

**Oriental Union Chemical Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Three Months Ended March 31, 2021 and 2020 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Stockholders
Oriental Union Chemical Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Oriental Union Chemical Corporation and its subsidiaries (collectively, the "Group") as of March 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the three-month then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as 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 Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission ("FSC") of the Republic of China ("ROC"). Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as stated in the following paragraph, we conducted our reviews in accordance with the Statement of Auditing Standards No. 65 "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As disclosed in Note 12 to the consolidated financial statements, the financial statements of non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of March 31, 2021 and 2020, combined total assets of these non-significant subsidiaries were NT\$1,817,596 thousand and NT\$3,799,798 thousand, respectively, representing 5% and 10%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were NT\$600,871 thousand and NT\$1,872,934 thousand, respectively, representing 3% and 9%, respectively, of the consolidated total liabilities; for the three-month periods ended March 31, 2021 and 2020, the amounts of combined comprehensive income (loss) of these subsidiaries were NT\$(9,874) thousand and NT\$(211,765) thousand, respectively, representing (1%) and 24%, respectively, of the consolidated total comprehensive income (loss). In addition, as disclosed in Note 13 to the consolidated financial statements, as of March 31, 2021 and 2020, investments accounted for using the equity method were NT\$267,183 thousand and NT\$320,601 thousand, respectively; for the three-month periods ended March 31, 2021 and 2020, the amounts of the share of profit (loss) recognized from investments accounted for using the equity method were NT\$(11,905) thousand and NT\$(35,740) thousand respectively.

These investment amounts were calculated and disclosed on basis of the associates, financial statements which have not been reviewed for the same periods.

Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and the financial reports of investments accounted for using the equity method as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not give a true in all material respects, the consolidated financial position of the Group as of March 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the three-month then ended March 31, 2021 and 2020 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the FSC of the ROC.

The engagement partners on the reviews resulting in this independent auditors’ review report are Hsin-Wei Tai and Yu-Wei Fan.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 4, 2021

Notice to Readers

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

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

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2021 (Reviewed)		December 31, 2020 (Audited)		March 31, 2020 (Reviewed)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Notes 6 and 28)	\$ 3,269,791	9	\$ 2,734,878	8	\$ 2,895,396	8
Financial assets at fair value through profit or loss (Note 7)	76,496	-	59,488	-	80,699	-
Financial assets at amortized cost (Notes 9 and 28)	47,766	-	-	-	88,349	-
Notes receivable, net (Notes 10 and 28)	258,542	1	193,353	1	55,491	-
Trade receivables, net (Note 10)	1,128,484	3	860,472	2	707,452	2
Trade receivables from related parties (Notes 10 and 28)	189,659	1	161,172	-	131,494	-
Other receivables (Note 28)	683,379	2	550,216	2	522,786	2
Inventories (Note 11)	1,431,499	4	989,670	3	1,377,950	4
Prepayments for purchases (Note 28)	140,530	1	235,263	1	455,724	1
Other prepayments	35,020	-	124,739	-	109,692	-
Other current assets (Note 17)	<u>287,109</u>	<u>1</u>	<u>377,030</u>	<u>1</u>	<u>1,302,194</u>	<u>4</u>
Total current assets	<u>7,548,275</u>	<u>22</u>	<u>6,286,281</u>	<u>18</u>	<u>7,727,227</u>	<u>21</u>
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income (Note 8)	5,692,443	16	5,623,314	17	5,522,561	15
Financial assets at amortized cost (Notes 9, 28 and 29)	74,154	-	74,204	-	64,043	-
Investments accounted for using the equity method (Note 13)	1,779,530	5	1,854,779	6	2,145,469	6
Property, plant and equipment (Note 14)	13,596,014	39	13,837,770	41	13,976,271	38
Construction in progress (Note 14)	808,689	2	734,464	2	756,123	2
Right-of-use assets (Note 15)	395,453	1	401,940	1	394,328	1
Investment properties (Note 16)	1,991,467	6	1,991,488	6	1,991,550	6
Intangible assets	34,686	-	31,431	-	18,916	-
Deferred tax assets	612,967	2	749,996	2	919,631	3
Other non-current assets (Notes 17 and 28)	<u>2,398,453</u>	<u>7</u>	<u>2,517,960</u>	<u>7</u>	<u>2,963,812</u>	<u>8</u>
Total non-current assets	<u>27,383,856</u>	<u>78</u>	<u>27,817,346</u>	<u>82</u>	<u>28,752,704</u>	<u>79</u>
TOTAL	<u>\$ 34,932,131</u>	<u>100</u>	<u>\$ 34,103,627</u>	<u>100</u>	<u>\$ 36,479,931</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 18 and 28)	\$ 6,262,041	18	\$ 6,885,222	20	\$ 7,670,909	21
Short-term bills payable	-	-	-	-	200,000	1
Notes payable	97,703	-	98,209	1	110,916	-
Trade payables	1,703,552	5	1,100,550	3	1,069,539	3
Other payables (Note 19)	508,549	2	408,856	1	1,059,208	3
Other payables to related parties (Note 28)	59,802	-	55,860	-	69,989	-
Current tax liabilities	30,381	-	31,424	-	37,737	-
Lease liabilities (Note 15)	7,809	-	8,103	-	8,203	-
Other current liabilities (Note 20)	<u>185,758</u>	<u>1</u>	<u>323,630</u>	<u>1</u>	<u>236,104</u>	<u>1</u>
Total current liabilities	<u>8,855,595</u>	<u>26</u>	<u>8,911,854</u>	<u>26</u>	<u>10,462,605</u>	<u>29</u>
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 18 and 29)	9,249,793	26	9,249,176	27	9,079,828	25
Deferred tax liabilities	708,795	2	705,372	2	693,529	2
Lease liabilities (Note 15)	5,165	-	7,130	-	12,938	-
Deferred revenue	-	-	-	-	99,286	-
Net defined benefit liabilities	209,930	1	259,680	1	252,931	1
Guarantee deposits	32,278	-	34,518	-	24,063	-
Other non-current liabilities (Note 20)	<u>31,183</u>	<u>-</u>	<u>24,091</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total non-current liabilities	<u>10,237,144</u>	<u>29</u>	<u>10,279,967</u>	<u>30</u>	<u>10,162,575</u>	<u>28</u>
Total liabilities	<u>19,092,739</u>	<u>55</u>	<u>19,191,821</u>	<u>56</u>	<u>20,625,180</u>	<u>57</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Note 22)						
Common stock	8,857,031	25	8,857,031	26	8,857,031	24
Capital surplus	956,286	3	956,286	3	825,222	2
Retained earnings						
Legal reserve	2,327,378	7	2,327,378	7	2,325,353	6
Special reserve	1,911,129	5	1,911,129	5	1,911,129	5
Unappropriated earnings (accumulated deficits)	(241,170)	(1)	(800,565)	(2)	267,648	1
Total retained earnings	<u>3,997,337</u>	<u>11</u>	<u>3,437,942</u>	<u>10</u>	<u>4,504,130</u>	<u>12</u>
Other equity						
Exchange differences on translating foreign operations	(505,178)	(2)	(472,288)	(1)	(601,851)	(1)
Unrealized loss on financial assets at fair value through other comprehensive income	(418,075)	(1)	(487,204)	(2)	(611,957)	(2)
Total other equity	<u>(923,253)</u>	<u>(3)</u>	<u>(959,492)</u>	<u>(3)</u>	<u>(1,213,808)</u>	<u>(3)</u>
Treasury stock	<u>(187,798)</u>	<u>-</u>	<u>(187,798)</u>	<u>-</u>	<u>(187,798)</u>	<u>-</u>
Total equity	<u>3,139,789</u>	<u>9</u>	<u>2,807,837</u>	<u>8</u>	<u>3,069,974</u>	<u>8</u>
TOTAL	<u>\$ 34,932,131</u>	<u>100</u>	<u>\$ 34,103,627</u>	<u>100</u>	<u>\$ 36,479,931</u>	<u>100</u>

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

(With Deloitte & Touche review report dated May 4, 2021)

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share) (Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE				
Sales revenue (Note 28)	\$ 6,571,884	100	\$ 4,311,769	100
Other operating revenue	<u>2,879</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total operating revenue	<u>6,574,763</u>	<u>100</u>	<u>4,311,769</u>	<u>100</u>
OPERATING COST				
Cost of goods sold (Notes 11, 23 and 28)	5,684,943	87	4,238,485	99
Other operating cost	<u>-</u>	<u>-</u>	<u>8,411</u>	<u>-</u>
Total operating cost	<u>5,684,943</u>	<u>87</u>	<u>4,246,896</u>	<u>99</u>
GROSS PROFIT	<u>889,820</u>	<u>13</u>	<u>64,873</u>	<u>1</u>
OPERATING EXPENSES (Notes 23 and 28)				
Selling and marketing expenses	159,189	2	127,231	3
General and administrative expenses	70,798	1	64,441	1
Research and development expenses	48,845	1	36,191	1
Expected credit loss (gain) (Note 10)	<u>2,043</u>	<u>-</u>	<u>(1,300)</u>	<u>-</u>
Total operating expenses	<u>280,875</u>	<u>4</u>	<u>226,563</u>	<u>5</u>
PROFIT (LOSS) FROM OPERATIONS	<u>608,945</u>	<u>9</u>	<u>(161,690)</u>	<u>(4)</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	9,665	-	11,857	-
Rental income (Note 28)	9,886	-	9,893	-
Other income (Note 23)	573,940	9	43,369	1
Foreign currency exchange (loss) gain	(4,709)	-	527	-
Gain (loss) on financial assets at fair value through profit or loss	2,133	-	(13,899)	-
Other expenses (Note 23)	(9,455)	-	(32,502)	(1)
Interest expense (Notes 23 and 28)	(77,417)	(1)	(97,262)	(2)
Share of loss of associates accounted for using the equity method	<u>(65,361)</u>	<u>(1)</u>	<u>(201,290)</u>	<u>(4)</u>
Total non-operating income and expenses	<u>438,682</u>	<u>7</u>	<u>(279,307)</u>	<u>(6)</u>
PROFIT (LOSS) BEFORE INCOME TAX	1,047,627	16	(440,997)	(10)
INCOME TAX EXPENSE (BENEFIT) (Note 24)	<u>139,108</u>	<u>2</u>	<u>(59,338)</u>	<u>(1)</u>
NET PROFIT (LOSS) FOR THE PERIOD	<u>908,519</u>	<u>14</u>	<u>(381,659)</u>	<u>(9)</u>

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ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share) (Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2021		2020	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	\$ 69,129	1	\$ (419,301)	(10)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statement of foreign operations	(41,524)	(1)	(53,936)	(1)
Share of the other comprehensive loss of associates accounted for using the equity method	<u>(8,538)</u>	<u>-</u>	<u>(13,948)</u>	<u>-</u>
Other comprehensive income (loss) for the period, net of income tax	<u>19,067</u>	<u>-</u>	<u>(487,185)</u>	<u>(11)</u>
TOTAL COMPREHENSIVE PROFIT (LOSS) FOR THE PERIOD	<u>\$ 927,586</u>	<u>14</u>	<u>\$ (868,844)</u>	<u>(20)</u>
NET PROFIT (LOSS) ATTRIBUTED TO:				
Owners of the Corporation	\$ 559,395	9	\$ (274,211)	(6)
Non-controlling interests	<u>349,124</u>	<u>5</u>	<u>(107,448)</u>	<u>(3)</u>
	<u>\$ 908,519</u>	<u>14</u>	<u>\$ (381,659)</u>	<u>(9)</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTED TO:				
Owners of the Corporation	\$ 595,634	9	\$ (739,228)	(17)
Non-controlling interests	<u>331,952</u>	<u>5</u>	<u>(129,616)</u>	<u>(3)</u>
	<u>\$ 927,586</u>	<u>14</u>	<u>\$ (868,844)</u>	<u>(20)</u>
EARNINGS (LOSS) PER SHARE (Note 25)				
Basic	<u>\$ 0.64</u>		<u>\$ (0.31)</u>	
Diluted	<u>\$ 0.64</u>		<u>\$ (0.31)</u>	

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

(With Deloitte & Touche review report dated May 4, 2021)

(Concluded)

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Equity Attributable to Owners of the Corporation							Other Equities				
	Common Stock	Capital Surplus			Retained Earnings			Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Stock	Non-controlling Interests	Total Equity
		Paid-in Capital in Excess of Par Value	Treasury Stock	Other	Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficits)					
BALANCE AT JANUARY 1, 2020	\$ 8,857,031	\$ 470,767	\$ 318,661	\$ 35,794	\$ 2,325,353	\$ 1,911,129	\$ 541,859	\$ (556,135)	\$ (192,656)	\$ (187,798)	\$ 3,199,590	\$ 16,723,595
Net loss for the three months ended March 31, 2020	-	-	-	-	-	-	(274,211)	-	-	-	(107,448)	(381,659)
Other comprehensive loss for the three months ended March 31, 2020	-	-	-	-	-	-	-	(45,716)	(419,301)	-	(22,168)	(487,185)
Total comprehensive loss for the three months ended March 31, 2020	-	-	-	-	-	-	(274,211)	(45,716)	(419,301)	-	(129,616)	(868,844)
BALANCE AT MARCH 31, 2020	<u>\$ 8,857,031</u>	<u>\$ 470,767</u>	<u>\$ 318,661</u>	<u>\$ 35,794</u>	<u>\$ 2,325,353</u>	<u>\$ 1,911,129</u>	<u>\$ 267,648</u>	<u>\$ (601,851)</u>	<u>\$ (611,957)</u>	<u>\$ (187,798)</u>	<u>\$ 3,069,974</u>	<u>\$ 15,854,751</u>
BALANCE AT JANUARY 1, 2021	\$ 8,857,031	\$ 470,767	\$ 322,787	\$ 162,732	\$ 2,327,378	\$ 1,911,129	\$ (800,565)	\$ (472,288)	\$ (487,204)	\$ (187,798)	\$ 2,807,837	\$ 14,911,806
Net profit for the three months ended March 31, 2021	-	-	-	-	-	-	559,395	-	-	-	349,124	908,519
Other comprehensive (loss) income for the three months ended March 31, 2021	-	-	-	-	-	-	-	(32,890)	69,129	-	(17,172)	19,067
Total comprehensive income (loss) for the three months ended March 31, 2021	-	-	-	-	-	-	559,395	(32,890)	69,129	-	331,952	927,586
BALANCE AT MARCH 31, 2021	<u>\$ 8,857,031</u>	<u>\$ 470,767</u>	<u>\$ 322,787</u>	<u>\$ 162,732</u>	<u>\$ 2,327,378</u>	<u>\$ 1,911,129</u>	<u>\$ (241,170)</u>	<u>\$ (505,178)</u>	<u>\$ (418,075)</u>	<u>\$ (187,798)</u>	<u>\$ 3,139,789</u>	<u>\$ 15,839,392</u>

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

(With Deloitte & Touche review report dated May 4, 2021)

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) before income tax	\$ 1,047,627	\$ (440,997)
Adjustments:		
Depreciation expenses	268,786	261,440
Amortization expenses	4,527	2,891
Expected credit loss (gain)	2,043	(1,300)
(Gain) loss on financial assets at fair value through profit or loss, net	(2,133)	13,899
Interest expense	77,417	97,262
Interest income	(9,665)	(11,857)
Share of loss of associates accounted for using the equity method	65,361	201,290
(Gain) loss on disposal of property, plant and equipment	(2)	7
(Reversal of write-downs) write-downs of inventories	(64,948)	119,769
Unrealized gain on foreign currency exchange	(14,275)	(30,449)
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	(14,875)	49,738
Notes receivable	(65,280)	198,615
Trade receivables	(269,964)	(57,588)
Trade receivables from related parties	(28,487)	(37,072)
Other receivables	(133,188)	(154,678)
Inventories	(377,039)	(217,075)
Prepayments	184,452	(177,566)
Other current assets	89,921	69,131
Notes payable	(506)	110,916
Trade payables	603,002	(246,041)
Other payables	146,303	4,331
Other current liabilities	(137,872)	44,729
Net defined benefit liabilities	(49,750)	(10,834)
Deferred revenue	-	(2,126)
Other non-current liabilities	7,092	-
Cash generated from (used in) operations	1,328,547	(213,565)
Interest received	9,690	2,407
Interest paid	(60,445)	(83,987)
Income tax paid	(1,044)	(4,011)
Net cash generated from (used in) operating activities	1,276,748	(299,156)

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ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from the capital reduction of financial assets at fair value through other comprehensive income	\$ -	\$ 18,000
(Payments for) proceeds from disposal of financial assets at amortized cost	(48,142)	365,949
Payments for property, plant and equipment	(8,199)	(9,634)
Proceeds from disposal of property, plant and equipment	27	-
Payments for intangible assets	(5,322)	-
Decrease (increase) in other non-current assets	116,909	(129,156)
Increase in construction in progress	<u>(190,279)</u>	<u>(78,845)</u>
Net cash (used in) generated from investing activities	<u>(135,006)</u>	<u>166,314</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of short-term borrowings	(592,400)	(196,943)
Proceeds from long-term borrowings	2,200,000	2,200,221
Repayments of long-term borrowings	(2,199,383)	(2,060,000)
(Decrease) increase in guarantee deposits	(2,240)	645
Repayment of the principal portion of lease liabilities	<u>(2,259)</u>	<u>(2,774)</u>
Net cash used in financing activities	<u>(596,282)</u>	<u>(58,851)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(10,547)</u>	<u>(11,465)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	534,913	(203,158)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>2,734,878</u>	<u>3,098,554</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 3,269,791</u>	<u>\$ 2,895,396</u>

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

(With Deloitte & Touche review report dated May 4, 2021)

(Concluded)

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

1. GENERAL INFORMATION

Oriental Union Chemical Corporation (the “Corporation”) was incorporated in December 1975. It manufactures and markets ethylene glycols, ethylene oxide, gas oxygen, gas nitrogen, liquid nitrogen, liquid argon, monoethanolamine, ethylene carbonate, polyethylene glycol, polyoxyethylene lauryl ether and methoxy polyethylene glycols. Its stocks were listed on the Taiwan Stock Exchange (“TWSE”) on October 21, 1987.

The consolidated financial statements of the Corporation and its subsidiaries, collectively the “Group”, are presented in the Corporation’s functional currency, New Taiwan dollars.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation’s board of directors on May 4, 2021.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

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

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Group’s accounting policies.

- b. New IFRSs issued by IASB but not yet endorsed and issued into effect by the FSC

<u>New IFRSs</u>	<u>Effective Date Announced by IASB (Note 1)</u>
“Annual Improvements to IFRS Standards 2018-2020”	January 1, 2022 (Note 2)
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022 (Note 3)
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 IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 4)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 5)
Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use”	January 1, 2022 (Note 6)
Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”	January 1, 2022 (Note 7)

- Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.
- Note 2: The amendments to IFRS 9 will be applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 “Agriculture” will be applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 “First-time Adoptions of IFRSs” will be applied retrospectively for annual reporting periods beginning on or after January 1, 2022.
- Note 3: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.
- Note 4: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.
- Note 5: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.
- Note 6: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.
- Note 7: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except for the following description, the significant accounting policies adopted for the consolidated financial statements are the same as those adopted for the consolidated financial statements for the year ended December 31, 2020.

a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments measured at fair value, and net defined benefit liabilities measured at the present value of the defined benefit obligation less the fair value of plan assets.

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

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Basis of consolidation

The basis for the consolidated financial statements is consistent with those applied in the consolidated financial statements for the year ended December 31, 2020.

Refer to Note 12, Table 6 and Table 7 for the detailed information of subsidiaries, including percentages of ownership and main businesses.

d. Employee benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

e. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The same critical accounting judgments and key sources of estimates and uncertainty have been followed in these consolidated financial statements as were applied in the preparation of the Group's consolidated financial statements for the year ended December 31, 2020.

The Group considers the economic implications of the COVID-19 when making its critical accounting estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

6. CASH AND CASH EQUIVALENTS

	March 31, 2021	December 31, 2020	March 31, 2020
Cash on hand	\$ 110	\$ 110	\$ 110
Checking accounts and demand deposits	1,991,810	1,632,260	1,775,109
Cash equivalents			
Time deposits with original maturities of less than 3 months	482,871	532,508	429,177
Repurchase agreements collateralized by bonds	<u>795,000</u>	<u>570,000</u>	<u>691,000</u>
	<u>\$ 3,269,791</u>	<u>\$ 2,734,878</u>	<u>\$ 2,895,396</u>

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2021	December 31, 2020	March 31, 2020
Financial assets mandatorily classified as at FVTPL			
Domestic listed shares	\$ 75,512	\$ 56,421	\$ 17,858
Domestic mutual funds	<u>984</u>	<u>3,067</u>	<u>62,841</u>
	<u>\$ 76,496</u>	<u>\$ 59,488</u>	<u>\$ 80,699</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments at FVTOCI

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Non-current</u>			
Domestic investments			
Listed shares	\$ 1,483,062	\$ 1,481,023	\$ 1,235,308
Unlisted shares	<u>4,209,381</u>	<u>4,142,291</u>	<u>4,287,253</u>
	<u>\$ 5,692,443</u>	<u>\$ 5,623,314</u>	<u>\$ 5,522,561</u>

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

9. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Current</u>			
Time deposits with original maturities of more than 3 months (a)	\$ 47,766	\$ -	\$ 88,349
<u>Non-current</u>			
Pledged certificates of deposits (b)	\$ 74,154	\$ 74,204	\$ 64,043

- a. The ranges of interest rates for time deposits with original maturities of more than 3 months were 2.48% and 2.55%-2.7% per annum as of March 31, 2021 and March 31, 2020, respectively.
- b. The ranges of interest rates for the pledged certificates of deposits were 0.01%-1.75%, 0.01%-1.75% and 0.67%-1.4% per annum as of March 31, 2021, December 31, 2020 and March 31, 2020, respectively. The Group assesses there has not been a significant expected credit losses and an increase in credit risk since the original recognize.
- c. Refer to Note 29 for information relating to financial assets at amortized cost as security.

10. NOTES RECEIVABLE AND TRADE RECEIVABLES

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Notes receivable</u>			
Notes receivable	\$ 258,980	\$ 193,700	\$ 55,631
Less: Allowance for impairment loss	<u>(438)</u>	<u>(347)</u>	<u>(140)</u>
	<u>\$ 258,542</u>	<u>\$ 193,353</u>	<u>\$ 55,491</u>
<u>Trade receivables</u>			
Trade receivables	\$ 1,324,722	\$ 1,026,271	\$ 841,842
Less: Allowance for impairment loss	<u>(6,579)</u>	<u>(4,627)</u>	<u>(2,896)</u>
	<u>\$ 1,318,143</u>	<u>\$ 1,021,644</u>	<u>\$ 838,946</u>

The Group applies for expected credit losses, which permits the use of lifetime expected loss provision for all notes receivable and trade receivables. The expected credit losses on notes receivable and trade receivables are estimated using a past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecasted direction of economic conditions at the reporting date.

The following table details the loss allowance of notes receivable and trade receivables.

March 31, 2021

	0 to 60 Days	61 to 90 Days	91 to 120 Days	121 to 150 Days	Total
Carrying amount	\$ 1,557,910	\$ 24,630	\$ 833	\$ 329	\$ 1,583,702
Loss allowance (Lifetime ECLs)	<u>(438)</u>	<u>(5,417)</u>	<u>(833)</u>	<u>(329)</u>	<u>(7,017)</u>
Amortized cost	<u>\$ 1,557,472</u>	<u>\$ 19,213</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,576,685</u>

December 31, 2020

	0 to 60 Days	61 to 90 Days	91 to 120 Days	121 to 150 Days	Total
Carrying amount	\$ 1,198,700	\$ 19,491	\$ 1,712	\$ 68	\$ 1,219,971
Loss allowance (Lifetime ECLs)	<u>(347)</u>	<u>(2,847)</u>	<u>(1,712)</u>	<u>(68)</u>	<u>(4,974)</u>
Amortized cost	<u>\$ 1,198,353</u>	<u>\$ 16,644</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,214,997</u>

March 31, 2020

	0 to 60 Days	61 to 90 Days	91 to 120 Days	121 to 150 Days	Total
Carrying amount	\$ 873,466	\$ 20,232	\$ 3,775	\$ -	\$ 897,473
Loss allowance (Lifetime ECLs)	<u>(140)</u>	<u>-</u>	<u>(2,896)</u>	<u>-</u>	<u>(3,036)</u>
Amortized cost	<u>\$ 873,326</u>	<u>\$ 20,232</u>	<u>\$ 879</u>	<u>\$ -</u>	<u>\$ 894,437</u>

The above aging schedule was based on the number of days past due from the invoice date.

The movements of the loss allowance of notes receivable and trade receivables were as follows:

	Three Months Ended March 31	
	2021	2020
Balance at January 1	\$ 4,974	\$ 4,336
Net remeasurement of loss allowance	<u>2,043</u>	<u>(1,300)</u>
Balance at March 31	<u>\$ 7,017</u>	<u>\$ 3,036</u>

11. INVENTORIES

	March 31, 2021	December 31, 2020	March 31, 2020
Finished goods	\$ 974,289	\$ 636,674	\$ 960,623
Work in progress	14,769	12,013	14,306
Raw materials	<u>442,441</u>	<u>340,983</u>	<u>403,021</u>
	<u>\$ 1,431,499</u>	<u>\$ 989,670</u>	<u>\$ 1,377,950</u>

The costs of inventories recognized as cost of goods sold for the three months ended March 31, 2021 and 2020 were \$5,684,943 thousand and \$4,238,485 thousand, respectively. The costs of goods sold for the three months ended March 31, 2021 and 2020 included reversals of inventory write-downs of \$64,948 thousand and inventory write-downs of \$119,769 thousand, respectively. The reversals of previous write-downs resulted from increased selling prices in certain markets.

12. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership			Remark
			March 31, 2021	December 31, 2020	March 31, 2020	
The Corporation	Ton Fu Investment Corp. (“TFIC”)	Investment	100.0	100.0	100.0	1)
	Pacific Petrochemical (Holding) Ltd. (“PPL”)	Investment	100.0	100.0	100.0	-
	OUCG (Bermuda) Holding Ltd. (“OUCG (Bermuda)”)	Investment	100.0	100.0	100.0	1)
OUCG (Bermuda)	Oriental Petrochemical (Yangzhou) Corporation (“OPYC”)	Manufacturing and selling ethanolamine (EA) and alcohol ethoxylates (AEO)	-	-	100.0	1) and 3)
	Far Eastern Union Petrochemical (Yangzhou) Ltd. (“FUPY”)	Manufacturing and selling chemical products (ethylene glycol, diethylene glycol, triethylene glycol and ethylene oxide) and other specific chemical products.	11.6	11.6	-	2) and 3)
PPL	FUPY	Manufacturing and selling chemical products (ethylene glycol, diethylene glycol, triethylene glycol and ethylene oxide) and other specific chemical products.	44.2	44.2	50.0	2) and 3)
	Tong Da Gas Industries (Yangzhou) Limited (“TDIY”)	Manufacturing and selling gas oxygen, gas nitrogen, liquid oxygen, liquid nitrogen and liquid argon and the warehousing management of ethylene.	-	-	50.0	2) and 3)

Remarks:

- 1) Non-significant subsidiaries, of which financial statements have not been reviewed except for OUCC (Bermuda)'s in 2021.
- 2) Subsidiaries with material non-controlling interests.
- 3) Because of changes in the operating environment, the Group merged its 100%-owned subsidiary OPYC, 50%-owned subsidiary FUPY and 50%-owned subsidiary TDIY into one company to obtain cost-saving benefits by reducing operational process redundancy from the perspectives of the environment, the energy, and the quality. After the merger, FUPY was surviving company, while OPYC and TDIY were dissolved companies. The date of the merger was on December 31, 2020. The aforementioned transaction was a reorganization under common control, so the components of Group's consolidated financial statements did not substantially changed. As the Group owned 55.8% equity of FUPY through its subsidiaries, OUCC (Bermuda) and PPL, the Group still had control over FUPY.

The financial statements of some non-significant subsidiaries included in the consolidated financial statements were not reviewed. As of March 31, 2021 and 2020, combined total assets of these non-significant subsidiaries were \$1,817,596 thousand and \$3,799,798 thousand, respectively, representing 5% and 10%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were \$600,871 thousand and \$1,872,934 thousand, respectively, representing 3% and 9%, respectively, of the consolidated total liabilities; for the three-month periods ended March 31, 2021 and 2020, the amounts of combined comprehensive income (loss) of these subsidiaries were \$(9,874) thousand and \$(211,765) thousand, respectively, representing (1%) and 24%, respectively, of the consolidated total comprehensive income (loss).

- b. Subsidiaries excluded from the consolidated financial statements: None.
- c. Details of subsidiaries that have material non-controlling interests

Name of Subsidiary	Principal Place of Business	Proportion of Ownership and Voting Rights Held by Non-controlling Interests		
		March 31, 2021	December 31, 2020	March 31, 2020
FUPY	Yang Zhou, China	44.2%	44.2%	50%
TDIY	Yang Zhou, China	-	-	50%

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Associates

	March 31, 2021	December 31, 2020	March 31, 2020
Material associates			
Oriental Petrochemical (Shanghai) Corporation ("OPSC")	\$ 1,512,347	\$ 1,574,342	\$ 1,824,868
Associates that are not individually material			
Hwa Xu Heat Supply Co. ("HXYZ")	<u>267,183</u>	<u>280,437</u>	<u>320,601</u>
	<u>\$ 1,779,530</u>	<u>\$ 1,854,779</u>	<u>\$ 2,145,469</u>

Material associates

Name of Associate	Nature of Activities	Principal Place of Business	Proportion of Ownership and Voting Rights		
			March 31, 2021	December 31, 2020	March 31, 2020
OPSC	Manufacture and sale of purified terephthalic acid	Shanghai, China	39%	39%	39%

Except for OPSC, the investments accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments were based on the associates' financial statements which have not been reviewed. As of March 31, 2021 and 2020, investments accounted for using the equity method were \$267,183 thousand and \$320,601 thousand, respectively; for the three-month periods ended March 31, 2021 and 2020, the amounts of the share of profit (loss) recognized from investments accounted for using the equity method were \$(11,905) thousand and \$(35,740) thousand, respectively. Management believes there is no material impact on the equity method of accounting or the calculation of the share of profit or loss and other comprehensive income from the financial statements of these investments in associates which have not been reviewed.

14. PROPERTY, PLANT AND EQUIPMENT AND CONSTRUCTION IN PROGRESS

	March 31, 2021	December 31, 2020	March 31, 2020
Land	\$ 1,591,461	\$ 1,591,461	\$ 1,591,461
Land improvements	95,699	97,113	101,408
Buildings	1,128,555	1,147,076	1,163,075
Machinery and equipment	10,637,408	10,865,302	10,967,618
Other equipment	<u>142,891</u>	<u>136,818</u>	<u>152,709</u>
	13,596,014	13,837,770	13,976,271
Construction in progress and equipment to be inspected	<u>808,689</u>	<u>734,464</u>	<u>756,123</u>
	<u>\$ 14,404,703</u>	<u>\$ 14,572,234</u>	<u>\$ 14,732,394</u>

Except for depreciation recognized and transfers of buildings, machinery and equipment and other equipment from construction in progress and equipment to be inspected, the Group had no significant addition, disposal, and impairment of property, plant and equipment for the three months ended March 31, 2021 and 2020.

The above items of property, plant and equipment were depreciated on a straight-line basis over the estimated useful lives as follows:

Land improvements	15-25 years
Buildings	7-60 years
Machinery and equipment	2-20 years
Other equipment	3-20 years

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Carrying amounts</u>			
Land	\$ 383,090	\$ 387,520	\$ 374,718
Machinery and equipment	10,759	12,373	17,215
Transportation equipment	<u>1,604</u>	<u>2,047</u>	<u>2,395</u>
	<u>\$ 395,453</u>	<u>\$ 401,940</u>	<u>\$ 394,328</u>
		For the Three Months Ended March 31	
		2021	2020
Additions to right-of-use assets		\$ <u>-</u>	\$ <u>-</u>
Depreciation charge for right-of-use assets			
Land		\$ 2,459	\$ 2,398
Machinery and equipment		1,614	1,614
Transportation equipment		<u>443</u>	<u>1,007</u>
		<u>\$ 4,516</u>	<u>\$ 5,019</u>

Except for depreciation recognized, the Group had no significant addition, disposal, and impairment of right-of-use assets for the three months ended March 31, 2021 and 2020.

b. Lease liabilities

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Carrying amounts</u>			
Current	\$ <u>7,809</u>	\$ <u>8,103</u>	\$ <u>8,203</u>
Non-current	\$ <u>5,165</u>	\$ <u>7,130</u>	\$ <u>12,938</u>

Ranges of discount rates for lease liabilities were 0.79%-1.17%, 0.79%-1.17% and 0.85%-1.17% per annum as of March 31, 2021, December 31, 2020 and March 31, 2020, respectively.

c. Material lease-in activities and terms

Prepayments for leases include land use rights located in People's Republic of China; the Group has obtained the land use right certificates with lease terms of 45 to 50 years.

d. Other lease information

The Group leases certain assets which qualify as short-term or low-value asset 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.

The Group as lessor

Operating leases relate to leasing the investment properties owned by the Corporation with lease terms between 1 and 10 years. According to the agreement, the lease can be terminated by either party by giving 2 to 3 months formal notice in writing to the other party.

16. INVESTMENT PROPERTIES

Except for depreciation recognized, the Group had no significant addition, disposal, and impairment of investment properties for the three months ended March 31, 2021 and 2020.

The investment properties of land improvements held by the Group which are depreciated over their estimated useful lives of 16 years using the straight-line method.

The fair values of investment properties were \$3,317,798 thousand and \$3,229,402 thousand as of December 31, 2020 and 2019, respectively. The fair values were arrived at on the basis of a valuation carried out by independent qualified professional valuer, Mr. Chia-ho Tsai from Debenham Tie Leung Real Estate Appraiser Office.

17. OTHER ASSETS

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Other assets</u>			
Silver and catalysts	\$ 1,992,017	\$ 2,105,852	\$ 3,400,391
Materials	520,316	518,926	479,173
Input tax	125,078	218,821	293,819
Others	<u>48,151</u>	<u>51,391</u>	<u>92,623</u>
	<u>\$ 2,685,562</u>	<u>\$ 2,894,990</u>	<u>\$ 4,266,006</u>
Current	\$ 287,109	\$ 377,030	\$ 1,302,194
Non-current	<u>2,398,453</u>	<u>2,517,960</u>	<u>2,963,812</u>
	<u>\$ 2,685,562</u>	<u>\$ 2,894,990</u>	<u>\$ 4,266,006</u>

Other assets include silver and catalysts used in the production, parts and components for the maintenance of equipment and input tax.

18. BORROWINGS

a. Short-term borrowings

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Unsecured borrowings</u>			
Line of credit borrowings	\$ 3,613,195	\$ 4,659,164	\$ 6,220,472
Loans from related parties (Note 28)	<u>2,648,846</u>	<u>2,226,058</u>	<u>1,450,437</u>
	<u>\$ 6,262,041</u>	<u>\$ 6,885,222</u>	<u>\$ 7,670,909</u>
Interest rate	1.11%-3.75%	1.06%-3.92%	1.09%-4.35%

b. Long-term borrowings

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Secured borrowings</u> (Note 29)			
Long-term commercial paper payables	\$ _____ -	\$ _____ -	\$ <u>129,900</u>
<u>Unsecured borrowings</u>			
Bank loans	8,360,000	7,360,000	8,450,000
Long-term commercial paper payables	<u>889,793</u>	<u>1,889,176</u>	<u>499,928</u>
	<u>9,249,793</u>	<u>9,249,176</u>	<u>8,949,928</u>
Long-term borrowing	\$ <u>9,249,793</u>	\$ <u>9,249,176</u>	\$ <u>9,079,828</u>
Interest rate	0.35%-1.10%	0.35%-1.10%	0.55%-1.17%
Maturity date	March 2023	December 2022	December 2021

19. OTHER PAYABLES

	March 31, 2021	December 31, 2020	March 31, 2020
Payables for purchase of equipment	\$ 71,075	\$ 97,051	\$ 84,538
Interest payables	59,671	42,699	38,445
Freight payables	46,596	45,558	40,609
Payables for salaries	45,194	41,618	44,059
Payables for royalties	25,721	19,221	11,347
Payables for employees' compensation and remuneration of directors	18,512	1,694	7,151
Payables for taxes	17,404	6,797	17,262
Payables for pipeline's rental	16,793	9,878	7,240
Payables for export sales expenses	16,043	10,297	4,432
Payables for dividends	4,991	3,424	3,552
Payables for annual leave	4,000	4,000	18,613
Payables for silver and catalysts	-	-	657,537
Others	<u>182,549</u>	<u>126,619</u>	<u>124,423</u>
	\$ <u>508,549</u>	\$ <u>408,856</u>	\$ <u>1,059,208</u>

20. OTHER LIABILITIES

	March 31, 2021	December 31, 2020	March 31, 2020
Contract liabilities	\$ 167,556	\$ 306,493	\$ 175,535
Provisions for repairs and maintenance	31,183	24,091	44,607
Others	<u>18,202</u>	<u>17,137</u>	<u>15,962</u>
	\$ <u>216,941</u>	\$ <u>347,721</u>	\$ <u>236,104</u>

(Continued)

	March 31, 2021	December 31, 2020	March 31, 2020
Current	\$ 185,758	\$ 323,630	\$ 236,104
Non-current	<u>31,183</u>	<u>24,091</u>	<u>-</u>
	<u>\$ 216,941</u>	<u>\$ 347,721</u>	<u>\$ 236,104</u>

(Concluded)

Contract liabilities were receipts in advance.

21. RETIREMENT BENEFIT PLANS

Post-employee benefits in respect of the Corporation's defined benefit retirement plans were calculated by using the actuarially determined pension cost discount rates as of December 31, 2020 and 2019. The amounts were \$2,435 thousand and \$2,881 thousand for the three months ended March 31, 2021 and 2020, respectively.

22. EQUITY

a. Common stock

	March 31, 2021	December 31, 2020	March 31, 2020
Number of stocks authorized (in thousands)	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Stocks authorized	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>
Number of stocks issued and fully paid (in thousands)	<u>885,703</u>	<u>885,703</u>	<u>885,703</u>
Stocks issued	<u>\$ 8,857,031</u>	<u>\$ 8,857,031</u>	<u>\$ 8,857,031</u>

A total of 10,000 thousand stocks of the Corporation's stock were authorized to be reserved for the issuance of employee stock options.

b. Capital surplus

	March 31, 2021	December 31, 2020	March 31, 2020
May be used to offset a deficit, distributed as cash dividends, or transferred to capital stock (Note)			
Issuance of common stock	\$ 470,767	\$ 470,767	\$ 470,767
Changes in percentage of ownership interests in subsidiaries	16,367	16,367	-
Treasury stock transactions	4,662	4,662	4,662
Only be used to offset a deficit			
Treasury stock transactions - dividends distributed to subsidiary	318,125	318,125	313,999
Dividends unclaimed by stockholders	35,794	35,794	35,794
Changes in capital surplus from investments in associates accounted for using the equity method	<u>110,571</u>	<u>110,571</u>	<u>-</u>
	<u>\$ 956,286</u>	<u>\$ 956,286</u>	<u>\$ 825,222</u>

Note: Such capital surplus may be used to offset a deficit; in addition, when the Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to capital stock (limited to a certain percentage of the Corporation's capital surplus and once a year).

c. Retained earnings and dividends policy

Under the dividend policy as set forth in the Corporation's Articles of Incorporation ("Articles"), apart from paying all its income taxes in the case where there are profits at the end of the year, the Corporation shall make up for accumulated deficits in past years. Where there is still balance, 10% of the unappropriated earnings from the yearly net income coupled with other items that recognized in retained earning directly thereof shall be set aside by the Corporation as legal reserve. Subject to certain business conditions under which the Corporation may retain a portion, and distribute to the shareholders the remainder after deducting special reserve as required by law together with undistributed profits from previous years in proportion to the number of the shares held by each shareholders as shareholders' dividend. When there is a share capital increase, the distributed dividends of the year for the new shares shall be dealt with according to the resolution of the stockholders' meeting. For the policies on the distribution of employees' compensation and remuneration of directors before and after amendment, refer to Note 23 (d) "Employee benefits expense".

In accordance with the Articles, the dividend distribution takes into consideration the characteristics of industry that the Group operates in and the forthcoming capital requirement and tax policy that is influenced by the Group's products or services, and it should be settled for the purpose of maintaining stable dividends. For the purposes of improving the financial structure effectively, coping with reinvestment, expanding capacity or other significant capital expenditures in which capital is required, when distributing stockholders' dividend, the dividend payout ratio each fiscal year shall be no less than 50% of the final surplus which is the sum of after-tax profit of the fiscal year to offset previous loss, if any, and to appropriate legal reserve and special reserve as required by law; the amount of cash dividends shall not be less than 10% of the total dividends and bonuses to be distributed to stockholders in the fiscal year.

An appropriation of earnings to a legal reserve shall be made until the legal reserve equals the Corporation's paid-in capital. The legal reserve may be used to offset deficits. If the Corporation has no deficit and the legal reserve has exceeded 25% of the Corporation's paid-in capital, the excess may be transferred to capital or distributed in cash.

Items referred to under Rule No. 1010012865, Rule No. 1090150022 and Rule No. 1030006415 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs", shall be appropriated to or reversed from a special reserve by the Corporation. Any appropriated special reserve may be reversed to the extent that the net debit balance reverses, and thereafter it is distributed.

The deficit compensation for 2020 and the appropriation of earnings for 2019 were proposed and approved in the Corporation's board of directors on March 18, 2021 and in the stockholders' meetings on June 16, 2020, respectively.

The deficit compensation for 2020 was subject to the resolution of the stockholders' meeting on June 16, 2021.

The appropriation of earnings for 2019 was approved in the stockholder's meetings on June 16, 2020. The appropriation and dividends per share were as follows:

	Appropriation of Earnings	Dividends Per Share (NT\$)
Legal reserve	\$ 2,025	
Cash dividends	265,711	\$ 0.3

d. Special reserves

On the first-time adoption of IFRSs, the Corporation appropriated to special reserve, the amounts that were the same as the unrealized revaluation increment, the fair value of investment properties at the date of transition as the deemed cost and the cumulative translation differences transferred to retained earnings, which were \$985,545 thousand, \$787,176 thousand and \$138,408 thousand, respectively.

e. Treasury stock

The Corporation's stocks held by its subsidiaries at the end of the reporting periods were as follows:

Name of Subsidiary	Number of Stocks Held (In Thousands of Stocks)	Carrying Amount	Market Price
<u>March 31, 2021</u>			
TFIC	13,754	\$ <u>187,798</u>	\$ <u>267,507</u>
<u>December 31, 2020</u>			
TFIC	13,754	\$ <u>187,798</u>	\$ <u>279,197</u>
<u>March 31, 2020</u>			
TFIC	13,754	\$ <u>187,798</u>	\$ <u>195,988</u>

Under the Securities and Exchange Act, the Corporation shall neither pledge treasury stocks nor exercise stockholders' rights on these stocks, such as rights to dividends and to vote. The subsidiaries holding treasury stock, however, retain stockholders' rights, except the rights to participate in any stock issuance for cash and to vote.

23. NET PROFIT (LOSS)

a. Other income

	For the Three Months Ended March 31	
	2021	2020
Settlement of insurance claims (Note)	\$ 571,106	\$ 3,155
Others	<u>2,834</u>	<u>40,214</u>
	<u>\$ 573,940</u>	<u>\$ 43,369</u>

Note: It's primarily the insurance compensation on the damage of silver and catalysts for the three months ended March 31, 2021.

b. Interest expense

	For the Three Months Ended March 31	
	2021	2020
Interest on bank loans	\$ 57,911	\$ 82,821
Interest on loans from related parties (Note 28)	19,464	14,374
Interest on lease liabilities	39	63
Other interest expense	<u>3</u>	<u>4</u>
	<u>\$ 77,417</u>	<u>\$ 97,262</u>

Information about capitalized interest was as follows:

	For the Three Months Ended March 31	
	2021	2020
Capitalized interest	<u>\$ 804</u>	<u>\$ 104</u>
Capitalization rate	0.35%-1.10%	0.55%-1.17%

c. Depreciation and amortization

	For the Three Months Ended March 31	
	2021	2020
Property, plant and equipment	\$ 264,249	\$ 256,400
Right-of-use assets	4,516	5,019
Intangible assets and other assets	4,527	2,891
Investment properties	<u>21</u>	<u>21</u>
	<u>\$ 273,313</u>	<u>\$ 264,331</u>
 An analysis of depreciation by function		
Operating costs	\$ 251,038	\$ 245,392
Operating expenses	17,727	16,027
Non-operating expenses and losses	<u>21</u>	<u>21</u>
	<u>\$ 268,786</u>	<u>\$ 261,440</u>
 An analysis of amortization by function		
Operating costs	\$ 3,557	\$ 2,211
Operating expenses	<u>970</u>	<u>680</u>
	<u>\$ 4,527</u>	<u>\$ 2,891</u>

d. Employee benefits expense

	For the Three Months Ended March 31	
	2021	2020
Salary expense	\$ 153,200	\$ 137,180
Insurance expense	18,014	15,491
Post-employment benefits		
Defined contribution plans	6,900	5,683
Defined benefit plans (Note 21)	2,435	2,881
Other employee benefits	<u>25,933</u>	<u>22,453</u>
Total employee benefits expense	<u>\$ 206,482</u>	<u>\$ 183,688</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 109,845	\$ 113,337
Operating expenses	<u>96,637</u>	<u>70,351</u>
	<u>\$ 206,482</u>	<u>\$ 183,688</u>

In compliance with the Articles, the Corporation accrued employees' compensation and remuneration of directors at the rates from 1% to 2% and no higher than 1%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. However, if the Corporation has accumulated any deficit, the profit should be set aside for offsetting the losses. The Group did not accrue employees' compensation and remuneration of directors because of net loss before tax for the three months ended March 31, 2020. The accrued employees' compensation and remuneration of directors was \$16,818 thousand for the three months ended March 31, 2021.

There was no difference between the actual amount of the accrued employees' compensation and remuneration of directors in 2020 and 2019 and the amount recognized in the consolidated financial statements in 2020 and 2019.

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

Information on the employees' compensation and remuneration of directors resolved by the Corporation's board of directors is available on the Market Observation Post System website of the TWSE.

24. INCOME TAXES

a. Major components of income tax expense (benefit) recognized in profit or loss were as follows:

	For the Three Months Ended March 31	
	2021	2020
Current tax		
In respect of the current periods	\$ -	\$ 6,523
Deferred tax		
In respect of the current periods	<u>139,108</u>	<u>(65,861)</u>
Income tax expense (benefit) recognized in profit or loss	<u>\$ 139,108</u>	<u>\$ (59,338)</u>

b. Income tax assessments

The Corporation's tax returns through 2018 have been assessed by the tax authorities.

The tax returns of TFIC through 2019 have been assessed by the tax authorities.

25. EARNINGS (LOSS) PER SHARE

The net profit (loss) and weighted average number of common stock outstanding in the computation of earnings (loss) per share were as follows:

Net Profit (Loss) for the Period

	For the Three Months Ended March 31	
	2021	2020
Net profit (loss) used in the computation of basic earnings (loss) per share	<u>\$ 559,395</u>	<u>\$ (274,211)</u>

Weighted average number of common stock outstanding (in thousand stocks):

	For the Three Months Ended March 31	
	2021	2020
Weighted average number of common stock	885,703	885,703
Less: Reclassification of the Corporation's stocks held by subsidiaries	<u>(13,754)</u>	<u>(13,754)</u>
Weighted average number of common stock used in the computation of basic earnings (loss) per share	871,949	871,949
Effect of potentially dilutive ordinary shares:		
Employees' compensation or bonuses issued to employees	<u>576</u>	<u>-</u>
Weighted average number of ordinary shares used in the computation of diluted earnings (loss) per share	<u>872,525</u>	<u>871,949</u>

If the Corporation offered to settle compensation or bonuses paid to employees in cash or shares, the Corporation assumed the entire amount of the compensation or bonuses will be settled in shares, and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

26. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stockholders through the optimization of the debt and equity balance. The capital structure of the Group consists of bank loans and equity of the Group.

Financial management department of the Group reviews the capital structure on a monthly basis. As part of this review, the financial management department considers whether there were exceptions between the current ratio, the debt ratio and the target ratio set by the financial management department.

27. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

Management believes the carrying amounts of non-financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values or the fair values cannot be reliably measured.

b. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

March 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares	\$ 75,512	\$ -	\$ -	\$ 75,512
Domestic mutual funds	<u>984</u>	<u>-</u>	<u>-</u>	<u>984</u>
	<u>\$ 76,496</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,496</u>
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Domestic listed shares	\$ 1,483,062	\$ -	\$ -	\$ 1,483,062
Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>4,209,381</u>	<u>4,209,381</u>
	<u>\$ 1,483,062</u>	<u>\$ -</u>	<u>\$ 4,209,381</u>	<u>\$ 5,692,443</u>

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares	\$ 56,421	\$ -	\$ -	\$ 56,421
Domestic mutual funds	<u>3,067</u>	<u>-</u>	<u>-</u>	<u>3,067</u>
	<u>\$ 59,488</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,488</u>
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Domestic listed shares	\$ 1,481,023	\$ -	\$ -	\$ 1,481,023
Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>4,142,291</u>	<u>4,142,291</u>
	<u>\$ 1,481,023</u>	<u>\$ -</u>	<u>\$ 4,142,291</u>	<u>\$ 5,623,314</u>

March 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares	\$ 17,858	\$ -	\$ -	\$ 17,858
Domestic mutual funds	<u>62,841</u>	<u>-</u>	<u>-</u>	<u>62,841</u>
	<u>\$ 80,699</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 80,699</u>
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Domestic listed shares	\$ 1,235,308	\$ -	\$ -	\$ 1,235,308
Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>4,287,253</u>	<u>4,287,253</u>
	<u>\$ 1,235,308</u>	<u>\$ -</u>	<u>\$ 4,287,253</u>	<u>\$ 5,522,561</u>

For the three months ended March 31, 2021 and 2020, there were no transfers between Levels 1 and 2.

2) Valuation techniques and assumptions applied for the purpose of measuring fair value

- a) The fair value of financial instruments traded in active markets is based on quoted market prices (including beneficiary certificates that went public).
- b) Valuation techniques and inputs applied for Level 3 fair value measurement: The significant and unobservable input parameter for unlisted investments use market-based approach mainly relates to liquidity discount rate. Market-based approach adopts the equity basis multiplier (P/B) of comparable listed companies, the fair price of the Company's stock is calculated after considering the liquidity discount parameter. For the three months ended March 31, 2021 and 2020, there were no material changes on fair value of related investments.

c. Categories of financial instruments

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Financial assets</u>			
Fair value through profit or loss			
Mandatorily classified as at FVTPL	\$ 76,496	\$ 59,488	\$ 80,699
Financial assets at amortized cost (Note 1)	5,651,775	4,574,295	4,465,011
Financial assets at FVTOCI			
Equity instruments	5,692,443	5,623,314	5,522,561
<u>Financial liabilities</u>			
Amortized cost (Note 2)	17,913,718	17,832,391	19,284,452

Note 1 The balances include financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable, trade receivables, other receivables and debt investments.

Note 2 The balances include financial liabilities at amortized cost, which comprise short-term and long-term loans, short-term bills payable, notes payable, trade payables, other payables and guarantee deposits.

d. Financial risk management objectives and policies

The Group's major financial instruments included equity and debt investments, trade receivables, trade payables and borrowings. The Group's Corporate Treasury function provides services to the business, monitors and manages the financial risks relating to the operations of the Group through internal risk evaluation. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

a) Foreign currency risk

The Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk. To protect against reductions foreign assets in value and the volatility of future cash flows caused by changes in foreign exchange rates, the Group managed the risk by balancing positions of assets and liabilities denominated in foreign currencies.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 32.

Sensitivity analysis

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

The following details the effects of a 5% increase in NTD (the functional currency) against the relevant foreign currencies. For a 5% strengthening of NTD against the relevant currency, the net profit (loss) would increase by \$37,407 thousand and decrease by \$45,014 thousand for the three months ended March 31, 2021 and 2020, respectively. 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 rate is 5%.

b) Interest rate risk

The Group was exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings, ensuring the most cost-effective hedging strategies are applied.

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

	March 31, 2021	December 31, 2020	March 31, 2020
Fair value interest rate risk			
Financial assets	\$ 1,399,791	\$ 1,176,712	\$ 1,272,569
Financial liabilities	11,715,015	13,850,455	12,872,050
Cash flow interest rate risk			
Financial assets	1,941,128	1,555,624	1,740,327
Financial liabilities	3,810,000	2,300,000	4,100,000

Sensitivity analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates at the end of the reporting period. A 50 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's net profit (loss) for the three months ended March 31, 2021 and 2020 would decrease/increase by \$2,336 thousand and increase/decrease by \$2,950 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its cash flow by variable-rate bank loans.

c) Other price risk

The Group was exposed to equity price risk through its investments in listed equity securities and beneficiary certificates of open-end funds.

Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher/lower, pre-tax profit (loss) for the three months ended March 31, 2021 and 2020 would have increased/decreased by \$3,825 thousand and decreased/increased by \$4,035 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income (loss) for the three months ended March 31, 2021 and 2020 would have increased/decreased by \$74,153 thousand and \$61,765 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 which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation and financial guarantees provided by the Group could arise from:

- a) The carrying amount of the respective recognized financial assets as stated in the balance sheets;
and
- b) The amount of contingent liabilities in relation to financial guarantee issued by the Group.

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated good. The Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the credit organization.

Trade receivables consisted of a large number of unrelated customers. Ongoing credit evaluation is performed on the financial condition of trade receivables.

Credit risk represents the potential impact to financial asset that the Group might encounter if counterparties or third parties breach the contracts. The Group evaluated credit risk exposure for contracts with positive carrying value. The Group evaluated the credit risk exposure as immaterial because all counterparties are reputable financial institutions and companies with credit ratings.

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 ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of March 31, 2021, December 31, 2020 and March 31, 2020, the Group had available unutilized bank loan facilities set out in (b) below.

a) Liquidity and interest risk rate tables

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay.

March 31, 2021

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
Non-interest bearing liabilities	\$ -	\$ 1,801,255	\$ -	\$ -
Lease liabilities	697	1,395	5,819	5,189
Variable interest rate liabilities	-	-	-	3,846,893
Fixed interest rate liabilities	<u>2,103,987</u>	<u>1,237,311</u>	<u>2,991,143</u>	<u>5,445,944</u>
	<u>\$ 2,104,684</u>	<u>\$ 3,039,961</u>	<u>\$ 2,996,962</u>	<u>\$ 9,298,026</u>

December 31, 2020

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
Non-interest bearing liabilities	\$ -	\$ 1,198,759	\$ -	\$ -
Lease liabilities	903	1,394	5,929	7,172
Variable interest rate liabilities	-	-	-	2,335,551
Fixed interest rate liabilities	<u>2,114,019</u>	<u>1,017,937</u>	<u>3,842,471</u>	<u>6,956,332</u>
	<u>\$ 2,114,922</u>	<u>\$ 2,218,090</u>	<u>\$ 3,848,400</u>	<u>\$ 9,299,055</u>

March 31, 2020

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
Non-interest bearing liabilities	\$ -	\$ 1,180,455	\$ -	\$ -
Lease liabilities	891	1,510	5,992	13,071
Variable interest rate liabilities	3,074	5,120	19,987	4,114,332
Fixed interest rate liabilities	<u>1,820,731</u>	<u>2,892,952</u>	<u>3,259,708</u>	<u>4,980,000</u>
	<u>\$ 1,824,696</u>	<u>\$ 4,080,037</u>	<u>\$ 3,285,687</u>	<u>\$ 9,107,403</u>

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities were subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

b) Financing facilities

	March 31, 2021	December 31, 2020	March 31, 2020
Unsecured bank borrowing limit			
Amount used	\$ 15,182,000	\$ 15,453,000	\$ 19,353,000
Amount unused	<u>17,474,000</u>	<u>16,646,000</u>	<u>14,128,000</u>
	<u>\$ 32,656,000</u>	<u>\$ 32,099,000</u>	<u>\$ 33,481,000</u>
Secured bank borrowing limit			
Amount used	\$ -	\$ -	\$ 130,000
Amount unused	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 130,000</u>

28. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Corporation and its subsidiaries, which are related parties of the Corporation, have been eliminated on consolidation and are not disclosed in this note. The prices and payment terms of these transactions were similar to those for third parties. Details of transactions between the Group and other related parties are disclosed below.

<u>Related Party Name</u>	<u>Related Party Category</u>
Far Eastern New Century Corp.	Investors with significant influence over the Group
Hwa Xu Heat Supply Co. (HXYZ)	Associates
Oriental Petrochemical (Shanghai) Corp. (OPSC)	Associates
Oriental Petrochemical (Taiwan) Co., Ltd. (OPTC)	Others
Asia Cement Corp.	Others
Hubei Yadong Cement Co., Ltd.	Others
Far Eastern Polytex (Vietnam) Ltd.	Others

(Continued)

Related Party Name	Related Party Category
Fu-Ming Transport Corp.	Others
Fu-Da Transport Corp.	Others
PET Far Eastern (Holding) Ltd. (PETH)	Others
Far Eastern International Bank (FEIB)	Others
Far Eastern Industries (Shanghai) Ltd.	Others
Far Eastern Industries (Yangzhou) Ltd.	Others
Shanghai Yuanhua Logistics (Yangzhou) Corp.	Others
Shanghai Yuanzi Information Technology Ltd.	Others
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Others
Oriental Green Materials Ltd.	Others
Ya Tung Ready Mixed Concrete Co., Ltd.	Others
Oriental Industries (Suzhou) Ltd.	Others

(Concluded)

a. Sale of goods

	For the Three Months Ended March 31	
	2021	2020
Investors with significant influence over the Group	\$ 455,267	\$ 246,917
Others	<u>110,482</u>	<u>79,718</u>
	<u>\$ 565,749</u>	<u>\$ 326,635</u>

b. Purchase of goods

	For the Three Months Ended March 31	
	2021	2020
Others	\$ <u>55</u>	\$ <u>69</u>

c. Operating expenses

	For the Three Months Ended March 31	
	2021	2020
Associates	\$ <u>2,188</u>	\$ <u>2,159</u>
Others		
Fu-Ming Transport Corp.	43,086	39,573
Others	<u>14,710</u>	<u>29,047</u>
	<u>57,796</u>	<u>68,620</u>
	<u>\$ 59,984</u>	<u>\$ 70,779</u>

d. Interest expense

	For the Three Months Ended March 31	
	2021	2020
Others		
Far Eastern Industries (Shanghai) Ltd.	\$ 12,183	\$ 6,265
Others	<u>7,281</u>	<u>8,109</u>
	<u>\$ 19,464</u>	<u>\$ 14,374</u>

e. Rental income

	For the Three Months Ended March 31	
	2021	2020
Others		
Fu-Da Transport Corp.	<u>\$ 2,423</u>	<u>\$ 2,423</u>

f. Cash and cash equivalents

	March 31, 2021	December 31, 2020	March 31, 2020
Others			
FEIB	<u>\$ 442,197</u>	<u>\$ 427,373</u>	<u>\$ 145,513</u>

g. Receivables from related parties

	March 31, 2021	December 31, 2020	March 31, 2020
Investors with significant influence over the Group			
Far Eastern New Century Corp.	<u>\$ 183,713</u>	<u>\$ 86,553</u>	<u>\$ 49,110</u>
Others			
Far Eastern Industries (Shanghai) Ltd.	105,773	115,594	77,765
Others	<u>5,946</u>	<u>8,304</u>	<u>4,619</u>
	<u>111,719</u>	<u>123,898</u>	<u>82,384</u>
	<u>\$ 295,432</u>	<u>\$ 210,451</u>	<u>\$ 131,494</u>

The outstanding trade receivables from related parties are unsecured. For the three months ended March 31, 2021 and 2020, no impairment loss was recognized for trade receivables from related parties.

h. Prepayments

	March 31, 2021	December 31, 2020	March 31, 2020
Associates			
HXYZ	\$ <u> -</u>	\$ <u> -</u>	\$ <u>239,248</u>
Current	\$ <u> -</u>	\$ <u> -</u>	\$ <u>239,248</u>

Prepayments are payments in advance for heating steam supply.

i. Other receivables

	March 31, 2021	December 31, 2020	March 31, 2020
Associates			
HXYZ	\$ 495,845	\$ 498,409	\$ 482,308
Others	<u>4,227</u>	<u>5,144</u>	<u>-</u>
	<u>\$ 500,072</u>	<u>\$ 503,553</u>	<u>\$ 482,308</u>

The Group provided secured short-term loans to HXYZ amounted to \$495,845 thousand. Refer to Table 1 for detailed information.

j. Financial assets at amortized cost

	March 31, 2021	December 31, 2020	March 31, 2020
Others			
FEIB	\$ <u>63,917</u>	\$ <u>63,917</u>	\$ <u>134,691</u>

k. Loans from related parties (accounted for as short-term borrowings)

	March 31, 2021	December 31, 2020	March 31, 2020
Others			
Far Eastern Industries (Shanghai) Ltd.	\$ 1,736,948	\$ 1,309,446	\$ 639,899
Far Eastern Industries (Yangzhou) Ltd.	521,085	523,778	511,919
Others	<u>390,813</u>	<u>392,834</u>	<u>298,619</u>
	<u>\$ 2,648,846</u>	<u>\$ 2,226,058</u>	<u>\$ 1,450,437</u>

The Group obtained loans at rates comparable to market interest rates for the loans from related parties.

l. Other payables

	March 31, 2021	December 31, 2020	March 31, 2020
Others	\$ 38,273	\$ 36,403	\$ 58,651
Associates	<u>21,529</u>	<u>19,457</u>	<u>11,338</u>
	<u>\$ 59,802</u>	<u>\$ 55,860</u>	<u>\$ 69,989</u>

m. Compensation of key management personnel

	For the Three Months Ended March 31	
	2021	2020
Short-term employee benefits	\$ 9,096	\$ 9,018
Post-employment benefits	<u>108</u>	<u>108</u>
	<u>\$ 9,204</u>	<u>\$ 9,126</u>

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

29. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets had been pledged by bank, as guarantees for Suppliers and Customers:

	March 31, 2021	December 31, 2020	March 31, 2020
Pledged deposits (financial assets at amortized cost - non-current)	<u>\$ 74,154</u>	<u>\$ 74,204</u>	<u>\$ 64,043</u>

As of March 31, 2021, the Corporation pledged 28,599 thousand stocks of the subsidiary TFIC as security.

30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of March 31, 2021 were as follows:

- a. As of March 31, 2021, unused letters of credit for purchases of raw materials amounted to \$1,599,444 thousand, purchase guarantees from banking institution amounted to \$470,000 thousand, and refundable deposit with the Harbor Bureau amounted to \$195,407 thousand, respectively.
- b. Endorsements/guarantees provided to subsidiaries and associates

The Corporation

TFIC	<u>\$ 1,450,000</u>
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- c. The Corporation has a long-term ethylene purchase agreement with Chinese Petroleum Corporation, Taiwan under which the Corporation is committed to purchase ethylene until December 31, 2021. The purchase price under the agreement is in U.S. dollars.
- d. The Corporation has a three-year agreement beginning from 2004, to sell ethylene glycols to major customers, namely, Far Eastern New Century Corporation, Tainan Spinning Co., Ltd., and Shinkong Synthetic Fibers Corporation. The agreement is automatically renewed for successive periods of three years unless otherwise terminated by either party with prior notice. The determined price under the agreement is in U.S. dollars.

- e. In May 2016, the Corporation signed a five-year ethylene carbonate designated production/sales agreement with Chi Mei Corporation (“CMC”). Also, the Corporation agreed to purchase from CMC any qualified ethylene glycol by-products which are produced during the manufacturing process. And the purchase price is determined by agreed upon bases. Both sides agreed that the Corporation could sell part of the output to a specific-purpose market.

31. OTHER ITEMS

The Group has been impacted by the COVID-19 pandemic and fluctuations of international crude oil price since 2020. With the epidemic slowing and policy loosening, the Group’s operation has gradually returned to normal. As of the reporting date, the Group considered there is no doubt on the Group’s ability to continue as a going concern, on the fund risk, and on the risk of impairment loss of assets at present.

32. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

March 31, 2021

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 8,805	28.54 (USD:NTD)	\$ 251,251
USD	146	6.57 (USD:RMB)	4,166
JPY	1,318	0.26 (JPY:NTD)	<u>340</u>
			<u>\$ 255,757</u>
Non-monetary items			
Investments accounted for using the equity method			
RMB	409,806	4.34 (RMB:NTD)	<u>\$ 1,779,530</u>
<u>Financial liabilities</u>			
Monetary items			
USD	34,989	6.57 (USD:RMB)	\$ 998,411
USD	190	28.54 (USD:NTD)	5,422
EUR	2	7.71 (EUR:RMB)	<u>67</u>
			<u>\$ 1,003,900</u>

December 31, 2020

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 1,920	6.52 (USD:RMB)	\$ 54,682
USD	4,957	28.48 (USD:NTD)	<u>141,175</u>
			<u>\$ 195,857</u>
Non-monetary items			
Investments accounted for using the equity method			
RMB	424,938	4.36 (RMB:NTD)	<u>\$ 1,854,779</u>
<u>Financial liabilities</u>			
Monetary items			
USD	29,324	6.52 (USD:RMB)	\$ 835,148
USD	2,736	28.48 (USD:NTD)	77,921
RMB	8,560	4.36 (RMB:NTD)	<u>37,363</u>
			<u>\$ 950,432</u>

March 31, 2020

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 2,001	30.23 (USD:NTD)	\$ 60,480
USD	1,153	7.09 (USD:RMB)	<u>34,849</u>
			<u>\$ 95,329</u>
Non-monetary items			
Investments accounted for using the equity method			
RMB	502,924	4.27 (RMB:NTD)	<u>\$ 2,145,469</u>
<u>Financial liabilities</u>			
Monetary items			
USD	30,509	7.09 (USD:RMB)	\$ 922,135
USD	2,431	30.23 (USD:NTD)	<u>73,477</u>
			<u>\$ 995,612</u>

The significant realized and unrealized foreign exchange gains (losses) were as follows:

For the Three Months Ended March 31				
2021			2020	
Foreign Currencies	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
NTD	1 (NTD:NTD)	\$ (3,903)	1 (NTD:NTD)	\$ 2,686
RMB	4.38 (RMB:NTD)	<u>(806)</u>	4.32 (RMB:NTD)	<u>(2,159)</u>
		<u>\$ (4,709)</u>		<u>\$ 527</u>

33. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

- 1) Financing provided to others. (Table 1)
- 2) Endorsements/guarantees provided. (Table 2)
- 3) Marketable securities held. (Table 3)
- 4) Marketable securities acquired or disposed at costs or prices at least NT\$300 million or 20% of the paid-in capital. (None)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital. (None)
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital. (None)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 4)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 5)
- 9) Trading in derivative instruments. (None)
- 10) Intercompany relationships and significant intercompany transactions. (None)

b. Information on investees. (Table 6)

c. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 7)
- 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. (None)

- d. Information of major stockholders: List all stockholders with ownership of 5% or greater showing the name of the stockholders, the number of shares owned, and percentage of ownership of each stockholders. (Table 8)

34. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. Specifically, the Group's reportable segments under IFRS 8 "Operating Segments" were as follows:

- Ethylene glycols business
- Special chemicals business
- Gas business
- Investment and others

a. Segment revenues and results

The following was an analysis of the Group's revenue and results by reportable segments.

	Segment Revenues		Segment Profit (Loss)	
	For the Three Months Ended		For the Three Months Ended	
	March 31		March 31	
	2021	2020	2021	2020
Ethylene glycols business	\$ 4,668,123	\$ 3,183,767	\$ 356,687	\$ (323,659)
Special chemicals business	1,510,446	907,388	102,430	14,209
Gas business	393,315	432,244	158,134	107,451
Investment and others	2,879	-	(8,333)	(19,408)
Other eliminations and adjustments	-	(211,630)	27	59,717
Total operating segments	\$ 6,574,763	\$ 4,311,769	608,945	(161,690)
Non-operating income and expense			438,682	(279,307)
Profit (loss) before income tax			\$ 1,047,627	\$ (440,997)

Segment profit represents the profit earned by each segment. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

b. Segment total assets

	March 31, 2021	December 31,	March 31, 2020
		2020	
<u>Segment assets</u>			
Ethylene glycols business	\$ 12,536,259	\$ 15,342,805	\$ 16,128,265
Special chemicals business	3,865,652	3,200,090	4,467,766
Gas business	2,406,209	2,497,981	2,396,410
Investment and others	27,742,396	24,919,531	25,700,578
Other eliminations and adjustments	(11,618,385)	(11,856,780)	(12,213,088)
Total segment assets	\$ 34,932,131	\$ 34,103,627	\$ 36,479,931

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

FINANCINGS PROVIDED TO OTHERS
FOR THE THREE MONTHS ENDED MARCH 31, 2021

(In Thousands of New Taiwan Dollars)

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 Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note)	Aggregate Financing Amount Limits (Note)	Note
													Item	Value			
1	FUPY	HXYZ	Other receivables - related parties loans	Yes	\$ 495,845	\$ 495,845	\$ 495,845	1.3%	Necessary for short-term financing	\$ -	Operating capital	\$ -	Promissory notes	\$ -	40% of net worth of FUPY \$2,841,438	40% of net worth of FUPY \$2,841,438	

Note: Based on reviewed financial statements.

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2021
(In Thousands of New Taiwan Dollars)

No.	Endorser/ Guarantor	Endorsee/Guaranteed		Limits on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship (Note)											
0	The Corporation	TFIC	2	50% of net worth of the Corporation \$6,349,802	\$ 1,450,000	\$ 1,450,000	\$ 590,000	\$ -	11.42	100% of net worth of the Corporation \$12,699,603	Y	N	N	

Note: The relationships between the endorser/guarantor and the endorsee/guaranteed are listed below:

- Represents the entity whose voting shares are exceed fifty percent (50%) owned directly or indirectly by the Corporation.

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

MARCH 31, 2021

(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2021				Note	
				Number of Stocks/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value		
The Corporation	Far Eastern Department Stores Ltd.	Same chairman	Financial assets at FVTOCI - non-current	14,378,228	\$ 345,078	1	\$ 345,078	Note 1	
	Far Eastern New Century Corp.	Same chairman	Same as above	6,888,446	208,031	-	208,031	Note 1	
	Asia Cement Corp.	Same chairman	Same as above	8,486,315	405,646	-	405,646	Note 1	
	Everest Textile Co., Ltd.	The chairman of Everest Textile Co., Ltd. is a director of the Corporation	Same as above	12,885,683	105,405	3	105,405	Note 1	
	Oriental Petrochemical (Taiwan) Co., Ltd.	The Corporation is one of its director	Same as above	309,334,376	2,548,915	14	2,548,915	Note 2	
	Grand Cathay Venture Capital Co., Ltd.	-	Same as above	26,666,667	311,200	17	311,200	Note 2	
	Eminent Venture Capital Corp.	-	Same as above	2,700,000	21,762	10	21,762	Note 2	
	Eminent II Venture Capital Corp.	-	Same as above	3,600,000	28,800	6	28,800	Note 2	
	Tai An Technologies Corp.	-	Same as above	499,998	7,185	5	7,185	Note 2	
	TFIC	Yuanta Global Future Telecommunication ETF	-	Financial assets at FVTPL - current	35,000	984	-	984	Note 1
Taiwan Cement Corp.		-	Same as above	25,000	1,170	-	1,170	Note 1	
Shinkong Synthetic Fibers Corp.		-	Same as above	150,000	2,625	-	2,625	Note 1	
China Motor Corp.		-	Same as above	50,000	3,315	-	3,315	Note 1	
Taiwan Semiconductor Manufacturing Co., Ltd.		-	Same as above	10,000	5,870	-	5,870	Note 1	
Macronix International Co., Ltd.		-	Same as above	75,000	3,326	-	3,326	Note 1	
Mediatek Inc.		-	Same as above	6,000	5,814	-	5,814	Note 1	
Da-Cin Construction Co., Ltd.		-	Same as above	6,000	194	-	194	Note 1	
Eva Airways Corp.		-	Same as above	375,000	5,887	-	5,887	Note 1	
Cathay Financial Holding Co., Ltd.		-	Same as above	24,000	1,151	-	1,151	Note 1	
Novatek Microelectronics Corp.		-	Same as above	11,000	6,325	-	6,325	Note 1	
Foxsemicon Integrated Technology Inc.		-	Same as above	24,000	5,592	-	5,592	Note 1	
Arcadyan Technology Corp.		-	Same as above	50,000	5,800	-	5,800	Note 1	
Zhen Ding Technology Co., Ltd.		-	Same as above	48,000	5,784	-	5,784	Note 1	
Innodisk Corp.		-	Same as above	49,000	8,330	-	8,330	Note 1	
MPI Corp.		-	Same as above	45,000	5,580	-	5,580	Note 1	
Formosa Petrochemical Corp.		-	Same as above	12,000	1,162	-	1,162	Note 1	
Wiwynn Corp.		-	Same as above	9,000	7,587	-	7,587	Note 1	
The Corporation		Treasury stock		Financial assets at FVTOCI - non-current	13,753,554	187,798	2	267,507	Note 1
Far Eastern International Commercial Bank ("FEIC")		The chairman of the Corporation is FEIC's director	Same as above	Same as above	30,195,438	323,091	1	323,091	Note 1
Everest Textile Co., Ltd.	The chairman of Everest Textile Co., Ltd. is the Corporation's parent corporation's director	Same as above	Same as above	11,712,847	95,811	2	95,811	Note 1	
Yue Ding Enterprise Corp.	Related party in substance	Same as above	Same as above	5,498,645	85,339	5	85,339	Note 2	
Ding Shen Investment Co., Ltd.	Related party in substance	Same as above	Same as above	40,328,640	392,398	18	392,398	Note 2	
Oriental Petrochemical (Taiwan) Co., Ltd.	The Corporation is one of its director	Same as above	Same as above	98,759,902	813,782	4	813,782	Note 2	

Note 1: The market value was calculated at closing price on March 31, 2021.

Note 2: The net asset value was calculated based on the latest assessments.

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

**TOTAL PURCHASE FROM OR SALE TO RELATED PARTIES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2021
(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
The Corporation	Far Eastern New Century Corp.	Same chairman	Sale	\$ (455,267)	(7)	Same as those to unrelated parties	-	-	\$ 183,713	12	-

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NTS100 MILLION OR 20% OF THE PAID-IN CAPITAL

MARCH 31, 2021

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
The Corporation	Far Eastern New Century Corp.	Same chairman	Trade receivables \$ 183,713	13.48	\$ -	-	\$ 177,047	\$ -
FUPY	Far Eastern Industries (Shanghai) Ltd.	Others	Notes receivable 105,773	3.41	-	-	59,396	-

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES
 FOR THE THREE MONTHS ENDED MARCH 31, 2021
 (In Thousands of New Taiwan Dollars or Foreign Currency)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2021			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				March 31, 2021	December 31, 2020	Stocks	%	Carrying Amount			
The Corporation	PPL	British Virgin Islands	Investment	US\$ 192,972	US\$ 192,972	148,356	100	\$ 5,124,273	\$ 288,165	\$ 288,165	Note
	TFIC	Taipei City, ROC	Enterprise and financial institution investments	\$ 1,110,000	\$ 1,110,000	149,694,275	100	1,216,134	2,777	2,777	
	OUCG (Bermuda)	British Bermuda Islands	Investment	US\$ 90,000	US\$ 90,000	103,580	100	873,098	91,351	91,351	

Note: The ending balance includes 28,599,328 stocks pledged to financial institutions.

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

INFORMATION OF INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2021
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2021	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2021	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of March 31, 2021	Accumulated Repatriation of Investment Income as of March 31, 2021	Note
					Outflow	Inflow							
OPSC	Manufacture and sale of purified terephthalic acid.	US\$ 241,310	Indirect	US\$ 92,886	US\$ -	US\$ -	US\$ 92,886	RMB (31,604)	39	\$ (53,456) (Note 2)	\$ 1,512,347	\$ -	
FUPY	Manufacturing and selling chemical products (ethylene glycol, diethylene glycol, triethylene glycol and ethylene oxide) and other specific chemical products.	US\$ 297,500	Indirect	US\$ 179,500	US\$ -	US\$ -	US\$ 179,500	RMB 180,477	56	440,749 (Note 2)	3,963,806	-	Note 4
HXYZ	The production and sales of hot water (non-potable water) and steam; the erection and maintenance of heat-supply pipelines; the consultancy service in heat-supply technologies.	RMB 160,000	Indirect	-	-	-	-	RMB (5,451)	28	(11,905) (Note 3)	267,183	-	

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
US\$272,386	US\$281,636	(Note 1)

Note 1: The Corporation obtained certificate No. 11020408220 from Industrial Development Bureau, Ministry of Economic Affairs according to the "Regulations Governing the Approval of Investment or Technical Cooperation in Mainland China", the accumulation of fund is not limited.

Note 2: Based on reviewed financial statements.

Note 3: Based on non-reviewed financial statements.

Note 4: Significant non-controlling interests.

TABLE 8**ORIENTAL UNION CHEMICAL CORPORATION****INFORMATION OF MAJOR STOCKHOLDERS
FOR THE THREE MONTHS ENDED MARCH 31, 2021**

Name of Major Stockholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Far Eastern New Century Corp.	81,217,005	9.16
Yuan Ding Investment Co., Ltd.	70,817,684	7.99
Asia Cement Corp.	63,766,522	7.19
Yuan Tong Investment Co., Ltd.	49,705,396	5.61

Note: The table discloses stockholding information of stockholders whose stockholding percentages are more than 5%. The Taiwan Depository & Clearing Corporation calculates the total number of common stocks (including treasury stocks) that have completed the dematerialized registration and delivery on the last business day of the quarter. The stocks reported in the financial statements and the actual number of stocks that have completed the dematerialized registration and delivery may be different due to the basis of calculation.