DOUBLE BOND CHEMICAL IND. CO., LTD.
And Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2023 and 2022 And Independent Auditors' Report

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For the convenience of readers and for information purpose only, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China.
The independent auditors' report and the accompanying financial statements have not been audited by the public certified accountants, in the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

For the year ended December 31, 2023 (from January 1 to December 31, 2023), companies that should be included in the consolidated financial statements of affiliated enterprises according to the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports" and companies that should be included in the consolidated financial statements of parent company and subsidiaries according to IFRS 10 are the same. Since the information that should be disclosed in the consolidated financial statements of affiliated enterprises has already been disclosed in the consolidated financial statements of parent company and subsidiaries, no consolidated financial statements of affiliated enterprises are prepared.

Very truly yours,

Double Bond Chemical Ind. Co., Ltd.
By:

TSAY, MAWDER
Chairman

March 14, 2024

Independent Auditors' Report

The Board of Directors and Shareholders
Double Bond Chemical Ind. Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Double Bond Chemical Ind. Co., Ltd. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022 and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including the summary of significant accounting policies ("collectively referred to as the consolidated financial statements").

In our opinion, the accompany consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards 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 the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2023 are stated as follows:

Recognition of Sales Revenue

The Group's revenue is mainly contributed to from the sale of various chemical raw materials, coating monomers/oligomers, industrial additives, and specialty chemicals. Among them, the sales revenue of plastic additives in industrial additives accounts for 61% of the total revenue in 2023. Since the sales revenue of plastic additives is material and the transaction is frequent, the occurrence of sales revenue of plastic additives is listed as a key audit matter in 2023 for audit. For the accounting policies related to the recognition of operating revenue, please refer to Note 4, 21 and 32 of the consolidated financial statements.

Regarding our audit procedures in respect of the key audit matter, we performed the compliance tests to assess the Group's process for the recognition of revenue from the sale of plastic additives and the design and implementation of its controls over the process. We tested sample transaction of revenue from the sale of plastic additives to determine whether the timing of the transfer of the risks and rewards of ownership of the plastic additives matched the timing of revenue recognition.

Other Matter

We have also audited the parent company only financial statements of the Group as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our Auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are CHEN, CHIH-YUAN and HUANG, YAO-LIN.

Deloitte & Touche
Taipei, Taiwan
Republic of China
March 14, 2024

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

Double Bond Chemical Ind. Co., Ltd. and 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 (Note 4 & 6)	$ 1,195,993	26	$ 1,202,110	25
1136	Financial assets at amortized cost - current (Note 4, 8, 28)	3,000	-	3,000	-
1150	Notes receivable, net (Note 4, 9, 21)	46,626	1	49,441	1
1170	Accounts receivable, net (Note 4, 9, 21)	391,206	9	532,832	11
1180	Accounts receivable from related parties, net (Note 4, 9, 21, 27)	4,859	-	7,618	-
1200	Other receivables	34,701	1	41,536	1
1220	Current tax assets (Note 4 & 23)	212	-	71	-
130X	Inventories, net (Note 4 & 10)	382,387	8	444,683	9
1479	Other current assets (Note 4, 16, 27, 28)	114,846	3	116,590	3
11XX	Total current assets	2,173,830	48	2,397,881	50
	Noncurrent Assets				
1517	Financial assets at fair value through other comprehensive income – noncurrent (Note 4 & 7)	89,650	2	106,728	2
1600	Property, plant and equipment (Note 4, 12, 28)	2,074,583	46	1,809,505	38
1755	Right-of-use assets (Note 4 & 27)	18,741	-	24,999	-
1805	Goodwill (Note 4 & 14)	26,593	-	26,593	1
1821	Other intangible assets (Note 4 & 15)	4,787	-	2,316	-
1840	Deferred tax assets (Note 4 & 23)	122,532	3	79,998	2
1915	Prepayments for Business Facilities	4,439	-	334,035	7
1990	Other noncurrent assets (Note 16)	27,785	1	9,649	-
15XX	Total noncurrent assets	2,369,110	52	2,393,823	50
1XXX	Total assets	$ 4,542,940	100	$ 4,791,704	100
Code	**Liabilities and Equity**				
	Current Liabilities				
2100	Short-term borrowings (Note 17 & 28)	$ 855,000	19	$ 580,000	12
2130	Contract liabilities (Note 4 & 21)	16,662	-	10,700	-
2150	Notes payable	125,497	3	112,889	2
2160	Notes payable to related parties (Note 27)	4,327	-	-	-
2170	Accounts payable	165,739	3	212,644	5
2180	Accounts payable to related parties (Note 27)	37,236	1	47,794	1
2219	Other accounts payable (Note 18)	81,412	2	95,928	2
2230	Current tax liabilities (Note 4 & 23)	8,287	-	8,445	-
2280	Lease liabilities - current(Note 4, 13, 27)	620	-	6,393	-
2322	Current portion of long-term borrowings (Note 17 & 28)	351,395	8	288,847	6
2399	Other current liabilities (Note 18)	1,041	-	510	-
21XX	Total current liabilities	1,647,216	36	1,364,150	28
	Noncurrent liabilities				
2540	Long-term borrowings (Note 17 & 28)	706,273	16	1,064,116	22
2570	Deferred tax liabilities (Note 4 & 23)	12,922	-	13,069	1
2580	Lease liabilities - non-current(Note 4 , 13, 27)	140	-	373	-
2640	Net defined benefit liabilities - noncurrent (Note 4 & 19)	5,158	-	5,949	-
25XX	Total noncurrent liabilities	724,493	16	1,083,507	23
2XXX	Total Liabilities	2,371,709	52	2,447,657	51
	Owner's equity of this Company (Note 20)				
3110	Common stock	855,421	19	855,421	18
3200	Capital surplus	356,590	8	356,515	8
	Retained earnings				
3310	Legal reserve	238,077	5	231,824	5
3320	Special reserve	77,883	2	105,526	2
3350	Unappropriated earnings	761,333	17	868,657	18
3300	Total retained earnings	1,077,293	24	1,206,007	25
3490	Other equity	(122,999)	(3)	(77,883)	(2)
31XX	Total owner's equity of this Company	2,166,305	48	2,340,060	49
36XX	Noncontrolling interest	4,926	-	3,987	-
3XXX	Total equity	2,171,231	48	2,344,047	49
	Total liabilities and equity	$ 4,542,940	100	$ 4,791,704	100

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

Double Bond Chemical Ind. Co., Ltd. and Subsidiaries

Consolidated Statements of Comprehensive Income

For the Years Ended December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code		For the Year Ended December 31, 2023 Amount	%	For the Year Ended December 31, 2022 Amount	%
4000	Operating revenue (Note 4, 21, 27)	$ 2,227,080	100	$ 2,806,070	100
5000	Operating costs (Note 10, 22, 27)	1,970,897	88	2,392,336	85
5900	Gross profit	256,183	12	413,734	15
	Operating expenses (Note 4, 9, 13, 19, 22, 27)				
6100	Sales and marketing	186,139	8	197,144	7
6200	General and administration expense	123,264	6	125,010	5
6300	Research and development expense	60,505	3	61,763	2
6450	Gain (Loss) on reversal of expected credit loss	249	-	(488)	-
6000	Total operating expenses	370,157	17	383,429	14
6900	Net operating profit (loss)	(113,974)	(5)	30,305	1
	Nonoperating income and expenses				
7100	Interest income (Note 22)	17,447	1	12,782	-
7010	Other income (Note 22)	23,569	1	26,219	1
7020	Other gains and losses (Note 22)	12,596	-	21,571	1
7050	Financial costs (Note 22 & 27)	(28,636)	(1)	(6,871)	-
7000	Total nonoperating income and expenses	24,976	1	53,701	2
7900	Profit before income tax	(88,998)	(4)	84,006	3
7950	Income tax expense (Note 4 & 25)	(3,948)	-	23,785	1
8200	Net profit for the year	(85,050)	(4)	60,221	2

(Carried forward)

(Brought forward)

Code		For the Year Ended December 31, 2023 Amount	%	For the Year Ended December 31, 2022 Amount	%
	Other comprehensive income (loss)				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans (Note 19)	($ 36)	-	$ 2,174	-
8316	Unrealized gain or loss on investments in equity instrument at fair value through other comprehensive income	(17,078)	(1)	4,177	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating foreign operations	(27,956)	(1)	23,631	1
8300	Other comprehensive income (loss) of the year	(45,070)	(2)	29,982	1
8500	Total comprehensive income of the year	($ 130,120)	(6)	$ 90,203	3
	Net profit attributable to:				
8610	Owners of the company	($ 85,907)	(4)	$ 60,357	2
8620	Non-controlling interests	857	-	(136)	-
8600		($ 85,050)	(4)	$ 60,221	2
	Comprehensive income attributable to:				
8710	Owners of the company	($ 131,059)	(6)	$ 90,173	3
8720	Non-controlling interests	939	-	30	-
8700		($ 130,120)	(6)	$ 90,203	3
	Earnings per share (Note 24)				
9750	Basic	($ 1.00)		$ 0.71	
9850	Diluted	($ 1.00)		$ 0.71	

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

Double Bond Chemical Ind. Co., Ltd. and Subsidiaries

Consolidated Statements of Changes in Equity

For the Years Ended December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

		Equity attributable to owners of the Company												
		Ordinary Shares (Note 20)			Retained Earnings (Note 20)				Other Equity					
Code		Number of Shares (thousand)	Amount	Capital Surplus (Note 20)	Legal Reserve	Special Reserve	Unappropriated Earnings	Minor Sum	Exchange Differences on Translating Foreign Operations	Unrealized gain (loss) on financial assets at fair value through other comprehensive income)	Minor Sum	Total	Noncontrolling Interest	Total Equity
A1	Balance as of January 1, 2022	80,700	$ 807,001	$ 356,515	$ 221,206	$ 91,698	$ 911,272	$1,224,176	($ 167,726)	$ 62,201	($ 105,525)	$2,282,167	$ 3,957	$2,286,124
	Appropriation of 2021 earnings													
B1	Legal reserve	-	-	-	10,618	-	(10,618)	-	-	-	-	-	-	-
B3	Special reserve	-	-	-	-	13,828	(13,828)	-	-	-	-	-	-	-
B5	Cash dividends	-	-	-	-	-	(32,280)	(32,280)	-	-	-	(32,280)	-	(32,280)
B9	Stock dividends	4,842	48,420	-	-	-	(48,420)	(48,420)	-	-	-	-	-	-
		4,842	48,420	-	10,618	13,828	(105,146)	(80,700)	-	-	-	(32,280)	-	(32,280)
D1	Net profit for the year ended December 31, 2022	-	-	-	-	-	60,357	60,357	-	-	-	60,357	(136)	60,221
D3	Other comprehensive income (loss) after tax for the year ended December 31, 2022	-	-	-	-	-	2,174	2,174	23,465	4,177	27,642	29,816	166	29,982
D5	Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	62,531	62,531	23,465	4,177	27,642	90,173	30	90,203
Z1	Balance as of December 31, 2022	85,542	$ 855,421	$ 356,515	$ 231,824	$ 105,526	$ 868,657	$1,206,007	($ 144,261)	$ 66,378	($ 77,883)	$2,340,060	$ 3,987	$2,344,047
	Appropriation of 2022 earnings													
B1	Legal reserve	-	-	-	6,253	-	(6,253)	-	-	-	-	-	-	-
B5	Cash dividends	-	-	-	-	-	(42,771)	(42,771)	-	-	-	(42,771)	-	(42,771)
B17	reversal of special reserve	-	-	-	-	(27,643)	27,643	-	-	-	-	-	-	-
		-	-	-	6,253	(27,643)	(21,381)	(42,771)	-	-	-	(42,771)	-	(42,771)
C17	Other changes in capital surplus	-	-	75	-	-	-	-	-	-	-	75	-	75
D1	Net profit for the year ended December 31, 2023	-	-	-	-	-	(85,907)	(85,907)	-	-	-	(85,907)	857	(85,050)
D3	Other comprehensive income (loss) after tax for the year ended December 31, 2023	-	-	-	-	-	(36)	(36)	(28,038)	(17,078)	(45,116)	(45,152)	82	(45,070)
D5	Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	(85,943)	(85,943)	(28,038)	(17,078)	(45,116)	(131,059)	939	(130,120)
Z1	Balance as of December 31, 2023	85,542	$ 855,421	$ 356,590	$ 238,077	$ 77,883	$ 761,333	$1,077,293	($ 172,299)	$ 49,300	($ 122,999)	$2,166,305	$ 4,926	$2,171,231

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

Double Bond Chemical Ind. Co., Ltd. and Subsidiaries

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

Code		For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
	Cash Flows from Operating Activities		
A00010	Profit (Loss) before income tax	($ 88,998)	$ 84,006
A20010	Adjustments for:		
A20100	Depreciation expense	127,713	54,832
A20200	Amortization expense	4,732	2,523
A20300	(Gain on reversal of) Expected credit loss	249	(488)
A20400	Net gain of financial assets and liabilities at fair value through profit and loss	-	(7)
A20900	Financial cost	28,636	6,871
A21200	Interest income	(17,447)	(12,782)
A21300	Dividend revenue	(9,152)	(11,088)
A22500	Gain on disposal of property, plant and equipment	(875)	(1,139)
A23800	Loss for market price decline and obsolete and slow-moving inventories	26,072	7,988
A24100	Unrealized loss (gain) on foreign exchange	854	(6,204)
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	2,142	31,037
A31150	Accounts receivable	136,617	11,364
A31160	Accounts receivable from related parties	2,720	9,607
A31180	Other receivable	6,054	(2,041)
A31200	Inventories	32,848	72,973
A31240	Other current assets	(18,796)	100,258
A32125	Contract liabilities	6,207	(10,268)
A32130	Notes payable	14,916	(75,654)
A32140	Notes payable to related parties	4,396	(869)
A32150	Accounts payable	(43,294)	1,164
A32160	Accounts payable to related parties	(10,154)	(29,371)
A32180	Other accounts payable	(12,768)	(24,410)
A32230	Other current liabilities	521	-
A32240	Net defined benefit liabilities	(827)	(823)
A33000	Cash generated from operating activities	192,366	207,479
A33100	Interest received	17,487	12,735
A33200	Stock dividend received	9,152	11,088
A33300	Interest paid	(37,553)	(27,992)
A33500	Income taxes paid	(40,415)	(51,542)
AAAA	Net cash generated from operating activities	141,037	151,768

(Carried forward)

(Brought forward)

Code		For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
	Cash Flows from Investing Activities		
B00040	Decrease in financial assets at amortized cost	$ -	$ 18,835
B00200	Sale of Financial assets at fair value through profit or loss	-	9
B02700	Purchase of property, plant and equipment	(53,332)	(108,058)
B02800	Disposal of property, plant and equipment	1,189	1,713
B04500	Purchase of intangible assets	(841)	(1,530)
B07100	Increase in Prepayments for Business Facilities	(2,770)	(31,672)
B06700	Increase in other noncurrent assets	(1,009)	(46)
BBBB	Net cash used in investing activities	(56,763)	(120,749)
	Cash Flows from Financing Activities		
C00100	Increase in short-term borrowings	275,000	211,226
C01600	Decrease in long-term borrowings	(295,281)	(155,996)
C04020	Repayments of lease liabilities	(7,023)	(7,525)
C04500	Payment of dividends	(42,771)	(32,280)
C09900	Other changes in capital surplus	75	-
CCCC	Net cash generated (used) from financing activities	(70,000)	15,425
DDDD	Impact of changes in exchange rate on cash and cash equivalents	(20,391)	35,594
EEEE	Net increase (decrease) in cash and cash equivalents of the year	(6,117)	82,038
E00100	Cash and cash equivalents at the beginning of the year	1,202,110	1,120,072
E00200	Cash and cash equivalents at the end of the year	$1,195,993	$1,202,110

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

Double Bond Chemical Ind. Co., Ltd. and Subsidiaries
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2023 and 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

I. General

Established on February 17, 1994, Double Bond Chemical Ind. Co., Ltd. (hereinafter referred to as “the Company”) mainly engages in the production and sales of various chemical raw materials, monomer-polymers for coating, industrial additives, and textile chemicals as special chemicals.

In October 2016, the Group was authorized to trade its stocks on the over-the-counter (OTC) securities exchange in Taiwan. In January 4, 2018, the Group’s stock ceased to be OTC traded and the Group later obtained authorization to have its stock listed on the Taiwan Stock Exchange.

The consolidated financial statements are presented in the Group’s functional currency, New Taiwan Dollars.

II. Approval of Consolidated Financial Statements

The consolidated financial statements were approved by the Group’s board of directors on March 14, 2024.

III. Application of New, Amended and Revised Standards and Interpretations

(I) Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of International Financial Reporting Interpretations Committee (IFRIC), and Interpretations of Standing Interpretations Committee (SIC) (collectively, “IFRSs Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC).

Except for the following, whenever applied, the initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the accounting policies of the Company and entities controlled by the Company (collectively as the “Group”).

(II) The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”	January 1, 2024 (Note 3)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

As of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of other standards and interpretations will not have a material impact on the Group's financial position and financial performance.

(III) The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by 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 by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17—Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of other standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

IV. Summary of Significant Accounting Policies

(I) Statement of compliance

The accompanying consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs that have been endorsed and issued by the Financial Supervisory Commission (FSC).

(II) Basis of Preparation

The accompanying consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and the net defined benefit liabilities recognized by the present value of the defined benefit obligation less the fair value of the project assets.

The fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

1. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
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. derived from prices).
3. Level 3 inputs are unobservable inputs for the asset or liability.

(III) Classification of current and noncurrent assets and liabilities

Current assets include:

1. Assets held primarily for the purpose of trading.
2. Asset 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, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorized for issue.
3. Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Assets and liabilities that are not classified at current are classified as noncurrent.

(IV) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e. its subsidiaries). Income and expenses of subsidiaries acquired or disposal of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective date of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation.

Total comprehensive income of subsidiaries is attributable to the owners of the Company and to the noncontrolling interests even if this results in the noncontrolling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

Please see Note 11 and Annex 4 and 5 for the detailed information of subsidiaries (including the percentage of ownership and main business).

(V) Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that 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 that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Company's foreign operations (including the subsidiaries and associates in other countries or currencies used are different from the functional currency of the Company) are translated into NTD using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income.

On the disposal of a foreign operation (i.e., a disposal of the Company's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is included in the calculation of equity transactions but is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

(VI) Inventories

Inventories consist of finished goods and raw materials and are stated at the lower cost or net realizable value. Inventory write-down are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost on the balance sheet date.

(VII) Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, the depreciation on property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. 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 estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

(VIII) Goodwill

The goodwill acquired by the Group is measured as the cost of the goodwill recognized on the date of acquisition and subsequently measured at cost less any accumulated impairment losses.

For the purpose of the impairment testing, goodwill is allocated to each of the Group’s cash-generating unit or cash-generating group (referred to as "cash-generating units") that the Group expects to benefit from the synergies of the consolidation.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently whenever there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the Group disposes of an operation within that unit, the goodwill associated with the operation which is disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal.

(IX) Intangible assets

1. Separate Acquisition

   Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

2. Derecognition

   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.

(X) Impairment of property, plant and equipment, right-of-use asset, intangible assets (other than goodwill) and assets related to contract costs

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use asset, and intangible assets (other than goodwill) 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 Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to individual cash-generating units on a reasonable and consistent basis.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of fair value less costs to sell or value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

Before the Group recognizes an impairment loss from assets related to contract costs, any impairment loss on inventories, property, plant and equipment and intangible assets related to the contract applicable under IFRS 15 shall be recognized in accordance with applicable standards. Then, impairment loss from the assets related to the contract costs is recognized to the extent that the carrying amount of the assets exceeds the remaining amount of consideration that the Group expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services and which have not been recognized as expenses. The assets related to the contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or assets related to contract costs 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 on the asset, cash-generating unit or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

(XI) Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1. Financial Assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

(1) Measurement category

Financial assets are classified into the following categories: financial assets at amortized cost and investments in equity instruments at fair value through comprehensive income.

A. Financial assets at amortized cost

Financial assets invested by the Group are classified as financial assets at amortized cost if they meet the following 2 conditions:

a. Financial assets are held under a business model in which the purpose of the model is to hold financial assets so that the contractual cash flows can be collected;

b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset measured at amortized cost (including cash and cash equivalents, notes receivable at amortized cost, accounts receivable, accounts receivable from related parties, other receivables and refundable deposits) are measured at the total carrying value determined by the effective interest method less amortized cost of any impairment loss after initial recognition, while any gains and losses generated from foreign currency exchange are recognized in profit or loss.

Except for the following two cases, interest income is calculated by multiplying the effective interest rate by the total carrying value of the financial assets:

a. After purchasing or initiating financial assets with credit loss, interest income is calculated by multiplying the credit-adjusted effective interest rate by the amortized cost of financial assets.

b. For credit loss that has nothing to do with purchasing or initiation but later becomes financial assets of credit loss, the interest income shall be calculated by multiplying the effective interest rate by the amortized cost of financial assets from the second reporting period after credit loss.

A financial asset is credit impaired when one or more of the following events have occurred:

a. Significant financial difficulty of the issuer or the borrower;

b. Breach of contract, such as a default;

c. It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

d. The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

B. Investment in equity instruments at fair value through other comprehensive income

On initial recognition, the Group 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.

Measured at fair value, investment in equity instruments at fair value through other comprehensive income are recognized in other comprehensive gains and losses and accumulated in other equity when there are subsequent changes to fair value. At the time of investment disposal, the accumulated gains and losses are transferred directly to retained earnings and are not reclassified as profit or loss.

Unless the dividend clearly represents the recovery of part of the investment cost, dividends on investment in equity instruments at fair value through other comprehensive income are recognized in profit or loss when the Group's right to receive the dividends is established.

(2) Impairment of financial assets

At the end of each reporting period, a loss allowance for expected credit loss is recognized for financial assets at amortized cost (including accounts receivable).

The loss allowance for account receivable is measured at an amount equal to lifetime expected credit losses. For financial assets at amortized cost and investments in debt instruments that are measured at fair value through other comprehensive income, when the credit risk on the financial instrument has not increased significantly since initial recognition, a loss allowance is recognized at an amount equal to expected credit loss resulting from possible default events of a financial instrument within 12 months after the reporting date. If, on the other hand, there has been a significant increase in credit risk since initial recognition, a loss allowance is recognized at an amount equal to expected credit loss resulting from all possible default events over the expected life of a financial instrument.

The expected credit loss is the weighted average credit loss measured 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 within 12 months after the reporting date; and the expected credit losses during the lifetime represent the expected credit losses arising from all possible defaults of the financial instrument over its expected lifetime.

The Group recognizes an impairment loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of the financial asset.

(3) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the financial asset to another entity.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2. Equity instruments

Debt and equity instruments issued by the Group are classified either as financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3. Financial liabilities

(1) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

(2) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable (including any transferred non-cash assets or liabilities assumed) is recognized in profit or loss.

(XII) Revenue recognition

After identifying the performance obligation in a customer contract, the Group distributes the transaction price to each one of the performance obligations and recognizes the revenue when the performance obligations are met.

Sale of goods

Sale of goods mainly comes from the sale of various chemical raw materials, coating monomers/oligomers, industrial additives and specialty chemicals for textile. Since the customer has the right to set the price and dispose of the goods and has the primary responsibility for reselling and bearing the risk of obsolete goods when the goods are delivered to the customer's designated location or the goods are shipped, the company will recognize revenue and accounts receivable at these timings. Sale of goods collected in advance is recognized as contract liabilities before the good arrives.

When material processing is performed, the control of the ownership of the processed product is neither transferred nor recognized.

(XIII) Leasing

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1. The Group as 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.

   Lease payments less any lease incentives payable from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

2. The Group as a lessee

   The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for by applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

   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. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

   Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

   Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payment. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. Lease liabilities are presented on a separate line in the consolidated balance sheets.

(XIV) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

In accordance with the requirements, investment income earned from the temporary investment of specific borrowings prior to the occurrence of capital expenditures is deducted from the borrowing costs eligible for capitalization.

Other than as stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(XV) Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants related to income are recognized in other income on a systematic basis over the periods in which the Company recognizes as expenses the related costs that the grants intend to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized in profit or loss in the period in which they are received.

Government grants that take the form of a transfer of a non-monetary asset for the use of the entity are recognized and measured at the fair value of the non-monetary asset.

The benefit of a government loan received at a below-market rate of interest is treated as a government grant measured as the difference between the proceeds received and the fair value of the loan based on prevailing market interest rates.

(XVI) Employee benefits

1. Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the un-discounted amount of the benefits expected to be paid in exchange for the related service.

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.

Defined benefit costs (including service cost, net interest, and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost and past service cost) and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period they occur. Remeasurement, comprising actuarial gains and losses, and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability (asset) represents the actual deficit (surplus) in the Company's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

(XVII) Share-based payment: employee stock options

Employee stock options

Employee stock options are recognized on a straight-line basis over the lifetime based on the fair value of equity instrument and estimated optimal quantity on the grant date. At the same time, the capital surplus - employee stock options are also adjusted and recognized on the grant date. It is recognized as an expense in full at the grant date if vested immediately. Organizing capital increase by cash and retaining employee subscription, the Company defined the date of notification as the grant date

The Company revised the estimated number of expected employee stock options at the end of each reporting period. If the original estimated quantity is rectified, the effect is recognized as profit and loss so that the cumulative expenses reflect the revised estimate and the capital surplus-employee stock option is adjusted relatively.

(XVIII) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1. Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Law in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2. Deferred tax

   Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profits.

   Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carryforwards, unused tax credits for purchases of machinery and equipment, research and development expenditure and personnel training expenditures to the extent that it is probable that taxable profits will be available against which those deductible temporary difference can be utilized.

   Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group 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. Deferred tax assets arising from deductible temporary differences associated with such investments is only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

   The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax 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 tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3. Current tax and deferred tax for the year

   Current tax and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current tax and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

V. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

In the application of the Group’s accounting policies, management is required to make judgments, estimates 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.

The Group considers the possible impact of inflation, interest rate fluctuations and volatility in foreign currency markets when making its critical accounting estimates on cash flows, growth rates, discount rates, profitabilities, etc. The estimates and underlying assumptions are reviewed on an ongoing basis.

VI. Cash and cash equivalent

	December 31, 2023	December 31, 2022
Cash on hand	$ 573	$ 983
Checking accounts and demand deposits	1,195,420	1,176,559
Cash equivalents		
Time deposits (investments with original maturities less than 3 months)	-	24,568
	$ 1,195,993	$ 1,202,110

The market rate intervals of cash in bank and time deposits (with original maturities less than 3 months) at the end of the reporting period were as follows:

	December 31, 2023	December 31, 2022
Cash in bank	0.51%-1.10%	0.455%-2.90%
Time deposits (with original maturities less than 3 months)	-	4.21%

VII. Financial Assets At Fair Value Through Other Comprehensive Income

	December 31, 2023	December 31, 2022
Noncurrent		
Domestic investment		
Unlisted stock		
Sin Hun Chemical Co., Ltd. - common stock	$ 89,650	$ 106,728

The Group invests in Sin Hun Chemical Company common stock for medium and long-term strategic purposes and expects to make a profit through long-term investments. The management of the Group believes that if the short-term fair value fluctuations of these investments are recognized in profit and loss, it is inconsistent with the aforementioned long-term investment plan. Therefore, the choice of designating such investments is measured at fair value through other comprehensive income.

VIII. Financial assets measured at amortized cost

	December 31, 2023	December 31, 2022
Current		
Domestic investment		
Time deposits with original maturities more than 3 months	$ 3,000	$ 3,000

For information on the pledge of financial assets measured at amortized cost, please refer to Note 28.

IX. Notes receivable and accounts receivable (including related parties)

	December 31, 2023	December 31, 2022
Notes receivable		
Incurred from business operation	$ 46,626	$ 49,441
Accounts receivable		
Total carrying value measured at amortized cost	$400,493	$542,128
Less: loss allowance	(9,287)	(9,296)
	$391,206	$532,832
Accounts receivable from related party		
Total carrying value measured at amortized cost	$ 4,865	$ 7,619
Less: loss allowance	(6)	(1)
	$ 4,859	$ 7,618

The average credit period of the Group's sales of goods is 60 days, and the accounts receivable are not interest-bearing. The impairment assessment of receivable is based on the past default history of the counterparty and its current financial position to estimate the amount that cannot be recovered.

In order to reduce the credit risk, the management of the Group assigns a dedicated team responsible for deciding credit lines, credit approvals and other monitoring procedures so that appropriate actions are taken to recover overdue receivables. In addition, the Group also reviews the recoverable amount of the receivables progressively at the end of the reporting period to ensure that the receivables that cannot be recovered have been recognized in impairment losses. For this, the management of the Group believes that the credit risk of the Group has been significantly reduced.

The Group uses the simplification of IFRS 9 to recognize the loss allowance for accounts receivables based on expected credit losses during the lifetime. The expected credit loss during the lifetime is calculated using the preparation matrix, which takes into account the customer's past default record, current financial status, and industrial economic situation. Due to the historical experience of credit loss of the Group, there is no significant difference in the loss patterns of different customer groups. Therefore, the preparation matrix does not further segregate the customer base but set expected credit loss rate based on the overdue days of accounts receivable.

If there is evidence that the counterparty is facing serious financial difficulties and the Group cannot reasonably expect the recoverable amount, the Group directly writes off the relevant accounts receivable. However, the recourse will continue to be pursued and the amount recovered will be recognized in profit or loss.

The Group's loss allowance for the notes and accounts receivable is based on the preparation matrix as follows:

December 31, 2023

	Not Past Due	Past Due 1 to 30 days	Past Due 31 to 60 days	Past Due 61 to 90 days	Past Due 91 to 120 days	Past Due 121 to 150 days	Past Due 151 to 180 days	Past Due 181 days or more	Total
Expected credit loss rate	0.12%	0.79%	1.90%	4.72%	10.84%	30.69%	74.16%	100%	
Total carrying value	$ 353,815	$ 61,642	$ 17,421	$ 5,660	$ 5,473	$ 378	$ 1,958	$ 5,637	$ 451,984
Loss allowance (expected credit loss during the lifetime)	(413)	(484)	(331)	(267)	(593)	(116)	(1,452)	(5,637)	(9,293)
Amortized cost	$ 353,402	$ 61,158	$ 17,090	$ 5,393	$ 4,880	$ 262	$ 506	$ -	$ 442,691

December 31, 2022

	Not Past Due	Past Due 1 to 30 days	Past Due 31 to 60 days	Past Due 61 to 90 days	Past Due 91 to 120 days	Past Due 121 to 150 days	Past Due 151 to 180 days	Past Due 181 days or more	Total
Expected credit loss rate	0.13%	0.68%	1.64%	5.38%	17.76%	34.27%	53.46%	100%	
Total carrying value	$ 465,787	$ 78,379	$ 32,528	$ 12,868	$ 1,250	$ 1,961	$ 767	$ 5,648	$ 599,188
Loss allowance (expected credit loss during the lifetime)	(587)	(532)	(534)	(692)	(222)	(672)	(410)	(5,648)	(9,297)
Amortized cost	$ 465,200	$ 77,847	$ 31,994	$ 12,176	$ 1,028	$ 1,289	$ 357	$ -	$ 589,891

The changes in loss allowance of notes and accounts receivable are as follows:

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Beginning of year balance	$ 9,297	$ 12,697
Less: reversal of impairment loss this year	249	(488)
Less: actual write-off this year	(132)	(3,037)
Exchange difference	(121)	125
End of year balance	$ 9,293	$ 9,297

X. Inventories

	December 31, 2023	December 31, 2022
Raw materials	$103,615	$133,480
Finished products	278,772	311,203
	$382,387	$444,683

The nature of the cost of goods sold is as follows:

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Cost of inventories sold	$ 1,883,817	$ 2,316,137
Inventory write-downs	26,072	7,988
Unallocated production overhead	61,008	68,211
	$ 1,970,897	$ 2,392,336

DAFENG XIN YUAN DA CHEMICAL CO., LTD. has halted production to carry out an in-plant safety inspection since March 25, 2019, and has resumed production one after another as of February 21, 2023, for relevant information is available at the Market Observation Post System website of the Taiwan Stock Exchange. The loss on work stoppage of NT$61,008 thousand and NT$68,211 thousand is included in the cost of goods sold in 2023 and 2022, respectively, and the related information please refer to note 29.

XI. Subsidiaries

Subsidiaries included in the consolidated financial statements

The main body of the consolidated financial statements is as follows:

			Percentage of Ownership and Voting Right	
Investor	Investee	Nature of Activities	December 31, 2023	December 31, 2022
Parent	DBC Group Co., Ltd. (DBC Group)	Invest	100%	100%
Parent	PT. Double Bond Chemindo (PT. DBC)	Trade	67%	67%
Parent	DBC Europe Holding AG (DBC Europe Holding)	Invest	100%	100%
Parent	DBC Europe GmbH (DBC Europe)	Trade	100%	100%
Parent	Double Bond Chemical Ind. USA, Inc. (DBC USA)	Trade	100%	100%
Parent	Double Bond Chemical (Thailand) Co., Ltd. (DBC Thailand)	Trade	49%	49%
Parent	DBC Korea Co., Ltd. (DBC Korea)	Trade	99.98%	99.98%
Parent	Double Bond Chemical Vietnam Co., Ltd. (DBC Vietnam)	Trade	100%	100%
DBC Group	Double Bond Chemical Global Co., Ltd.	Invest	100%	100%
DBC Group	Total Triumph Limited	Invest	100%	100%
DBC Global	Double Bond Chemical (Shanghai) Co., Ltd.	Trade	100%	100%
Total Triumph	DAFENG XIN YUAN DA CHEMICAL CO., LTD.	Manufacture	100%	100%
DBC Europe Holding	DBC Switzerland AG (DBC Switzerland)	Trade	80%	80%

The Group holds a 49% share in DBC Thailand Co., Ltd. on December 31, 2023, and December 31, 2022. However, according to the agreement between shareholders, the company has the right to appoint more than half of the members of the board of directors and has the ability to lead its activities, making it a listed subsidiary.

The Group handled capital increase by cash for DBC USA by NT$7,612 thousand (US$250 thousand) and 7,687 thousand (US$250 thousand) on March 30, 2023 and April 27, 2023, respectively, and subscribed 100% with a shareholding ratio of 100%.

DBC Group held a board meeting on June 26, 2023 and July 21, 2022 to decide the distribution of cash dividends of NT$42,840 thousand (RMB10,000 thousand) and NT$66,180 thousand (RMB15,000 thousand), respectively.

DBC Global held a board meeting on June 26, 2023 and July 21, 2022 to decide the distribution of cash dividends of NT$42,840 thousand (RMB10,000 thousand) and NT$66,180 thousand (RMB15,000 thousand), respectively.

DBC Europe Holding convened a shareholder meeting on March 1, 2022 to decide the distribution of cash dividends of NT$6,119 thousand (Swiss francs 200 thousand).

Subsidiaries listed in the consolidated financial statements above are audited by the accountants.

XII. Property, plant and equipment

	Land	Buildings and Structure	Machinery and Equipment	Transportation Equipment	Office Equipment	Other Equipment	Construction in Progress	Total
Cost								
Balance at January 1, 2022	$ 486,190	$ 204,718	$ 322,595	$ 25,894	$ 57,583	$ 23,493	$ 925,136	$2,045,609
Additions	-	1,651	6,287	6,182	4,608	1,171	88,159	108,058
Disposals	-	-	(3,525)	(1,407)	(7,074)	(131)	-	(12,137)
Reclassification	-	40,700	4,013	873	-	1,336	(37,598)	9,324
Interest capitalization	-	-	-	-	-	-	21,871	21,871
Net exchange difference	-	1,410	2,493	290	823	41	890	5,947
Balance at December 31, 2022	$ 486,190	$ 248,479	$ 331,863	$ 31,832	$ 55,940	$ 25,910	$ 998,458	$2,178,672
Accumulated depreciation and impairment								
Balance at January 1, 2022	$ -	$ 67,914	$ 187,309	$ 15,494	$ 45,999	$ 13,814	$ -	$ 330,530
Disposals	-	-	(3,016)	(1,379)	(7,039)	(129)	-	(11,563)
Depreciation expense	-	9,401	28,723	3,161	4,336	1,413	-	47,034
Net exchange difference	-	559	1,718	175	677	37	-	3,166
Balance at December 31, 2022	$ -	$ 77,874	$ 214,734	$ 17,451	$ 43,973	$ 15,135	$ -	$ 369,167
Carrying amount at December 31, 2022	$ 486,190	$ 170,605	$ 117,129	$ 14,381	$ 11,967	$ 10,775	$ 998,458	$1,809,505
Cost								
Balance at January 1, 2023	$ 486,190	$ 248,479	$ 331,863	$ 31,832	$ 55,940	$ 25,910	$ 998,458	$2,178,672
Additions	-	-	4,848	4,689	5,147	11,479	27,169	53,332
Disposals	-	-	(2,609)	(2,603)	(2,890)	(28)	-	(8,130)
Reclassification	-	435,577	301,248	236	942	607,330	(1,018,443)	326,890
Interest capitalization	-	-	-	-	-	-	8,973	8,973
Net exchange difference	-	(2,727)	(3,330)	(97)	(941)	(50)	(319)	(7,464)
Balance at December 31, 2023	$ 486,190	$ 681,329	$ 632,020	$ 34,057	$ 58,198	$ 644,641	$ 15,838	$2,552,273
Accumulated depreciation and impairment								
Balance at January 1, 2023	$ -	$ 77,874	$ 214,734	$ 17,451	$ 43,973	$ 15,135	$ -	$ 369,167
Disposals	-	-	(2,398)	(2,603)	(2,787)	(28)	-	(7,816)
Depreciation expense	-	18,176	48,788	3,268	3,604	46,936	-	120,772
Net exchange difference	-	(998)	(2,581)	(71)	(734)	(49)	-	(4,433)
Balance at December 31, 2023	$ -	$ 95,052	$ 258,543	$ 18,045	$ 44,056	$ 61,994	$ -	$ 477,690
Carrying amount at December 31, 2023	$ 486,190	$ 586,277	$ 373,477	$ 16,012	$ 14,142	$ 582,647	$ 15,838	$2,074,583

The above items of property, plant and equipment are depreciated on a straight-line basis over the following estimated useful life:

Buildings and Structure	3 to 50 years
Machine and Equipment	3 to 15 years
Transportation Equipment	4 to 15 years
Office Equipment	3 to 12 years
Other Equipment	3 to 20 years

Please refer to Note 28 for the carrying amount of property, plant and equipment that had been pledged by the Group to secure borrowings.

XIII. Lease Arrangements

(I) Right-of-use assets

	December 31,2023	December 31,2022
Carrying amounts		
Land	$ 17,822	$ 18,367
Buildings	349	6,039
Transportation equipment	570	593
	$ 18,741	$ 24,999

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Additions to right-of-use assets	$ 1,049	$ 12,459
Depreciation charge for right-of-use assets		
Land	$ 211	$ 212
Buildings	6,306	6,570
Transportation equipment	424	1,016
	$ 6,941	$ 7,798

(II) Lease liabilities

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Carrying amounts		
Current	$ 620	$ 6,393
Non-current	$ 140	$ 373

Range of discount rate for lease liabilities was as follows:

	December 31, 2023	December 31, 2022
Land	5.22%	5.22%
Buildings	1.3%~11.5%	1.2%~11.5%
Transportation equipment	3.5%~3.91%	1.2%~3.5%

(III) Material lease-in activities and terms

The Company leases transportation equipment for employees to carry out business, with the remaining lease terms of 1-3 years.

The Group also leases land and certain buildings for the use of offices and staff quarters, with the remaining lease terms of 1-40 years. The Group does not have bargain purchase options to acquire the land and buildings at the end of the lease terms. In addition, the Company is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor’s consent.

(IV) Other lease information

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Expenses relating to short-term leases	$ 2,679	$ 3,693
Total cash outflow for leases	($ 9,865)	($ 11,655)

The Group leases certain transportation equipment, offices and staff quarters, which qualify as short-term leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

XIV. Goodwill

	December 31, 2023	December 31, 2022
Goodwill	$ 26,593	$ 26,593

The determination of the recoverable amount of goodwill is based on the value in use, which is an estimate of the cash flow approved by the Group's management for the next five years.

The management believes that any reasonably possible change in the key assumptions underlying the recoverable amount will not result in a total of the goodwill carrying amount exceeding the total recoverable amount.

XV. Other Intangible Assets

	Trademark	Patent	Computer Software Cost	Total
Cost				
Balance at January 1, 2022	$ 3,732	$ 2,807	$ 2,584	$ 9,123
Separate Acquisition	-	-	1,530	1,530
Net exchange difference	-	-	14	14
Balance at December 31, 2022	$ 3,732	$ 2,807	$ 4,128	$ 10,667
Accumulated amortization and impairment				
Balance at January 1, 2022	$ 3,115	$ 2,148	$ 2,578	$ 7,841
Amortization expense	125	69	300	494
Net exchange difference	-	-	16	16
Balance at December 31, 2022	$ 3,240	$ 2,217	$ 2,894	$ 8,351
Balance at December 31, 2022	$ 492	$ 590	$ 1,234	$ 2,316
Cost				
Balance at January 1, 2023	$ 3,732	$ 2,807	$ 4,128	$ 10,667
Separate Acquisition	732	104	5	841
Reclassification	-	-	3,034	3,034
Net exchange difference	-	-	(18)	(18)
Balance at December 31, 2023	$ 4,464	$ 2,911	$ 7,149	$ 14,524

	Trademark	Patent	Computer Software Cost	Total
Accumulated amortization and impairment				
Balance at January 1, 2023	$ 3,240	$ 2,217	$ 2,894	$ 8,351
Amortization expense	403	530	467	1,400
Net exchange difference	-	-	(14)	(14)
Balance at December 31, 2023	$ 3,643	$ 2,747	$ 3,347	$ 9,737
Balance at December 31, 2023	$ 821	$ 164	$ 3,802	$ 4,787

The amortization cost is recognized on the straight-line basis for the following number of years:

Trademark	10 years
Patent	15 to 20 years
Computer Software Cost	3 to 10 years

XVI. Other assets

	December 31, 2023	December 31, 2022
Current		
Other assets		
Refundable deposit (Note 28)	$ 64,905	$ 57,789
Other financial asset (Note 28)	18,606	-
Prepaid account	21,780	19,313
Prepaid expense	8,867	34,199
Others	688	5,289
	$114,846	$116,590
Noncurrent		
Other assets		
Refundable deposit	$ 1,461	$ 2,381
Other deferred expenses	26,324	7,268
	$ 27,785	$ 9,649

XVII. Borrowings

(I) Short-term borrowings

	December 31, 2023	December 31, 2022
Secured loan (Note 28)		
Bank loan	$340,000	$150,000
Unsecured loan		
Bank loan	515,000	430,000
	$855,000	$580,000

The annual interest rates of bank transition loans were 1.72%~1.90% and 1.50%~2.03% on December 31, 2023, and 2022, respectively.

(II) Long-term borrowings

	December 31, 2023	December 31, 2022
Secured loan (Note 28)		
Bank loan	$ 1,016,472	$ 1,232,606
Unsecured loan		
Bank loan	41,196	120,357
Less: listed as part of long-term loans due within one year	(351,395)	(288,847)
	$ 706,273	$ 1,064,116

The Group borrows from the bank with its own land and building mortgage guarantee (see Note 28). The maturity dates of the Group's long-term borrowings in the form of secured loan are from August 26, 2024, to February 17, 2040. As of December 31, 2023, and 2022, the annual interest rates of the Group's long-term borrowings in the form of secured loan are 1.95%~2.88% and 1.64%~2.05%, respectively.

The maturity dates of the Group's long-term borrowing in the form of unsecured loan are from January 27, 2024, to August 7, 2025. As of December 31, 2023, and 2022, the annual interest rates of the Group's long-term borrowings in the form of unsecured loan are 2.05%~2.14% and 1.89%~1.92%, respectively.

XVIII. Other Liabilities

	December 31, 2023	December 31, 2022
Current		
Other payable		
Salaries and bonuses payable	$ 33,239	$ 43,904
Director remuneration payable	-	3,500
Employee remuneration payable	-	2,500
Other fee payable	48,173	46,024
	$ 81,412	$ 95,928
Other liabilities		
Deferred credit	$ 47	$ 26
Others	994	484
	$ 1,041	$ 510

XIX. Retirement Benefit Plans

(I) Defined contribution plans

The Group adopted a pension plan under the Labor Pension Act (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.

Among the consolidated companies, DAFENG XIN YUAN DA CHEMICAL Co., LTD. and Double Bond Chemical (Shanghai) Co., Ltd. allocate a certain percentage of the pension from the employee's monthly salary and deposits it into the special account of the pension fund. The special account is managed by the local statutory insurance institution so that at the time of retirement, the employee is able to withdraw cash deposits and interests from the special account of the pension fund.

However, there is currently no pension plan for employees from DBC Europe Holding, DBC Switzerland, DBC Europe, PT. DBC, DBC Korea, DBC USA, DBC Group, DBC Thailand, DBC Vietnam, DBC Global, and Total Triumph.

(II) Defined benefit plans

The defined benefit plan adopted by the Company in accordance with the Labor Standards Act 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. The Company contributes amounts equal to 2% 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. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. 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 consolidated balance sheets in respect of the Group's defined benefit plans were as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligation	$ 19,313	$ 18,762
Fair value of plan assets	(14,155)	(12,813)
Net defined benefit liability	$ 5,158	$ 5,949

Movements in net defined benefit liability (asset) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability (Asset)
Balance at January 1, 2022	$ 19,880	($ 10,934)	$ 8,946
Service cost			
Current service cost	308	-	308
Net interest expense (income)	149	(86)	63
Recognized in profit or loss	457	(86)	371

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability (Asset)
Remeasurement			
Return on plan assets	-	(599)	(599)
Actuarial loss			
- changes in financial assumptions	(1,870)	-	(1,870)
- experience adjustments	295	-	295
Recognized in other comprehensive income	(1,575)	(599)	(2,174)
Contribution from the employer	-	(1,194)	(1,194)
Balance at December 31, 2022	18,762	(12,813)	5,949
Service cost			
Current service cost	285	-	285
Net interest expense (income)	282	(200)	82
Recognized in profit or loss	567	(200)	367
Remeasurement			
Return on plan assets	-	52	52
Actuarial loss			
- changes in financial assumptions	283	-	283
- experience adjustments	(299)	-	(299)
Recognized in other comprehensive income	(16)	52	36
Contribution from the employer	-	(1,194)	(1,194)
Balance at December 31, 2023	$ 19,313	($ 14,155)	$ 5,158

Defined benefit plans are recognized in profit or loss as summarized by function:

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Marketing expenses	$ 85	$ 119
Management expenses	134	119
R&D expenses	148	133
	$ 367	$ 371

Through the defined benefit plans under the Labor Standards Act, the Group is exposed to the following risks:

1. Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
2. Interest risk: A decrease in government/corporate bond interest rate will increase

the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3. Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31, 2023	December 31, 2022
Discount rate(s)	1.375%	1.50%
Expected rate(s) of salary increase	4.00%	4.00%

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31, 2023	December 31, 2022
Discount rate(s)		
0.25% increase	($ 561)	($ 575)
0.25% decrease	$ 583	$ 599
Expected rate(s) of salary increase		
0.25% increase	$ 559	$ 575
0.25% decrease	($ 541)	($ 555)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31, 2023	December 31, 2022
The expected contributions to the plan for the next year	$ 1,080	$ 1,080
The average duration of the defined benefit obligation	11.9 years	12.7 years

XX. Equity

(I) Share Capital

Ordinary Shares

	December 31, 2023	December 31, 2022
Number of shares authorized (in thousands)	120,000	120,000
Shares authorized	$ 1,200,000	$ 1,200,000
Number of shares issued and fully paid (in thousands)	85,542	85,542
Shares issued	$ 855,421	$ 855,421

On June 22, 2022, the Company's shareholders meeting resolved to use the stock dividend of NT$48,420 thousand to make up the share capital and allocate 4,842 thousand shares of common stock. The case was approved by the Securities and Futures Bureau, and the board of directors sets July 26, 2022 as the base date of capital increase.

(II) Capital Surplus

	December 31, 2023	December 31, 2022
Share premium	$338,998	$338,998
Stock option	17,493	17,493
Other—disgorgements	99	24
	$356,590	$356,515

The capital surplus arising from shares issued in excess of par (including share premium from issuance of common shares, conversion of bonds and treasury share transactions) 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).

The capital surplus arising from stock options of issuance of convertible bonds may not be used for any purpose.

According to the requirement under Section 157 Short swing Trading of the Securities and Exchange Act, the capital surplus arising from the gain of claim for disgorgements is only used to offset a deficit.

(III) Retained Earnings and Dividend Policy

The Company passed an amendment to the Articles of Association on June 26, 2019 by resolution of the shareholders' meeting, stipulating that the Company's surplus allocation or loss compensation shall be made after the end of each half fiscal year. If the surplus is distributed in cash, the Board of Directors shall make a resolution, and the board of shareholders shall make a resolution when issuing new shares.

Under the dividend 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 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 shareholder's meeting for distribution of dividends and bonus to shareholders. Under the surplus distribution policy provisions of the Company's revised Articles of Association, if the dividends, legal reserves and capital reserves referred to in the preceding paragraph are distributed in cash, the Board of Directors may be authorized to attend by more than two thirds of the directors and adopt a resolution by more than half of the directors present and report to the shareholders' meeting.

For the policies on distribution of employees' compensation and remuneration of directors, refer to "Employee's compensation and remuneration of directors" in Note 22 (8).

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficit. 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.

The appropriation of the 2022 and 2021 earnings had been approved by the Company's shareholders in its meetings held on June 28, 2023 and June 22, 2022, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings	
	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
Legal capital reserve	$ 6,253	$ 10,618
(Reversal of) Special capital reserve	($ 27,643)	$ 13,828
Cash dividends	$ 42,771	$ 32,280
Stock dividends	$ -	$ 48,420
Cash dividends per share (NT$)	$ 0.5	$ 0.4
Share dividends per share (NT$)	$ -	$ 0.6

The Company's loss off-setting proposal for 2023 had been approved in the meeting of the Board of Directors held on March 14, 2024. The loss off-setting proposal was as follows:

	For the Year Ended December 31, 2023
Loss off-setting	($ 85,943)
Special capital reserves	$ 45,116

The aforementioned loss off-setting proposal is subject to the resolution of the shareholders in the shareholders' meeting to be held on June 28, 2024.

XXI. Revenue

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Revenue from contracts with customers		
Sales revenue	$ 2,227,080	$ 2,806,070

(I) Contract Balance

	December 31, 2023	December 31, 2022	January 1, 2022
Net Notes Receivable (Note 9)	$ 46,626	$ 49,441	$ 79,412
Net Accounts Receivable (Note 9)	391,206	532,832	551,027
Net Accounts Receivable from Related Party (Note 9)	4,859	7,618	15,437
	$ 442,691	$ 589,891	$ 645,876
Contract liabilities			
Sale of Goods	$ 16,662	$ 10,700	$ 20,708

(II) Classification of revenue from contracts with customers

For classification of revenue from contracts with customers, please refer to Note 32 of the operating income statement.

XXII. Net Profit from Continuing Operation

Net profit from continuing operation includes the follows:

(I) Interest income

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Interest income	$ 17,447	$ 12,782

(II) Other income

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Dividend income	$ 9,152	$ 11,088
Others	14,417	15,131
	$ 23,569	$ 26,219

(III) Other gains and losses

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Net gains on financial assets and liabilities		
Mandatorily measured at FVTPL	$ -	$ 7
Gain on disposal of property, plant and equipment	875	1,139
Exchange gain, net	12,225	21,265
Others	(504)	(840)
	$ 12,596	$ 21,571

(IV) Financial costs

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Interest on bank loan	$ 37,446	$ 28,305
Interest on lease liabilities	163	437
	37,609	28,742
Less: amounts included in the cost of qualifying assets	(8,973)	(21,871)
	$ 28,636	$ 6,871

Information about capitalized interest is as follows:

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Capitalized interest amount	$ 8,973	$ 21,871
Capitalization rate	1.94%	1.77%

(V) Impairment losses recognized (reversed)

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Notes receivable and accounts receivable	$ 249	($ 488)
Inventories (included in operating costs)	$ 26,072	$ 7,988

(VI) Depreciation and amortization

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Property, plant and equipment	$ 120,772	$ 47,034
Right-of-use assets	6,941	7,798
Intangible assets and deferred expense	4,732	2,523
	$ 132,445	$ 57,355
An analysis of depreciation by function		
Operating costs	$ 105,265	$ 33,103
Operating expenses	22,448	21,729
	$ 127,713	$ 54,832

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
An analysis of amortization by function		
Operating costs	$ 3,122	$ 1,343
Operating expenses	1,610	1,180
	$ 4,732	$ 2,523

(VII) Personnel Expenses

	For the Year Ended December 31, 2023			For the Year Ended December 31, 2022		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Personnel expenses						
Salaries	$ 66,674	$ 157,699	$ 224,373	$ 64,051	$ 158,911	$ 222,962
Labor insurance and health insurance	5,240	12,880	18,120	2,899	14,320	17,219
Pension cost						
Defined contribution plan	3,349	10,957	14,306	1,533	9,933	11,466
Defined benefit plan (Note 19)	-	367	367	-	371	371
Director’s remuneration	-	2,605	2,605	-	6,110	6,110
Others	7,770	14,239	22,009	7,294	14,069	21,363
	$ 83,033	$ 198,747	$ 281,780	$ 75,777	$ 203,714	$ 279,491

(VIII) Employee’s compensation and remuneration to directors

The Company accrued employees’ compensation and remuneration of directors at the rates no less than 1% and no higher than 5%, respectively, of net profit before income tax, employees’ compensation, and remuneration of directors. Since there was a loss as of the year ended December 31, 2023, the Company decided not to recognize the amounts of the employees’ compensation and remuneration to directors. For the year ended December 31, 2022, employee’s compensation and remuneration to directors were resolved by the board of directors on March 24, 2023:

Estimated ratio

	For the Year Ended December 31, 2022
Employee’s compensation	3.57%
Remuneration to director	4.99%

Amount

	For the Year Ended December 31, 2022
	Cash
Employee’s compensation	$ 2,500
Remuneration to directors	3,500

If there is a change in the proposed amounts after the annual consolidated financial statements were authorized for issue, the differences are recorded as a change in accounting estimate.

There was no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the year ended December 31, 2022 and 2021.

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors in 2023 and 2022 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

XXIII. Income Taxes Relating To Continuing Operations

(I) Income tax recognized in profit or loss

The major components of tax expense (revenue) were as follows:

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Current tax		
In respect of the current period	$ 40,063	$ 44,277
Surtax on undistributed earnings	-	52
In respect of prior periods	223	74
	40,286	44,403
Deferred tax		
In respect of the current period	(43,252)	(18,531)
In respect of prior periods	(982)	(2,087)
	(44,234)	(20,618)
Income tax expense (revenue) recognized in profit or loss	($ 3,948)	$ 23,785

A reconciliation of accounting profits and income tax expenses (revenues) is as follows:

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Income (Loss) from continuing operation before tax	($ 88,998)	$ 84,006
Income tax expense calculated at statutory rate	($ 1,941)	$ 35,750
Fees that cannot be deducted from taxes	1,811	1,809
Surtax on undistributed earnings	-	52
Adjustments to prior year's income tax expense	(759)	(2,013)
Tax exempt income	(1,830)	(2,218)
Temporary difference that has not yet been recognized	(3,027)	(4,342)
Tax-exempt lease	(4,498)	(3,978)
Others	6,296	(1,275)
Income tax expense (revenue) recognized in profit or loss	($ 3,948)	$ 23,785

(II) Current tax liabilities

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Current tax assets		
Income tax receivable	$ 212	$ 71
Current tax liabilities		
Income tax payable	$ 8,287	$ 8,445

(III) Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the Year Ended December 31, 2023

Deferred tax assets	Opening Balance	Recognized in Profit and Loss	Exchange Difference	Closing Balance
Temporary differences				
Allowance for doubtful accounts	$ 1,520	$ 200	($ 28)	$ 1,692
Allowance for price decline in inventory	13,977	5,261	(137)	19,101
Unrealized loss on foreign exchange	-	225	-	225
Unrealized gain from inter-affiliate accounts	1,134	(1,134)	-	-
Others	1,297	2,465	-	3,762
	17,928	7,017	(165)	24,780
Loss carryforwards	62,070	37,095	(1,413)	97,752
	$ 79,998	$ 44,112	($ 1,578)	$ 122,532

Deferred tax liabilities	Opening Balance	Recognized in Profit and Loss	Exchange Difference	Closing Balance
Temporary differences				
Unrealized gain on foreign exchange	$ 593	($ 593)	$ -	$ -
Investment income recognized under equity methods	10,679	(212)	-	10,467
Unrealized loss from inter-affiliate accounts	-	775	-	775
Others	1,797	(92)	(25)	1,680
	$ 13,069	($ 122)	($ 25)	$ 12,922

For the Year Ended December 31, 2022

Deferred tax assets	Opening Balance	Recognized in Profit and Loss	Exchange Difference	Closing Balance
Temporary differences				
Allowance for doubtful accounts	$ 1,884	($ 393)	$ 29	$ 1,520
Allowance for price decline in inventory	11,994	1,895	88	13,977
Unrealized loss on foreign exchange	418	(418)	-	-
Unrealized gain from inter-affiliate accounts	1,429	(295)	-	1,134
Others	1,793	(496)	-	1,297
	17,518	293	117	17,928
Loss carryforwards	44,882	16,579	609	62,070
	$ 62,400	$ 16,872	$ 726	$ 79,998

Deferred tax liabilities	Opening Balance	Recognized in Profit and Loss	Exchange Difference	Closing Balance
Temporary differences				
Unrealized gain on foreign exchange	$ -	$ 593	$ -	$ 593
Investment income recognized under equity methods	15,096	(4,417)	-	10,679
Others	1,707	78	12	1,797
	$ 16,803	($ 3,746)	$ 12	$ 13,069

(IV) Information about unused loss carryforwards

Loss carryforwards as of December 31, 2023 comprised:

Unused Amount	Expiry Year
$ 87,506	2029
103,439	2030
64,953	2031
66,106	2032
167,022	2033
$ 489,026	

(V) Income tax assessments

The Company’s tax returns through 2021 have been assessed by the tax authorities. Income tax exemption is applicable to DBC Group, DBC Global, and Total Triumph which are located in Samoa. For the year ended December 31, 2022, business income tax of DBC China-Shanghai Branch, Dafeng Xinyuanda Chemical, DBC Europe, DBC Europe Holding, DBC Korea, DBC USA, PT. DBC, DBC Thailand, DBC Switzerland and DBC Vietnam have been approved by the tax authorities.

XXIV. Earnings (Loss) Per Share

Unit: NT$ per share

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Basic earnings (loss) per share of continuing operation units	($ 1.00)	$ 0.71
Diluted earnings (loss) per share of continuing operation units	($ 1.00)	$ 0.71

The earnings and weighted average number of ordinary shares outstanding in the computation of earnings per share were as follows:

Net Profit (Loss) for the Period

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Net profit (loss)	($ 85,907)	$ 60,357

Ordinary Shares Outstanding

Unit: thousand shares

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Weighted average number of ordinary shares in computation of basic earnings per share	85,542	85,542
Effects of dilutive potential ordinary shares on earnings:		
Employee compensations	-	61
Weighted average number of ordinary shares used in the computation of diluted earnings per share	85,542	85,603

If the Company has to choose to pay employee compensation in stock or cash, it is assumed that the employee's compensation will be paid in stock when calculating the diluted earnings per share. When the potential ordinary shares have a dilutive effect, the weighted average number of shares outstanding is included to calculate the diluted earnings per share. The dilution effect of these potential ordinary shares will continue to be considered when calculating the diluted earnings per share before deciding the employee's compensation and stock issuance for the next year.

Since the potential ordinary shares related to employee compensation were anti-dilutive during the years ended December 31, 2023, they were excluded from the computation of diluted loss per share.

XXV. Capital risk management

Based on the current industrial operations, future company development, and external environmental changes, the Group plans its future capital, R&D expenses, and dividends payment, etc. so that the companies within the Group can continue as a going concern while their shareholder value can be further improved by optimizing the balance of debt and equity to maintain an optimal capital structure.

The key management of the Group has re-examined the capital structure of the Group from one time to another. The content of the review includes consideration of the cost of various types of capital and related risks. Based on the recommendations of the key management, the Group will balance its overall capital structure by paying dividends, issuing new shares, buying back shares, issuing new debts, or repaying old debts.

XXVI. Financial Instrument

(I) Fair value - financial instruments not measured at fair value

The management considers that the carrying amounts of financial assets recognized in the financial statements approximate their fair values.

(II) Fair value - 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 other comprehensive income				
Investment in equity instruments				
Domestic unlisted common stocks	$ -	$ -	$ 89,650	$ 89,650

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income				
Investment in equity instruments				
Domestic unlisted common stocks	$ -	$ -	$ 106,728	$ 106,728

For the year ended December 31, 2023 and 2022, there was no transfer of fair value measurement between the first level and the second level.

2. Pricing models and input values for the third level of fair value measurement

The fair values of unlisted equity securities were evaluated using the market approach and the income approach. The market approach refers to the estimation of the fair value of the investment target by referring to the transaction prices and related information of comparable targets in the market. In income approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these investees.

(III) Categories of financial instruments

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets measured at amortized cost (Note 1)	$ 1,761,357	$ 1,896,707
Financial assets at fair value through other comprehensive income		
Investment in equity instrument	89,650	106,728
Financial liabilities		
Financial liabilities measured at amortized cost (Note 2)	2,326,879	2,402,218

Note 1: The balances included cash and cash equivalents, financial assets measured at amortized cost - current, net notes receivables, net accounts receivable, net accounts receivable from related parties, other receivables, refundable deposits, and other financial assets measured at amortized cost.

Note 2: The balances included short-term borrowings, notes payable, notes payable to related parties, accounts payable, accounts payable to related parties, other accounts payable, long-term borrowings that are due within one year, long-term borrowings, and other financial liabilities measured at amortized cost.

(IV) Financial risk management objectives and policies

The Group's major financial instruments included accounts receivable, accounts payable borrowings and lease liabilities. The Group's financial risk management objectives include market risk (exchange rate risk and interest rate risk), credit risk, and liquidity risk related to management and operational activities.

1. Market risks

The Group's operating activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see (1) below) and interest rates (see (2) below) and other price risk (see (3) below).

The Group's exposure to the risk of financial instrument market and the management and measurement of these exposures have not changed.

(1) Foreign currency risk

Several subsidiaries of the Company had foreign currency sales and purchases, which exposed the Group to foreign currency risk.

For the carrying amount of monetary assets and monetary liabilities denominated in the non-functional currency at the end of the reporting period (including monetary items in the consolidated financial statements that have been written off against non-functional currency denominations), see Note 30.

Sensitivity analysis

The Group was mainly exposed to USD, RMB and EUR.

The following table details the Group's sensitivity to a 1% increase and decrease in New Taiwan Dollars (the functional currency) against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 1%.The sensitivity analysis is for a 1% change in foreign currency rates and included only outstanding foreign currency denominated monetary items at the end of the reporting period. A positive number below indicates an increase in pre-tax profit (loss) when New Taiwan Dollars weakened by 1% against the relevant currency. For a 1 % strengthening of New Taiwan Dollars against the relevant currency, there would be an equal and opposite impact on pre-tax profit (loss) and balances below would be negative.

	USD Impact		RMB Impact		EUR Impact	
	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Profit or loss	$ 1,500	$ 2,899	$ 5	($ 375)	$ 1,011	$ 815

The impact of foreign currency on profit and loss as stated in the above table was mainly attributable to the non-derivative financial assets and liabilities denominated in USD, RMB and EUR that were outstanding but with no cash flow hedge at the end of the reporting period.

(2) Interest rate risk

The Group regularly evaluated hedging activities to align with interest rate perspectives and existing risk preferences to ensure that the most cost-effective hedging strategies were adopted.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rate at the end of the reporting period were as follows:

	December 31, 2023	December 31, 2022
Fair value interest rate		
－Financial assets	$ 3,000	$ 27,568
－Financial liabilities	455,000	250,000
Cash flow with interest rate risk		
－Financial assets	1,195,420	1,176,559
－Financial liabilities	1,457,668	1,682,963

Sensitivity Analysis

The following sensitivity analysis is based on the interest rate risk of non-derivatives at the end of the reporting period. For floating rate liabilities, the analysis is based on the assumption that the amount of liabilities outstanding at the end of the reporting period are outstanding during the reporting period. The rate of change used by the Group to report interest rate to the key management is the interest rate increased or decreased by 100 basis points. This also represents the management's assessment of the reasonably possible range of interest rates.

If the interest rate increases/decreases by 100 basis points, the Group's net loss before tax for 2023 will increase/decrease by NT$2,622 thousand , and the Group's net profit before tax for 2022 will increase/decrease by NT$5,064 thousand if all other variables remain unchanged. The main reason is the net portion of the Group's bank deposits and bank borrowings with variable interest rates.

(3) Other price risk

The Group was exposed to equity price risk through its investments in equity securities. The Group has appointed a special staff to monitor the price risk and evaluate the possible solutions.

Sensitivity Analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the year.

If equity prices had been 1% higher/lower, the pre-tax other comprehensive income for the year ended December 31, 2023 and 2022 would have increased/decreased by $897 thousand and $1,067 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2. Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk approximates the carrying amount of the financial assets recognized in the consolidated balance sheets.

In order to mitigate credit risk, the management of the Group assigns a dedicated team responsible for credit line decisions, credit approvals and other monitoring procedures to ensure that appropriate actions are taken for the recovery of overdue receivables. In addition, the Group will review the recoverable amount of the receivables one by one at the end of the reporting period to ensure that the receivables that cannot be recovered have been recognized as impairment losses. For this, the management of the Group believes that the credit risk of the Group has been significantly reduced.

Trade receivables consisted of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of customers in view of trade receivables.

Since the counterparty of liquidity and derivative financial instruments are financial institutions and corporate organizations with good credit ratings, the credit risk is quite limited.

3. Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensure compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2023 and 2022, the Group had available unutilized bank loan facilities set out in (3) below.

(1) Liquidity and interest risk for non-derivative financial liabilities

The analysis of the remaining contractual maturity of non-derivative financial liabilities is prepared based on the un-discounted cash flows of financial liabilities (including principal and estimated interest) and the earliest date on which the Group may be required to repay. Therefore, the bank borrowings that the Group can be required to repay immediately should be included in the earliest period of the following table, with disregard to the probability that the bank will immediately execute the right. The analysis of the maturity of other non-derivative financial liabilities is prepared in accordance with the agreed repayment date.

December 31, 2023

	On Demand or Less Than 1 Month	1 to 3 Months	3 Months to 1 Year	1 Year to 5 Years	5+ Years
Non-derivative financial liabilities					
Non-interest bearing	$ 227,387	$ 120,825	$ 55,112	$ 10,887	$ -
Lease liabilities	118	153	365	142	-
Fixed rate instrument	388	455,772	-	-	-
Floating rate instrument	16,369	441,346	313,021	350,662	438,344
	$ 244,262	$1,018,096	$ 368,498	$ 361,691	$ 438,344

December 31, 2022

	On Demand or Less Than 1 Month	1 to 3 Months	3 Months to 1 Year	1 Year to 5 Years	5+ Years
Non-derivative financial liabilities					
Non-interest bearing	$ 253,037	$ 125,833	$ 73,432	$ 16,953	$ -
Lease liabilities	190	1,118	5,383	378	-
Fixed rate instrument	508	250,047	-	-	-
Floating rate instrument	163,208	90,200	389,092	680,126	472,016
	$ 416,943	$ 467,198	$ 467,907	$ 697,457	$ 472,016

(2) Financing Facilities

	December 31, 2023	December 31, 2022
Secured bank facilities		
—Amount used	$ 2,494,800	$ 2,239,800
—Amount unused	388,700	874,700
	$ 2,883,500	$ 3,114,500

(V) Financial risk management objectives and policies

According to the contract, if these commercial acceptance bills are not recoverable at maturity, suppliers have the right to request that the Group pay the unsettled balance. As the Group has not transferred the significant risks and rewards relating to these commercial acceptance bills, it continues to recognize the full carrying amounts of these commercial acceptance bills and treats these commercial acceptance bills that have been transferred to suppliers as collateral for payment to suppliers.

As of December 31, 2023 and 2022, there was no commercial acceptance bills that have been transferred but not derecognized.

The Group transferred a portion of its banker's acceptance bills in mainland China to some of its suppliers in order to settle the trade payables to these suppliers. As the Group has transferred substantially all risks and rewards relating to these bills receivable, it derecognized the full carrying amount of the bills receivable and the associated trade payables. However, if the derecognized bills receivable are not paid at maturity, the suppliers have the right to request that the Group pay the unsettled balance; therefore, the Group still has continuing involvement in these bills receivable.

The maximum exposure to loss from the Group's continuing involvement in the derecognized bills receivable is equal to the face amounts of the transferred but unsettled bills receivable, and as of December 31, 2023 and 2022, the face amounts of these unsettled bills receivable were NT$280,400 thousand and NT$306,727 thousand, respectively. The unsettled bills receivable will be due in 1 to 12 months and 1 to 9 months respectively after the end of the reporting period. Taking into consideration the credit risk of these derecognized bills receivable, the Group estimates that the fair values of its continuing involvement are not significant.

During the years ended December 31, 2023 and 2022, the Group did not recognize any gains or losses upon the transfer of the banker's acceptance bills. No gains or losses were recognized from the continuing involvement, both during the current year or cumulatively.

XXVII. Related-Party Transactions

The transactions, account balances, income and loss of the Company and its subsidiaries (which are the related parties of the Company) are eliminated in full at the time of the consolidation and are therefore not disclosed in this note. The transactions between the

Group and other related parties are as follows.

(I) Names and relationships of the related parties

Related Party	Relationship with the Company
FDC, Lees Co., Ltd.	Substantive Related Party
Yi Ying Chemical Industry Co., Ltd.	Substantive Related Party
HG Co., Ltd.	Substantive Related Party
DOUBLEBOND CHEMICAL (TAIXING) CO., LTD.	Substantive Related Party
DOUBLE BOND CHEMICAL (DBC) INDUSTRY. CO., LTD.	Substantive Related Party
Innonyx International Co., Ltd.	Substantive Related Party
SIN HUN CHEMICAL CO., LTD.	Other Related Party (Note)

Note: A juridical person of the Company.

(II) Sales

Related Parties / Name	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Substantive related parties	$ 37,812	$ 34,328
Other related parties	348	-
	$ 38,160	$ 34,328

The Group has no significant difference in the transaction price and collection terms for the related parties mentioned above than for the general customers.

(III) Purchase of goods

Related Parties / Name	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Substantive related parties	$ 127,188	$ 152,032
Other related parties	59,512	85,113
	$ 186,700	$ 237,145

The Group has no significant difference in collection terms for the related parties mentioned above than for the general manufacturers and the transaction price is based on the parties’ agreement.

(IV) Accounts receivable from related parties (excluding loans to related parties)

Account	Related Parties / Name	December 31, 2023	December 31, 2022
Accounts receivable from related parties	Substantive related parties		
	Yi Ying Chemical Industry Co., Ltd.	$ 2,590	$ 7,619
	DOUBLE BOND CHEMICAL (TAIXING) CO., LTD.	2,216	-
	Other	59	-
Less: loss allowance		(6)	(1)
		$ 4,859	$ 7,618

There are no guarantees for outstanding receivable from related parties.

(V) Accounts payable to related parties

Account	Related Parties / Name	December 31, 2023	December 31, 2022
Notes payable to related parties	Substantive related parties		
	DOUBLEBOND CHEMICAL (TAIXING) CO., LTD.	$ 4,327	$ -
Accounts payable to related parties	Other related parties		
	SIN HUN CHEMICAL CO., LTD.	$ 15,888	$ 23,819
	Substantive related parties		
	DOUBLEBOND CHEMICAL (TAIXING) CO., LTD.	17,013	12,201
	FDC, Lees Co., Ltd.	4,260	11,515
	Others	75	259
		$ 37,236	$ 47,794

There are no guarantees for the balance of outstanding payable to related parties.

(VI) Prepaid account (recognized in other current assets)

Related Parties / Name	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Substantive related parties	$ 545	$ -

(VII) Lease arrangements

Related Parties / Name	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Acquisition of right-of-use assets		
Substantive related parties		
DOUBLE BOND CHEMICAL (DBC) INDUSTRY. CO., LTD.	$ -	$ 10,900

Account	Related Parties / Name	December 31, 2023	December 31, 2022
Lease liabilities	Substantive related parties		
	DOUBLE BOND CHEMICAL (DBC) INDUSTRY. CO., LTD.	$ -	$ 5,661

Related Parties / Name	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Interest expense		
Substantive related parties		
DOUBLE BOND CHEMICAL (DBC) INDUSTRY. CO., LTD.	$ 132	$ 390

The terms of the lease agreements between the Group and related parties are determined by mutual agreement.

(VIII) Compensation of key management personnel

	December 31, 2023	December 31, 2022
Short-term benefits	$ 37,029	$ 42,693
Post-employment benefits	560	543
	$ 37,589	$ 43,236

The remuneration of directors and key executives, as determined by the remuneration committee, was based on the performance of individuals and market trends.

XXVIII. Assets pledged as collateral or for security

The following assets were provided as collateral for bank borrowings guarantee and pending litigation restrictions:

	December 31, 2023	December 31, 2022
Property, plant and equipment	$ 893,871	$ 550,931
Refundable deposits (recognized in other current assets)	64,905	57,789
Cash in bank (recognized in other current assets)	18,606	-
Financial assets at amortized cost - current	3,000	3,000
	$ 980,382	$ 611,720

XXIX. Major Disaster

On March 21, 2019, a major explosion broke out in a chemical plant of Chenjiagang Chemical Industry Park, Chenjiagang, Xiangshui County, Yancheng, Jiangsu, China. Suffering serious casualties, Huafeng Industrial Park, where the company's subsidiary DAFENG XIN YUAN DA CHEMICAL CO., LTD. is located, notified the company to stop work on March 25, 2019. After the company has conducted a comprehensive safety assessment by a third party and confirmed that it meets the safety conditions, it will apply to Huafeng Industrial Park for re-inspection and obtain the consent to resume production. DAFENG XIN YUAN DA CHEMICAL CO., LTD. stopped working in response to the requirements of the park. As of February 21, 2023, DAFENG XIN YUAN DA CHEMICAL CO., LTD. has resumed production one after another, for relevant information is available at the Market Observation Post System website of the Taiwan Stock Exchange.

XXX. Significant assets and liabilities denominated in foreign currencies

The Group’s significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies are as follows:

December 31, 2023

Financial Assets	Foreign Currencies	Exchange Rate	Carrying Amount
Monetary items			
USD	$ 6,423	30.705 (USD : NTD)	$ 197,218
RMB	8,338	4.327 (RMB: NTD)	36,079
EUR	3,010	33.98 (EUR : NTD)	102,280
Financial Liabilities			
Monetary Items			
USD	1,537	30.705 (USD : NTD)	47,194
RMB	8,232	4.327 (RMB: NTD)	35,620
EUR	36	33.98 (EUR : NTD)	1,223

December 31, 2022

Financial Assets	Foreign Currencies	Exchange Rate	Carrying Amount
Monetary items			
USD	$ 11,742	30.71 (USD : NTD)	$ 360,597
RMB	1,860	4.408 (RMB: NTD)	8,199
EUR	2,552	32.72 (EUR : NTD)	83,501
Financial Liabilities			
Monetary Items			
USD	2,301	30.71 (USD : NTD)	70,664
RMB	10,361	4.408 (RMB: NTD)	45,671
EUR	61	32.72 (EUR : NTD)	1,996

The company’s realized and unrealized foreign exchange gains and losses for the year ended December 31, 2023 and 2022 are detailed in the consolidated income statement. Due to the variety of foreign currency transactions and the company’s functional currencies, it is not possible to disclose exchange gains and losses separately for each major currency.

XXXI. Separately disclosed items

(I) Related information about significant transactions:

1. Financing provided to others (Annex 1).
2. Endorsements/guarantees provided (None).
3. Marketable securities held at the end of the year (Annex 2).
4. Marketable securities acquired and 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. The purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (Annex 3).
8. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (None).
9. Trading in derivative instruments (None).
10. Other: intercompany relationships and significant intercompany transactions (Annex 6).

(II) Related information on investees (Annex 4)

(III) 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, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Annex 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 (Annex 3, 5, and 6).
   (1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
   (2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
   (3) The amount of property transactions and the amount of the resultant gains and losses.
   (4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
   (5) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
   (6) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.

(IV) Information of major shareholders: list all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Annex 7).

XXXII. Segment Information

The Group’s chemical products segment is the only one reportable segment. The Group provides information to key decision makers to allocate resources and assess departmental performance, with a focus on the product categories provided.

(I) Segment revenues and results

The following is an analysis of the Group’s revenue and results from continuing operating by reportable segment.

	Segment Revenue		Segment Loss	
	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Chemical products segment	$ 2,227,080	$ 2,806,070	$ 9,539	$ 154,827
Headquarter management cost			(123,264)	(125,010)
(Gain on reversal of) Expected credit Impairment loss			(249)	488
Interest income			17,447	12,782
Other income			23,569	26,219
Other gains and losses			12,596	21,571
Financial costs			(28,636)	(6,871)
Net earnings (loss) before tax			($ 88,998)	$ 84,006

Segment revenues reported above are generated by transactions with external customers. There is no inter-departmental sales in 2023 and 2022.

Segment revenue refers to the profit earned by each department. It does not include the headquarters management costs, gain on reversal of expected credit Impairment loss, Interest income, other income, other profits and losses, financial costs and income tax expenses. This measure is provided to the key decision maker to allocate resources to the department and to assess its performance.

(II) Segment assets and liabilities

Since the measurement of the Group's assets and liabilities is not provided to the key decision maker, the segment assets and liabilities are measured at zero.

(III) Other segment information

	Depreciation and Amortization	
	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Chemical products segment	$ 132,445	$ 57,355

(IV) Revenue from major products and services

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Plastics additives	$ 1,349,856	$ 1,740,611
Light-cured materials	658,124	787,747
Others	219,100	277,712
Chemical products segment	$ 2,227,080	$ 2,806,070

(V) Geographical information

The Group operates mainly in 2 principal geographical areas - Taiwan and China.

The Group's revenue from continuing operations of external customers by location of operations is detailed below:

	Revenue from External Customers	
	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Taiwan	$ 652,401	$ 951,543
China	1,296,143	1,533,382
Others	278,536	321,145
	$ 2,227,080	$ 2,806,070

(VI) Information about major customers

No single customer contributed 10% or more to the Group's total revenue for both 2023 and 2022.

Double Bond Chemical Ind. Co., Ltd. and Subsidiaries

Financing Provided to Others

For the Year Ended December 31, 2023

Annex 1

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate %	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Notes 1 and 2)	Aggregate Financing Limit (Notes 1 and 2)
													Item	Value		
0	Double Bond Chemical Ind. Co., Ltd.	PT. Double Bond Chemindo	Other Receivables from Related Parties	Yes	$ 24,564 (USD800,000)	$ 12,282 (USD400,000)	$ 12,282 (USD400,000)	5~8.5%	Short-term Financing	$ -	Operating Capital	$ -	-	-	$ 324,945	$ 866,522

Note 1: According to the Company's policy, the aggregated financing amount provided to others shall not exceed 40% of its net worth. If there is a need for short-term financing due to the business relationship with the Company, each of the financing amounts shall not exceed 15% of the Company's net worth.

Note 2: The loan and the loan limits are calculated based on the financial statements most recently audited by the accountant.

Note 3: The exchange rate is based on the average purchase/sell rate of the Bank of Taiwan on December 31, 2023.

Note 4: The NT$343 thousand interest receivable of the NT$12,282 thousand loan to PT. Double Bond Chemindo are listed as other receivables from related parties.

Note 5: The capital loans and interest transferred between investment companies have been fully written off in the preparation of the consolidated financial statements.

Double Bond Chemical Ind. Co., Ltd. and Subsidiaries

Marketable Securities Held

For the Year Ended December 31, 2023

Annex 2

(In Thousands of Shares / Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Shares	Carrying Amount	Percentage of Ownership	Fair Value	
Double Bond Chemical Ind. Co., Ltd.	SIN HUN CHEMICAL CO., LTD.	Juridical person of this Company	Financial assets measured at fair value through other comprehensive income - noncurrent	3,520	$ 89,650	9.78	$ 89,650	-

Note: For information on the investments in subsidiaries and associates, please refer to Annex 4 and Annex 5.

Double Bond Chemical Ind. Co., Ltd. and Subsidiaries

Total Purchases from or Sales to Related Parties Amounting to at Least NT$100 Million or 20% of the Paid-in Capital

For the Year Ended December 31, 2023

Annex 3

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase / Sale	Amount	% to Total Purchase / Sale	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total Notes/Accounts Receivable (Payable)	
Double Bond Chemical (Shanghai) Co., Ltd.	DAFENG XIN YUAN DA CHEMICAL CO., LTD.	Associate	Purchase	$ 185,834	16%	-	-	-	($ 76,861)	(23%)	Note 1
DAFENG XIN YUAN DA CHEMICAL CO., LTD.	Double Bond Chemical (Shanghai) Co., Ltd.	Associate	Sale	(185,834)	(71%)	-	-	-	76,861	75%	Note 1
Double Bond Chemical Ind. Co., Ltd.	Double Bond Chemical (Shanghai) Co., Ltd.	Parent Company	Purchase	117,159	17%	-	-	-	(23,094)	(22%)	Note 1
Double Bond Chemical (Shanghai) Co., Ltd.	Double Bond Chemical Ind. Co., Ltd.	Subsidiary	Sale	(117,159)	(8%)	-	-	-	23,094	8%	Note 1
Double Bond Chemical Ind. Co., Ltd.	DBC Switzerland AG	Parent Company	Sale	(112,742)	(12%)	-	-	-	16,349	9%	Note 1
DBC Switzerland AG	Double Bond Chemical Ind. Co., Ltd.	sub-subsidiary	Purchase	112,742	100%	-	-	-	(16,349)	(100%)	Note 1

Note 1: There is no significant difference in the transaction price and payment terms of purchase/sale made by the related parties than by the general suppliers.

Note 2: These transactions have been fully written off in the preparation of the consolidated financial statements.

Double Bond Chemical Ind. Co., Ltd. and Subsidiaries

Information on Investees

For the Year Ended December 31, 2023

Annex 4

(In Thousands of Shares / Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2023	December 31, 2022	Shares	%	Carrying Amount			
Double Bond Chemical Ind. Co., Ltd.	DBC Group Co., Ltd.	Samoan Islands	Investment industry	$ 317,065	$ 317,065	10,430	100	$ 1,505,048	$ 68,231	$ 71,445	Note 1 & 2
	DBC Europe Holding AG	Switzerland	Investment industry	2,982	2,982	0.1	100	6,153	24	24	Note 2
	DBC Europe GmbH	Germany	Chemical industry	3,599	3,599	-	100	2,028	82	82	Note 2
	DBC Korea Co., Ltd.	Korea	Chemical industry	4,457	4,457	59.477	99.98	2,302	684	684	Note 2
	Double Bond Chemical Ind. USA, Inc.	America	Chemical industry	40,678	25,379	2	100	416	(18,226)	(18,226)	Note 2
	PT. Double Bond Chemindo	Indonesia	Chemical industry	10,028	10,028	1.675	67	5,026	3,111	2,084	Note 2
	Double Bond Chemical (Thailand) Co., Ltd.	Thailand	Chemical industry	907	907	9.8	49	791	(519)	(254)	Note 2
	Double Bond Chemical Vietnam Co., Ltd.	Vietnam	Chemical industry	22,118	22,118	-	100	9,662	1,076	1,076	Note 2
DBC GROUP CO., LTD.	Double Bond Chemical Global Co., Ltd.	Samoan Islands	Investment industry	79,338	79,338	2,530	100	1,011,463	105,927	105,927	Note 2
	Total Triumph Limited	Samoan Islands	Investment industry	237,595	237,595	7,900	100	495,201	(37,696)	(37,696)	Note 2
DBC Europe Holding AG	DBC Switzerland AG	Switzerland	Chemical industry	2,679	2,679	0.08	80	5,015	476	381	Note 2

Note 1: According to the shareholding ratio, the net profit of investee company is NT$68,231 thousand plus the balance of unrealized and realized gain adjustments of NT$3,214 thousand for downstream and upstream transaction.

Note 2: As calculated in accordance with the financial statements of investee company audited by the accountant in 2023.

Note 3: Investment in profit and loss between the reinvestment companies, the long-term equity investment of the investment company and the net equity of the investee company have been fully written off in the preparation of the consolidated financial statements.

Double Bond Chemical Ind. Co., Ltd. and Subsidiaries

Information on Investments in Mainland China

For the Year Ended December 31, 2023

Annex 5

(In Thousands of New Taiwan Dollars/Thousands of RMB/Thousands of USD)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 3)	Carrying Amount as of December 31, 2023	Accumulated Repatriation of Investment Income as of December 31, 2023	Note
					Outward	Inward							
Double Bond Chemical (Shanghai) Co., Ltd.	Chemical	$ 77,684 (USD 2,530)	Note 1	$ 77,684 (USD 2,530)	$ -	$ -	$ 77,684 (USD 2,530)	$ 106,118 (RMB24,140)	100	$ 106,118	$ 1,011,435	$ 566,655	-
DAFENG XIN YUAN DA CHEMICAL CO., LTD.	Chemical	272,519 (RMB62,981)	Note 1	199,782 (RMB46,171)	-	-	199,782 (RMB46,171)	(37,680) (RMB -8,571)	100	(37,680)	494,343	-	Note 4

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2023	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
$ 277,466 (RMB 46,171) (USD 2,530)	$ 352,150 (RMB 63,431) (USD 2,530)	No upper limit on the amount of investment

Note 1: Investing by setting up a company in the third region before reinvesting in the mainland companies.

Note 2: The exchange rate is based on the average purchase/sell rate of the Bank of Taiwan on December 31, 2023.

Note 3: As calculated in accordance with the financial statement of investee company audited by the accountant in 2023.

Note 4: Regarding DAFENG XIN YUAN DA CHEMICAL CO., LTD., the difference between the accumulated outward remittance for investment from Taiwan of 199,782 (RMB 46,171) and the paid-up capital of 272,519(RMB 62,981) at the end of the current period was due to the capital increase out of earnings.

Note 5: Investment in profit and loss between the reinvestment companies, the long-term equity investment of the investment company and the net equity of the investee company have been fully written off in the preparation of the consolidated financial statements.

Note 6: According to the regulations of Investment Commission, MOEA, the Company is not subject to an upper limit due to obtaining supporting document within the validity period for operation headquarters of the company issued by Industrial Development Bureau, MOEA.

Double Bond Chemical Ind. Co., Ltd. and Subsidiaries

Intercompany Relationships and Significant Transactions

For the Year Ended December 31, 2023

Annex 6

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No (Note 1)	Company Name	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount	Terms	% to Total Sales or Assets
0	Double Bond Chemical Ind. Co., Ltd.	Double Bond Chemical (Shanghai) Co., Ltd.	2	Revenue	$ 32,896	No significant difference about the transaction price and terms of payment or collection compared to general suppliers or customers.	1%
0	Double Bond Chemical Ind. Co., Ltd.	Double Bond Chemical (Shanghai) Co., Ltd.	2	Purchase	117,159	No significant difference about the transaction price and terms of payment or collection compared to general suppliers or customers.	5%
0	Double Bond Chemical Ind. Co., Ltd.	Double Bond Chemical (Shanghai) Co., Ltd.	2	Payable	23,094	No significant difference about the transaction price and terms of payment or collection compared to general suppliers or customers.	1%
0	Double Bond Chemical Ind. Co., Ltd.	PT. Double Bond Chemindo	1	Revenue	26,055	No significant difference about the transaction price and terms of payment or collection compared to general suppliers or customers.	1%
0	Double Bond Chemical Ind. Co., Ltd.	PT. Double Bond Chemindo	1	Other Receivable (Note 3)	12,625	Base on the parties' agreement	-
0	Double Bond Chemical Ind. Co., Ltd.	DAFENG XIN YUAN DA CHEMICAL CO., LTD.	2	Revenue	80,415	No significant difference about the transaction price and terms of payment or collection compared to general suppliers or customers.	4%
0	Double Bond Chemical Ind. Co., Ltd.	DAFENG XIN YUAN DA CHEMICAL CO., LTD.	2	Purchase	46,156	No significant difference about the transaction price and terms of payment or collection compared to general suppliers or customers.	2%
0	Double Bond Chemical Ind. Co., Ltd.	DAFENG XIN YUAN DA CHEMICAL CO., LTD.	2	Receivable	10,772	No significant difference about the transaction price and terms of payment or collection compared to general suppliers or customers.	-
0	Double Bond Chemical Ind. Co., Ltd.	DAFENG XIN YUAN DA CHEMICAL CO., LTD.	2	Payable	11,749	No significant difference about the transaction price and terms of payment or collection compared to general suppliers or customers.	-

No (Note 1)	Company Name	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount	Terms	% to Total Sales or Assets
0	Double Bond Chemical Ind. Co., Ltd.	DBC Switzerland AG	2	Revenue	112,742	No significant difference about the transaction price and terms of payment or collection compared to general suppliers or customers.	5%
0	Double Bond Chemical Ind. Co., Ltd.	DBC Switzerland AG	2	Receivable	16,349	No significant difference about the transaction price and terms of payment or collection compared to general suppliers or customers.	-
0	Double Bond Chemical Ind. Co., Ltd.	Double Bond Chemical Ind. USA, Inc.	1	Revenue	44,880	No significant difference about the transaction price and terms of payment or collection compared to general suppliers or customers.	2%
0	Double Bond Chemical Ind. Co., Ltd.	Double Bond Chemical Ind. USA, Inc.	1	Receivable	19,598	No significant difference about the transaction price and terms of payment or collection compared to general suppliers or customers.	-
0	Double Bond Chemical Ind. Co., Ltd.	Double Bond Chemical Vietnam Co., Ltd.	1	Revenue	12,180	No significant difference about the transaction price and terms of payment or collection compared to general suppliers or customers.	1%
1	Double Bond Chemical (Shanghai) Co., Ltd.	DAFENG XIN YUAN DA CHEMICAL CO., LTD.	3	Purchase	185,834	No significant difference about the transaction price and terms of payment or collection compared to general suppliers or customers.	8%
1	Double Bond Chemical (Shanghai) Co., Ltd.	DAFENG XIN YUAN DA CHEMICAL CO., LTD.	3	Payable	76,861	No significant difference about the transaction price and terms of payment or collection compared to general suppliers or customers.	2%

Note 1: Parent company is coded “0” while the subsidiaries are coded consecutively beginning from “1” in the order presented in the table above.

Note 2: 1 denotes Parent to its subsidiary; 2 denotes Parent to its sub-subsidiary; 3 denotes between subsidiaries.

Note 3: The NT$343 thousand interest receivable and the NT$12,282 thousand principal are included.

Note 4: All the transactions listed in the above table have been fully eliminated in the preparation of the consolidated financial statements.

Double Bond Chemical Ind. Co., Ltd.
Information of major shareholders
December 31, 2023

Annex 7

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Jatdix Investments International Limited	10,126,770	11.83%
Shinning Spark Limited, Seychelles	7,692,396	8.99%
Lin, Su-Fang	6,829,917	7.98%
JATDITA Investments Co., Ltd.	6,509,307	7.60%
Jumbo Harvest Limited, Seychelles	5,917,371	6.91%
Right Point Limited, Seychelles	5,065,471	5.92%
Lee, Kun-Chang	4,552,320	5.32%

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.