employee benefits expense by function		
Cost of goods sold	$ 425,602	$ 468,902
Operating expenses	115,195	110,852
	$ 540,797	$ 579,754

h. Employees' compensation and remuneration of directors

According to the Articles of Incorporation of the Company, the Company accrued employees' compensation and remuneration of directors at the rates of no less than 1% and no higher than 1%, respectively. However, the Company's accumulated deficits should be offset in advance. The employees' compensation can be distributed in the form of shares or cash. When the employees of the Company's subsidiaries meet specific requirements they are also entitled to receive compensation in shares or cash. These requirements are set by the board of directors.

Due to losses in the fiscal year 2023, employee remuneration and director remuneration were not estimated. The estimated employee remuneration and director remuneration for the fiscal year 2022 were resolved by the Board of Directors on March 3, 2023 as follows:

	2022	
	Accrual rate	Distributed amount
Employees' compensation	1%	$ 5,524
Remuneration of directors	-	$ -

If there is still any change in the amount after the annual consolidated financial statements are authorized for issue, the differences shall be treated as a change in accounting estimates and will be adjusted in the following year.

The actual distribution of the remuneration of the employees and directors for 2022 and 2021 is no different from the amount recognized in the consolidated financial statements for 2022 and 2021.

Information on the employees' compensation and remuneration of directors resolved by the Company's Board of Directors is available at the Taiwan Stock Exchange's Market Observation Post System website.

26. INCOME TAX

a. Major components of income tax expense recognized in profit or loss were as follows

	2023	2022
Current tax		
In respect of the current year	$ 5,802	$ 109,203
Income tax on unappropriated earnings	-	35,512
Adjustments from previous years	(1,714)	(4,235)
	4,088	140,480
Deferred tax		
In respect of the current year	(77,748)	(8,191)
Adjustments from previous years	1,185	7
	(76,563)	(8,184)
Income tax expense (benefit) recognized in profit or loss	($ 72,475)	$ 132,296

A reconciliation of accounting profit and income tax expense is as follows:

	2023	2022
Profit (loss) before income tax	($ 346,012)	$ 544,374
Income tax expenses calculated at the statutory rate	($ 81,543)	$ 97,640
Fees that cannot be deducted from taxes	971	848
Tax-exempted income	(1,409)	(6,748)
Tax-exempt dividend income shall not be included in the deduction for losses.	5,389	-
Income tax on unappropriated earnings	-	35,512
Unrecognized deductible temporary difference	(1,528)	(1,322)
Unrecognized loss carry forwards	6,174	10,594
Adjustments for prior years	(529)	(4,228)
Income tax expense (benefit) recognized in profit or loss	($ 72,475)	$ 132,296

b. Income tax recognized in other comprehensive income

	2023	2022
Deferred tax		
Incurred this year		
— Exchange differences on translating the financial statements of foreign operations	$ 10,413	($ 8,199)
— Unrealized gains (losses) on financial assets at fair value through other comprehensive income	1	-
— Remeasurement of defined benefit plans	(1,909)	(6,228)
Income tax recognized in other comprehensive income	$ 8,505	($ 14,427)

c. Current income tax assets and liabilities

	December 31, 2023	December 31, 2022
Current income tax assets		
Tax refunds receivable	$ 1,571	$ 9,538
Current income tax liabilities		
Income tax payable	$ 904	$ 144,807

d. Deferred tax assets and liabilities

Changes in deferred income tax assets and liabilities are as follows:

2023

Deferred income tax assets	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Exchange differences	Ending balance
Temporary differences					
Provision for inventory impairment loss	$ 8,102	($ 1,099)	$ -	($ 11)	$ 6,992
Unrealized bad debt	11,600	(8,468)	-	(51)	3,081
Unrealized foreign exchange losses	3,651	1,695	-	-	5,346
Defined retirement benefit plans	25,196	(3,506)	(1,909)	-	19,781
Payables for annual leave	3,419	33	-	-	3,452
Unrealized net gain on sale of goods	1,412	(1,412)	-	-	-
Others	2,482	(531)	1	-	1,952
	55,862	(13,288)	(1,908)	(62)	40,604
Loss offsetting	3,711	79,580	-	(340)	82,951
	$ 59,573	$ 66,292	($ 1,908)	($ 402)	$ 123,555

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Deferred income tax liabilities	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Exchange differences	Ending balance
Temporary differences					
Exchange differences on translating the financial statements of foreign operations	$ 12,695	$ -	($ 10,413)	$ -	$ 2,282
Share of profit of foreign subsidiaries accounted for using the equity method	52,312	(11,016)	-	-	41,296
Differences on depreciation between finance and tax	233	(50)	-	-	183
Reserve for land revaluation increment tax	143,860	-	-	-	143,860
Unrealized net loss on sales	-	795	-	-	795
	$ 209,100	($ 10,271)	($ 10,413)	$ -	$ 188,416

2022

Deferred income tax assets	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Exchange differences	Ending balance
Temporary differences					
Provision for inventory impairment loss	$ 1,347	$ 6,756	$ -	($ 1)	$ 8,102
Unrealized bad debt	9,587	1,976	-	37	11,600
Unrealized foreign exchange losses	6,742	(3,091)	-	-	3,651
Defined retirement benefit plans	36,937	(5,513)	(6,228)	-	25,196
Payables for annual leave	3,906	(487)	-	-	3,419
Unrealized net gain on sale of goods	5,628	(4,216)	-	-	1,412
Others	1,556	926	-	-	2,482
	65,703	(3,649)	(6,228)	36	55,862
Loss offsetting	-	3,722	-	(11)	3,711
	$ 65,703	$ 73	($ 6,228)	$ 25	$ 59,573
Deferred income tax liabilities					
Temporary differences					
Exchange differences on translating the financial statements of foreign operations	$ 4,496	$ -	$ 8,199	$ -	$ 12,695
Share of profit of foreign subsidiaries accounted for using the equity method	59,729	(7,417)	-	-	52,312
Differences on depreciation between finance and tax	283	(50)	-	-	233
Reserve for land revaluation increment tax	143,860	-	-	-	143,860
Others	644	(644)	-	-	-

$ 209,012	($ 8,111)	$ 8,199	$ -	$ 209,100

e. Amount of the deductible temporary differences and unrecognized loss offsetting of deferred tax assets not recognized in the consolidated balance sheet

	December 31, 2023	December 31, 2022
Loss offsetting		
Maturity in 2023	$ -	$ 124,213
Maturity in 2024	124,333	124,333
Maturity in 2026	20,323	20,323
Maturity in 2027	41,993	41,993
Maturity in 2028	24,368	-
	$ 211,017	$ 310,862
Unrecognized temporary difference		
— Loss on impairment of accounts receivable	$ 65,028	$ 66,141
— Impairment loss recognized on property, plant and equipment	74,740	80,936
— Others	-	1,180
	$ 139,768	$ 148,257

f. Income tax assessments

The Company's income tax returns through 2021 have been assessed by the tax authorities.

g. Income tax related to subsidiaries were as follows:

1) Taita (BVI) is exempt from income tax for both 2023 and 2022 as a result of applicable local government tax exemptions.

2) Taita Zhongshan, Taita Tianjin, and Zhangzhou Taita comply with the regulations of the local enterprise income tax law, and the applicable tax rate is 25%.

27. EARNINGS (LOSS) PER SHARE

Unit: NT$ Per Share

	2023	2022
Basic earnings (loss) per share	($ 0.69)	$ 1.04
Diluted earnings (loss) per share	($ 0.69)	$ 1.04

The earnings (losses) and weighted average number of ordinary shares outstanding in the computation of earnings (losses) per share from continuing operations were as follows:

Net profit for the year

	2023	2022
Earnings used in the computation of basic and diluted earnings per share	($ 273,537)	$ 412,078

Number of shares		Unit: Thousand shares
	2023	2022
Weighted average number of ordinary shares used for calculation of basic earnings per share	397,587	397,587
Effect of potentially dilutive ordinary shares:		
Employees' compensation	-	383
Weighted average number of ordinary shares used for calculation of diluted earnings per share	397,587	397,970

If the Company chooses to offer employee compensation or share profits in the form of cash or stock, while calculating diluted earnings per share, and assuming that the compensation is paid in the form of stock, the dilutive potential common shares will be included in the weighted average number of outstanding shares to calculate diluted earnings per share. The dilutive effect of such potential ordinary shares shall continue to be considered when calculating diluted earnings per share before the number of shares to be distributed as employee compensation is approved in the following year. The company incurred a loss in the fiscal year 2023, therefore the dilutive effect of the equivalent shares issued for employee compensation is excluded from the calculation of diluted loss per share.

28. CAPITAL RISK MANAGEMENT

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged from the past year.

The capital structure of the Company consists of net debt and equity.

The senior management of the Company regularly reviews the Company's capital structure. The review includes the consideration of the cost of various types of capital and related risks. The Company balances its overall capital structure by paying dividends, borrowing new debt or repaying old debt, based on the recommendations of the senior management.

29. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

The Company's management believes that the carrying amount of financial assets and financial liabilities that are not measured at fair value approximates their fair value. Otherwise, the fair value cannot be measured appropriately.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Investments in equity instruments				
— Domestic listed shares	$ 93,886	$ -	$ -	$ 93,886
— Foreign unlisted shares	-	-	-	-
Beneficiary securities	67,292	-	-	67,292
Total	$ 161,178	$ -	$ -	$ 161,178
Financial assets at fair value through other comprehensive income				
Investments in equity instruments				
— Domestic listed shares	$ 298,421	$ -	$ -	$ 298,421
— Domestic unlisted shares	-	-	6	6
— Foreign unlisted shares	-	-	-	-
Total	$ 298,421	$ -	$ 6	$ 298,427

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Investments in equity instruments				
— Domestic listed shares	$ 22,540	$ -	$ -	$ 22,540
— Foreign unlisted shares	-	-	-	-
Mutual funds	333,210	-	-	333,210
Beneficiary securities	59,303	-	-	59,303
Total	$ 415,053	$ -	$ -	$ 415,053
Financial assets at fair value through other comprehensive income				
Investments in equity instruments				
— Domestic listed shares	$ 333,929	$ -	$ -	$ 333,929
— Domestic unlisted shares	-	-	7	7
— Foreign unlisted shares	-	-	6	6
Total	$ 333,929	$ -	$ 13	$ 333,942

In 2023 and 2022, there was no transfer between Level 1 and Level 2 fair value measurements.

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

Financial assets at fair value through other comprehensive income - equity instruments

	2023	2022
Beginning balance	$ 13	$ 13
Recognized in other comprehensive income (included in unrealized gain on financial assets at FVTOCI)	(7)	-
Ending balance	$ 6	$ 13

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

Financial Instruments	Valuation Techniques and Inputs
Derivatives - forward foreign exchange contracts	Discounted cash flow: Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

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

To determine the fair value for Level 3 financial instruments, the Company's investment department conducts independent fair value verification using external resources so as to better reflect the market conditions, as well as periodically reviewing the valuation results in order to guarantee the rationality of the measurement. The fair value of the unlisted equity investment held by the Company domestically and abroad is evaluated by the asset-based approach, and its fair value is determined by referring to the latest net value of the investment company and its observable financial and operating conditions; the unobservable input value used on December 31, 2023, and 2022 is a liquidity discount of 15%.

c. Categories of financial instruments

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets at fair value through profit or loss — Mandatorily classified as at fair value through profit or loss	$ 161,178	$ 415,053
Financial assets at amortized cost (Note 1)	4,100,806	4,390,550
Financial assets at fair value through other comprehensive income - equity instruments	298,427	333,942
Financial liabilities		
Measured at amortized cost (Note 2)	1,773,561	1,295,434

Note 1: The balance includes cash and cash equivalents, pledge certificates of deposit, notes receivable and accounts receivable (including related parties), other receivables (including related parties, excluding business tax refunds receivable) and deposits and other financial assets measured at amortized cost.

Note 2: The balance includes financial liabilities at amortized cost, which includes short-term and long-term loans, short-term bills payable, accounts payable (including related parties) and other payables (including related parties and excluding payables for taxes).

d. Financial risk management objectives and policies

The Company's risk control and hedging strategy are influenced by its operational environment. The Company properly monitors and manages the risks related to business nature and according to the principle of risk diversification. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

The main financial risks the Company is exposed to in the business activities are foreign exchange risk, interest rate risk, and other price risk.

There has been no change to the Company's exposure to market risks or the manner in which these risks were managed and measured.

a) Exchange Rate Risk

The Company conducted foreign currency sales and purchases, which exposed the Company to foreign currency risk. In order to avoid the impact of foreign currency exchange rate changes, which lead to deductions in foreign currency denominated assets and fluctuations in their future cash flows, the Company used foreign exchange forward contracts to eliminate foreign currency exposure and thus mitigate the impact of the risk. The use of foreign exchange forward contracts was governed by the Company's policies approved by the board of directors. Compliance with policies and exposure limits was reviewed by internal auditors on a continuous basis. The Company does not undergo the transaction of the forward foreign exchange contracts for speculative purposes.

For the Company's monetary assets and liabilities, denominated in non-functional currencies on the balance sheet date (including the monetary items and nonfunctional currencies written off in the consolidated financial statements), please refer to Note 33.

<u>Sensitivity analysis</u>

The Company's sensitivity analysis mainly focuses on the foreign currency risk of U.S. dollars at the end of the reporting period. When the functional currency of the merged entity appreciates/depreciates against the US dollar by 3%, the pre-tax net loss of the Company for the fiscal year 2023 will increase/decrease by NT$22,495,000; the pre-tax net profit for the fiscal year 2022 will decrease/increase by NT$27,880,000.

In management's opinion, this sensitivity analysis is unrepresentative of the Company's inherent foreign exchange risk because the exposure at the end of the reporting period did not reflect the exposure during the period.

b) Interest rate risk

The Company was exposed to the fair value risk of interest rate fluctuations for the fixed interest rate bearing financial assets and financial liabilities; the Company was exposed to the cash flow risk of interest rate fluctuations for the floating interest rate bearing financial assets and financial liabilities. The Company's management regularly monitors the fluctuations on market rates and then adjusted its balance of floating rate bearing financial liabilities to make the Company's interest rates more closely approach market rates in response to the interest rate risk.

The carrying amount of the Company's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31, 2023	December 31, 2022
Fair value interest rate risk		
— Financial assets	$ 1,579,097	$ 1,987,287
— Financial liabilities	758,759	338,374
Cash flow interest rate risk		
— Financial assets	650,236	732,984
— Financial liabilities	100,000	150,000

Sensitivity analysis

The sensitivity analysis below was determined based on the Company's exposure to interest rate risk of cash flow for both financial assets and liabilities at the end of the reporting period. The fixed-rate financial assets and liabilities held by the Company are not included in the analysis as they are all measured at amortized cost. The consolidated company uses a 0.5% increase/decrease in market interest rates as a reasonable risk assessment for reporting interest rate fluctuations to management Under the condition that all other variables remain constant, a 0.5% increase/decrease in market interest rates will result in a decrease/increase of NT$2,751,000 in the pre-tax net loss for the fiscal year 2023 of the Company; and an increase/decrease of NT$2,915,000 in the pre-tax net profit for the fiscal year 2022.

c) Other price risk

The Company was exposed to price risk through its investments in domestic listed shares, foreign and domestic unlisted shares, beneficiary securities and mutual funds. The Company manages this exposure by maintaining a portfolio of investments with different risks. In addition, the Company has appointed a special team to monitor price risk.

Sensitivity analysis

Sensitivity analysis is based on the price of marketable securities at the balance sheet date. However, in the financial assets of the Company measured at fair value through profit or loss, the risk of the price volatility of the monetary market funds is very low, so it is not included in the analysis.

If the equity price rises/falls by 5%, the pre-tax net loss for the fiscal year 2023 will decrease/increase by NT$8,059,000 due to the increase/decrease in the fair value of financial assets measured at fair value through profit or loss. The pre-tax net profit for the fiscal year 2022 will increase/decrease by NT$4,092,000 due to the increase/decrease in the fair value of financial assets measured at fair value through profit or loss (excluding money market fund investments.) In the 2023 and 2022 fiscal years, pre-tax other comprehensive income will increase/decrease by NT$14,921,000 and NT$16,697,000, respectively, due to the increase/decrease in fair value of financial assets measured at fair value through other comprehensive income.

2) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored.

Except for a specific customer of the consolidated company, whose accounts receivable balance accounted for 14% of the total accounts receivable and notes receivable as of December 31, 2022, the remaining accounts receivable are spread across numerous customers, diversified across different regions, and are not concentrated in a single customer or region. Furthermore, the Company mitigates credit concentration risk by obtaining letters of credit issued by financial institutions prior to shipment for the sales transactions to the aforementioned specific customers and continuously assesses the financial condition of its customers, and then the Company's credit risk was limited. As of the end of the reporting period, the Company's largest exposure of credit risk approximates to the carrying amount of financial assets.

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

a) Liquidity and interest rate risk table for non-derivative financial liabilities

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods based on the probable earliest repayment dates. The table was drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

December 31, 2023

	Weighted Average Interest Rate	On Demand or Less than 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities				
Non-interest bearing liabilities		$ 948,561	$ -	$ -
Lease liabilities	1.10	5,013	20,052	10,026
Floating interest rate liabilities	1.69	100,019	-	-
Fixed interest rate liabilities	1.68	726,708	-	-
		$ 1,780,301	$ 20,052	$ 10,026

Additional information about the maturity analysis for lease liabilities is as follows:

	Less than 1 Year	1-5 Years	5-10 Years
Lease liabilities	$ 5,013	$ 20,052	$ 10,026

December 31, 2022

	Weighted Average Interest Rate	On Demand or Less than 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities				
Non-interest bearing liabilities		$ 845,434	$ -	$ -
Lease liabilities	1.10	5,013	20,052	15,039
Floating interest rate liabilities	1.32	151,545	-	-
Fixed interest rate liabilities	1.35	4,050	300,522	-
		$ 1,006,042	$ 320,574	$ 15,039

Additional information about the maturity analysis for lease liabilities is as follows:

	Less than 1 Year	1-5 Years	5-10 Years
Lease liabilities	$ 5,013	$ 20,052	$ 15,039

b) Financing facilities

Bank borrowing is an important source of liquidity for the consolidated Company. The unused loan amount of the consolidated company on the balance sheet date is as follows:

	December 31, 2023	December 31, 2022
Bank loan facilities		
— Amount unused	$ 4,886,618	$ 6,102,770

30. RELATED PARTY TRANSACTIONS

The Company's ultimate parent company is USI Corporation, which held 36.79% of the ordinary shares of the Company as of December 31, 2023 and 2022.

Balances and transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Company and other related parties are disclosed below.

a. Names and relations of related parties

Related Party Name	Relationship with the Company
USI Corporation ("USI")	Ultimate parent company
China General Plastics Corporation ("CGPC")	Associate
China General Plastics (Zhongshan) Corporation	Associate
CGPC Consumer Products Corporation	Associate
CGPC Polymer Corporation	Associate
Taiwan VCM Corporation ("TVCM")	Associate
Global Green Technology Corporation	Associate
China General Terminal & Distribution Corporation ("CGTD")	Associate
Asia Polymer Corporation ("APC")	Fellow subsidiary
USI Trading (Shanghai) Co., Ltd	Fellow subsidiary
Swanson Plastics Corporation	Fellow subsidiary
Swanson Plastics (Kunshan) Co., Ltd.	Fellow subsidiary
USI Management Consulting Corp. ("UM")	Fellow subsidiary
USI Education Foundation ("USIF")	Substantial related party

b. Sales of goods

Related Party Category/Name	2023	2022
Ultimate parent company	$ 12,931	$ 14,065

The Company's credit period of sales of goods to related parties was from 30 days to 90 days after delivering the products. The sales of goods between the Company and its related parties had no material differences from those of general sales transactions.

c. Purchase of goods

Related Party Category/Name	2023	2022
Associate	$ 2,481	$ 2,279
Ultimate parent company	1,703	-
Fellow subsidiary	396	267
	$ 4,580	$ 2,546

The Company's credit period of purchase of goods from related parties was from 30 days after acceptance. The purchase of goods between the Company and its related parties had no material differences from those of general purchase transactions.

d. Receivables from related parties (excluding loans to related parties)

Related Party Category/Name	December 31, 2023	December 31, 2022
Ultimate parent company	$ 4,200	$ -

The outstanding receivables from related parties were unsecured. No impairment loss was recognized.

e. Payables to related parties (excluding loans from related parties)

Related Party Category/Name	December 31, 2023	December 31, 2022
Fellow subsidiary	$ 49	$ 27
Associate	-	630
	$ 49	$ 657

The outstanding accounts payable from related parties are not overdue and not guaranteed.

f. Other transactions with related parties

1) Rental income (classified as other income, see Notes 16 and 25)

Related Party Category/Name	2023	2022
Associate		
China General Terminal & Distribution Corporation	$ 18,591	$ 23,672
TVCM	7,295	9,635
	25,886	33,307
Fellow subsidiary	261	262
Ultimate parent company	-	487
	$ 26,147	$ 34,056

2) Rental expenses (classified as operating costs, selling and marketing expenses and general and administrative expenses)

Related Party Category/Name	2023	2022
Ultimate parent company		
USI	$ 5,061	$ 5,245
Fellow subsidiary		
Asia Polymer Corp.	1,805	2,392
Associate	1,441	1,451
	$ 8,307	$ 9,088

The rental expenses paid to Taiwan Poly Corporation and Asia Poly Corporation mainly cover the leasing of a portion of their Taipei office space and parking spaces, with the rent agreed upon based on the actual leased area each year, and payments are made monthly.

3) Lease arrangements

Related Party Category/Name	December 31, 2023	December 31, 2022
Lease liabilities - current		
Fellow subsidiary		
Asia Polymer Corporation	$ 4,665	$ 4,614
Lease liabilities - non-current		
Fellow subsidiary		
Asia Polymer Corporation	$ 29,094	$ 33,760

Related Party Category/Name	2023	2022
Lease expense		
Fellow subsidiary		
Asia Polymer Corporation	$ 5,013	$ 5,013
Interest expense		
Fellow subsidiary		
Asia Polymer Corporation	$ 398	$ 449

The Company leased land in Linyuan from Asia Polymer Corporation. The rental was paid on a monthly basis.

4) Storage tank operating expenses (classified as operating costs)

Related Party Category/Name	2023	2022
Associate		
China General Terminal & Distribution Corporation	$ 11,869	$ 11,549

The Company appointed CGTD to handle the storage tank operating procedures of styrene monomer and butadiene, such as transportation, storage and loading. The storage tank operating expenses were paid on a monthly basis.

5) Management service income (classified as other income)

Related Party Category/Name	2023	2022
Ultimate parent company		
USI	$ 4,891	$ 3,213

6) Management service expenses (classified as administrative expenses)

Related Party Category/Name	2023	2022
Fellow subsidiary		
UM	$ 73,694	$ 70,290

The management service expenses paid to TGM mainly consist of the services including human resources and equipment and are paid on time based on the actual expenses incurred and costs incurred.

7) Donation (classified as general and administrative expenses)

Related Party Category/Name	2023	2022
Substantial related party		
USIF	$ -	$ 5,000

8) Other expenses (accounted as cost of goods sold and administrative expenses)

Related Party Category/Name	2023	2022
Fellow subsidiary	$ 1,861	$ 1,753
Associate	1,692	1,621
	$ 3,553	$ 3,374

9) Payments for property, plant and equipment

Related Party Category/Name	2023	2022
Ultimate parent company	$ 2,270	$ -

10) Disposal of property, plant and Equipment (2023: None)

	Disposals proceeds	Gain (loss) on disposal
Related Party Category/Name	2022	2022
Ultimate parent company	$ 6,588	$ -

11) Commission expense

Related Party Category/Name	2023	2022
Fellow subsidiary	$ 304	$ 77

12) Other receivables

Related Party Category/Name	December 31, 2023	December 31, 2022
Associate	$ 3,176	$ 1,961
Ultimate parent company	1,585	1,086
Fellow subsidiary	171	111
	$ 4,932	$ 3,158

Other receivables mainly include overheads receivable, management service expenses, and office rental.

13) Other payables

Related Party Category/Name	December 31, 2023	December 31, 2022
Associate	$ 2,721	$ 3,458
Fellow subsidiary	939	1,058
Ultimate parent company	779	578
	$ 4,439	$ 5,094

Other payables included storage tank operating expense payables, rental expense payable and the allocation of service department costs payables.

g. Remuneration of key management personnel

Total remuneration for directors and other key management is as follows:

	2023	2022
Salaries and others	$ 21,230	$ 24,045
Retirement benefits	207	214
	$ 21,437	$ 24,259

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

31. ASSETS PLEDGED AS COLLATERAL

The following assets of the consolidated company have been provided as collateral for the issuance of bills of exchange, letters of credit, procurement of fuel, customs clearance operations and borrowings (Notes 9, 14, 15 and 18):

	December 31, 2023	December 31, 2022
Pledged time deposits		
— Classified as financial assets at amortized cost - current	3,000	5,000
— Classified as other assets - non-current	16,940	16,734
Property, plant and equipment, net	-	15,807
Land use rights		
— Classified right-of-use assets	-	20,099
	$ 19,940	$ 57,640

The consolidated company has used a portion of its real estate and land use rights (with carrying amounts of NT$13,689,000 and NT$18,973,000, respectively as of December 31, 2023) as collateral for financing facilities. The utilization period for the aforementioned financing facilities expired on December 31, 2023, and the company intends to apply for a continuation of the secured borrowing facilities from financial institutions. However, as of the date of issuance of these consolidated financial statements, the relevant procedures have not been completed.

32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACTUAL COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the consolidated Company were as follows:

a. As of December 31, 2023 and December 31, 2022, the consolidated company had unused letter of credit balances of NT$120,000,000 and NT$60,000,000, respectively.

b. On the gas explosion in Kaohsiung:

Regarding the gas explosion of the propylene pipeline of Lee Chang Yung Chemical Industry Corporation (“Lee Chang Yung Chemical”) on the night of July 31, 2014 operated by the invested company by the equity method, China General Terminal & Distribution Corporation (“CGTD”), the criminal case of the gas explosion incident was dismissed by the Supreme Court on September 15, 2021 and all three employees of CGTD were acquitted.

On February 12, 2015, CGTD reached an agreement with the Kaohsiung City Government to provide a bank fixed deposit of NT$231,585,000 (including interest) as collateral for the losses incurred from the gas explosion incident. The Kaohsiung City Government also filed civil procedure requests in succession against LCY Chemical Corp., CGTD and CPC Corporation, Taiwan (“CPC”). Taiwan Power Company applied to the court for sequestration of CGTD’s property on August 27 and November 26, 2015 and CGTD has deposited cash of $99,207,000 to the court to avoid sequestration. Taiwan Water Corporation also applied to the court for false seizure of CGTD’s property on February 3 and March 2, 2017 respectively. As of February 27, 2024, the value of the assets seized from Hua Yun Warehousing Company is approximately NT$9,555,000.

As for the victims, CGTD, LCY Chemical Corp. and the Kaohsiung City Government signed a tripartite agreement for the compensation of the 32 victims’ families on July 17, 2015. Each victim’s family received $12,000,000 thousand, and the total compensation was $384,000,000. The compensation was advanced by LCY Chemical Corp. LCY Chemical Corp. was in charge of negotiating the compensation with the victims’ families and signing the settlement agreement on behalf of the three parties. And as separately agreed by the parties on August 10, 2022, NT$157,347,000, accounting for 30% of the negligent liability decided in the first instance, shall be paid to LCY Chemical Corp., and the rest shall be done after the ruling of the civil action.

As for the seriously injured, CGTD, LCY Chemical Corp. and the Kaohsiung City Government signed a tripartite agreement for the compensation of the 65 seriously injured victims’ families on October 25, 2017. Compensation was paid by CGTD and the Kaohsiung City Government, and CGTD was in charge of negotiating the compensation with the seriously injured victims’ families and signing the settlement agreement on behalf of the three parties with the 64 seriously injured victims’ families.

As of February 27, 2024, victims, injured parties, or their relatives have filed civil (including criminal-related civil) lawsuits seeking compensation from Lee Chang Yung Chemical Industry Corp, CGTD, and Taiwan Petroleum Corporation for the Kaohsiung gas explosion incident. In order to reduce litigation costs, CGTD has reached a settlement agreement for a compensation amount of NT$46,677,000 in the original claim, with a settlement compensation amount of NT$4,519,000. Along with the case still in litigation and the above-mentioned compensation, the accumulated amount of compensation is NT$3,856,447,000. The first instance verdict of some of these civil cases (indemnity amount of NT$1,470,793,000) have been convicted since June 22, 2018 and most cases determined that the negligence liability ratio of Kaohsiung Municipal Government, Lee Chang Yung Chemical and CGTD was 4:3:3, and that CGTD, Lee Chang Yung Chemical and other defendants should pay compensation of about NT$401,979,000 (of which NT$6,194,000 was exempted from liability by the court). Currently CGTD has filed an appeal for the adjudicated but unsettled civil cases and proceeded with the second instance procedure successively. The rest of the cases are still under trial in the Court of First Instance (the amount of compensation requested is approximately NT$1,882,829,000). CGTD signed a claim agreement with an insurance company, according to the negligence liability ratio determined by the judgment of first instance, it is estimated the settlement amount of victims and seriously injured, the compensation amount of civil litigation cases (including the settled cases), and estimated amount to be borne by itself after deducting the upper limit of insurance claim was NT$136,375,000, which had been included into the account. However, the actual amount of such settlement and compensation shall not be confirmed until the proportion of liability to be shared by CGTD is determined in accordance with the civil action.

33. INFORMATION ON FOREIGN CURRENCY-DENOMINATED ASSETS AND LIABILITIES OF SIGNIFICANT INFLUENCE

The following summary is presented in foreign currencies other than the functional currency. The exchange rate disclosed in the summary refers to the exchange rate of a foreign currency to the functional currency. The significant impact on assets and liabilities recognized in foreign currencies is as follows:

December 31, 2023

	Foreign Currency	Exchange Rate		Functional Currency	NT$
Foreign currency assets					
Monetary items					
USD	$ 51,835	30.7050	(USD:NTD)	$ 1,591,587	$ 1,591,587
Australian dollar	666	20.9800	(AUD:NT$)	13,964	13,964
CNY	583	4.3352	(CNY:NT$)	2,529	2,529
HKD	585	3.9290	(HKD:NT$)	2,299	2,299
CNY	288	0.1412	(CNY:US$)	41	1,248
Foreign currency liabilities					
Monetary items					
USD	18,287	30.7050	(USD:NTD)	561,489	561,489
USD	9,128	7.0827	(US$:CNY)	64,652	280,280

December 31, 2022

	Foreign Currency	Exchange Rate	Functional Currency	NT$
Foreign currency assets				
Monetary items				
USD	$ 54,155	30.7100 (USD:NT$)	$ 1,663,100	$ 1,663,100
EUR	58	32.7200 (EUR:NT$)	1,893	1,893
HKD	301	3.9380 (HKD:NT$)	1,186	1,186
CNY	288	0.1436 (CNY:US$)	41	1,259
Foreign currency liabilities				
Monetary items				
USD	14,711	30.7100 (USD:NT$)	451,777	451,777
USD	9,183	6.9646 (US$:CNY)	63,955	282,003

The consolidated company’s net gains (realized and unrealized) from foreign currency exchange for the years 2023 and 2022 were NT$16,305,000 and NT$212,808,000, respectively. Due to the wide variety of foreign currency transactions, it is not possible to disclose the exchange gains and losses by significant currency types.

34. SUPPLEMENTARY DISCLOSURES

a. Information about significant transactions:

1) Financing provided to others. (None)
2) Endorsements/guarantees provided. (Table 1)
3) Marketable securities held at the end of the period (excluding investments in subsidiaries and associates). (Table 2)
4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital. (None)
5) Acquisitions of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital. (None)
6) Disposals of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital. (None)
7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital. (None)
8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 3)
9) Trading in derivative instruments. (None)
10) Others: Intercompany relationships and significant intercompany transactions. (Table 6)

b. Information about investees. (Table 4)

c. Information on investments in mainland China:

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the

year, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 5)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period. (None)

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period. (Table 6)

c) The amount of property transactions and the amount of the resultant gains or losses. (None)

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes. (Table 1)

e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to financing of funds. (None)

f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services. (None)

d. Information on major shareholders (names of shareholders with a shareholding ratio of 5% or more as well as number and proportion of shares held). (Table 7)

35. DEPARTMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. According to IFRS 8 "Operating Segments", the Company should disclose the segment information of styrenic products and glasswool products (including curved surface printing products).

a. Segment revenue and results

The following was an analysis of the Company's revenue and results from continuing operations by reportable departments.

	Department revenue		Department gains	
	2023	2022	2023	2022
Styrenic products	$14,679,263	$17,547,972	($ 521,990)	$ 186,109
Glasswool (including curved surface printing)	526,199	535,827	57,593	39,348
Total amount from continuing operations	$15,205,462	$18,083,799	(464,397)	225,457
Interest income			45,090	42,437
Other income			91,195	90,742
Other gains and losses			12,305	189,912
Share of profit or loss of the associates for under the equity method			(10,355)	2,661
Financial costs			(19,850)	(6,835)
Net income (loss) before tax of continuing operations			($ 346,012)	$ 544,374

The revenue reported above is generated from the transactions with external clients. There were no transactions between the departments in 2023 and 2022.

The interests (losses) of the departments refer to the profits earned by the departments, excluding interest income, other income, other gains and losses, finance costs, the shares of profits and losses of the associates under the equity method, etc. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

Because the segment information reported to the chief operating decision maker didn't include assets and liabilities of individual departments, the operating segment assets and liabilities are not disclosed.

b. Other information of the departments

	Depreciation and amortization	
	2023	2022
Styrenic products	$ 183,212	$ 181,691
Glasswool (including curved surface printing)	32,195	26,937
	$ 215,407	$ 208,628

c. Revenue from main products

The analysis of the revenue from the main products of the continuing operations of the Company is as follows:

	2023	2022
EPS	$ 7,053,924	$ 8,392,101
ABS	3,864,781	4,719,362
GPS	3,754,518	4,431,005
Glasswool products	526,199	521,864
Curved surface printing	-	13,963
IPS	6,040	5,504
	$ 15,205,462	$ 18,083,799

d. Region-specific information

The revenue from the continuing operations of the Company from external clients is classified according to the country of domicile of the clients, and non-current assets are listed by the regions of the asset as follows:

	Revenue from external clients		Non-current assets	
			December 31,	December 31,
	2023	2022	2023	2022
Asia	$ 11,180,006	$ 13,306,485	$ 2,303,253	$ 2,139,336
America	1,769,179	2,386,836	-	-
Africa	1,726,672	1,963,966	-	-
Europe	279,704	244,474	-	-
Others	249,901	182,038	-	-
	$ 15,205,462	$ 18,083,799	$ 2,303,253	$ 2,139,336

Non-current assets refer to property, factory, equipment, right-of-use assets, investment property, and intangible assets.

e. Important information of the clients

No revenue of the Company in 2023 and 2022 accounted for more than 10% of net sales revenue of clients, so there is no need for disclosure.

TAITA CHEMICAL CO., LTD. AND ITS SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED FOR OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2023
Unit: In Thousands of New Taiwan Dollars, Unless Stated Otherwise

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/Guarantee on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/Guaranteed During the Period (Note 1)	Outstanding Endorsement/Guarantee at the End of the Period (Note 1)	Actual Borrowing Amount	Amount Endorsed/Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/Guarantee Limit (Note 2)	Endorsement /Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement /Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement /Guarantee Given on Behalf of Companies in Mainland China
		Name of Associates	Relationship										
0	Taita Chemical Co., Ltd.	TAITA (BVI) Holding Co., Ltd.	100% voting shares directly owned by the Company	$ 6,647,991	$ 184,230 (US $6,000,000)	$ 92,115 (US $3,000,000)	$ -	$ -	1.39%	$ 9,971,987	Yes	No	No
0	Taita Chemical Co., Ltd.	Taita Chemical (Zhongshan) Co., Ltd.	100% voting shares directly owned by the Company's subsidiary	6,647,991	346,816 (CNY 80,000,000)	216,760 (CNY 50,000,000)	-	-	3.26%	9,971,987	Yes	No	Yes

Note 1: The exchange rate is calculated based on the spot rate as of December 31, 2023.

Note 2: The maximum total endorsement/guarantee shall not exceed 150% of the equity attributable to owners of the Company. The endorsement/guarantee on behalf of other company shall not exceed 100% of the equity attributable to owners of the Company.
The maximum total endorsement/guarantee shall not exceed 200% of the equity attributable to owners of the Company. The endorsement/guarantee on behalf of other company shall not exceed 150% of the equity attributable to owners of the Company.

TABLE 2

TAITA CHEMICAL CO., LTD. AND ITS SUBSIDIARIES

SECURITIES HELD AT END OF PERIOD
DECEMBER 31, 2023
Unit: In Thousands of New Taiwan Dollars, Unless Stated Otherwise

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Accounting items	End of period				Note
				Number of shares/units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Taita Chemical Co., Ltd.	Stock							
	USI Corporation	Ultimate parent company	Financial assets at fair value through other comprehensive income - non-current	15,109,901	$ 298,421	1.27%	$ 298,421	Note 1
	Harbinger Venture Capital Corp.	—	〃	990	6	0.50%	6	Note 2
	Taiwan Cement Corporation	—	Financial assets at FVTPL - current	2,000,000	69,700	0.03%	69,700	Note 1
	UPC Technology Corporation	—	〃	282,000	4,286	0.02%	4,286	Note 1
	China Steel Corporation	—	〃	350,000	9,450	-	9,450	Note 1
	Hon Hai Precision Industry Co., Ltd.	—	〃	100,000	10,450	-	10,450	Note 1
	Beneficiary securities							
	Cathay No. 1 Real Estate Investment Trust Fund	—	Financial assets at FVTPL - current	3,963,000	67,292	-	67,292	Note 1
TAITA (BVI) Holding Co., Ltd.	Stock							
	Budworth Investment Ltd.	—	Financial assets at fair value through other comprehensive income - non-current	20,219	- (US $ thousand)	2.22%	- (US $ thousand)	Note 3
	Teratech Corporation	—	Financial assets at FVTPL - non-current	112,000	-	0.74%	-	Note 3
	Sohoware Inc. - preference shares	—	〃	100,000	-	-	-	Note 3

Note 1: The fair value is calculated based on the closing prices at TWSE on the last trading day of March 2023.

Note 2: The Company utilizes the asset approach and takes into account the most recent net asset value, observable financial status as well as the financing activities of investees in order to determine their net asset value.

Note 3: As of December 31, 2022, the Company evaluates the fair value of the equity instrument as $0.

TABLE 3

TAITA CHEMICAL CO., LTD. AND ITS SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2023
Unit: In Thousands of New Taiwan Dollars, Unless Stated Otherwise

Company with accounts receivable listed	Counterparty	Relationship	Accounts Receivable from Related Parties Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Actions Taken		
Taita Chemical Co., Ltd.	Taita Chemical (Tianjin) Co., Ltd.	Subsidiary	Other receivables $280,281 (US$ 9,128,000) (Notes 1 and 3)	-	$ 280,281	Keep collecting the outstanding payment	$ -	$ -

Note 1: The total amount of Taita Chemical Co., Ltd. from selling raw materials to Taita Chemical (Tianjin) Co., Ltd. was reclassified to other receivables owing to it was over due for a normal crediting period.

Note 2: There was no amount received in the subsequent period as of March 3, 2023.

Note 3: At the time of the preparation of the consolidated financial report, it had been fully written off.

TABLE 4

TAITA CHEMICAL CO., LTD. AND ITS SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2023
Unit: In Thousands of New Taiwan Dollars, Unless Stated Otherwise

Investor company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		End-of-period holdings			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note (Note 1)
				End of the Current Period	End of the Previous Period	Number of Shares	Ratio	Carrying Amount			
Taita Chemical Co., Ltd.	TAITA (BVI) Holding Co., Ltd.	British Virgin Islands	Reinvestment	$ 2,755,405 (US $89,738,000)	$ 2,755,405 (US $89,738,000)	89,738,000	100.00%	$ 3,037,367 (US $98,921,000)	($ 55,081) (Loss US$ 1,756,000)	($ 55,081) (Loss US$ 1,756,000)	Subsidiary (Note 2)
	China General Plastics Corporation	Taipei, Taiwan	Manufacture and marketing of PVC plastic cloth and three-time processed products	65,365	65,365	11,516,174	1.98%	189,901	341,916	6,777	Investments accounted for using the equity method
	China General Terminal & Distribution Corporation	Taipei, Taiwan	Warehousing and transportation of petrochemical raw materials	41,082	41,082	25,053,468	33.33%	329,972	(26,036)	(8,679)	Investments accounted for using the equity method
	Acme Electronics Corporation	Taipei, Taiwan	Manufacture and marketing of manganese-zinc and ferrite core	55,702	44,771	4,991,556	2.34%	41,468	(171,224)	(4,013)	Investments accounted for using the equity method
TAITA (BVI) Holding Co., Ltd.	ACME Electronics (Cayman) Corp.	British Cayman Islands	Reinvestment	52,200 (US $1,700,000)	52,200 (US $1,700,000)	2,695,619	4.42%	61,348 (US $1,998,000)	(94,932) (Loss US $3,046,000)	-	Investments accounted for using the equity method

Note 1: The calculation of the investees was based on their audited financial statements for the same period.

Note 2: At the time of the preparation of the consolidated financial report, it had been fully written off.

Note 3: Investments in mainland China are included in Table 5.

TABLE 5

TAITA CHEMICAL CO., LTD. AND ITS SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2023
Unit: In Thousands of New Taiwan Dollars, Unless Stated Otherwise

Investee Company in mainland China	Main Businesses and Products	Paid-in Capital	Method and Medium of Investment	Cumulative investment amount exported from Taiwan at the beginning of the current period	Investment Flows		Cumulative investment amount exported from Taiwan at the end of the current period	Profit (Loss) of Investee for the Period (Note 6)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 6)	End-of-period investment book value (Note 6)	Cumulative investment income repatriated as of the end of the current period
					Outflow	Inflow						
Taita Chemical (Zhongshan) Co., Ltd. ("TTC (ZS)")	Production and marketing of polystyrene derivatives	$ 1,420,106 (US $46,250,000) (Note 1)	Investments through a holding company registered in a third region	$ 1,320,315 (US $43,000,000)	$ -	$ -	$ 1,320,315 (US $43,000,000)	(46,739) (Loss US $1,495,000)	100%	(46,739) (Loss of US$1,495,000) (Note 7)	$ 1,750,099 (US $56,997,000) (Note 7)	$ -
Taita Chemical (Tianjin) Co., Ltd. ("TTC (TJ)") (Note 8)	Production and marketing of polystyrene derivatives	839,782 (US $27,350,000) (Note 2)	Investments through a holding company registered in a third region	798,330 (US $26,000,000)	-	-	798,330 (US $26,000,000)	(18,581) (Loss of US $602,000)	100%	(18,581) (Loss of US$1,495,000) (Note 7)	(168,501) (US $5,488) (Note 7)	-
Zhangzhou Taita Chemical Co., Ltd. ("TTC (ZZ)")	Production and marketing of polystyrene derivatives	1,491,636 (US $48,580,000) (Note 3)	Investments through a holding company registered in a third region	-	-	-	-	17,358 (Gain US$ 570,000)	100%	17,358 (Gain US$ 570,000) (Note 7)	1,359,597 (US $44,279,000) (Note 7)	-
Acme Electronics (Kunshan) Co., Ltd. ("Acme (KS)")	Manufacturing and marketing of manganese-zinc soft ferrite core	943,411 (US $30,725,000)	Investments through Acme Electronics (Cayman) Corp. registered in a third region	41,575 (US $1,354,000)	-	-	41,575 (US $1,354,000)	(104,690) (Loss US $3,362,000)	4.42%	(4,922) (Loss US $158,000)	29,952 (US $975,000)	-

Cumulative investment amount exported from Taiwan to mainland China as of the end of the current period	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
$2,160,220 (US$70,354,000)	$3,863,221 (US$125,817,000) (Note 4)	$ - (Note 5)

Note 1: TTC (ZS) resolved to issue share dividends of US$3,250,000 in 2007.

Note 2: TTC (TJ) resolved to issue share dividends of US$1,350,000 in 2012.

Note 3: TTC (ZZ) was registered for the year 2021, and Taita (BVI) injected US$48,580,000 into TTC (ZZ) on March 8, 2022.

Note 4: The amount distributed from share dividends included US$3,250 thousand from TTC (ZS), US$1,350 thousand from TTC (TJ), US$802,000 from ACME (KS) and Taita (BVI) injected US$50,000,000.

Note 5: According to Letter No. 120230416710 dated June 8, 2022 issued by the Ministry of Economic Affairs, the upper limit on investment in mainland China pursuant to the "Principle of Investment or Technical Cooperation in Mainland China" is not applicable.

Note 6: The basis for investment income (loss) recognition is from financial statements reviewed and attested by the parent company's ROC-based CPA.

Note 7: At the time of the preparation of the consolidated financial report, it had been fully written off.

Note 8: The Company's management decided to suspend TTC (TJ)'s production from April 2019, please refer to Note 12 for details.

TABLE 6

TAITA CHEMICAL CO., LTD. AND ITS SUBSIDIARIES

THE BUSINESS RELATIONSHIP AND SIGNIFICANT TRANSACTIONS BETWEEN THE PARENT COMPANY AND ITS SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2023
Unit: NT$ in thousands

No.	Investee Company	Counterparty	Relationship with Counterparty	Transactions Details			
				Ledger Account	Amount (Note 2)	Transaction Details	Accounted for total consolidated revenue or The ratio of total assets (Note 1)
0	Taita Chemical Co., Ltd.	Taita Chemical (Zhongshan) Co., Ltd.	The parent company to subsidiaries	Sales revenue	$ 5,152	No significant difference with non-related parties	0.03%
		Taita Chemical (Tianjin) Co., Ltd.	The parent company to subsidiaries	Other receivables from related parties	280,281	No significant difference with non-related parties	3.15%
1	TAITA (BVI) Holding Co., Ltd.	Taita Chemical (Tianjin) Co., Ltd.	The parent company to subsidiaries	Other payables from related parties	4,606	No significant difference with non-related parties	0.05%

Note 1: The amount of the transactions is calculated as the ratio of the total consolidated revenue or total assets. In the case of asset-liability accounts, the balance at the end of the period is calculated as the proportion of the total consolidated assets; in the case of profit and loss accounts, the cumulative amount at the end of the period is calculated as the proportion of the total consolidated revenue.

Note 2: At the time of the preparation of the consolidated financial report, it had been fully written off.

TABLE 7

TAITA CHEMICAL CO., LTD.

INFORMATION ON SUBSTANTIAL SHAREHOLDERS

DECEMBER 31, 2023

Name of substantial shareholders	Shares	
	Number of shares held	%
Union Polymer International Investment Corporation	146,263,260	36.79%

Note 1:The information of substantial shareholders in this attachment refers to the information calculated by the Taiwan Depository & Clearing Corporation on the last business day at the end of the current quarter of which the total number of common stocks and special stocks of the Company held, amounting to more than 5%, by the shareholder has been delivered without physical registration (including treasury shares). The capital stock recorded in the consolidated financial statements of the Company and the actual number of shares delivered without physical registration may be different or discrepant due to different compilation and calculation basis.

Independent Auditors' Report

To the Board of Directors and Shareholders of Taita Chemical Co., Ltd.:

Audit Opinion

We have audited the accompanying financial statements of Taita Chemical Co., Ltd. (the "Company"), which comprise the balance sheets as from January 1 to December 31, 2023 and 2022 and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Taita Chemical Co., Ltd. from January 1 to December 31, 2023 and 2022 and its financial performance and its cashflows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Taita Chemical Co., Ltd in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

The key audit matters identified in the Company's parent company only financial statements for the year ended December 31, 2023 are stated as follows:

Authenticity of the Recognition of Sales Revenue from Customers of Specific Products

Due to changes in market supply and demand, the sales revenue of Taita Chemical Industries Co., Ltd. for fiscal year 2023 has declined compared to 2022. However, there has been a growth trend in sales in specific regions compared to 2022. It is crucial to determine whether the sales revenue in these specific regions truly satisfies contractual obligations, as it will have a significant impact on the individual financial report. Therefore, it is listed as a key audit matter for this fiscal year.

For relevant accounting policies and disclosures of the recognition of sales revenue, please refer to Notes 4 and 23 of the financial statements.

We performed the corresponding audit procedures, for the authenticity of the recognition of sales revenue, as follows:

1. We understood and tested the Company's internal control procedures on the recognition of sales revenue and its effectiveness. Also, we evaluate the appropriateness of the accounting policies used by the management for the recognition of sales revenue.
2. We verify the authenticity of the recognition of sales revenue by examining the certificate of sales transactions, including purchase orders, shipping orders, export documents and collection information.
3. We review any occurrence of sales returns, discounts and allowances, and whether there are any abnormalities in the collections after the balance sheet date.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual financial statements, the responsibility of the management also includes evaluating the ability of Taita Chemical Industrial Co., Ltd. to continue as a going concern, disclosing related matters, and adopting the going concern basis of accounting, unless the management intends to liquidate Taita Chemical Industrial Co., Ltd. or cease operations, or unless there are no other practical alternative plans other than liquidation or cessation of operations.

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

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards will always detect a material misstatement of the parent company only financial statements when it exists. Misstatements can arise from fraud or error. If individual amounts or aggregate totals of false statements are reasonably expected to affect the economic decisions made by users of the individual financial statements, they are considered material.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We have also completed the following jobs:

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

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

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

From the matters communicated with those charged with governance, we determined those matters that were of most significance of Taita Chemical Co., Ltd. in the audit of the financial statements for the year ended December 31, 2023 and are therefore key audit matters. The CPA describes these matters in our audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, the CPA determines that a matter should not be communicated in the audit report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche

CPA: Chiu Cheng-Chun	CPA: Huang Hsiu-Chun
Financial Supervisory Commission Approval No. Financial Supervisory Commission (FSC) Certificate No. 0930160267	Securities and Futures Commission Approval No. Securities and Futures Commission Certificate No. 0920123784

March 3, 2024

Notice to Readers:

The financialstatement (Chinese version) of our company is audited by the CPA Huang, Hsiu-Chun and CPA Chiu, Cheng-Chun of Deloitte Taiwan. For the convenience of reading, the statement has been translated from Chinese to English. If there is any difference regarding the context or interpretation in the English version, the Chinese version shall prevail.

TAITA CHEMICAL CO., LTD.

BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

Code	Assets	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current Assets				
1100	Cash and cash equivalents (Notes 4 and 6)	$ 436,896	5	$ 477,979	5
1110	Financial assets at fair value through profit or loss - current (Notes 4 and 7)	161,178	2	415,053	5
1136	Financial assets at amortized cost - current (Notes 4, 9 and 30)	13,000	-	5,000	-
1150	Notes receivable (Notes 4 and 10)	26,411	1	45,071	-
1170	Accounts receivable (Notes 4, 5 and 10)	983,425	11	1,095,975	12
1180	Accounts receivable from related parties (Notes 4, 5, 10 and 29)	4,200	-	-	-
1200	Other receivables (Notes 4 and 10)	70,990	1	67,612	1
1210	Other receivables from related parties (Notes 4, 10 and 29)	285,042	3	285,580	3
1220	Current tax assets (Notes 4 and 25)	767	-	-	-
130X	Inventories (Notes 4, 5 and 11)	899,246	10	733,589	8
1410	Prepayments and other current assets	87,930	1	80,783	1
11XX	Total current assets	2,969,085	34	3,206,642	35
	Non-current Assets				
1517	Financial assets at fair value through other comprehensive incomes - non-current (Notes 4 and 8)	298,427	4	333,936	4
1550	Investments accounted for under the equity method (Notes 4, 5 and 12)	3,598,708	41	3,720,661	41
1600	Property, plant, and equipment (Notes 4, 13 and 29)	1,643,175	19	1,648,052	18
1755	Right-of-use assets (Notes 4, 14 and 29)	32,336	-	36,955	-
1760	Investment properties, net (Notes 4 and 15)	108,178	1	108,178	1
1780	Intangible assets (Notes 4 and 16)	498	-	2,279	-
1840	Deferred income tax assets (Notes 4 and 25)	102,440	1	50,908	1
1900	Other non-current assets (Note 30)	25,270	-	23,829	-
15XX	Total non-current assets	5,809,032	66	5,924,798	65
1XXX	Total assets	$ 8,778,117	100	$ 9,131,440	100

Code	Liabilities and Equity	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current Liabilities				
2100	Short-term borrowings (Note 17)	$ 825,000	9	$ 150,000	2
2170	Accounts payable (Note 18)	690,429	8	587,893	6
2180	Accounts payable to related parties (Notes 18 and 29)	49	-	657	-
2200	Other payables (Note 19)	237,103	3	260,086	3
2220	Other payables from related parties (Note 29)	4,439	-	5,094	-
2230	Current tax liabilities (Notes 4 and 25)	904	-	142,379	2
2280	Lease liabilities - current (Notes 4, 14 and 29)	4,665	-	4,614	-
2365	Refund liabilities - current (Note 20)	1,314	-	1,102	-
2399	Other current liabilities	46,727	-	100,841	1
21XX	Total current liabilities	1,810,630	20	1,252,666	14
	Non-current Liabilities				
2540	Long-term borrowings (Note 17)	-	-	300,000	3
2570	Deferred income tax liabilities (Notes 4 and 25)	188,416	2	209,100	2
2580	Lease liabilities - non-current (Notes 4, 14 and 29)	29,094	1	33,760	-
2640	Net defined benefit liabilities - non-current (Notes 4 and 21)	100,640	1	127,716	2
2670	Other non-current liabilities	1,346	-	1,984	-
25XX	Total non-current liabilities	319,496	4	672,560	7
2XXX	Total liabilities	2,130,126	24	1,925,226	21
	Equity (Notes 12, 21 and 22)				
	Share capital				
3110	Common stock	3,975,868	46	3,975,868	44
3200	Capital surplus	3,201	-	1,099	-
	Retained earnings				
3310	Legal reserve	502,038	6	457,804	5
3320	Special reserve	308,061	3	308,061	3
3350	Unappropriated earnings	1,745,739	20	2,254,818	25
3300	Total retained earnings	2,555,838	29	3,020,683	33
3400	Other equity	113,084	1	208,564	2
3XXX	Total equity	6,647,991	76	7,206,214	79
	Total liabilities and equity	$ 8,778,117	100	$ 9,131,440	100

The accompanying notes are an integral part of the Parent Company Only financial statements.

Notice to Readers:

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TAITA CHEMICAL CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME
JANUARY 1 TO DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, except Earnings (Losses) per Share)

		2023		2022	
Code		Amount	%	Amount	%
4100	Net revenue (Notes 4, 20, 23 and 29)	$ 10,576,796	100	$ 12,870,472	100
5110	Cost of goods sold (Notes 11, 13, 14, 21, 24 and 29)	10,121,466	96	11,123,548	87
5900	Gross profit	455,330	4	1,746,924	13
5920	Realized losses from sales with subsidiaries	-	-	(2,181)	-
	Operating expenses (Notes 10, 13, 14, 21, 24 and 29)				
6100	Selling and marketing expenses	643,191	6	1,295,984	10
6200	General and administrative expenses	136,201	1	128,765	1
6300	Research and development expenses	15,832	-	15,312	-
6450	Gain on reversal of expected credit loss	(218)	-	(1)	-
6000	Total operating expenses	795,006	7	1,440,060	11
6900	Profit (loss) from operations	(339,676)	(3)	304,683	2
	Non-operating income and expenses (Notes 7, 12, 15, 24 and 29)				
7100	Interest income	7,602	-	3,800	-
7010	Other income	56,305	1	77,178	1
7020	Other gains and losses	17,605	-	202,146	1
7070	Shares of profit (loss) in subsidiaries and/or associates accounted for under the equity method	(60,996)	(1)	(34,101)	-
7510	Financial costs	(19,850)	-	(6,835)	-
7000	Total non-operating income and expenses	666	-	242,188	2

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Code		2023 Amount	2023 %	2022 Amount	2022 %
7900	Profit (loss) before income tax	($ 339,010)	(3)	$ 546,871	4
7950	Income tax expense (benefit) (Notes 4 and 25)	(65,473)	(1)	134,793	1
8200	Net profit for the year	(273,537)	(2)	412,078	3
	Other comprehensive incomes (Notes 8, 12, 21, 22 and 25)				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans	9,544	-	31,140	-
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	(35,509)	(1)	(142,789)	(1)
8320	Shares of other comprehensive incomes (losses) in associates accounted for under the equity method - unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive incomes	(17,499)	-	(31,941)	-
8330	Shares of other comprehensive incomes (losses) in associates accounted for under the equity method - remeasurement of defined benefit plans	(150)	-	5,351	-
8349	Income tax related to components that will not be reclassified to profit or loss	(1,908)	-	(6,228)	-
		(45,522)	(1)	(144,467)	(1)

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Code		2023 Amount	2023 %	2022 Amount	2022 %
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating the financial statements of foreign operations	($ 52,067)	-	$ 40,992	-
8371	Share of the other comprehensive loss of associates accounted for using the equity method - exchange differences on translating the financial statements of foreign operations	(819)	-	1,198	-
8390	Income tax relating to items that may be reclassified subsequently to profit or loss	10,413	-	(8,199)	-
		(42,473)	-	33,991	-
8300	Other comprehensive incomes(loss) for the year (net of income tax)	(87,995)	(1)	(110,476)	(1)
8500	Total comprehensive income for the year	($ 361,532)	(3)	$ 301,602	2
	Earnings (losses) per share (Note 26)				
9710	Basic	($ 0.69)		$ 1.04	
9810	Diluted	($ 0.69)		$ 1.04	

The accompanying notes are an integral part of the Parent Company Only financial statements.

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TAITA CHEMICAL CO., LTD.

STATEMENTS OF CHANGES IN EQUITY
JANUARY 1 TO DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

		Share capital (Note 22)		Capital surplus (Notes 12 and 22)			Retained earnings (Notes 21 and 22)				Other equity (Notes 12 and 22)			
Code		Shares (In Thousands)	Amount	Long-tern equity investment	Other capital surplus	Total	Legal reserve	Special reserve	Unappropriated earnings	Total	Overseas Operating Organization Financial Statement Conversion Exchange Differences	Fair Value of Financial Assets Measured at Fair Value through Other Comprehensive Income Unrealized gain (loss)	Total	Total equity
A1	Balance at January 1, 2022	378,654	$ 3,786,541	$ 553	$ 439	$ 992	$ 273,706	$ 308,061	$ 2,943,210	$ 3,524,977	($ 144,532)	$ 493,835	$ 349,303	$ 7,661,813
	Appropriation of 2021 earnings													
B1	Legal reserve	-	-	-	-	-	184,098	-	(184,098)	-	-	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	-	-	-	(757,308)	(757,308)	-	-	-	(757,308)
B9	Share dividends distributed by the Company	18,933	189,327	-	-	-	-	-	(189,327)	(189,327)	-	-	-	-
T1	Changes in capital surplus	-	-	107	-	107	-	-	-	-	-	-	-	107
D1	Net profit for the year ended December 31, 2022	-	-	-	-	-	-	-	412,078	412,078	-	-	-	412,078
D3	Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	-	-	30,263	30,263	33,991	(174,730)	(140,739)	(110,476)
D5	Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	-	-	442,341	442,341	33,991	(174,730)	(140,739)	301,602
Z1	Balance as of December 31, 2022	397,587	3,975,868	660	439	1,099	457,804	308,061	2,254,818	3,020,683	(110,541)	319,105	208,564	7,206,214
	Appropriation of 2022 earnings													
B1	Legal reserve	-	-	-	-	-	44,234	-	(44,234)	-	-	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	-	-	-	(198,793)	(198,793)	-	-	-	(198,793)
T1	Changes in capital surplus	-	-	2,102	-	2,102	-	-	-	-	-	-	-	2,102
D1	Net Loss for 2023	-	-	-	-	-	-	-	(273,537)	(273,537)	-	-	-	(273,537)
D3	Other comprehensive incomes after tax for the year 2023	-	-	-	-	-	-	-	7,485	7,485	(42,473)	(53,007)	(95,480)	(87,995)
D5	Total comprehensive income for the year 2023	-	-	-	-	-	-	-	(266,052)	(266,052)	(42,473)	(53,007)	(95,480)	(361,532)
Z1	Balance as of December 31, 2023	397,587	$ 3,975,868	$ 2,762	$ 439	$ 3,201	$ 502,038	$ 308,061	$ 1,745,739	$ 2,555,838	($ 153,014)	$ 266,098	$ 113,084	$ 6,647,991

The accompanying notes are an integral part of the Parent Company Only financial statements.

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TAITA CHEMICAL CO., LTD.

STATEMENTS OF CASH FLOW
JANUARY 1 TO DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

Code		2023	2022
	Cash flows from operating activities		
A10000	Profit before income tax	($ 339,010)	$ 546,871
	Income, expenses, and losses items		
A20100	Depreciation expenses	170,566	171,282
A20200	Amortization expenses	1,781	1,815
A20300	Gain on reversal of expected credit loss	(218)	(1)
A20400	Net loss (gain) on financial assets and liabilities measured at fair value through profit or loss	(1,115)	18,547
A20900	Financial costs	19,850	6,835
A21200	Interest income	(7,602)	(3,800)
A21300	Dividend income	(11,884)	(36,705)
A22300	Shares of profit (loss) in subsidiaries and/or associates accounted for under the equity method	60,996	34,101
A22500	Loss (Gain) on Disposal and Retirement of Property, factory and Equipment	(960)	(3,333)
A23700	(Reversal of) write-down of inventory valuation and obsolescence	(1,830)	27,051
A24000	Realized losses from sales with subsidiaries	-	2,181
A29900	Recognition of refund liabilities	8,123	7,918
A30000	Changes in operating assets and liabilities		
A31115	Financial assets at fair value through profit or loss	254,990	262,375
A31130	Notes receivable	18,660	(342)
A31150	Accounts receivable	104,857	684,297
A31160	Accounts receivable from related parties	(4,200)	542
A31180	Other receivables	(3,560)	26,577
A31190	Other receivables from related parties	538	(26,309)
A31200	Inventories	(163,827)	252,856
A31230	Prepayments and other current assets	(7,147)	(12,366)
A32150	Accounts payable	102,536	(359,336)
A32160	Accounts payable from related parties	(608)	629
A32180	Other payables	(31,460)	(145,817)
A32190	Other payables from related parties	(655)	(1,701)

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Code		2023	2022
A32230	Other current liabilities	($ 54,114)	$ 46,509
A32240	Net defined benefit liabilities	(17,532)	(27,563)
A33000	Cash generated from operations	97,175	1,473,113
A33100	Interest received	7,784	3,628
A33300	Interest paid	(19,388)	(6,766)
A33500	Income tax paid	(140,480)	(438,622)
AAAA	Net cash flows from operating activities	(54,909)	1,031,353
	Cash flows from investing activities		
B00040	Purchase of financial assets at amortized cost	(10,000)	(3,000)
B00050	Disposal of financial assets measured at amortized cost	2,000	1,000
B01800	Acquisition of long-term equity investment using the equity method	(10,931)	-
B02700	Acquisition of property, plant and equipment	(156,104)	(95,064)
B02800	Disposal of property, plant, and equipment	960	9,921
B03700	Increase in guarantee deposits	(18,188)	(748)
B03800	Decrease in guarantee deposits	16,747	1,705
B07600	Dividends received	15,339	65,495
BBBB	Net cash used in investing activities	(160,177)	(20,691)
	Cash flows from financing activities		
C00100	Increase in short-term borrowings	405,000	-
C00200	Decrease in short-term borrowings	-	(200,000)
C01600	Proceeds from long-term borrowings	270,000	750,000
C01700	Repayments of long-term borrowings	(300,000)	(750,000)
C04020	Repayments of the principal portion of lease liabilities	(4,615)	(4,564)
C04300	Increase in other non-current liabilities	(638)	180
C04500	Distribution of Cash dividends	(198,793)	(757,308)
C04400	Refund of unclaimed overdue cash dividends	3,049	3,134
CCCC	Cash used in financing activities	174,003	(958,558)
EEEE	Cash and cash equivalents (decrease) increase for the current year	(41,083)	52,104
E00100	Cash and cash equivalents at the beginning of period	477,979	425,875
E00200	Cash and cash equivalents at the end of period	$ 436,896	$ 477,979

The accompanying notes are an integral part of the Parent Company Only financial statements.

Notice to Readers:

The financial statement (Chinese version) of our company is audited by the CPA Huang, Hsiu-Chun and CPA Chiu, Cheng-Chun of Deloitte Taiwan. For the convenience of reading, the statement has been translated from Chinese to English. If there is any difference regarding the context or interpretation in the English version, the Chinese version shall prevail.

TAITA CHEMICAL CO., LTD.

NOTES TO FINANCIAL STATEMENTS
JANUARY 1 TO DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. COMPANY HISTORY

Taita Chemical Co., Ltd. ("the Company") was founded in April 1960, and is mainly engaged in the manufacturing and sales of polystyrene (PS), acrylonitrile-butadiene-styrene copolymer (ABS) resin, acrylonitrile-styrene copolymer (SAN) resin, glass wool insulation products, plastic raw materials, and other processed products. The ordinary shares of the Company have been listed on the Taiwan Stock Exchange since 1986. As of December 31, 2023, USI Corporation (USI) indirectly holds a total ownership stake of 36.79% in our Company, giving it control over our operations. Therefore, USI is our ultimate parent company.

The functional currency of the Company is the New Taiwan dollar, and the financial statements of the Company are presented in the Company's functional currency.

2. DATE OF APPROVAL OF THE FINANCIAL STATEMENTS AND APPROVAL PROCEDURES

The Parent Company Only Financial Statements have been approved by the Board of Directors on March 7, 2024.

3. APPLICATION OF THE NEWLY ISSUED AND/OR AMENDED STANDARDS AND INTERPRETATIONS

a. The first-time application of the latest Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Financial Reporting Interpretations Committee (IFRIC), and Standard Interpretations Committee (SIC) (the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (the "FSC").

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Company's accounting policies.

b. FSC-endorsed IFRSs that are applicable from 2024 onward

New/Revised/Amended Standards and Interpretations	Effective Date of Issuance by the IASB (Note 1)
Amendments to IFRS 16 "Lease Liabilities in a Sale and Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1 "Classify Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7: "Supplier Financing Arrangements"	January 1, 2024 (Note 3)

Note 1: Unless otherwise specified, the aforementioned New/Amended/Revised Standards and Interpretations shall be effective for the annual reporting period after the specified dates.

Note 2: The seller-lessee shall retrospectively apply the amendments to IFRS 16 in sale and leaseback transactions after the initial application of IFRS 16.

Note 3: When applying this amendment for the first time, exemptions from certain disclosure requirements shall apply.

As of the date of authorization of the financial statements, the Company's assessment of the effects of amendments to other standards and interpretations should not cause material effects on the financial conditions and performance.

c. The International Accounting Standards Board (IASB) has issued IFRS accounting standards that have been published, but have not yet been approved by the Financial Supervisory Commission (FSC).

New/Revised/Amended Standards and Interpretations	Effective Date of Issuance by the IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture"	To be determined
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendment to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

Note 1: Unless otherwise specified, the aforementioned New/Amended/Revised Standards and Interpretations shall be effective for the annual reporting period after the specified dates.

Note 2: The amendments prospectively apply to the annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendment, the impact amount shall be recognized in the retained earnings as of the date of initial application. When the merging company uses non-functional currency to express currency, it will affect the foreign exchange differences of overseas operating entities under the equity item on the initial application date.

As of the date of authorization of the financial statements, the Company has continued to assess the effects of amendments to other standards and interpretations on its financial conditions and performance. Related impacts will be disclosed upon completion of the assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Compliance declaration

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

b. Preparation basis

The financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value and net defined benefit liabilities recognized at the present value of defined benefit obligations less fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities on the measurement date.

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. deduced from prices).

3) Level 3 inputs are unobservable inputs for the asset or liability.

When preparing these financial statements, the Company uses the equity method to account for its investments in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the financial statements to be the same with the amounts attributable to the owners of the Company in its financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for using the equity method, the share of profit or loss of subsidiaries and associates, the share of other comprehensive income of subsidiaries and associates, and the related equity items, as appropriate, in these financial statements.

c. Standards for assets and liabilities classified as current and non-current

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

All other assets or liabilities that are not specified above are classified as non-current.

d. Foreign Currency

While preparing the Financial Statements, transactions denominated in a currency other than the Company's functional currency (i.e. a foreign currency) are translated into the Company's functional currency by using the exchange rate on the transaction date.

Monetary items denominated in foreign currencies are translated at the closing rates on the balance sheet date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate prevailing on the date when the fair value is measured. The resulting exchange difference shall be included in the current profit and loss. Where changes in the fair value are recognized in any other comprehensive incomes, it shall be recognized in the comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate on the date of the transaction.

For the purpose of presenting the parent company only financial statements, the functional currencies of the Company (including subsidiaries and associates in other countries that use currencies which are different from the currency of the Company) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; Income and expenses are translated at the average exchange rates for the period. The exchange difference arising are recognized in other comprehensive profit or loss.

e. Inventories

Inventories consist of raw materials, production supplies, finished goods, and work in progress. Inventories are measured at the lower of cost or net realizable value, and the comparison between costs and net realizable values is on individual item basis, except for inventories of the same type. The net realizable value is the estimated selling price of inventories less the estimated cost to be amortized until completion and all costs necessary for the sale. Inventories are measured at the weighted-average cost on the balance sheet date.

f. Investments in subsidiaries

The Company uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company’s share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the Company’s share of equity of subsidiaries.

Changes in the Company’s ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Company’s share of loss in a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for under the equity method and long-term interests that, in substance, form part of the Company’s net investment in the subsidiary), the Company continues recognizing its share of further loss.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee’s financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years.

Profits or losses resulting from downstream transactions are eliminated in full only in the parent company only financial statements. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized only in the parent company’s financial statements only to the extent of the interests in the subsidiaries that are not related to the Company.

g. Investments in associates

An associate is an entity over which the Company has significant influence and that is not a subsidiary.

The Company uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate. In addition, equity changes in associates are recognized based on the shareholding ratio.

When the Company subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Company's proportionate interest in the associate. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates accounted for using the equity method. However, where the Company's ownership interest in an associate is reduced because of not subscribing or acquiring new shares in proportion to its present holdings, the proportionate amount of gain or loss previously recognized in any other comprehensive incomes related shall be reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of related assets or liabilities. If such adjustment is required to be debited to capital surplus and the capital surplus recognized from investments accounted for under the equity method is insufficient, the difference shall be debited to retained earnings.

When the Company's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the associate), the Company discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Company has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

To assess impairment, the Company has to consider the overall carrying amount of the investment as a single asset to compare the recoverable and carrying amounts for the impairment test, and the recognized impairment loss is not allocated to any asset that forms the component of the carrying amount of the investment. The reversal of the impairment loss is recognized to the extent of subsequent increases in the recoverable amount of investment.

The Company shall cease the use of equity method from the date when its investment is no longer an associate. Its retained interest in the associate is measured at fair value, and the difference between the fair value and the carrying amount of the investment and the carrying amount of the investment at the date of acquisition of the equity method is included in profit or loss for the current period.

When a Company entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Company's financial statements only to the extent that the interests in the associate are not related to the Company.

h. Property, plant and equipment

Property, plant, and equipment are recognized at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant, and equipment under construction are measured at cost less any recognized impairment loss. Costs include professional services fees and borrowing costs eligible for capitalization. Samples produced when these assets are tested for proper operation prior to their expected use are measured at low cost and net realization value, and their selling price and cost are recognized in profit or loss. Such assets are depreciated and divided into the appropriate categories of property, plant, and equipment when completed and ready for their intended use.

Except for freehold land, depreciation of property, plant, and equipment is recognized depreciated separately for each significant part within the service life on a straight-line basis. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

When property, factory, and equipment is derecognized, the difference between the net disposal proceeds and the carrying amount of the asset shall be recognized in profit or loss.

i. Investment properties

Investment properties also include land held for currently undetermined future use. Investment properties also include land held for any currently undetermined future use.

The investment properties held by the Company are land initially measured by cost (including transaction cost) and subsequently recognized as no depreciation, measured by the total cost less the cumulative impairment loss.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset shall be recognized in profit or loss.

j. Intangible assets

Intangible assets with a limited-service life are initially measured at cost and subsequently measured at cost less cumulative amortization and cumulative impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

k. Impairment of property, factory, equipment, right-of-use assets, investment property and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its property, factory, and equipment as well as right-of-use assets, investment property and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest Company of cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the fair value minus cost of sales or its value in use, whichever is higher. Where the recoverable amount of an individual asset or a cash-generating unit is lower than its carrying amount, the carrying amount of the asset or cash-generating unit shall be reduced to the recoverable amount, and the impairment loss shall be recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. The reversal of an impairment loss is recognized immediately in profit or loss.

l. Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

When showing the original financial assets and liabilities, if their fair value was not assessed based on profit or loss, it is the fair value plus the cost of transaction, that is, of its acquisition or issuance of the financial assets or financial liabilities. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Comprehensive Income

The regular trading of financial assets shall be recognized and derecognized under trade date accounting.

a) Types of measurement

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and equity instruments at FVTOCI.

i. Financial assets at fair value through profit or loss

Financial asset is classified as at financial assets at FVTPL when such a financial asset is mandatorily classified. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and derivatives and mutual fund that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are measured at fair value. Dividends and interest accrued are recognized in other income and interest income respectively, and profit or loss accrued from remeasurement are recognized in other gains or loses. Fair value is determined in the manner described in Note 28.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) Financial assets are under a business model whose purpose is to hold financial assets and collecting contractual cash flow; and
ii) The terms of the contract generate a cash flow on a specified date that is solely for the payment of interest on the principal and the amount of principal outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, notes receivable, accounts receivable, other accounts receivable, pledged financial assets and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

i) For purchased or originated credit-impaired financial assets, interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial assets.
ii) Financial assets that are not credit impairment from purchases or at the time of founding but subsequently become credit impairments shall be calculated by multiplying the effective interest rate in the reporting period after the credit impairment by the cost after the amortization of financial assets.

A credit-impaired financial asset refers to the situation where the issuer or debtor has experienced significant financial difficulties or defaults and therefore the debtor is likely to file for bankruptcy or declare financial restructuring, or the disappearance of an active market for that financial asset due to financial difficulties has occurred.

Cash equivalents include highly liquid time deposits and reverse repurchase agreements collateralized by bonds that can be readily converted into fixed amount of cash with limited risk of change in value. Cash equivalents are held to meet short-term cash commitments.

iii. Investments in equity instruments at fair value through other comprehensive incomes

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are measured at fair value, and any subsequent fair value changes are recognized in other comprehensive incomes and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Company’s right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The impairment loss of financial assets (including accounts receivable) measured at amortized cost based on expected credit loss is assessed by the Company on each balance sheet date.

Accounts receivable are recognized as lifetime expected credit loss (ECLs). Other financial assets are initially assessed for a significant increase in credit risk since their initial recognition. If there is no significant increase, then an expected credit loss is recognized based on a 12-month expected credit loss. If there is a significant increase, then an expected credit loss is recognized based on the lifetime expected credit loss.

The expected credit loss is the weighted average credit loss determined by the risk of default. The 12-month expected credit loss represents the expected credit loss arising from the possible default of the financial instrument in the 12 months after the balance sheet date, and the expected credit loss during the lifetime represents the expected credit loss arising from all possible defaults of the financial instrument during the expected existence period.

For internal credit risk management purpose, if any internal or external information shows that the debtor is unlikely to pay its creditors, the Company will determine that a financial asset is in default (without taking into account any collateral held by the Company).

The impairment loss of all financial assets is reduced based on the allowance account.

c) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received is recognized in profit or loss. Through the full derecognition of the investments in equity instruments at fair value through other comprehensive incomes, the cumulative profit or loss is directly transferred to retained earnings and not reclassified to profit or loss.

2) Financial liabilities

a) Subsequent measurement

Except the financial liabilities at fair value through profit or loss, all the financial liabilities are measured at amortized cost using the effective interest method.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gain or loss arising on remeasurement recognized in profit or loss. Fair value is determined in the manner described in Note 28.

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

3) Derivative instruments

The Company enters into a variety of derivative instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognized at fair value on the date when the derivative contracts are entered into, and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

m. Revenue recognition

The Company identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

Revenue from sale of goods

Proceeds of sale are derived from sales of polystyrene (PS), acrylonitrile-butadiene-styrene copolymer (ABS) resins, acrylonitrile-styrene copolymer (SAN) resins, glass wool insulation products, plastic raw materials, and the related processed products. The sale of goods above is recognized as revenue when goods are delivered to a customer because it is the time when the customer has full discretion over the manner of distribution and the price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Accounts receivable are recognized concurrently.

n. Leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

1) Where the Company is a lessor:

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Under operating leases, lease payments after deducting lease incentives are recognized as revenue on a straight-line basis over the relevant lease term. The initial direct costs arising from acquisition of operating leases is added to the carrying amount of the underlying assets; and an expense is recognized for the lease on a straight-line basis over the lease term.

2) Where the Company is a lessee:

Except that the lease payments of the low value subject-matter assets and short-term leases applicable to recognition exemption are recognized as expenses on a straight-line basis during the lease period, other leases are recognized as right-of-use assets and lease liabilities on the lease commencement date.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment loss and adjusted for any remeasurement of the lease liabilities. A right-of-use asset is separately presented on the balance sheets.

The right-of-use assets shall be depreciated on a straight-line basis from lease commencement date to the end of the service life or the end of the lease term.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments. If the implicit interest rate of lease is easy to determine, the interest rate is used to discount the lease payment. If the interest rate is not easy to determine, the lessee's incremental borrowing rate shall be used.

Subsequently, the lease liabilities are measured on an amortized cost basis using the effective interest method, and the interest expense is apportioned during the lease term. When there is a change in future lease payments resulting from a change in a lease term, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the balance sheets.

o. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the costs of those assets until the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than those stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

p. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

The costs of defined benefits under the defined benefit pension plan (including service cost, net interest, and the remeasurement amount) are calculated based on the projected unit credit method. Net interests on service costs and net defined benefit liabilities are recognized as employee benefits at the time of existence. The remeasurement amount (including actuarial gain and loss and the return on plan assets after deducting interest) is recognized in other comprehensive profit and loss and presented in retained earnings during a period in which it occurs. It shall not be reclassified to profit or loss in subsequent periods.

Net defined benefit liabilities are the deficit of the contribution made according to the defined benefit pension plan.

q. Income tax

Income tax expenses are the sum of current income taxes and deferred income taxes.

1) Current tax

The Company determines the income (loss) of the current period under the laws and regulations in each income tax declaration jurisdiction and calculates the income tax payable (recoverable) accordingly.

A tax is levied on the unappropriated earnings pursuant to the Income Tax Act of the Republic of China and is recorded as an income tax expense in the year when the shareholders' meeting resolves to appropriate the earnings.

Adjustments to prior-year income taxes payable are shown in the income taxes of the current year.

2) Deferred tax

Deferred income tax is calculated based on the temporary difference between the carrying amount of the assets and liabilities and the taxable basis of the taxable income.

Deferred income tax liabilities are generally recognized for all taxable temporary differences, while deferred income tax assets are recognized to the extent that the taxable capital is available for writing off temporary differences and loss deductions.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. For deductible temporary differences associated with such investment when it is probable that sufficient taxable income will be available to realize the such temporary difference, deferred income tax assets are recognized, but only to the extent of the amount that is expected to be reversed in the foreseeable future.

The carrying amount of the deferred income tax assets is re-examined at each balance sheet date and the carrying amount is reduced for assets that are no longer likely to generate sufficient taxable income to recover all or part of the assets. A previously unrecognized deferred taxes asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rate of the period of expected realization of assets or repayment of liabilities. The rate is based on the tax rate and tax laws that have been enacted prior to the balance sheet date or have been substantially legislated. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive incomes or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive incomes or directly in equity, respectively.

5. PRIMARY SOURCES OF UNCERTAINTIES IN MATERIAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In the application of the Company's accounting policies, management is required to make judgments, estimations and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing significant accounting estimates, our company takes into account the potential impact of climate change, related government policies and regulations, and fluctuations in the energy market on cash flow projections, growth rates, discount rates, and profitability. Management will continue to review the estimates and underlying assumptions.

Primary Sources of Estimation Uncertainties

a. Estimated impairment of accounts receivable

The provision for impairment of accounts receivable is based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Company's historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. For details of the key assumptions and inputs applied, refer to Note 10. Where the actual future cash inflows are less than expected, a material impairment loss may arise.

b. Write-down of inventories

The net realizable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and disposal. The estimation of net realizable value is based on current market conditions and historical experience with product sales of a similar nature. Changes in market conditions may have a material impact on the estimation of the net realizable value.

c. Estimation of damage compensation for associate's gas explosion incidents

The Company's associate, China General Terminal & Distribution Corporation ("CGTD"), recognized a provision for civil damages due to a gas explosion. The management considered the progress of the relevant civil and criminal procedures, settlements achieved, and legal advice to estimate the amount of the provision. However, the actual amount might differ from the current estimation.

6. CASH AND CASH EQUIVALENTS

	December 31, 2023	December 31, 2022
Cash on hand and petty cash	$ 331	$ 371
Checking accounts and demand deposits	104,951	43,819
Cash equivalents		
Fixed term deposits	331,614	287,964
Bonds sold under repurchase agreement	-	145,825
	$436,896	$477,979

The market rate or interval of market rates of cash equivalents at the end of the reporting period were as follows:

	December 31, 2023	December 31, 2022
Time deposits	5.27%-5.38%	1.18%-4.18%
Reverse repurchase agreements collateralized by bonds	-	1.05%-1.35%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31, 2023	December 31, 2022
Financial assets mandatorily measured at fair value through profit or loss		
Non-derivative financial assets		
— Domestic listed shares	$ 93,886	$ 22,540
— Mutual fund	-	333,210
— Beneficiary securities	67,292	59,303
	$161,178	$415,053

In the fiscal year 2022, the main purpose of our company's forward foreign exchange transactions was to hedge against the risks arising from exchange rate fluctuations on foreign currency assets and liabilities. As these contracts did not meet the criteria of hedge accounting, and therefore, the Company did not apply hedge accounting treatments for these derivative contracts (2023: None).

The Company generated a net profit of NT$3,948,000 and a net loss of NT$505 ,000 from financial asset transactions measured at fair value through profit or loss in the fiscal years 2023 and 2022, respectively. In fiscal year 2022, the Company incurred a net loss of NT$13,364 ,000 from financial liabilities measured at fair value through profit or loss (fiscal year 2023: None).

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT

	December 31, 2023	December 31, 2022
Investments in equity instruments		
Domestic investments		
Ordinary shares of the listed companies		
— USI Corporation	$ 298,421	$ 333,929
Ordinary shares of the unlisted companies		
— Harbinger Venture Capital Corp. ("Harbinger")	6	7
	$ 298,427	$ 333,936

These investments in equity instruments are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes.

9. FINANCIAL ASSETS AT AMORTIZED COST - CURRENT

	December 31, 2023	December 31, 2022
Fixed deposits with original maturity exceeding 3 months	$ 10,000	$ -
Pledged time deposits	3,000	5,000
	$ 13,000	$ 5,000

The market annual interest rate range for fixed-term deposits and pledged fixed deposits with an original maturity exceeding 3 months as of the balance sheet date is as follows:

	December 31, 2023	December 31, 2022
Fixed deposits with original maturity exceeding 3 months	1.25%	-
Pledged certificates of deposit (Note 30)	1.53%	1.32%-1.41%

Refer to Note 30 for information related to the pledged financial assets at amortized cost.

10. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE, AND OTHER RECEIVABLES

	December 31, 2023	December 31, 2022
Notes receivable (1)		
Notes receivable - operating	$ 26,411	$ 45,071
Accounts receivable (1)		
Measured at amortized cost		
Total carrying amount	$ 984,189	$ 1,149,707
Less: Allowance for impairment loss	(764)	(53,732)
	$ 983,425	$ 1,095,975
Accounts receivable from related parties (1) (Note 29)	$ 4,200	$ -
Other receivables (2)		
Business tax refund receivable	$ 70,889	$ 67,204
Others:	101	408
	$ 70,990	$ 67,612
Other receivables from related parties (Note 29)	$ 285,042	$ 285,580

a. Notes receivable and accounts receivable

The average credit period of sales of goods is 30-180 days. No interest is charged on receivables. In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. For part of the accounts receivable, the Company entered into a credit insurance contract or obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. Before accepting new customers, the Company takes customer evaluation results generated by the internal system into consideration to measure the potential customer's credit quality and define the customer's credit limit. Customer credit limits and ratings are reviewed periodically. In this regard, the management believes the Company's credit risk was significantly reduced.

The Company measures the loss allowance for accounts receivable at an amount equal to lifetime ECLs. The expected credit loss on trade receivables is estimated using a provision matrix by reference to the past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of the current and forecast directions of economic conditions at the reporting date.

The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For accounts receivable that have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of accounts receivable based on the Company's provision matrix.

December 31, 2023

	Credit Rating A	Credit Rating B	Credit Rating C	Others	Total
Total carrying amount	$ 7,018	$ 108,374	$ 88,181	$ 811,227	$1,014,800
Loss allowance (Lifetime ECL)	-	-	-	(764)	(764)
Amortized cost	$ 7,018	$ 108,374	$ 88,181	$ 810,463	$1,014,036

December 31, 2022

	Credit Rating A	Credit Rating B	Credit Rating C	Others	Total
Total carrying amount	$ 4,192	$ 100,685	$ 82,058	$1,007,843	$1,194,778
Loss allowance (Lifetime ECL)	-	-	(219)	(53,513)	(53,732)
Amortized cost	$ 4,192	$ 100,685	$ 81,839	$ 954,330	$1,141,046

The movements of the loss allowance of accounts receivable were as follows:

	2023	2022
Beginning Balance	$ 53,732	$ 53,733
Amounts written off	(52,750)	-
Gain on reversal of expected credit loss	(218)	(1)
Ending Balance	$ 764	$ 53,732

The aging of receivables (including related parties) was as follows:

	December 31, 2023	December 31, 2022
Not past due	$ 984,376	$ 1,105,180
Past due within 60 days	29,655	33,011
Past due over 61 days	769	56,587
Total	$ 1,014,800	$ 1,194,778

The above aging schedule was based on the number of days past due from the end of the credit term.

In the balances of accounts receivable and notes receivable as of December 31, 2023 and December 31, 2022, except for specific customers whose balances of accounts receivable as of December 31, 2023 and December 31, 2022 accounted for 14% and 20% of the total balances of notes receivable and accounts receivable, respectively, the balances of notes receivable and accounts receivable for other customers did not exceed 10% of the total balances of notes receivable and accounts receivable. Our Company has a wide range of customers who are not related to each other, so the risk of concentration of credit is limited.

b. Other receivables

Other receivables of the Company as of 31 December 2023 and 2022 have been assessed for impairment loss based on expected credit loss.

11. INVENTORIES

	December 31, 2023	December 31, 2022
Finished goods	$ 416,730	$ 359,669
Work in process	153,301	130,666
Raw materials	309,307	218,227
Production supplies	19,908	25,027
	$ 899,246	$ 733,589

The cost of goods sold related to inventory for the years 2023 and 2022 were NT$10,121,466 and NT$11,123,548, respectively.

The cost of goods sold for the fiscal year 2023 includes a net realizable value impairment loss on inventory of NT$1,830,000.

The cost of goods sold for the fiscal year 2022 includes a provision for inventory net realizable value impairment loss of NT$27,051,000.

12. INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD

	December 31, 2023	December 31, 2022
Investments in subsidiaries	$ 3,037,367	$ 3,144,353
Investments in associates	561,341	576,308
	$ 3,598,708	$ 3,720,661

a. Investments in subsidiaries

	December 31, 2023	December 31, 2022
Unlisted company		
TAITA (BVI) Holding Co., Ltd. (TAITA (BVI))	$ 3,037,367	$ 3,144,353

Investor Company	Name of Subsidiary	Nature of Business	Proportion of Ownership December 31, 2023	Proportion of Ownership December 31, 2022
The Company	TAITA (BVI)	Reinvestment	100%	100%

Through TAITA (BVI), the Company indirectly invested in Taita Chemical (Tianjin) Co., Ltd. ("Taita (TJ)"). The management stopped the production of Taita (TJ) in April 2019 as a result of the reduction in demand of EPS, which is the main product of Taita (TJ) in the local market.

On December 3, 2020, the Board of Directors of the Company resolved to establish Zhangzhou Taita Chemical Company Ltd. (TTC (ZZ)) with a capital contribution of CNY314,000,000 from TAITA (BVI). The main business of TTC (ZZ) is the production and sale of EPS. The establishment of TTC (ZZ) was registered on June 28, 2021, and TAITA (BVI) injected CNY306,950,000 (USD48,580,000) into TTC (ZZ) on March 8, 2022.

The investments in subsidiaries accounted for by the equity method and the shares of profit or loss and other comprehensive incomes in subsidiaries for the years ended December 31, 2023 and 2022 were based on the subsidiaries' financial statements audited by auditors for the same years.

b. Investments in associates

	December 31, 2023	December 31, 2022
Individually insignificant associates		
Listed company		
China General Plastics Corporation ("CGPC")	$ 189,901	$ 187,231
Acme Electronics Corp. ("Acme")	41,468	33,466
Unlisted company		
China General Terminal & Distribution Co. ("CGTD")	329,972	355,611
	$ 561,341	$ 576,308

Aggregate information of associates that are not individually material

	2023	2022
The Company's shares of:		
Profits from continuing operations	($ 5,915)	$ 2,983
Other comprehensive incomes	(18,461)	(25,392)
Total comprehensive income	($ 24,376)	($ 22,409)

The Company's ownership interest and percentage of voting right in associate at the end of the reporting period were as follows:

Name of Associate	December 31, 2023	December 31, 2022
CGPC	1.98%	1.98%
ACME	2.34%	2.43%
CGTD	33.33%	33.33%

For the nature of activities, principal places of business and countries of incorporation of the associates, please refer to Table 4 "Information on Investees".

The Company with its affiliates jointly held more than 20% of the shareholdings of CGPC and Acme, and had significant influence over each entity. Therefore, the Company adopted the equity method to evaluate the above investments.

Fair values (Level 1) of investments in associates with available published price quotations are summarized as follows:

Name of Associate	December 31, 2023	December 31, 2022
CGPC	$ 256,811	$ 304,027
ACME	$ 125,288	$ 106,458

The investments above were accounted for using the equity method.

The profits and other comprehensive income shares enjoyed by the associated enterprises and the Company under the equity method in the fiscal years 2023 and 2022 are recognized based on the audited financial reports of each associated enterprise during the same period.

13. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Machinery and equipment	Transportation equipment	Other equipment	Construction in Progress	Total
Cost							
Balance at January 1, 2022	$ 634,432	$ 870,030	$3,884,412	$ 24,195	$ 311,261	$ 34,260	$5,758,590
Addition	-	-	-	-	-	110,315	110,315
Disposal and obsolescence	-	(768)	(31,002)	-	(6,670)	-	(38,440)
Internal transfers	-	5,980	69,047	-	9,094	(84,121)	-
Balance as of December 31, 2022	$ 634,432	$ 875,242	$3,922,457	$ 24,195	$ 313,685	$ 60,454	$5,830,465
Accumulated depreciation							
Balance at January 1, 2022	$ -	$ 656,867	$3,077,119	$ 23,532	$ 290,084	$ -	$4,047,602
Disposal and obsolescence	-	(768)	(24,414)	-	(6,670)	-	(31,852)
Depreciation expenses	-	19,996	140,304	447	5,916	-	166,663
Balance as of December 31, 2022	$ -	$ 676,095	$3,193,009	$ 23,979	$ 289,330	$ -	$4,182,413
Carrying amounts as of December 31, 2022	$ 634,432	$ 199,147	$ 729,448	$ 216	$ 24,355	$ 60,454	$1,648,052
Cost							
Balance at January 1, 2023	$ 634,432	$ 875,242	$3,922,457	$ 24,195	$ 313,685	$ 60,454	$5,830,465
Addition	-	-	-	-	-	161,070	161,070
Disposal and obsolescence	-	-	(6,718)	(2,013)	(11,331)	-	(20,062)
Internal transfers	-	2,627	117,642	-	15,578	(135,847)	-
Balance as of December 31, 2023	$ 634,432	$ 877,869	$4,033,381	$ 22,182	$ 317,932	$ 85,677	$5,971,473
Accumulated depreciation							
Balance at January 1, 2023	$ -	$ 676,095	$3,193,009	$ 23,979	$ 289,330	$ -	$4,182,413
Disposal and obsolescence	-	-	(6,718)	(2,013)	(11,331)	-	(20,062)
Depreciation expenses	-	17,903	140,769	111	7,164	-	165,947
Balance as of December 31, 2023	$ -	$ 693,998	$3,327,060	$ 22,077	$ 285,163	$ -	$4,328,298
Net balance as of December 31, 2023	$ 634,432	$ 183,871	$ 706,321	$ 105	$ 32,769	$ 85,677	$1,643,175

Property, factory, and equipment are depreciated on a straight-line basis over the following service life:

Buildings	
Factories	20, 30, 35, 40 and 55 years
Offices and laboratories	26-35 Years
Warehouses	20-25 Years
Storage tanks	8-20 Years
Others	2-9 Years
Machinery and equipment	
Environmental protection equipment	15-20 Years
Monitoring equipment	11-15 Years
Storage tanks and pipeline systems	10-15 Years
Production and packaging equipment	8-15 Years
Power systems	7-15 Years
Others	2-8 Years
Transportation equipment	5-15 Years
Other equipment	2-15 Years

14. LEASE AGREEMENTS

a. Right-of-use assets

	December 31, 2023	December 31, 2022
Carrying amounts		
Land	$ 32,336	$ 36,955

	2023	2022
Depreciation charge for right-of-use assets		
Land	$ 4,619	$ 4,619

Except for the recognized depreciation expense, there were no significant additions, sublease and impairments of the Company's right-of-use assets for the years 2023, 2022.

b. Lease liabilities

	December 31, 2023	December 31, 2022
Lease Liabilities Carrying Amount		
Current	$ 4,665	$ 4,614
Non-current	$ 29,094	$ 33,760

The discount rate for lease liabilities was as follows:

	December 31, 2023	December 31, 2022
Land	1.10%	1.10%

The Company leases land in Linyuan to build factories from related party. When rental period ends, the Company has no bargain purchase price option for the land leased. Transactions with related parties are set out in Note 29.

c. Other lease information

Lease arrangements under operating leases for the leasing out of investment properties and freehold property, plant, and equipment are set out in Note 15.

	2023	2022
Expenses relating to short-term leases	$ 14,009	$ 14,078
Total cash outflow for leases	$ 19,022	$ 19,091

The Company leases certain office equipment, machinery equipment, transportation equipment which qualify as short-term leases and certain other equipment which qualify as low-value asset leases. The Company has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

15. INVESTMENT PROPERTIES, NET

	December 31, 2023	December 31, 2022
Land	$ 108,178	$ 108,178

Management was unable to reliably measure the fair value of investment properties located in Qianzhen District, Xingbang Section and Linyuan Industrial Park, because the fair value for comparable properties is inactive and alternative reliable measurements of fair value are not available. Therefore, the Company concluded that the fair value of the investment properties is not reliably measurable.

The land of our company's Qianzhen Plant is leased to China Interocean Transport, Inc., with the rental amount determined based on the actual leased area. In the 2023 and 2022 fiscal years, monthly payments of NT$1,496,000 and NT$1,628,000 were respectively collected (Notes 24 and 29).

16. INTANGIBLE ASSETS

	December 31, 2023	December 31, 2022
Carrying amount by function		
Information systems	$ 98	$ 278
Design expenses for factories	400	2,001
	$ 498	$ 2,279

Intangible assets are amortized on a straight-line over their estimated useful lives as follows:

Information systems	3 years
Design expenses for factories	10 years

17. BORROWINGS

a. Short-term borrowings

	December 31, 2023	December 31, 2022
Unsecured borrowings		
Line of credit borrowings	$ 825,000	$ 150,000

The annual interest rates for credit line loans were 1.66-1.70% and 1.32% as of December 31, 2023 and December 31, 2022, respectively.

b. Long-term borrowings

	December 31, 2023	December 31, 2022
Unsecured borrowings		
Credit loans	$ -	$ 300,000

The annual interest rates of the Company's long-term borrowings were as follows:

	December 31, 2023	December 31, 2022
Credit loans	-	1.35%

In order to enhance our long-term operational capital, our company has signed long-term credit agreements with banks. As of December 31, 2023, the total amount of credit lines is NT$2,300,000. The credit agreements will expire gradually before August 2026, and the credit lines will be used cyclically within the contract period.

Some of the Company's loan agreements stipulate that the current ratio and debt ratio as stated on the financial statements shall not be less than a specified percentage, and that if such a percentage fails to be met, the Company shall propose improvement measures to the banks concerned. As of December 31, 2023, the Company did not violate these financial ratios and terms.

18. ACCOUNTS PAYABLE

	December 31, 2023	December 31, 2022
Accounts payable (including related parties)		
Arising from operations (Note 29)	$ 690,478	$ 588,550

The average payment period for the Company's accounts payable is between 30 and 45 days. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

19. OTHER PAYABLES

	December 31, 2023	December 31, 2022
Payables for salaries or bonuses	$ 67,824	$ 90,292
Payables for freight fees	54,724	71,781
Payables for equipment	29,822	24,856
Payables for utilities	29,281	25,517
Payables for professional service expenses	10,698	9,251
Others	44,754	38,389
	$237,103	$260,086

20. REFUND PROVISIONS

	December 31, 2023	December 31, 2022
Customer returns and rebates	$ 1,314	$ 1,102

	2023	2022
Beginning Balance	$ 1,102	$ 897
Provision	8,123	7,918
Returns and rebates	(7,911)	(7,713)
Ending Balance	$ 1,314	$ 1,102

The refund provision is based on management's judgments and other known reasons for which estimated product returns and rebates may occur for the year ended. The provision is recognized as a reduction of operating income in the periods in which the related goods are sold.

21. POST-RETIREMENT BENEFIT PLAN

a. Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (the "LPA"), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

The defined benefit plan adopted by the Company in accordance with the Labor Standards Law is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. Since November 1986, the Company contributed a specific rate (currently 12%) of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts included in the balance sheets in respect of the Company's defined benefit plans were as follows:

	December 31, 2023	December 31, 2022
Present Value of Defined Benefit Obligation	$ 403,237	$ 470,859
Fair Value of Plan Assets	(302,597)	(343,143)
Net defined benefit liabilities	$ 100,640	$ 127,716

Changes in net defined benefit liabilities are as follows:

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Net defined benefit liabilities
Balance at January 1, 2022	$ 543,761	($ 357,342)	$ 186,419
Service costs			
Service costs for the current period	2,903	-	2,903
Net interest expense (income)	2,606	(1,724)	882
Recognized in profit or loss	5,509	(1,724)	3,785
Remeasurements			
Return on plan assets (excluding amounts included in net interest)	-	(30,701)	(30,701)
Actuarial gain			
— Changes in financial assumptions	(4,229)	-	(4,229)
— Experience adjustments	3,790	-	3,790
Recognized in other comprehensive income	(439)	(30,701)	(31,140)
Contributions by the employer	-	(31,348)	(31,348)
Benefits paid on plan assets	(77,972)	77,972	-
Balance as of December 31, 2022	$ 470,859	($ 343,143)	$ 127,716
Balance at January 1, 2023	$ 470,859	($ 343,143)	$ 127,716
Service costs			
Service costs for the current period	2,237	-	2,237
Net interest expense (income)	5,090	(3,798)	1,292
Recognized in profit or loss	7,327	(3,798)	3,529
Remeasurements			
Return on plan assets (excluding amounts included in net interest)	-	(3,542)	(3,542)
Actuarial gain			

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	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Net defined benefit liabilities
— Changes in financial assumptions	(3,201)	-	(3,201)
— Experience adjustments	(2,801)	-	(2,801)
Recognized in other comprehensive income	(6,002)	(3,542)	(9,544)
Contributions by the employer	-	(21,061)	(21,061)
Benefits paid on plan assets	(68,947)	68,947	-
Balance as of December 31, 2023	$ 403,237	($ 302,597)	$ 100,640

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	2023	2022
Cost of goods sold	$ 3,200	$ 3,318
Selling and marketing expenses	141	175
General and administrative expenses	88	197
Research and development expenses	100	95
	$ 3,529	$ 3,785

Through the defined benefit plans under the Labor Standards Law, the Company is exposed to the following risks:

1) Investment risk: The Bureau of Labor Funds, Ministry of Labor invests the labor pension fund in equity securities, debt securities, and bank deposits in domestic (foreign) banks through independent implementation and commissioned operations. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate of a 2-year time deposit with local banks.
2) Interest risk: The decrease in the interest rate of government bonds will increase the present value of defined benefit obligations, but the compensation on debt investment of plan assets will also increase accordingly, which will partially offset the impact on net defined benefit liabilities.
3) Salary risk: The present value of the defined benefit obligation is calculated with reference to the future salaries of plan participants. Therefore, the salary increase of plan members will increase the present value of the defined benefit obligation.

The present value of the Company's defined benefit obligations is measured on the basis of certified actuaries, and major assumptions on the measurement date are as follows:

	December 31, 2023	December 31, 2022
Discount rate	1.250%	1.125%
Average long-term salary adjustment rate	2.750%	2.750%

In the event of a reasonably possible change in the material actuarial assumptions, the amount of the increase (decrease) in the present value of the defined benefit obligation would be as follows, provided that all the other assumptions remain constant:

	December 31, 2023	December 31, 2022
Discount rate		
Increase by 0.25%	($ 6,279)	($ 7,345)
Decrease by 0.25%	$ 6,444	$ 7,543
Average long-term salary adjustment rate		
Increase by 0.25%	$ 6,239	$ 7,291
Decrease by 0.25%	($ 6,111)	($ 7,138)

As actuarial assumptions may be related to one another, the likelihood of fluctuation in a single assumption is not high. Therefore, the aforementioned sensitivity analysis may not reflect the actual fluctuations of the present value of defined benefit obligations.

The Company is expected to allocate an amount of NT$20,000,000 and NT$25,800,000 for defined benefit plan within the next year as of December 31, 2023 and 2022, respectively. The weighted average duration of the Company's defined benefit obligations on 31 December 2023 and 2022 is 6.4 years.

22. EQUITY

a. Ordinary shares

	December 31, 2023	December 31, 2022
Number of shares authorized (in thousands)	400,000	400,000
Shares authorized	$ 4,000,000	$ 4,000,000
Number of shares issued and fully paid (in thousands)	397,587	397,587
Shares issued	$ 3,975,868	$ 3,975,868

Fully paid ordinary shares, which have a par value of NT$10, carry one vote per share and carry a right to dividends.

The Company's annual shareholders' meeting resolved to distribute share dividends with earnings and issued 18,933 ,000 new shares for the capital increase on May 27, 2022. The above cash capital increase proposal was approved and declared by the

Securities and Futures Bureau, FSC on July 6, 2022, and was resolved by the board of directors, with August 5, 2022 as the ex-rights date.

b. Capital surplus

Capital surplus which arises from the consideration received from issuance of shares (including consideration from issuance of ordinary shares) and donations may be used to offset a deficit, in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).

Capital surplus arising from unpaid dividends due to overdue may be used to offset a deficit only. Capital surplus arising from investments in subsidiaries and associates accounted for using the equity method may not be used for any purpose.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the amended Articles, where the Company made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors after the amendment, refer to employees' compensation and remuneration of directors in Note 24-8.

According to the provisions of the Company's Articles, the Company in order to take R&D needs and diversification of operations into consideration, dividends shall not be less than 10% of the distributable earnings in the current year, of which the cash dividends shall not be less than 10% of the total dividends. However, if the distributable retained earnings per share of the current year are less than NT$0.1, the retained earnings are not to be distributed.

An appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

Items referred to under Rule No. 1090150022 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs" should be appropriated to or reversed from a special reserve by the Company.

The company held shareholder meetings on May 30, 2023 and May 27, 2022, respectively, and approved the profit distribution plans for the years 2022 and 2021 as follows:

	Appropriation of Earnings		Dividends Per Share (NT$)	
	2022	2021	2022	2021
Legal reserve	$ 44,234	$ 184,098		
Cash dividends	198,793	757,308	$ 0.5	$ 2.0
Share dividends	-	189,327	-	0.5

The appropriation of earnings for 2023 had been proposed by the Company's Board of Directors on March 7, 2024, were as follows:

	Appropriation of Earnings	Dividends Per Share (NT$)
Cash dividends	$ 119,276	$ 0.3

The distribution of earnings for the year 2023 is still subject to resolution in the annual shareholders' meeting to be held on May 31, 2024.

d. Special reserve

The Company reserved a special reserve on the first-time adoption of IFRSs as follows:

	December 31, 2023	December 31, 2022
Special reserve	$ 308,061	$ 308,061

The Company's amount of unrealized revaluation gain and cumulative adjustments transferred into retained earnings were NT$279,270,000 and NT$160,233,000, respectively. The increase in retained earnings arising from the first-time adoption of IFRSs was not sufficient for the special reserve appropriation; thus, the Company appropriated a special reserve in the amount of NT$308,061,000 which was the net increase of retained earnings arising from the first-time adoption of IFRSs. As of December 31, 2023, there was no change in the special reserve.

e. Other equity items

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

	2023	2022
Beginning Balance	($110,541)	($144,532)
Incurred this year		
Exchange differences on translation of foreign operations	(52,067)	40,992
Share in associates accounted for under the equity method	(819)	1,198
Related income tax	10,413	(8,199)
Ending Balance	($153,014)	($110,541)

Exchange difference resulting from translating net assets of foreign operations are translated into the presentation currency, the New Taiwan dollar. The resulting currency translation difference is recognized in other comprehensive incomes as exchange difference resulting from translating financial statements of foreign operations in the respective period.

2) Unrealized Gains (Losses) on Financial Assets at Fair Value through Other Comprehensive Income

	2023	2022
Beginning Balance	$ 319,105	$ 493,835
Incurred this year		
Unrealized gains (losses)		
Equity instruments	(35,509)	(142,789)
Share in subsidiaries and/or associates accounted for under the equity method	(17,499)	(31,941)
Related income tax	1	-
Ending Balance	$ 266,098	$ 319,105

23. REVENUE

	2023	2022
Revenue from contracts with customers		
Revenue from sale of goods	$ 10,576,796	$ 12,870,472

Refer to Note 4 for description related to contracts with customers.

24. PROFIT (LOSS) BEFORE INCOME TAX

Net profit before income tax includes the following:

a. Interest income

	2023	2022
Cash and cash equivalents	$ 5,822	$ 2,407
Financial Assets at Fair Value through Profit or Loss (Note 7)	1,526	1,215
Others	254	178
	$ 7,602	$ 3,800

b. Other income

	2023	2022
Rental income - operating lease (Notes 15, 29)	$ 26,781	$ 34,666
Dividend income		
Financial Assets at Fair Value through Profit or Loss (Note 7)	1,307	3,463
Financial assets at fair value through other comprehensive profit and loss (Note 8)	10,577	33,242
Compensation benefits	8,537	88
Others	9,103	5,719
	$ 56,305	$ 77,178

c. Other gains and losses

	2023	2022
Loss and gain of financial assets at fair value through profit or loss (Note 7)	$ 1,115	($ 5,183)
Loss on financial assets at fair value through profit and loss (Note 7)	-	(13,364)
Net gain (loss) through foreign currency exchange	21,250	224,098
Loss (gain) on disposal and retirement of property, factory and equipment (Note 13)	960	3,333
Expenses from rental assets	(5,076)	(5,840)
Others	(644)	(898)
	$ 17,605	$202,146

d. Gain or loss on foreign currency exchange

	2023	2022
Total foreign exchange gains	$117,266	$314,610
Total foreign exchange losses	(96,016)	(90,512)
Net profit	$ 21,250	$224,098

e. Financial costs

	2023	2022
Interest on bank loans	$ 19,571	$ 6,486
Interest on lease liabilities (Note 29)	398	449
Amount of capitalization of interest (included in property under construction)	(119)	(100)
	$ 19,850	$ 6,835

Information about capitalized interest is as follows:

	2023	2022
Capitalized interest	$ 119	$ 100
Capitalization rate	1.50%-1.65%	0.85%-1.35%

f. Depreciation and amortization (Statement 17)

	2023	2022
Property, plant, and equipment (Note 13)	$ 165,947	$ 166,663
Right-of-use assets (Note 14)	4,619	4,619
Intangible assets (Note 16)	1,781	1,815
Total	$ 172,347	$ 173,097
Analysis of depreciation by function		
Cost of goods sold	$ 167,802	$ 167,288
Operating expenses	808	1,228
Other gains and losses	1,956	2,766
	$ 170,566	$ 171,282
Analysis of amortization by function		
Cost of goods sold	$ 1,600	$ 1,600
Administrative expenses	181	215
	$ 1,781	$ 1,815

g. Employee benefits expense (Statement 17)

	2023	2022
Post-employment benefits (Note 21)		
Defined contribution plans	$ 13,622	$ 13,286
Defined benefit plans	3,529	3,785
	17,151	17,071
Insurance expenses	33,214	35,389
Other employee benefits	402,121	434,644
Total employee benefits expense	$ 452,486	$ 487,104
Analysis of employee benefits expense by function		
Cost of goods sold	$ 372,099	$ 408,896
Operating expenses	80,387	78,208
	$ 452,486	$ 487,104

h. Employees’ compensation and remuneration of directors

According to the Articles of Incorporation of the Company, the Company accrued employees’ compensation and remuneration of directors at the rates of no less than 1% and no higher than 1%, respectively. However, the Company’s accumulated deficits should be offset in advance. The employees’ compensation can be distributed in the form of shares or cash. When the employees of the Company’s subsidiaries meet specific requirements they are also entitled to receive compensation in shares or cash.

These requirements are set by the Board of Directors. These requirements are set by the board of directors.

Due to losses in the fiscal year 2023, employee remuneration and director remuneration were not estimated. The estimated employee remuneration and director remuneration for the fiscal year 2022 were resolved by the Board of Directors on March 3, 2023 as follows:

	2022	
	Accrual Rate	Distributed Amount
Employees' compensation	1%	$ 5,524
Remuneration of directors	-	$ -

If there is a change in the amounts after the annual financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

The actual distribution of the remuneration of the employees and directors for 2022 and 2021 is no different from the amount recognized in the parent company only financial statements for 2022 and 2021.

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

25. INCOME TAX

a. Major components of income tax expense recognized in profit or loss were as follows

	2023	2022
Current tax		
In respect of the current year	$ -	$ 105,184
Income tax on unappropriated earnings	-	35,512
Adjustments from previous years	(1,762)	(3,379)
	(1,762)	137,317
Deferred tax		
In respect of the current year	(63,711)	(2,531)
Adjustments from previous years	-	7
	(63,711)	(2,524)
Income tax expense (benefit) recognized in profit or loss	($ 65,473)	$ 134,793

A reconciliation of accounting profit and income tax expense is as follows:

	2023	2022
Profit (loss) before income tax	($ 339,010)	$ 546,871
Income tax expenses calculated at the statutory rate	($ 67,802)	$ 109,374
Fees that cannot be deducted from taxes	111	27
Tax-exempted income	(1,409)	(6,748)
Tax-exempt dividend income shall not be included in the deduction for losses.	5,389	-
Income tax on unappropriated earnings	-	35,512
Adjustments for prior years	(1,762)	(3,372)
Income tax expense (benefit) recognized in profit or loss	($ 65,473)	$ 134,793

b. Income tax recognized in other comprehensive income

	2023	2022
Deferred tax		
Incurred this year		
— Exchange differences on translating the financial statements of foreign operations	$ 10,413	($ 8,199)
— Unrealized Gains (Losses) on Financial Assets at Fair Value through Other Comprehensive Income	1	-
— Remeasurement of defined benefit plans	(1,909)	(6,228)
Income tax recognized in other comprehensive income	$ 8,505	($ 14,427)

c. Current income tax assets and liabilities

	December 31, 2023	December 31, 2022
Current income tax assets		
Tax refunds receivable	$ 767	$ -
Current income tax liabilities		
Income tax payable	$ 904	$142,379

d. Deferred tax assets and liabilities

Changes in deferred income tax assets and liabilities are as follows:

2023

Deferred income tax assets	Beginning Balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending Balance
Temporary differences				
Provision for inventory impairment loss	$ 6,391	($ 366)	$ -	$ 6,025
Unrealized bad debt	8,357	(8,357)	-	-
Loss on supplies	665	(59)	-	606
Defined retirement benefit plans	25,196	(3,506)	(1,909)	19,781
Payables for annual leave	3,419	33	-	3,452
Unrealized foreign exchange losses	3,651	1,695	-	5,346
Unrealized net gain on sale of goods	1,412	(1,412)	-	-
Others	1,817	(471)	1	1,347
	50,908	(12,443)	($ 1,908)	36,557
Loss offsetting	-	65,883	-	65,883
	$ 50,908	$ 53,440	($ 1,908)	$ 102,440

Deferred income tax liabilities	Beginning Balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending Balance
Temporary differences				
Exchange differences on translating the financial statements of foreign operations	$ 12,695	$ -	($ 10,413)	$ 2,282
Share of profit in foreign subsidiaries recognized using the equity method	52,312	(11,016)	-	41,296
Differences on depreciation between finance and tax	233	(50)	-	183
Reserve for land revaluation increment tax	143,860	-	-	143,860
Unrealized net loss on sales	-	795	-	795
	$ 209,100	($ 10,271)	($ 10,413)	$ 188,416

2022

Deferred income tax assets	Beginning Balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending Balance
Temporary differences				
Provision for inventory impairment loss	$ 981	$ 5,410	$ -	$ 6,391
Unrealized bad debt	6,973	1,384	-	8,357
Loss on supplies	851	(186)	-	665
Defined retirement benefit plans	36,937	(5,513)	(6,228)	25,196

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	Beginning Balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending Balance
Payables for annual leave	3,906	(487)	-	3,419
Unrealized foreign exchange losses	6,742	(3,091)	-	3,651
Unrealized net gain on sale of goods	5,628	(4,216)	-	1,412
Others	705	1,112	-	1,817
	$ 62,723	($ 5,587)	($ 6,228)	$ 50,908

Deferred income tax liabilities				
Temporary differences				
Exchange differences on translating the financial statements of foreign operations	$ 4,496	$ -	$ 8,199	$ 12,695
Share of profit in foreign subsidiaries recognized using the equity method	59,729	(7,417)	-	52,312
Differences on depreciation between finance and tax	283	(50)	-	233
Reserve for land revaluation increment tax	143,860	-	-	143,860
Others	644	(644)	-	-
	$ 209,012	($ 8,111)	$ 8,199	$ 209,100

e. Income tax assessments

The Company's income tax returns through 110 have been assessed by the tax authorities.

26. EARNINGS (LOSS) PER SHARE

Unit: NT$ Per Share

	2023	2022
Basic earnings (losses) per share	($ 0.69)	$ 1.04
Diluted earnings (losses) per share	($ 0.69)	$ 1.04

The earnings (losses) and weighted average number of ordinary shares outstanding in the computation of earnings (losses) per share from continuing operations were as follows:

Net profit for the year

	2023	2022
Earnings used in the computation of basic and diluted earnings per share	($ 273,537)	$ 412,078

Number of shares Unit: thousand shares

	2023	2022
Weighted average number of ordinary shares used for calculation of basic earnings per share	397,587	397,587
Effect of potentially dilutive ordinary shares:		
Employees' compensation	-	383
Weighted average number of ordinary shares used for calculation of diluted earnings per share	397,587	397,970

If the Company offered to settle compensation paid to employees in cash or shares, the Company assumed the entire amount of the compensation would be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, if the effect is dilutive. The dilutive effect of such potential ordinary shares shall continue to be considered when calculating diluted earnings per share before the number of shares to be distributed as employee compensation is approved in the following year. The company incurred a loss in the fiscal year 2023, therefore the dilutive effect of the equivalent shares issued for employee compensation is excluded from the calculation of diluted loss per share.

27. CAPITAL RISK MANAGEMENT

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged from the past year.

The capital structure of the Company consists of net debt and equity.

The senior management of the Company regularly reviews the Company's capital structure. The review includes the consideration of the cost of various types of capital and related risks. The Company balances its overall capital structure by paying dividends, borrowing new debt or repaying old debt, based on the recommendations of the senior management.

28. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

The Company's management believes that the carrying amount of financial assets and financial liabilities that are not measured at fair value approximates their fair value. Otherwise, the fair value cannot be measured appropriately.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Investments in equity instruments				
— Domestic listed shares	$ 93,886	$ -	$ -	$ 93,886
Beneficiary securities	67,292	-	-	67,292
Total	$ 161,178	$ -	$ -	$ 161,178
Financial assets at fair value through other comprehensive income				
Investments in equity instruments				
— Domestic listed shares	$ 298,421	$ -	$ -	$ 298,421
— Domestic unlisted shares	-	-	6	6
Total	$ 298,421	$ -	$ 6	$ 298,427

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Investments in equity instruments				
— Domestic listed shares	$ 22,540	$ -	$ -	$ 22,540
Mutual funds	333,210	-	-	333,210
Beneficiary securities	59,303	-	-	59,303
Total	$ 415,053	$ -	$ -	$ 415,053
Financial assets at fair value through other comprehensive income				
Investments in equity instruments				
— Domestic listed shares	$ 333,929	$ -	$ -	$ 333,929
— Domestic unlisted shares	-	-	7	7
Total	$ 333,929	$ -	$ 7	$ 333,936

In 2023 and 2022, there was no transfer between Level 1 and Level 2 fair value measurements.

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

Financial assets at fair value through other comprehensive income - equity instruments

	2023	2022
Beginning Balance	$ 7	$ 7
Recognized in other comprehensive income (included in unrealized gain on financial assets at FVTOCI)	(1)	-
Ending Balance	$ 6	$ 7

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

Financial Instrument Categories	Valuation Techniques and Inputs
Derivatives - forward foreign exchange contracts	Discounted cash flow: Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

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

To determine the fair value for Level 3 financial instruments, the Company's investment department conducts independent fair value verification using external resources so as to better reflect the market conditions, as well as periodically reviewing the valuation results in order to guarantee the rationality of the measurement. For unlisted domestic equity investments, the Company utilizes the asset approach and takes into account the most recent net asset value, observable financial status as well as the financing activities of investees in order to determine their net asset value. The unobservable input used was a discount for the lack of marketability of 15% on December 31, 2023 and 2022.

c. Categories of financial instruments

	December 31, 2023	December 31, 2022
Comprehensive Income		
Financial assets at fair value through profit or loss — Mandatorily classified as at fair value through profit or loss	$ 161,178	$ 415,053
Financial assets at amortized cost (Note 1)	1,774,345	1,933,842
Financial Assets - Equity Instruments Investments Measured at Fair Value Through Other Comprehensive Income	298,427	333,936
Financial liabilities		
Measured at amortized cost (Note 2)	1,687,643	1,211,853

Note 1: The balance includes cash and cash equivalents, pledge certificates of deposit, notes receivable and accounts receivable (including related parties), other receivables (including related parties, excluding business tax refunds receivable) and deposits and other financial assets measured at amortized cost.

Note 2: The balance includes financial liabilities at amortized cost, which includes short-term and long-term loans, short-term bills payable, accounts payable (including related parties) and other payables (including related parties and excluding payables for taxes).

d. Financial risk management objectives and policies

The Company's risk control and hedging strategy are influenced by its operational environment. The Company properly monitors and manages the risks related to business nature and according to the principle of risk diversification. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

The main financial risks the Company is exposed to in the business activities are foreign exchange risk, interest rate risk, and other price risk.

There has been no change to the Company's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Company conducted foreign currency sales and purchases, which exposed the Company to foreign currency risk. In order to avoid the impact of foreign currency exchange rate changes, which lead to deductions in foreign currency denominated assets and fluctuations in their future cash flows, the Company used foreign exchange forward contracts to eliminate foreign currency exposure and thus mitigate the impact of the risk. The use of foreign exchange forward contracts was governed by the Company's policies approved by the board of directors. Compliance with policies and exposure limits was reviewed by internal auditors on a continuous basis. The Company did not enter into or trade foreign exchange forward contracts for speculative purposes.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities are set out in Note 32.

Sensitivity analysis

The Company's sensitivity analysis mainly focuses on the foreign currency risk of U.S. dollars at the end of the reporting period. When the functional currency of the entity appreciates/depreciates against the US dollar by 3%, the company's pre-tax net loss for the fiscal year 2023 will increase/decrease by NT$30,932,000; the pre-tax net profit for the fiscal year 2022 will decrease/increase by NT$36,340,000.

In management's opinion, this sensitivity analysis is unrepresentative of the Company's inherent foreign exchange risk because the exposure at the end of the reporting period did not reflect the exposure during the period.

b) Interest rate risk

The Company was exposed to the fair value risk of interest rate fluctuations for the fixed interest rate bearing financial assets and financial liabilities; the Company was exposed to the cash flow risk of interest rate fluctuations for the floating interest rate bearing financial assets and financial liabilities. The Company's management regularly monitors the fluctuations on market rates and then adjusted its balance of floating rate bearing financial liabilities to make the Company's interest rates more closely approach market rates in response to the interest rate risk.

The carrying amount of the Company's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31, 2023	December 31, 2022
Fair value interest rate risk		
— Financial assets	$ 358,554	$ 457,618
— Financial liabilities	758,759	338,374
Cash flow interest rate risk		
— Financial assets	96,346	45,014
— Financial liabilities	100,000	150,000

Sensitivity analysis

The sensitivity analysis below was determined based on the Company's exposure to interest rate risk of cash flow for both financial assets and liabilities at the end of the reporting period. The fixed-rate financial assets and liabilities held by the Company are not included in the analysis as they are all measured at amortized cost. A 50-point fluctuation in interest rate was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. Assuming all other variables remain constant, a 0.5% increase/decrease in market interest rates will result in an increase/decrease of NT$18,000 in the company's pre-tax net loss for the fiscal year 2023, and a decrease/increase of NT$525,000 in the pre-tax net profit for the fiscal year 2022.

c) Other price risk

The Company was exposed to price risk through its investments in domestic listed shares, foreign and domestic unlisted shares, beneficiary securities and mutual funds. The Company manages this exposure by maintaining a portfolio of investments with different risks. In addition, the Company has appointed a special team to monitor price risk.

Sensitivity analysis

Sensitivity analysis is based on the price of equity securities at the balance sheet date. However, in the financial assets measured at fair value through profit or loss of the Company's investment, the price fluctuation risk of monetary market funds is very low, so it is not included in the analysis.

If the equity price rises/falls by 5%, the pre-tax net loss for the fiscal year 2023 and will decrease/increase by NT$8,059,000 due to the increase/decrease in the fair value of financial assets measured at fair value through profit or loss. The pre-tax net profit for the fiscal year 2022 will increase/decrease by NT$4,092,000 due to the increase/decrease in the fair value of financial assets measured at fair value through profit or loss (excluding money market fund investments). In the fiscal years 2023 and 2022, pre-tax other comprehensive income will increase/decrease by NT$14,921,000 and NT$16,697,000, respectively, due to the fair value increase/decrease of financial assets measured at fair value through other comprehensive income.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. As at the end of the reporting period, the Company's maximum exposure to credit risk, which would cause a financial loss to the Company due to the failure of counterparties to discharge an obligation and financial guarantees provided by the Company, could arise from:

a) The carrying amount of the respective recognized financial assets as stated in the balance sheets.

b) The maximum amount the entity would have to pay if the financial guarantee is called upon, irrespective of the likelihood of the guarantee being exercised.

The financial guarantees provided by the Company are endorsements for loans taken by its subsidiaries. As of December 31, 2023 and December 31, 2022, the Company has provided endorsement guarantees in the amounts of NT$308,875,000 and NT$537,012,000, respectively. However, according to the expectations on the balance sheet date, it is unlikely that the Company will pay the endorsement guarantees when the endorsee breaches the contract.

The accounts receivable balances of our specific customers as of December 31, 2023 and December 31, 2022 accounted for 14% and 20% of the total accounts receivable and notes receivable, respectively. The remaining accounts receivable are spread across numerous customers and are dispersed in different regions, without concentration in a single customer or region. Furthermore, the Company mitigates credit concentration risk by obtaining letters of credit issued by financial institutions prior to shipment for the sales transactions to the aforementioned specific customers and continuously assesses the financial condition of its customers, and then the Company's credit risk was limited. As at the end of the reporting period, the Company's largest exposure of credit risk approximates to the carrying amount of financial assets.

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

a) Liquidity and interest rate risk table for non-derivative financial liabilities

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods based on the probable earliest repayment dates. The table was drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

December 31, 2023

	Weighted Average Interest Rate	On Demand or Less than 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities				
Non-interest bearing liabilities		$ 862,643	$ -	$ -
Lease liabilities	1.10	5,013	20,052	10,026
Floating interest rate liabilities	1.69	100,019	-	-
Fixed interest rate liabilities	1.68	726,708	-	-
		$ 1,694,383	$ 20,052	$ 10,026

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years
Lease liabilities	$ 5,013	$ 20,052	$ 10,026

December 31, 2022

	Weighted Average Interest Rate	On Demand or Less than 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities				
Non-interest bearing liabilities		$ 761,853	$ -	$ -
Lease liabilities	1.10	5,013	20,052	15,039
Floating interest rate liabilities	1.32	151,545	-	-
Fixed interest rate liabilities	1.35	4,050	300,522	-
		$ 922,461	$ 320,574	$ 15,039

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years
Lease liabilities	$ 5,013	$ 20,052	$ 15,039

b) Financing facilities

Bank loans are an essential source of liquidity for the Company. The table below details the unused amount of bank loans at the end of the reporting period.

	December 31, 2023	December 31, 2022
Bank loan facilities		
— Amount unused	$ 4,577,743	$ 5,257,100

29. RELATED PARTY TRANSACTIONS

The Company's ultimate parent company is USI Corporation, which held 36.79% of the ordinary shares of the Company as of December 31, 2023 and 2022.

Besides information disclosed elsewhere in the other notes, details of transactions between the Company and other related parties are disclosed below:

a. Names and relations of related parties

Related Party Name	Relationship with the Company
USI Corporation ("USI")	Ultimate parent company
TAITA (BVI) Holding Co., Ltd.(TAITA(BVI))	Subsidiary
Taita Chemical (Zhongshan) Co., Ltd. ("TTC (ZS)")	Subsidiary
Taita Chemical (Tianjin) Co., Ltd. ("TTC (TJ)")	Subsidiary
China General Plastics Corporation	Associate
CGPC Polymer Corporation	Associate
Taiwan VCM Corporation ("TVCM")	Associate
Global Green Technology Corporation	Associate
China General Terminal & Distribution Corporation ("CGTD")	Associate
Asia Polymer Corporation ("Asia Polymer Corporation")	Fellow subsidiary
USI Trading (Shanghai) Co., Ltd	Fellow subsidiary
Swanson Plastics Corporation	Fellow subsidiary
USI Management Consulting Corp. ("UM")	Fellow subsidiary
USI Education Foundation ("USIF")	Substantial related party

b. Sales of goods

Related Party Category/Name	2023	2022
Ultimate parent company	$ 12,931	$ 14,065
Subsidiary	5,152	3,035
	$ 18,083	$ 17,100

The Company's credit period of sales of goods to related parties was from 30 days to 90 days after delivering the products. The sales of goods between the Company and its related parties had no material differences from those of general sales transactions.

c. Purchase of goods

Related Party Category/Name	2023	2022
Associate	$ 2,481	$ 2,279
Ultimate parent company	1,703	-
Fellow subsidiary	396	267
	$ 4,580	$ 2,546

The Company's credit period of purchase of goods from related parties was from 30 days after acceptance. The purchase of goods between the Company and its related parties had no material differences from those of general purchase transactions.

d. Receivables from related parties (excluding loans to related parties)

Related Party Category/Name	December 31, 2023	December 31, 2022
Ultimate parent company	$ 4,200	$ -

The outstanding accounts receivable from related parties were unsecured. No impairment loss was recognized.

e. Payables to related parties (excluding loans from related parties)

Related Party Category/Name	December 31, 2023	December 31, 2022
Fellow subsidiary	$ 49	$ 27
Associate	-	630
	$ 49	$ 657

The outstanding accounts payable from related parties are not overdue and not guaranteed.

f. Endorsements/guarantees

Related Party Category/Name	December 31, 2023	December 31, 2022
Subsidiary		
TTC (ZS)	$ 216,760	$ 352,752
TAITA（BVI）	92,115	184,260
	$ 308,875	$ 537,012

g. Other transactions with related parties

1) Rental income (classified as other income, see Notes 15 and 24)

Related Party Category/Name	2023	2022
Associate		
CGTD	$ 18,591	$ 23,672
TVCM	7,295	9,635
	25,886	33,307
Ultimate parent company	-	487
	$ 25,886	$ 33,794

2) Rental expenses (classified as operating costs, selling and marketing expenses and general and administrative expenses)

Related Party Category/Name	2023	2022
Ultimate parent company		
USI	$ 5,061	$ 5,245
Fellow subsidiary		
Asia Polymer Corporation	1,805	2,392
Associate	266	273
	$ 7,132	$ 7,910

Payment of rental expenditure of USI and Asia Polymer Corporation mainly consists of renting part of its Taipei office and parking space, and the agreed rental on a monthly basis is based on the yearly actual rental area.

3) Lease arrangements

Related Party Category/Name	December 31, 2023	December 31, 2022
Lease liabilities - current		
Fellow subsidiary		
Asia Polymer Corporation	$ 4,665	$ 4,614
Lease liabilities - non-current		
Fellow subsidiary		
Asia Polymer Corporation	$ 29,094	$ 33,760

Related Party Category/Name	2023	2022
Lease expense		
Fellow subsidiary		
Asia Polymer Corporation	$ 5,013	$ 5,013
Interest expense		
Fellow subsidiary		
Asia Polymer Corporation	$ 398	$ 449

The Company leased land in Linyuan from Asia Polymer Corporation. The rental was paid on a monthly basis.

4) Storage tank operating expenses (classified as operating costs)

Related Party Category/Name	2023	2022
Associate		
CGTD	$ 11,869	$ 11,549

The Company appointed CGTD to handle the storage tank operating procedures of styrene monomer and butadiene, such as transportation, storage and loading. The storage tank operating expenses were paid on a monthly basis.

5) Management service income (classified as other income)

Related Party Category/Name	2023	2022
Ultimate parent company		
USI	$ 4,891	$ 3,213

6) Management service expenses (classified as administrative expenses)

Related Party Category/Name	2023	2022
Fellow subsidiary		
UM	$ 73,694	$ 70,290

The management service expenses paid to TGM mainly consist of the services including human resources and equipment and are paid on time based on the actual expenses incurred and costs incurred.

7) Donation (classified as general and administrative expenses)

Related Party Category/Name	2023	2022
Substantial related party		
USIF	$ -	$ 5,000

8) Other expenses (accounted as cost of goods sold and administrative expenses)

Related Party Category/Name	2023	2022
Fellow subsidiary	$ 1,861	$ 1,621
Associate	1,692	1,753
	$ 3,553	$ 3,374

9) Acquisition of property, plant and equipment

Related Party Category/Name	2023	2022
Ultimate parent company	$ 2,270	$ -

10) Disposal of Property, factory, and Equipment (2023: None)

	Disposals proceeds	Gain (Loss) on Disposal
Related Party Category/Name	2022	2022
Ultimate parent company		
USI	$ 6,588	$ -

11) Commission expense

Related Party Category/Name	2023	2022
Fellow subsidiary	$ 304	$ 77

12) Other receivables

Related Party Category/Name	December 31, 2023	December 31, 2022
Subsidiary		
TTC (TJ)	$ 280,281	$ 281,862
Others	-	1,332
	280,281	283,194
Associate	3,141	1,258
Ultimate parent company	1,585	1,086
Fellow subsidiary	35	42
	$ 285,042	$ 285,580

Other receivables mainly include overheads receivable, management service expenses, and office rental.

13) Other payables

Related Party Category/Name	December 31, 2023	December 31, 2022
Associate	$ 2,721	$ 3,458
Fellow subsidiary	939	1,058
Ultimate parent company	779	578
	$ 4,439	$ 5,094

Other payables included storage tank operating expense payables, rental expense payable and the allocation of service department costs payables.

h. Remuneration of key management personnel

Total remuneration for directors and other key management is as follows:

	2023	2022
Salaries and others	$ 21,073	$ 23,751
Retirement benefits	207	214
	$ 21,280	$ 23,965

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

30. ASSETS PLEDGED AS COLLATERAL

The following assets were provided as collateral for fuel purchases and the tariffs of imported raw materials and goods (Note 9):

	December 31, 2023	December 31, 2022
Pledged time deposits		
－Classified as financial assets at amortized cost - current	$ 3,000	$ 5,000
－Classified as other assets - non-current	16,940	16,734
	$ 19,940	$ 21,734

31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACTUAL COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Company were as follows:

a. As of December 31, 2023 and December 31, 2022, the Company has unused letter of credit balances of NT$120,000,000 and NT$60,000,000, respectively.

b. Explanation for the gas explosion in Kaohsiung:

Regarding the gas explosion of the propylene pipeline of Lee Chang Yung Chemical Industry Corporation ("Lee Chang Yung Chemical") on the night of July 31, 2014 operated by the invested company by the equity method, China General Terminal & Distribution Corporation ("CGTD"), the criminal case of the gas explosion incident was dismissed by the Supreme Court on September 15, 2021 and all three employees of CGTD were acquitted.

On February 12, 2015, China Interocean Transport, Inc. reached an agreement with the Kaohsiung City Government to provide a bank fixed deposit of NT$231,585,000 (including interest) as collateral for the losses incurred from the gas explosion incident. The Kaohsiung City Government also filed civil procedure requests in succession against LCY Chemical Corp., CGTD and CPC Corporation, Taiwan ("CPC"). Taiwan Power Company applied to the court for sequestration of CGTD's property on August 27 and November 26, 2015 and CGTD has deposited cash of $99,207,000 to the court to avoid sequestration. Taiwan Water Corporation also applied to the court for false seizure of CGTD's property on February 3 and March 2, 2017 respectively. As of February 27, 2024, the value of the assets seized from China General Terminal & Distribution Company is approximately NT$9,555,000.

As for the victims, CGTD, LCY Chemical Corp. and the Kaohsiung City Government signed a tripartite agreement for the compensation of the 32 victims' families on July 17, 2015. Each victim's family received NT$12,000,000, and the total compensation was NT$384,000,000. The compensation was advanced by LCY Chemical Corp. LCY Chemical Corp. was in charge of negotiating the compensation with the victims' families and signing the settlement agreement on behalf of the three parties. And as separately agreed by the parties on August 10, 2022, NT$157,347 ,000, accounting for 30% of the negligent liability decided in the first instance, shall be paid to LCY Chemical Corp., and the rest shall be done after the ruling of the civil action.

As for the seriously injured, CGTD, LCY Chemical Corp. and the Kaohsiung City Government signed a tripartite agreement for the compensation of the 65 seriously injured victims' families on October 25, 2017. Compensation was paid by CGTD and the Kaohsiung City Government, and CGTD was in charge of negotiating the compensation with the seriously injured victims' families and signing the settlement agreement on behalf of the three parties with the 64 seriously injured victims' families.

As of February 27, 2024, victims, injured parties, or their relatives have filed civil (including criminal-related civil) lawsuits seeking compensation from Lee Chang Yung Chemical Industry Corp, China Interocean Transport, Inc., and Taiwan Petroleum Corporation for the Kaohsiung gas explosion incident. In order to reduce litigation costs, China Interocean Transport, Inc. has reached a settlement agreement for a compensation amount of NT$46,677,000 in the original claim, with a settlement compensation amount of NT$4,519,000. Along with the case still in litigation and the above-mentioned compensation, the accumulated amount of compensation is NT$3,856,447,000. The first instance verdict of some of these civil cases (indemnity amount of NT$1,470,793,000) have been convicted since June 22, 2018 and most cases determined that the negligence liability ratio of Kaohsiung Municipal Government, Lee Chang Yung Chemical and CGTD was 4:3:3, and that CGTD, Lee Chang Yung Chemical and other defendants should pay compensation of about NT$401,979,000 (of which NT$6,194,000 was exempted from liability by the court). Currently CGTD has filed an appeal for the adjudicated but unsettled civil cases and proceeded with the second instance procedure successively. The rest of the cases are still under trial in the Court of First Instance (the amount of compensation requested is approximately NT$1,882,829,000). CGTD signed a claim agreement with an insurance company, according to the negligence liability ratio determined by the judgment of first instance, it is estimated the settlement amount of victims and seriously injured, the compensation amount of civil litigation cases (including the settled cases), and estimated amount to be borne by itself after deducting the upper limit of insurance claim was NT$136,375,000, which had been included into the account. However, the actual amount of such settlement and compensation shall not be confirmed until the proportion of liability to be shared by CGTD is determined in accordance with the civil action.

32. INFORMATION ON FOREIGN CURRENCY-DENOMINATED ASSETS AND LIABILITIES OF SIGNIFICANT INFLUENCE

The following summary is presented in foreign currencies other than the functional currency. The exchange rate disclosed in the summary refers to the exchange rate of a foreign currency to the functional currency. The significant impact on assets and liabilities recognized in foreign currencies is as follows:

December 31, 2023

	Foreign Currency	Exchange Rate		Carrying Amount
Foreign currency assets				
Monetary items				
USD	$ 51,835	30.7050	(USD: NT$)	$ 1,591,587
Australian dollar	666	20.9800	(AUD:NT$)	13,964
Chinese yuan	583	4.3352	(CNY:NT$)	2,529
HKD	585	3.9290	(HKD:NT$)	2,299

(Continued on the next page)

(Continued from the previous page)

	Foreign Currency	Exchange Rate	Carrying Amount
Non-monetary items			
Subsidiaries accounted for under the equity method			
USD	98,921	30.7050 (USD: NT$)	3,037,367
Foreign currency liabilities			
Monetary items			
USD	18,255	30.7050 (USD: NT$)	560,531

December 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
Foreign currency assets			
Monetary items			
USD	$ 54,155	30.7100 (USD: NT$)	$ 1,663,100
HKD	301	3.9380 (HKD:NT$)	1,186
Euro	58	32.7200 (EUR:NT$)	1,893
Non-monetary items			
Subsidiaries accounted for under the equity method			
USD	102,389	30.7100 (USD: NT$)	3,144,353
Foreign currency liabilities			
Monetary items			
USD	14,711	30.7100 (USD: NT$)	451,777

The Company's net gains from foreign currency exchange (realized and unrealized) in the fiscal years 2023 and 2022 were NT$21,250,000 and NT$224,098,000, respectively. Due to the wide variety of foreign currency transactions, it is not possible to disclose the exchange gains and losses by significant currency types.

33. SUPPLEMENTARY DISCLOSURES

a. Information about significant transactions:

1) Financing provided to others. (None)
2) Endorsements/guarantees provided. (Table 1)
3) Marketable securities held at the end of the period (excluding investments in subsidiaries and associates). (Table 2)
4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital. (None)
5) Acquisitions of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital. (None)
6) Disposals of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital. (None)

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital. (None)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 3)

9) Trading in derivative instruments. (None)

b. Information about investees. (Table 4)

c. Information on investments in mainland China:

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 5)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period. (None)

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period. (None)

c) The amount of property transactions and the amount of the resultant gains or losses. (None)

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes. (Table 1)

e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to financing of funds. (None)

f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services. (None)

d. Information on major shareholders (names of shareholders with a shareholding ratio of 5% or more as well as number and proportion of shares held). (Table 6)

TABLE 1

TAITA CHEMICAL CO., LTD. AND ITS SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED FOR OTHERS
FOR THE YEAR ENDED 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/Guarantee on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/Guaranteed During the Period (Note 1)	Outstanding Endorsement/Guarantee at the End of the Period (Note 1)	Actual Borrowing Amount	Amount Endorsed/Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/Guarantee Limit (Note 2)	Endorsement /Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement /Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement /Guarantee Given on Behalf of Companies in Mainland China
		Name of Associate	Relationship										
0	Taita Chemical Co., Ltd.	TAITA (BVI) Holding Co., Ltd.	100% voting shares directly owned by the Company	$ 6,647,991	$ 184,230 (US $6,000,000)	$ 92,115 (US $3,000,000)	$ -	$ -	1.39%	$ 9,971,987	Yes	No	No
0	Taita Chemical Co., Ltd.	Taita Chemical (Zhongshan) Co., Ltd.	100% voting shares directly owned by the Company's subsidiary	6,647,991	346,816 (CNY 80,000,000)	216,760 (CNY 50,000,000)	-	-	3.26%	9,971,987	Yes	No	Yes

Note 1: The exchange rate is calculated based on the spot rate as of December 31, 2023.

Note 2: The maximum total endorsement/guarantee shall not exceed 150% of the equity attributable to owners of the Company. The endorsement/guarantee on behalf of other company shall not exceed 100% of the equity attributable to owners of the Company.

The maximum total endorsement/guarantee shall not exceed 200% of the equity attributable to owners of the Company. The endorsement/guarantee on behalf of other company shall not exceed 150% of the equity attributable to owners of the Company.

TABLE 2

TAITA CHEMICAL CO., LTD. AND ITS SUBSIDIARIES

SECURITIES HELD AT END OF PERIOD
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	End of Period				Note
				Number of Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Taita Chemical Co., Ltd.	Stock							
	USI Corporation	Ultimate parent company	Financial assets at fair value through other comprehensive income - non-current	15,109,901	$ 298,421	1.27%	$ 298,421	Note 1
	Harbinger Venture Capital Corp.	—	〃	990	6	0.50%	6	Note 2
	Taiwan Cement Corporation	—	Financial assets at FVTPL - current	2,000,000	69,700	0.03%	69,700	Note 1
	UPC Technology Corporation	—	〃	282,000	4,286	0.02%	4,286	Note 1
	China Steel Corporation	—	〃	350,000	9,450	-	9,450	Note 1
	Hon Hai Precision Industry Co., Ltd.	—	〃	100,000	10,450	-	10,450	Note 1
	Beneficiary securities							
	Cathay No. 1 Real Estate Investment Trust Fund	—	Financial assets at FVTPL - current	3,963,000	67,292	-	67,292	Note 1
TAITA (BVI) Holding Co., Ltd.	Stock							
	Budworth Investment Ltd.	—	Financial assets at fair value through other comprehensive income - non-current	20,219	- (US $1,000)	2.22%	- (US $1,000)	Note 3
	Teratech Corporation	—	Financial assets at FVTPL - non-current	112,000	-	0.74%	-	Note 3
	Sohoware Inc. - preference shares	—	〃	100,000	-	-	-	Note 3

Note 1: The fair value is calculated based on the closing price on the last trading day of December in the 2023 year of the Taiwan Stock Exchange.

Note 2: The Company utilizes the asset approach and takes into account the most recent net asset value, observable financial status as well as the financing activities of investees in order to determine their net asset value.

Note 3: As of December 31, 2023, the Company evaluates the fair value of the equity instrument as $0.

TABLE 3

TAITA CHEMICAL CO., LTD. AND ITS SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Counterparty	Relationship	Balance of Receivables from Related Parties	Turnover Rate	Overdue		Amounts Received in Subsequent Period (Note 2)	Provision for Bad Debt Amount
					Amount	Actions Taken		
Taita Chemical Co., Ltd.	Taita Chemical (Tianjin) Co., Ltd.	Subsidiary	Other receivables $280,281 (US $9,128,000) (Note 1)	-	$ 280,281	Keep collecting the outstanding payment	$ -	$ -

Note 1: The total amount of Taita Chemical Co., Ltd. from selling raw materials to Taita Chemical (Tianjin) Co., Ltd. was reclassified to other receivables owing to it being over due for a normal crediting period.

Note 2: As of March 7, 2024, no payments have been received.

TABLE 4

TAITA CHEMICAL CO., LTD. AND ITS SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company Name	Location	Main Businesses and Products	Original Investment Amount		End-of-period Holdings			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note (Note 1)
				End of the Current Period	End of the Previous Period	Number of Shares	%	Carrying Amount			
Taita Chemical Co., Ltd.	TAITA (BVI) Holding Co., Ltd.	British Virgin Islands	Reinvestment	$ 2,755,405 (US $ 89,738,000)	$ 2,755,405 (US $ 89,738,000)	89,738,000	100.00%	$ 3,037,367 (US $98,921,000)	($ 55,081) (Loss USD 1,756,000)	($ 55,081) (Loss USD 1,756,000)	Subsidiary
	China General Plastics Corporation	Taipei, Taiwan	Manufacture and marketing of PVC plastic cloth and three-time processed products	65,365	65,365	11,516,174	1.98%	189,901	341,916	6,777	Investments accounted for using the equity method
	China General Terminal & Distribution Corporation	Taipei, Taiwan	Warehousing and transportation of petrochemical raw materials	41,082	41,082	25,053,468	33.33%	329,972	(26,036)	(8,679)	Investments accounted for using the equity method
	Acme Electronics Corporation	Taipei, Taiwan	Manufacture and marketing of manganese-zinc and ferrite core	55,702	44,771	4,991,556	2.34%	41,468	(171,224)	(4,013)	Investments accounted for using the equity method
TAITA (BVI) Holding Co., Ltd.	ACME Electronics (Cayman) Corp.	British Cayman Islands	Reinvestment	52,200 (US $1,700,000)	52,200 (US $1,700,000)	2,695,619	4.42%	61,348 (US $1,998,000)	(94,932) (Loss US $3,046,000)	-	Investments accounted for using the equity method

Note 1: The calculation of the investees was based on their audited financial statements for the same period.

Note 2: Investments in mainland China are included in Table 5.

TABLE 5

TAITA CHEMICAL CO., LTD. AND ITS SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company in mainland China	Main Businesses and Products	Paid-in Capital	Method and Medium of Investment	Cumulative investment amount exported from Taiwan at the beginning of the current period	Investment Flows		Cumulative investment amount exported from Taiwan at the end of the current period	Profit (Loss) of Investee for the Period (Note 6)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 6)	Carrying Amount at End of Period (Note 6)	Cumulative investment income repatriated as of the end of the current period
					Outflow	Inflow						
Taita Chemical (Zhongshan) Co., Ltd. (“TTC (ZS)”)	Production and marketing of polystyrene derivatives	$ 1,420,106 (US $46,250,000) (Note 1)	Investments through a holding company registered in a third region	$ 1,320,315 (US $43,000,000)	$ -	$ -	$ 1,320,315 (US $43,000,000)	($ 46,739) (Loss US $1,495,000)	100%	($ 46,739) (Loss US $1,495,000)	$ 1,750,099 (US $56,997,000)	$ -
Taita Chemical (Tianjin) Co., Ltd. (“TTC (TJ)”) (Note 7)	Production and marketing of polystyrene derivatives	839,782 (US $27,350,000) (Note 2)	Investments through a holding company registered in a third region	798,330 (US $26,000,000)	-	-	798,330 (US $26,000,000)	(18,581) (Loss of US $ 602,000)	100%	(18,581) (Loss of US $ 602,000)	(168,501) (US $5,488,000)	-
Zhangzhou Taita Chemical Co., Ltd. (“TTC (ZZ)”)	Production and marketing of polystyrene derivatives	1,491,636 (US $48,580,000) (Note 3)	Investments through a holding company registered in a third region	-	-	-	-	17,358 (Gain US $570,000)	100%	17,358 (Gain US $570,000)	1,359,597 (US $44,279,000)	-
Acme Electronics (Kunshan) Co., Ltd. (“Acme (KS)”)	Manufacturing and marketing of manganese-zinc soft ferrite core	943,411 (US $30,725,000)	Investments through Acme Electronics (Cayman) Corp. registered in a third region	41,575 (US $1,354,000)	-	-	41,575 (US $1,354,000)	(104,690) (Loss of US $3,362,000)	4.42%	(4,922) (Loss of US $158,000)	29,952 (US $975,000)	-

Cumulative investment amount exported from Taiwan to mainland China as of the end of the current period	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
$2,160,220 (US$70,354,000)	$3,863,221 (US$125,817,000) (Note 4)	$ - (Note 5)

Note 1: TTC (ZS) resolved to issue share dividends of US$3,250,000 in 2007.

Note 2: TTC (TJ) resolved to issue share dividends of US$1,350,000 in 2012.

Note 3: TTC (ZZ) was registered for the year 2021, and Taita (BVI) injected US$48,580,000 into TTC (ZZ) on March 8, 2022.

Note 4: The amount distributed from share dividends included US$3,250 ,000 from TTC (ZS), US$1,350,000 from TTC (TJ), US$802,000 from Acme (KS) and Taita (BVI) injected US$50,000,000.

Note 5: According to Letter No. 120230416710 dated June 8, 2022 issued by the Ministry of Economic Affairs, the upper limit on investment in mainland China pursuant to the “Principle of Investment or Technical Cooperation in Mainland China” is not applicable.

Note 6: The calculation of the investees was based on their audited financial statements for the same period.

Note 7: The Company’s management decided to suspend TTC (TJ)’s production from April 2019, please refer to Note 12 for details.

TABLE 6

TAITA CHEMICAL CO., LTD.

INFORMATION ON SUBSTANTIAL SHAREHOLDERS
DECEMBER 31, 2023

Name of substantial shareholders	Shares	
	Number of shares held (shares)	%
Union Polymer International Investment Corporation	146,263,260	36.79%

Note: The shareholder information in this table is calculated by the Taiwan Depository & Clearing Corporation based on the last business day of the quarter, including both common and preferred shares that have been physically delivered or held in treasury, and where the total exceeds 5%. The capital stock recorded in the consolidated financial statements of the Company and the actual number of shares delivered without physical registration may be different or discrepant due to different compilation and calculation basis.

§STATEMENTS OF SIGNIFICANT ACCOUNTING SUBJECTS

TAITA CHEMICAL CO., LTD.

STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Item	Summary	Amount
Petty Cash		$ 331
Bank Deposits		
Check Deposits		11,605
Demand deposits - NT$		46,432
Demand deposits - USD	USD1,437,885.45 (Note)	44,150
Demand deposits - HKD	HKD78,821.82 (Note)	310
Demand deposits - CNY	CNY393,251.00 (Note)	1,705
Demand deposits - JPY	JPY77,746.00 (Note)	17
Demand deposits - EUR	EUR3,571.38 (Note)	121
Demand deposits - AUD	AUD29,040.69 (Note)	609
Demand deposits - GBP	GBP56.54 (note)	2
		104,951
Cash equivalents		
Fixed term deposits - USD	USD10,800,000 (Note), interest rate 5.27% - 5.38%, due in January 2024	331,614
		$ 436,896

Note: The exchange rate is calculated at USD1= NT$30.7050.

The Hong Kong dollar is converted at an exchange rate of HKD1=NT$ 3.9290.

The Chinese yuan is converted at an exchange rate of CNY1=NT$ 4.3352.

The Japanese yen is converted at an exchange rate of JPY1=NT$ 0.2172.

The euro is converted at an exchange rateof EUR1=NT$ 33.9800.

The British pound is converted at an exchange rate of GBP1=NT$ 39.1500.

The Australian Dollar is converted at an exchange rate of AUD1=NT$ 20.9800.

TAITA CHEMICAL CO., LTD.

STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

	Shares (In Thousands)	Acquisition cost	Unit price (NT$)	Total	Note
Financial Assets at Fair Value through Profit or Loss - Non-derivative Financial Instruments					
Domestic listed shares					
UPC Technology Corporation	282	$ 6,665	15.20	$ 4,286	
China Steel Corporation	350	13,567	27.00	9,450	
Taiwan Cement Corporation	2,000	67,910	34.85	69,700	
Hon Hai Precision Industry Co., Ltd.	100	9,988	104.50	10,450	
		98,130		93,886	
Beneficiary securities					
Cathay No. 1 Real Estate Investment Trust Fund	3,963	45,486	16.98	67,292	
		143,616		$ 161,178	
Adjustments on valuation		17,562			
		$ 161,178			

Statement 3

TAITA CHEMICAL CO., LTD.

STATEMENT OF ACCOUNT AND NOTES RECEIVABLE
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Name of Customer	Summary	Amount
Notes receivable		
Non-related party		
ASLI Mechanical Co., Ltd.	Loans	$ 2,986
NIJES Enterprise Co., Ltd.	Loans	1,979
Yong Sheng Feng Industrial Co., Ltd.	Loans	1,875
Others (Note)	Loans	19,571
		26,411
Accounts receivable		
Non-related party		
SNETOR OVERSEAS	Loans	145,937
Others (Note)	Loans	838,252
Allowance for impairment loss	Loans	(764)
		983,425
Related parties		
USI Corporation	Loans	4,200
		$ 1,014,036

Note: The amount of individual customer included in others does not exceed 5% of the account balance.

Statement 4

TAITA CHEMICAL CO., LTD.

STATEMENT OF INVENTORIES
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

	Amount	
Item	Cost	Market price (Note 2)
Finished goods	$ 437,040	$ 422,555
Work in process	160,034	155,770
Raw materials	312,231	307,983
Production supplies	20,067	20,091
	929,372	$ 906,399
Allowance for inventory valuation (Notes 1 and 2)	(30,126)	
Net amount	$ 899,246	

Note 1: The allowance for inventory valuation is provided for the inventory impairment loss arising from obsolete and normal items carried at costs higher than the market price.

Note 2: Market value is calculated using net realizable value.

Note 3: The insured amount of inventories was NT$1,242,458,000.

Statement 5

TAITA CHEMICAL CO., LTD.

STATEMENT OF PREPAYMENTS AND OTHER CURRENT ASSETS
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Amount
Supplies	$ 59,703
Deferred Tax Amount	12,840
Prepayments for insurance	7,660
Prepayments for goods	5,222
Others (Note)	2,505
	$ 87,930

Note: The balance of each item does not exceed 5% of the balance of this account.

TAITA CHEMICAL CO., LTD.

STATEMENT OF FINANCIALASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOMES - NON-CURRENT
FOR THE YEAR ENDED 2023
(In Thousands of New Taiwan Dollars)

	Beginning Balance		Increase this year		Decrease this year		Ending Balance			
Name of the Financial Product	Shares (In Thousands)	Fair Value	Shares (In Thousands)	Amount	Shares (In Thousands)	Amount (Note)	Shares (In Thousands)	Fair Value	Guarantee or Pledge	Note
USI Corporation	15,110	$ 333,929	-	$ -	-	$ 35,508	15,110	$ 298,421	None	—
Harbinger Venture Capital Corp.	1	7	-	-	-	1	1	6	None	—
Total		$ 333,936		$ -		$ 35,509		$ 298,427		

Note: The reduction in the amount, NT$35,509,000, during the year was due to changes in adjusting the fair value.

Statement 7

TAITA CHEMICAL CO., LTD.

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD
FOR THE YEAR ENDED 2023
(Thousands of New Taiwan Dollars, Unless Stated Otherwise)

	Beginning Balance		Increase this year		Decrease this year		Ending Balance			Market Value/Net Equity Value			
Investee Company	Shares (In Thousands)	Amount	Shares (In Thousands)	Amount	Shares (In Thousands)	Amount	Shares (In Thousands)	Shareholding (%)	Amount	Unit Price	Total Amount	Guarantee or Pledge	Note
TAITA (BVI) Holding Co., Ltd.	89,738	$3,270,407	-	$ 169	-	$ 55,088	89,738	100.00	$3,215,488	33.85	$3,037,367	None	Note 1, 2
China General Plastics Corporation	11,516	187,605	-	6,845	-	4,130	11,516	1.98	190,320	22.30	256,811	None	Note 1, 3, 7
China General Terminal & Distribution Corporation	23,893	355,611	1,160	42	-	25,681	25,053	33.33	329,972	13.17	329,972	None	Note 1, 4
Acme Electronics Corporation	4,445	37,104	547	12,796	-	4,020	4,992	2.34	45,880	25.10	125,288	None	Note 1, 5, 8
Subtotal		3,850,727		19,852		88,919			3,781,660		$3,749,438		
Adjustments from allowance		(130,066)		-		52,886			(182,952)				Note 1, 6
Net amount		$3,720,661		$ 19,852		$ 141,805			$3,598,708				

Note 1: The calculation of the investment income and net equity of the investees was based on their audited financial statements for the year ended December 31, 2023.

Note 2: During the current year, an increase of NT$169,000 was recognized in the capital surplus of the invested companies based on the proportion of shareholding. Additionally, a decrease of NT$55,081,000 was recognized as investment losses, and a financial asset valuation adjustment of NT$7,000 was made for the invested companies through other comprehensive income at fair value.

Note 3: This year, an increase of NT$68,000 was recognized in the capital surplus of investee companies based on the equity method, along with the recognition of investment income of NT$6,777,000. There was a decrease of NT$185,000 due to the remeasurement of defined benefit plans of investee companies during the year, as well as the receipt of cash dividends of NT$0.3 per share, totaling NT$3,455,000. Additionally, there was an adjustment of NT$490,000 in the fair value of financial assets measured through other comprehensive income by investee companies.

Note 4: This year, an increase of 1,160 thousand shares was due to the issuance of stock dividends. There was also an increase of NT$42,000 due to the remeasurement of defined benefit plans of investee companies during the year. On the other hand, there wasa decrease this year due to the recognition of investment losses amounting to NT$8,679,000, along with the recognition of an adjustment of NT$17,002,000 in the fair value of financial assets measured through other comprehensive income by investee companies.

Note 5: This year, the increase in shares was due to obtaining 547 thousand shares through cash capital increase. Additionally, there was an increase this year due to cash capital increase payments of NT$10,931,000, as well as an adjustment of NT$1,865,000 in capital surplus not in proportion to shareholding. On the other hand, there was a decrease this year due to the recognition of investment losses amounting to NT$4,013,000, along with a remeasurement of defined benefit plans of investee companies resulting in a change of NT$7,000.

Note 6: The increase represents the difference after the translation of the foreign currency from the Financial Statements of the investee company.

Note 7: The market value is calculated based on the closing prices at TWSE on the last trading day of December 2023.

Note 8: The market value is calculated based on the closing prices at TPEx on the last trading day of December 2023.

Statement 8

TAITA CHEMICAL CO., LTD.

STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS
FOR THE YEAR ENDED 2023
(In Thousands of New Taiwan Dollars)

Item	Beginning Balance	Increase this year	Decrease this year	Ending Balance	Note
Cost					
Land	$ 55,433	$ -	$ -	$ 55,433	
Accumulated depreciation					
Land	18,478	$ 4,619	$ -	23,097	
	$ 36,955			$ 32,336	

TAITA CHEMICAL CO., LTD.

STATEMENT OF SHORT-TERM BORROWINGS
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Type of Loans	Interest Rate (%)	Ending Balance	Contract Period	Financing facilities	Pledge or Guarantee
Unsecured borrowings					
Taipei Fubon Bank	1.66%-1.70%	$ 425,000	2023.11.03-2024.03.27	$ 600,000	None
Yuanta Commercial Bank	1.66%-1.67%	300,000	2023.10.30-2024.03.27	300,000	None
HSBC (Taiwan) Commercial Bank	1.69%	100,000	2023.11.29-2024.01.05	184,230	None
		$ 825,000		$ 1,084,230	

Statement 10

TAITA CHEMICAL CO., LTD.

STATEMENT OF ACCOUNTS PAYABLE
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Name of Supplier	Amount
Non-related party	
Formosa Chemicals and Fibre Corporation	$ 413,676
Taiwan Styrene Monomer Corporation	127,363
China Petrochemical Development Corporation	38,234
Others (Note)	111,156
	690,429
Related parties	
Swanson Plastics Corporation	49
	$ 690,478

Note: The balance of each supplier does not exceed 5% of the balance of this account.

Statement 11

TAITA CHEMICAL CO., LTD.

STATEMENT OF PROCEEDS OF SALE
FOR THE YEAR ENDED 2023
(In Thousands of New Taiwan Dollars)

Item	Quantity (Ton)	Amount
ABS	92,562	$ 3,864,781
GPS	97,143	3,754,518
EPS	57,675	2,425,258
Glass wool products	11,936	526,199
IPS	140	6,040
		$ 10,576,796

Statement 12

TAITA CHEMICAL CO., LTD.

STATEMENT OF COST OF GOODS SOLD
FOR THE YEAR ENDED 2023
(In Thousands of New Taiwan Dollars)

Item	Amount
Raw materials	
Raw materials at the beginning	$ 225,273
Purchase of materials	8,888,294
Sale of materials	(12,461)
Transfer expenses	(17,696)
Raw materials at the end	(312,231)
	8,771,179
Director labor	153,735
Manufacturing expense (Statement 13)	1,140,535
Manufacturing costs	10,065,449
Work in process at the beginning	140,057
Work in process at the end	(160,034)
Cost of finished goods	10,045,472
Finished goods at the beginning	375,076
Cost of finished goods from purchases	127,638
Adjustment of other costs	(396)
Finished products at the end of the year	(437,040)
	10,110,750
Sale of raw materials	12,546
Adjustment from inventories valuation	(1,830)
	$ 10,121,466

Statement 13

TAITA CHEMICAL CO., LTD.

STATEMENT OF MANUFACTURING EXPENSES
FOR THE YEAR ENDED 2023
(In Thousands of New Taiwan Dollars)

Item	Amount
Fuel expenses	$ 376,349
Indirect material	217,890
Salary and incentives	179,167
Depreciation expenses	167,802
Others (Note)	199,327
	$ 1,140,535

Note: The balance of each item does not exceed 5% of the balance of this account.

Statement 14

TAITA CHEMICAL CO., LTD.

STATEMENT OF SELLING AND MARKETING EXPENSES
FOR THE YEAR ENDED 2023
(In Thousands of New Taiwan Dollars)

Item	Amount
Freight and export expenses	$ 547,987
Commission expense	43,106
Others (Note)	52,098
	$ 643,191

Note: The balance of each item does not exceed 5% of the balance of this account.

Statement 15

TAITA CHEMICAL CO., LTD.

STATEMENT OF GENERAL AND ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED 2023
(In Thousands of New Taiwan Dollars)

Item	Amount
Professional service expenses	$ 77,990
Salary and incentives	37,502
Others (Note)	20,709
	$ 136,201

Note: The balance of each item does not exceed 5% of the balance of this account.

Statement 16

TAITA CHEMICAL CO., LTD.

STATEMENT OF RESEARCH AND DEVELOPMENT EXPENSES
FOR THE YEAR ENDED 2023
(In Thousands of New Taiwan Dollars)

Name	Amount
Salary and incentives	$ 11,335
R&D and testing expenses	1,394
Insurance expenses	1,164
Others (Note)	1,939
	$ 15,832

Note: The balance of each item does not exceed 5% of the balance of this account.

Statement 17

TAITA CHEMICAL CO., LTD.

STATEMENT OF EMPLOYEE BENEFITS AND DEPRECIATION AND AMORTIZATION EXPENSES BY FUNCTION
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023				2022			
	Cost of goods sold	Operating expenses	Other gains and losses	Total	Cost of goods sold	Operating expenses	Other gains and losses	Total
Employee benefits expense								
Salaries	$ 309,734	$ 63,972	$ -	$ 373,706	$ 342,556	$ 59,760	$ -	$ 402,316
Labor and health insurance	29,219	3,995	-	33,214	30,479	4,910	-	35,389
Pensions	14,880	2,271	-	17,151	14,484	2,587	-	17,071
Remuneration paid to directors	-	8,000	-	8,000	-	8,200	-	8,200
Other employee benefits	18,266	2,149	-	20,415	21,377	2,751	-	24,128
	$ 372,099	$ 80,387	$ -	$ 452,486	$ 408,896	$ 78,208	$ -	$ 487,104
Depreciation expenses	$ 167,802	$ 808	$ 1,956	$ 170,566	$ 167,288	$ 1,228	$ 2,766	$ 171,282
Amortization expenses	$ 1,600	$ 181	$ -	$ 1,781	$ 1,600	$ 215	$ -	$ 1,815

Note:

1. The number of employees in 2023 and 2022 fiscal years were 368 and 378, respectively. Among them, the number of non-executive directors who are not employees is 7, and their calculation basis is consistent with employee benefits expenses.
2. The average employee benefit expenses for the Company in fiscal years 2023 and 2022 were NT$1,231,000 and NT$1,291,000, respectively (calculated as “Total Employee Benefit Expenses - Total Director Remuneration” divided by “Number of Employees - Number of Directors not concurrently serving as employees”). The average salary expenses for the Company in fiscal years 2023 and 2022 were NT$1,035,000 and NT$1,084,000 respectively (calculated as “Total Salary Expenses” divided by “Number of Employees - Number of Directors not concurrently serving as employees”).
3. Change in average employee salary expense is 4.52% ((Average employee salary expense of the current year - Average employee salary expense of the previous year) / Average employee salary expense of the previous year).
4. The Company has established the Audit Committee. Therefore, there was no compensation to the supervisor for the years ended December 31, 2023 and 2022.
5. The Company’s remuneration policy:

   1) Directors and managerial officers:

      (1) The remuneration of directors and managerial officers shall be given with reference to the prevailing standards of the same industry and in consideration of the reasonableness of the correlation between the company’s business performance and future risks.

      (2) There shall be no incentive for the directors or managerial officers to pursue remuneration by engaging in activities that exceed the tolerable risk level of the Company.

      (3) The percentage of employee compensation for short-term performance and the timing of payment of some variable salary and compensation shall be determined by considering the characteristics of the industry and the nature of the Company’s business.

   2) Employees:

      The remuneration policy for employees is formulated with reference to government regulations, market conditions and dynamics of remuneration in the industry, changes in the overall economy and industry environment and the Company’s organizational structure. The payment standards are determined under the Company’s “Regulations on Salary Management”, “Regulations on Employee Performance Evaluation” and “Regulations for the Distribution of Bonus for Supervisors”. In addition, the Company has established the “Regulations on Year-end Bonus” to provide year-end bonuses (including employee compensation) depending on the company’s profitability and employee performance.

Taita Chemical Company, Ltd.

Chairman: Wu, Yi-Gui