

**Oriental Union Chemical Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Nine Months Ended September 30, 2023 and 2022 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
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 September 30, 2023 and 2022, and the consolidated statements of comprehensive income for the three-month and nine-month then ended, and the consolidated statements of changes in equity and cash flows for the nine-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 Standards on Review Engagements of the Republic of China 2410 "Review of Interim 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 mentioned in Note 14 to the consolidated financial statements, the investment balances of OUCC and its subsidiaries using the equity method at September 30, 2023 and 2022 were \$155,107 thousand and \$202,511 thousand, respectively; and the related investment losses for the three-month and nine-month period ended September 30, 2023 and 2022, respectively, were \$11,180 thousand, \$11,650 thousand, \$35,537 thousand and \$36,007 thousand, respectively. All above is based on the financial statements of the investee company that have not been reviewed and disclosed by accountants during the same period.

Qualified Conclusion

Based on our review, except for the impact that the financial statements of the investee company using the equity method mentioned in the basic paragraph of the qualified conclusion may be adjusted to the consolidated financial statements if reviewed by the accountant, 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 September 30, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the three-month and nine-month then ended September 30, 2023 and 2022 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 Li-Wen Kuo.

Deloitte & Touche
Taipei, Taiwan
Republic of China

November 9, 2023

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	September 30, 2023		December 31, 2022		September 30, 2022	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Notes 6 and 29)	\$ 1,894,492	6	\$ 2,145,428	6	\$ 2,691,910	8
Financial assets at fair value through profit or loss (Note 7)	83,485	-	48,707	-	33,737	-
Financial assets at amortized cost (Notes 9 and 29)	-	-	352,755	1	406,948	1
Notes receivable, net (Notes 10 and 29)	250,710	1	147,865	-	209,673	1
Trade receivables, net (Note 10)	956,519	3	910,342	3	798,215	2
Trade receivables from related parties (Notes 10 and 29)	50,150	-	68,344	-	113,069	-
Other receivables (Note 29)	576,321	2	572,852	2	634,768	2
Inventories (Note 11)	1,306,826	4	1,264,508	4	1,259,413	4
Prepayments for purchases	162,002	-	275,762	1	245,177	1
Other prepayments	107,884	-	59,321	-	72,767	-
Non-current assets held for sale (Notes 12 and 29)	-	-	308,622	1	-	-
Other current assets (Note 18)	103,857	-	333,001	1	168,458	-
Total current assets	<u>5,492,246</u>	<u>16</u>	<u>6,487,507</u>	<u>19</u>	<u>6,634,135</u>	<u>19</u>
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income (Notes 8, 29 and 30)	7,456,205	22	7,384,643	21	5,897,629	17
Financial assets at amortized cost (Notes 9, 29 and 30)	64,754	-	64,523	-	64,440	-
Investments accounted for using the equity method (Note 14)	155,107	1	187,675	-	975,466	3
Property, plant and equipment (Notes 15 and 29)	11,817,593	35	12,389,916	35	12,548,599	36
Construction in progress (Note 15)	2,897,609	9	2,346,572	7	2,342,261	7
Right-of-use assets (Note 16)	393,323	1	385,495	1	394,070	1
Investment properties (Note 17 and 30)	1,682,742	5	1,682,742	5	1,991,364	6
Intangible assets	51,339	-	40,815	-	43,687	-
Deferred tax assets	533,292	2	548,518	2	704,205	2
Other non-current assets (Note 18)	3,069,898	9	3,389,398	10	3,160,149	9
Total non-current assets	<u>28,121,862</u>	<u>84</u>	<u>28,420,297</u>	<u>81</u>	<u>28,121,870</u>	<u>81</u>
TOTAL	<u>\$ 33,614,108</u>	<u>100</u>	<u>\$ 34,907,804</u>	<u>100</u>	<u>\$ 34,756,005</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 19 and 29)	\$ 6,290,217	19	\$ 7,727,567	22	\$ 7,752,337	22
Notes payable	224,727	1	145,512	-	-	-
Trade payable (Note 29)	1,419,599	4	1,195,524	4	1,216,352	4
Other payables (Note 20)	433,262	1	618,928	2	592,120	2
Other payables to related parties (Note 29)	102,199	-	77,092	-	76,103	-
Lease liabilities (Note 16)	6,475	-	4,233	-	5,164	-
Other current liabilities (Note 21)	299,911	1	212,264	1	375,822	1
Total current liabilities	<u>8,776,390</u>	<u>26</u>	<u>9,981,120</u>	<u>29</u>	<u>10,017,898</u>	<u>29</u>
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 19 and 30)	8,650,000	26	9,598,259	28	9,499,462	27
Deferred tax liabilities	722,848	2	730,928	2	729,901	2
Lease liabilities (Note 16)	15,901	-	9,765	-	9,584	-
Net defined benefit liabilities	161,930	1	168,584	-	171,520	1
Guarantee deposits	38,213	-	54,375	-	52,750	-
Other non-current liabilities (Note 21)	41,159	-	70,038	-	74,126	-
Total non-current liabilities	<u>9,630,051</u>	<u>29</u>	<u>10,631,949</u>	<u>30</u>	<u>10,537,343</u>	<u>30</u>
Total liabilities	<u>18,406,441</u>	<u>55</u>	<u>20,613,069</u>	<u>59</u>	<u>20,555,241</u>	<u>59</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Note 23)						
Ordinary shares	8,857,031	26	8,857,031	25	8,857,031	26
Capital surplus	1,087,752	3	1,085,930	3	1,013,204	3
Retained earnings						
Legal reserve	1,619,080	5	1,615,037	5	1,615,037	5
Special reserve	1,911,129	6	1,911,129	5	1,911,129	5
Unappropriated earnings (accumulated deficits)	438,592	1	214,458	1	(344,710)	(1)
Total retained earnings	<u>3,968,801</u>	<u>12</u>	<u>3,740,624</u>	<u>11</u>	<u>3,181,456</u>	<u>9</u>
Other equity						
Exchange differences on translating foreign operations	(356,111)	(1)	(477,924)	(2)	(342,037)	(1)
Unrealized loss on financial assets at fair value through other comprehensive income	(1,032,075)	(3)	(1,090,401)	(3)	(889,143)	(3)
Total other equity	<u>(1,388,186)</u>	<u>(4)</u>	<u>(1,568,325)</u>	<u>(5)</u>	<u>(1,231,180)</u>	<u>(4)</u>
Treasury shares	(124,373)	-	(124,373)	-	(124,373)	-
Total equity	<u>15,207,667</u>	<u>45</u>	<u>14,294,735</u>	<u>41</u>	<u>14,200,764</u>	<u>41</u>
TOTAL	<u>\$ 33,614,108</u>	<u>100</u>	<u>\$ 34,907,804</u>	<u>100</u>	<u>\$ 34,756,005</u>	<u>100</u>

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

(With Deloitte & Touche review report dated November 9, 2023)

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except (Loss) Earnings Per Share)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE								
Sales revenue (Note 29)	\$ 5,248,419	100	\$ 4,873,395	99	\$ 15,704,076	100	\$ 16,917,972	100
Other operating revenue	<u>20,460</u>	-	<u>42,580</u>	1	<u>27,040</u>	-	<u>42,580</u>	-
Total operating revenue	<u>5,268,879</u>	100	<u>4,915,975</u>	100	<u>15,731,116</u>	100	<u>16,960,552</u>	100
OPERATING COST								
Cost of goods sold (Notes 11, 24 and 29)	5,270,517	100	5,080,360	103	15,482,007	98	16,988,376	100
Other operating cost	<u>-</u>	-	<u>(12,288)</u>	-	<u>-</u>	-	<u>-</u>	-
Total operating cost	<u>5,270,517</u>	100	<u>5,068,072</u>	103	<u>15,482,007</u>	98	<u>16,988,376</u>	100
GROSS (LOSS) PROFIT	<u>(1,638)</u>	-	<u>(152,097)</u>	(3)	<u>249,109</u>	2	<u>(27,824)</u>	-
OPERATING EXPENSES (Notes 24 and 29)								
Selling and marketing expenses	128,787	3	158,706	3	402,322	3	498,310	3
General and administrative expenses	64,499	1	63,938	1	211,267	1	210,137	1
Research and development expenses	52,513	1	47,633	1	156,012	1	150,533	1
Expected credit loss (gain) (Note 10)	<u>853</u>	-	<u>(213)</u>	-	<u>161</u>	-	<u>(783)</u>	-
Total operating expenses	<u>246,652</u>	5	<u>270,064</u>	5	<u>769,762</u>	5	<u>858,197</u>	5
LOSS FROM OPERATIONS	<u>(248,290)</u>	(5)	<u>(422,161)</u>	(8)	<u>(520,653)</u>	(3)	<u>(886,021)</u>	(5)
NON-OPERATING INCOME AND EXPENSES								
Interest income (Note 29)	8,523	-	10,135	-	31,250	-	30,719	-
Rental income (Note 29)	7,800	-	9,886	-	25,198	-	29,663	-
Dividend income	44,631	1	52,124	1	67,886	-	83,019	-
Other income	16,191	-	19,754	-	31,244	-	39,079	-
Gain (loss) on disposal of property, plant and equipment	1,284	-	277	-	1,219	-	(767)	-
Gain on disposal of non-current assets held for sale (Notes 12 and 29)	-	-	-	-	743,178	5	-	-
Foreign currency exchange gain (Note 33)	7,215	-	23,087	1	29,602	-	36,149	-
(Loss) gain on financial assets at fair value through profit or loss	(4,387)	-	1,750	-	2,575	-	(1,682)	-
Interest expense (Notes 24 and 29)	(88,539)	(1)	(81,198)	(2)	(292,540)	(2)	(219,062)	(1)
Other expenses (Note 24)	(8,413)	-	(13,057)	-	(31,262)	-	(34,551)	-
Share of loss of associates accounted for using the equity method (Note 14)	<u>(11,180)</u>	-	<u>(163,643)</u>	(3)	<u>(35,537)</u>	-	<u>(395,635)</u>	(2)
Total non-operating income and expenses	<u>(26,875)</u>	-	<u>(140,885)</u>	(3)	<u>572,813</u>	3	<u>(433,068)</u>	(3)

(Continued)

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except (Loss) Earnings Per Share)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
(LOSS) PROFIT BEFORE INCOME TAX	\$ (275,165)	(5)	\$ (563,046)	(11)	\$ 52,160	-	\$ (1,319,089)	(8)
INCOME TAX (BENEFIT) EXPENSE (Note 25)	<u>(9,228)</u>	-	<u>(60,526)</u>	(1)	<u>34,772</u>	-	<u>(137,537)</u>	(1)
NET (LOSS) PROFIT FOR THE PERIOD	<u>(265,937)</u>	(5)	<u>(502,520)</u>	(10)	<u>17,388</u>	-	<u>(1,181,552)</u>	(7)
OTHER COMPREHENSIVE (LOSS) INCOME								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	(138,480)	(3)	(61,546)	(1)	58,326	1	(162,261)	(1)
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating the financial statement of foreign operations	346,617	7	63,204	1	193,201	1	203,915	1
Share of the other comprehensive income of associates accounted for using the equity method	<u>-</u>	-	<u>9,863</u>	-	<u>-</u>	-	<u>33,676</u>	-
Other comprehensive income for the period, net of income tax	<u>208,137</u>	4	<u>11,521</u>	-	<u>251,527</u>	2	<u>75,330</u>	-
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD	<u>\$ (57,800)</u>	<u>(1)</u>	<u>\$ (490,999)</u>	<u>(10)</u>	<u>\$ 268,915</u>	<u>2</u>	<u>\$ (1,106,222)</u>	<u>(7)</u>
NET (LOSS) PROFIT ATTRIBUTED TO:								
Owners of the Corporation	\$ (148,842)	(3)	\$ (257,902)	(5)	\$ 405,318	3	\$ (518,731)	(3)
Non-controlling interests	<u>(117,095)</u>	<u>(2)</u>	<u>(244,618)</u>	<u>(5)</u>	<u>(387,930)</u>	<u>(3)</u>	<u>(662,821)</u>	<u>(4)</u>
	<u>\$ (265,937)</u>	<u>(5)</u>	<u>\$ (502,520)</u>	<u>(10)</u>	<u>\$ 17,388</u>	<u>-</u>	<u>\$ (1,181,552)</u>	<u>(7)</u>
TOTAL COMPREHENSIVE (LOSS) INCOME ATTRIBUTED TO:								
Owners of the Corporation	\$ (59,094)	(1)	\$ (272,071)	(6)	\$ 585,457	4	\$ (527,026)	(3)
Non-controlling interests	<u>1,294</u>	<u>-</u>	<u>(218,928)</u>	<u>(4)</u>	<u>(316,542)</u>	<u>(2)</u>	<u>(579,196)</u>	<u>(4)</u>
	<u>\$ (57,800)</u>	<u>(1)</u>	<u>\$ (490,999)</u>	<u>(10)</u>	<u>\$ 268,915</u>	<u>2</u>	<u>\$ (1,106,222)</u>	<u>(7)</u>
(LOSS) EARNING PER SHARE (Note 26)								
Basic	<u>\$ (0.17)</u>		<u>\$ (0.29)</u>		<u>\$ 0.46</u>		<u>\$ (0.59)</u>	
Diluted	<u>\$ (0.17)</u>		<u>\$ (0.29)</u>		<u>\$ 0.46</u>		<u>\$ (0.59)</u>	

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

(With Deloitte & Touche review report dated November 9, 2023)

(Concluded)

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Corporation							Other Equities				Total Equity
	Ordinary Shares	Capital Surplus			Retained Earnings			Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Shares	Non-controlling Interests	
		Paid-in Capital in Excess of Par Value	Treasury Shares	Other	Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficits)					
BALANCE AT JANUARY 1, 2022	\$ 8,857,031	\$ 470,767	\$ 373,329	\$ 162,732	\$ 1,526,813	\$ 1,911,129	\$ 882,237	\$ (496,003)	\$ (726,882)	\$ (124,373)	\$ 3,083,822	\$ 15,920,602
Legal reserve	-	-	-	-	88,224	-	(88,224)	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	-	-	(619,992)	-	-	-	-	(619,992)
Net loss for the nine months ended September 30, 2022	-	-	-	-	-	-	(518,731)	-	-	-	(662,821)	(1,181,552)
Other comprehensive income (loss) for the nine months ended September 30, 2022	-	-	-	-	-	-	-	153,966	(162,261)	-	83,625	75,330
Total comprehensive (loss) income for the nine months ended September 30, 2022	-	-	-	-	-	-	(518,731)	153,966	(162,261)	-	(579,196)	(1,106,222)
Change in capital surplus from dividends distributed to subsidiary	-	-	6,376	-	-	-	-	-	-	-	-	6,376
BALANCE AT SEPTEMBER 30, 2022	<u>\$ 8,857,031</u>	<u>\$ 470,767</u>	<u>\$ 379,705</u>	<u>\$ 162,732</u>	<u>\$ 1,615,037</u>	<u>\$ 1,911,129</u>	<u>\$ (344,710)</u>	<u>\$ (342,037)</u>	<u>\$ (889,143)</u>	<u>\$ (124,373)</u>	<u>\$ 2,504,626</u>	<u>\$ 14,200,764</u>
BALANCE AT JANUARY 1, 2023	\$ 8,857,031	\$ 470,767	\$ 379,705	\$ 235,458	\$ 1,615,037	\$ 1,911,129	\$ 214,458	\$ (477,924)	\$ (1,090,401)	\$ (124,373)	\$ 2,303,848	\$ 14,294,735
Legal reserve	-	-	-	-	4,043	-	(4,043)	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	-	-	(177,141)	-	-	-	-	(177,141)
Net profit for the nine months ended September 30, 2023	-	-	-	-	-	-	405,318	-	-	-	(387,930)	17,388
Other comprehensive income for the nine months ended September 30, 2023	-	-	-	-	-	-	-	121,813	58,326	-	71,388	251,527
Total comprehensive income for the nine months ended September 30, 2023	-	-	-	-	-	-	405,318	121,813	58,326	-	(316,542)	268,915
Change in capital surplus from dividends distributed to subsidiary	-	-	1,822	-	-	-	-	-	-	-	-	1,822
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	819,336	819,336
BALANCE AT SEPTEMBER 30, 2023	<u>\$ 8,857,031</u>	<u>\$ 470,767</u>	<u>\$ 381,527</u>	<u>\$ 235,458</u>	<u>\$ 1,619,080</u>	<u>\$ 1,911,129</u>	<u>\$ 438,592</u>	<u>\$ (356,111)</u>	<u>\$ (1,032,075)</u>	<u>\$ (124,373)</u>	<u>\$ 2,806,642</u>	<u>\$ 15,207,667</u>

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

(With Deloitte & Touche review report dated November 9, 2023)

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Nine Months Ended September 30	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) before income tax	\$ 52,160	\$ (1,319,089)
Adjustments:		
Depreciation expenses	797,821	812,281
Amortization expenses	10,836	10,309
Expected credit loss (gain)	161	(783)
Net (gain) loss on fair value changes of financial assets at fair value through profit or loss	(2,575)	1,682
Interest expense	292,540	219,062
Interest income	(31,250)	(30,719)
Dividend income	(67,886)	(83,019)
Share of loss of associates accounted for using the equity method	35,537	395,635
(Gain) loss on disposal of property, plant and equipment	(1,219)	767
Gain on disposal of non-current assets held for sale	(743,178)	-
Write-downs of inventories	3,553	24,963
Unrealized loss (gain) on foreign currency exchange	51,865	(9,907)
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	(32,203)	26,024
Notes receivable	(102,952)	13,275
Trade receivables	(46,231)	204,477
Trade receivables from related parties	18,194	(487)
Other receivables	5,512	(63,658)
Inventories	(33,385)	137,473
Prepayments	64,919	(64,510)
Other current assets	229,144	23,327
Notes payable	79,215	-
Trade payables	224,075	(340,249)
Other payables	(75,473)	(600,814)
Other current liabilities	87,647	88,100
Net defined benefit liabilities	(6,654)	(58,962)
Other non-current liabilities	(28,879)	20,129
Cash generated from (used in) operations	781,294	(594,693)
Interest received	33,661	33,583
Interest paid	(344,495)	(206,609)
Income tax (paid) received	(23,181)	324
Net cash generated from (used in) operating activities	447,279	(767,395)

(Continued)

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Nine Months Ended September 30	
	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	\$ -	\$ (573,959)
Proceeds from the capital reduction of financial assets at fair value through other comprehensive income	19,350	13,500
Proceeds from financial assets at amortized cost	352,839	12,567
Proceeds from disposal of non-current assets held for sale	1,051,800	-
Payments for property, plant and equipment	(5,520)	(13,868)
Proceeds from disposal of property, plant and equipment	2,398	282
Payments for intangible assets	(15,663)	-
Decrease (increase) in other non-current assets	352,220	(161,629)
Increase in construction in progress	(654,628)	(906,084)
Other dividends received	67,886	83,019
Net cash generated from (used in) investing activities	1,170,682	(1,546,172)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayments of) proceeds from short-term borrowings	(1,548,960)	2,108,974
Proceeds from long-term borrowings	18,240,999	13,010,000
Repayments of long-term borrowings	(19,189,258)	(11,639,936)
(Decrease) increase in guarantee deposits	(16,162)	13,319
Repayment of the principal portion of lease liabilities	(3,749)	(8,141)
Dividends paid to owners of the Corporation	(175,319)	(613,616)
Change in non-controlling interests	819,336	-
Net cash (used in) generated from financing activities	(1,873,113)	2,870,600
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	4,216	31,310
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(250,936)	588,343
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	2,145,428	2,103,567
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	\$ 1,894,492	\$ 2,691,910

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

(With Deloitte & Touche review report dated November 9, 2023)

(Concluded)

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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 November 9, 2023.

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 (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 a material impact on the Group’s accounting policies.

- b. The IFRSs endorsed by the FSC for application starting from 2024

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

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

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

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

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

- c. The IFRSs in issue but not yet endorsed and issued into effect by the FSC

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

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

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

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

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, 2022.

- a. Statement of compliance

The 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, 2022.

Refer to Note 13, Table 7 and Table 8 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. Income tax expense

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. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The same material 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, 2022.

When developing material accounting estimates, the Group considers the possible impact of the recent development of the COVID-19 pandemic and its economic environment implications on the cash flow projection, growth rates, discount rates, profitabilities and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

6. CASH AND CASH EQUIVALENTS

	September 30, 2023	December 31, 2022	September 30, 2022
Cash on hand	\$ 110	\$ 110	\$ 110
Checking accounts and demand deposits	1,706,308	1,993,192	2,420,237
Cash equivalents			
Time deposits with original maturities of less than 3 months	186,074	152,126	109,563
Repurchase agreements collateralized by bonds	<u>2,000</u>	<u>-</u>	<u>162,000</u>
	<u>\$ 1,894,492</u>	<u>\$ 2,145,428</u>	<u>\$ 2,691,910</u>

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	September 30, 2023	December 31, 2022	September 30, 2022
Financial assets mandatorily classified as at FVTPL			
Domestic listed shares	<u>\$ 83,485</u>	<u>\$ 48,707</u>	<u>\$ 33,737</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments at FVTOCI

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Non-current</u>			
Domestic investments			
Listed shares	\$ 1,513,913	\$ 1,476,284	\$ 1,464,408
Unlisted shares	<u>5,942,292</u>	<u>5,908,359</u>	<u>4,433,221</u>
	<u>\$ 7,456,205</u>	<u>\$ 7,384,643</u>	<u>\$ 5,897,629</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.

Refer to Note 30 for information relating to financial assets at fair value through other comprehensive income as security.

9. FINANCIAL ASSETS AT AMORTIZED COST

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Current</u>			
Time deposits with original maturities of more than 3 months (a)	\$ <u> -</u>	\$ <u>352,755</u>	\$ <u>406,948</u>
<u>Non-current</u>			
Pledged certificates of deposits (b)	\$ <u>64,754</u>	\$ <u>64,523</u>	\$ <u>64,440</u>

- a. The ranges of interest rates for time deposits with original maturities of more than 3 months were 2.24% and 2.13%-2.24% per annum as of December 31, 2022 and September 30, 2022, respectively.
- b. The ranges of interest rates for the pledged certificates of deposits were 0.90%-1.58%, 0.75%-1.20% and 0.40%-1.20% per annum as of September 30, 2023, December 31, 2022 and September 30, 2022, 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 30 for information relating to financial assets at amortized cost as security.

10. NOTES RECEIVABLE AND TRADE RECEIVABLES

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Notes receivable</u>			
Notes receivable	\$ 251,153	\$ 148,201	\$ 210,016
Less: Allowance for impairment loss	<u> (443)</u>	<u> (336)</u>	<u> (343)</u>
	<u>\$ 250,710</u>	<u>\$ 147,865</u>	<u>\$ 209,673</u>
<u>Trade receivables</u>			
Trade receivables	\$ 1,011,025	\$ 982,988	\$ 916,309
Less: Allowance for impairment loss	<u> (4,356)</u>	<u> (4,302)</u>	<u> (5,025)</u>
	<u>\$ 1,006,669</u>	<u>\$ 978,686</u>	<u>\$ 911,284</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 GDP and industry outlook at the reporting date.

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

September 30, 2023

	0 to 60 Days	61 to 90 Days	91 to 120 Days	Over 121 Days	Total
Carrying amount	\$ 1,241,103	\$ 16,873	\$ 2,750	\$ 1,452	\$ 1,262,178
Loss allowance (Lifetime ECLs)	<u>(443)</u>	<u>(154)</u>	<u>(2,750)</u>	<u>(1,452)</u>	<u>(4,799)</u>
Amortized cost	<u>\$ 1,240,660</u>	<u>\$ 16,719</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,257,379</u>

December 31, 2022

	0 to 60 Days	61 to 90 Days	91 to 120 Days	Over 121 Days	Total
Carrying amount	\$ 1,108,685	\$ 20,245	\$ 2,259	\$ -	\$ 1,131,189
Loss allowance (Lifetime ECLs)	<u>(336)</u>	<u>(2,043)</u>	<u>(2,259)</u>	<u>-</u>	<u>(4,638)</u>
Amortized cost	<u>\$ 1,108,349</u>	<u>\$ 18,202</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,126,551</u>

September 30, 2022

	0 to 60 Days	61 to 90 Days	91 to 120 Days	Over 121 Days	Total
Carrying amount	\$ 1,107,904	\$ 17,206	\$ 1,067	\$ 148	\$ 1,126,325
Loss allowance (Lifetime ECLs)	<u>(343)</u>	<u>(3,810)</u>	<u>(1,067)</u>	<u>(148)</u>	<u>(5,368)</u>
Amortized cost	<u>\$ 1,107,561</u>	<u>\$ 13,396</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,120,957</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:

	For the Nine Months Ended September 30	
	2023	2022
Balance at January 1	\$ 4,638	\$ 6,151
Net remeasurement of loss allowance	<u>(161)</u>	<u>(783)</u>
Balance at September 30	<u>\$ 4,799</u>	<u>\$ 5,368</u>

11. INVENTORIES

	September 30, 2023	December 31, 2022	September 30, 2022
Finished goods	\$ 861,236	\$ 812,928	\$ 929,481
Work in progress	54,954	30,964	30,280
Raw materials	<u>390,636</u>	<u>420,616</u>	<u>299,652</u>
	<u>\$ 1,306,826</u>	<u>\$ 1,264,508</u>	<u>\$ 1,259,413</u>

The costs of inventories recognized as cost of goods sold for the three months and nine months ended September 30, 2023 and 2022 were \$5,270,517 thousand, \$5,080,360 thousand, \$15,482,007 thousand and \$16,988,376 thousand, respectively.

The costs of goods sold for the three months and nine months ended September 30, 2023 and 2022 included of inventory write-downs of \$1,520 thousand, \$21,163 thousand, \$3,553 thousand and \$24,963 thousand, respectively.

12. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	September 30, 2023	December 31, 2022	September 30, 2022
Land for sale and improvement	\$ _____-	\$ 308,622	\$ _____-

In order to revitalize assets and realize value-added benefits, on March 7, 2023, the Company's board of directors resolved to dispose of the land located in No.1099-6 and No.1099-7, Zhonglinzi Section, Xiaogang District, Kaohsiung to Fu-Ming Transport Corporation at the amount of \$1,052,000 thousand. The transfer was completed on March 22, 2023, and the gain on the disposal was \$743,178 thousand.

13. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership			Remark
			September 30, 2023	December 31, 2022	September 30, 2022	
The Corporation	Ton Fu Investment Corp. ("TFIC")	Investment	100.00%	100.00%	100.00%	1)
	Pacific Petrochemical (Holding) Ltd. ("PPL")	Investment	100.00%	100.00%	100.00%	-
	OUCC (Bermuda) Holding Ltd. ("OUCC (Bermuda)")	Investment	100.00%	100.00%	100.00%	1)
OUCC (Bermuda)	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.	9.65%	11.60%	11.60%	2) 3)
PPL	FUPY	Manufacturing and selling chemical products (ethylene glycol, diethylene glycol, triethylene glycol and ethylene oxide) and other specific chemical products.	46.15%	44.20%	44.20%	2) 3)

Remarks:

- 1) Non-significant subsidiaries, of which financial statements have been reviewed.
- 2) Subsidiaries with material non-controlling interests.

3) The Company's subsidiary, FUPY, plans to increase capital in cash by US\$60,000 thousand in response to capital expenditures such as future capacity expansion plans, environmental protection and carbon reduction projects, and also enrich the working capital, which was approved by the Company's board of directors on March 7, 2023. In June 2023, the Corporation increased the capital of PPL through a subsidiary in the third region, by US\$23,480 thousand, after which PPL will increase the capital of FUPY by US\$33,480 thousand the shareholding ratio of the Group in FUPY remained at 55.8%.

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		
		September 30, 2023	December 31, 2022	September 30, 2022
FUPY	Yang Zhou, China	44.2%	44.2%	44.2%

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Associates

	September 30, 2023	December 31, 2022	September 30, 2022
Associates that are not individually material			
Hwa Xu Heat Supply Co. ("HXYZ")	\$ 155,107	\$ 187,675	\$ 202,511
Material associates			
Oriental Petrochemical (Shanghai) Corporation ("OPSC")	-	-	772,955
	<u>\$ 155,107</u>	<u>\$ 187,675</u>	<u>\$ 975,466</u>

Material associates

Name of Associate	Nature of Activities	Principal Place of Business	Proportion of Ownership and Voting Rights		
			September 30, 2023	December 31, 2022	September 30, 2022
OPSC	Manufacture and sale of purified terephthalic acid	Shanghai, China	-	-	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 September 30, 2023 and 2022, investments accounted for using the equity method were \$155,107 thousand and \$202,511 thousand, respectively; for the three months and nine months ended September 30, 2023 and 2022, the amounts of the share of loss recognized from investments accounted for using the equity method were \$11,180 thousand, \$11,650 thousand, \$35,537 thousand and \$36,007 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.

In 2022, the Company's subsidiary, PPL, merged with Oriental Petrochemical (Shanghai) Corp., which holds 39% of the shares (investment accounted for using the equity method) with its related party, Far Eastern Industries (Shanghai) Ltd. The base date of the merger is December 31, 2022. After the merger, Oriental Petrochemical (Shanghai) Corp. is the eliminated company, and Far Eastern Industries (Shanghai) Ltd. is the surviving company. The Group holds 9.97% of its shares, and listed it as financial assets at fair value through other comprehensive income.

15. PROPERTY, PLANT AND EQUIPMENT AND CONSTRUCTION IN PROGRESS

	September 30, 2023	December 31, 2022	September 30, 2022
Land	\$ 1,591,461	\$ 1,591,461	\$ 1,591,461
Land improvements	82,449	86,358	87,660
Buildings	1,023,469	1,044,513	1,071,479
Machinery and equipment	9,024,134	9,550,640	9,678,116
Other equipment	<u>96,080</u>	<u>116,944</u>	<u>119,883</u>
	11,817,593	12,389,916	12,548,599
Construction in progress and equipment to be inspected	<u>2,897,609</u>	<u>2,346,572</u>	<u>2,342,261</u>
	<u>\$ 14,715,202</u>	<u>\$ 14,736,488</u>	<u>\$ 14,890,860</u>

Except for depreciation and addition of construction in progress and equipment to be inspected because of production lines expansion and new plants construction, the Group had no significant addition, disposal, and impairment of property, plant and equipment for the nine months ended September 30, 2023 and 2022.

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

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Carrying amounts</u>			
Land	\$ 371,517	\$ 371,922	\$ 379,703
Buildings	-	165	220
Machinery and equipment	-	-	1,076
Transportation equipment	<u>21,806</u>	<u>13,408</u>	<u>13,071</u>
	<u>\$ 393,323</u>	<u>\$ 385,495</u>	<u>\$ 394,070</u>

	For the Nine Months Ended September 30			
	2023		2022	
Additions to right-of-use assets	<u>\$ 12,127</u>		<u>\$ 12,708</u>	
	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Depreciation charge for right-of-use assets				
Land	\$ 2,476	\$ 2,504	\$ 7,439	\$ 7,490
Buildings	55	54	165	164
Machinery and equipment	-	1,614	-	4,842
Transportation equipment	<u>1,466</u>	<u>1,010</u>	<u>3,729</u>	<u>3,028</u>
	<u>\$ 3,997</u>	<u>\$ 5,182</u>	<u>\$ 11,333</u>	<u>\$ 15,524</u>

Except for depreciation and addition of transportation equipment, the Group had no significant disposal, and impairment of right-of-use assets for the nine months ended September 30, 2023 and 2022.

b. Lease liabilities

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Carrying amounts</u>			
Current	<u>\$ 6,475</u>	<u>\$ 4,233</u>	<u>\$ 5,164</u>
Non-current	<u>\$ 15,901</u>	<u>\$ 9,765</u>	<u>\$ 9,584</u>

Ranges of discount rates for lease liabilities were 0.82%-1.92%, 0.82%-1.80% and 0.82%-1.17% per annum as of September 30, 2023, December 31, 2022 and September 30, 2022, 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 related to leasing the investment properties owned by the Corporation with lease terms of 2 years. According to the agreement, the lease can be terminated by either party by giving 2 months formal notice in writing to the other party.

17. INVESTMENT PROPERTIES

Except for depreciation recognized, the Group had no significant addition, and impairment of investment properties for the nine months ended September 30, 2023 and 2022. Disposal of investment properties, please refer to Note 12.

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 \$2,822,930 thousand and \$3,673,587 thousand as of December 31, 2022 and 2021, 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.

The information of investment properties pledged, please refer to Note 30.

18. OTHER ASSETS

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Other assets</u>			
Silver and catalysts	\$ 2,393,959	\$ 2,745,913	\$ 2,578,901
Materials	578,941	546,910	545,054
Input tax	13,691	216,394	48,678
Others	<u>187,164</u>	<u>213,182</u>	<u>155,974</u>
	<u>\$ 3,173,755</u>	<u>\$ 3,722,399</u>	<u>\$ 3,328,607</u>
Current	\$ 103,857	\$ 333,001	\$ 168,458
Non-current	<u>3,069,898</u>	<u>3,389,398</u>	<u>3,160,149</u>
	<u>\$ 3,173,755</u>	<u>\$ 3,722,399</u>	<u>\$ 3,328,607</u>

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

19. BORROWINGS

a. Short-term borrowings

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Unsecured borrowings</u>			
Line of credit borrowings	\$ 3,997,996	\$ 4,596,865	\$ 5,024,441
Loans from related parties (Note 29)	<u>2,292,221</u>	<u>3,130,702</u>	<u>2,727,896</u>
	<u>\$ 6,290,217</u>	<u>\$ 7,727,567</u>	<u>\$ 7,752,337</u>
Interest rate	1.79%-3.55%	1.90%-3.65%	1.61%-3.50%

b. Long-term borrowings

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Secured borrowings (Note 30)</u>			
Bank loans	\$ 2,450,000	\$ _____	\$ _____
<u>Unsecured borrowings</u>			
Bank loans	6,200,000	8,400,000	8,600,000
Long-term commercial paper payables	<u>-</u>	<u>1,198,259</u>	<u>899,462</u>
	<u>6,200,000</u>	<u>9,598,259</u>	<u>9,499,462</u>
Long-term borrowing	<u>\$ 8,650,000</u>	<u>\$ 9,598,259</u>	<u>\$ 9,499,462</u>
Interest rate	1.75%-2.20%	1.22%-2.16%	1.09%-2.03%
Maturity date	September 2025	November 2024	June 2024

20. OTHER PAYABLES

	September 30, 2023	December 31, 2022	September 30, 2022
Payables for purchase of equipment	\$ 123,757	\$ 155,660	\$ 136,917
Payables for taxes	32,870	9,163	33,455
Payables for salaries	26,983	43,774	33,231
Payables for employees' compensation and remuneration of directors	16,266	4,607	2,875
Interest payables	14,814	66,769	52,838
Payables for export sales expenses	13,397	20,040	24,016
Pension payables	13,284	13,200	12,452
Freight payables	10,486	13,033	13,234
Payables for pipeline's rental	10,171	-	2,530
Payables for annual leave	9,000	9,000	9,000
Payables for dividends	5,269	5,550	5,752
Payables for royalties	4,050	9,704	8,499
Payables for silver and catalysts	-	152,201	154,359
Others	<u>152,915</u>	<u>116,227</u>	<u>102,962</u>
	<u>\$ 433,262</u>	<u>\$ 618,928</u>	<u>\$ 592,120</u>

21. OTHER LIABILITIES

	September 30, 2023	December 31, 2022	September 30, 2022
Contract liabilities	\$ 268,623	\$ 185,730	\$ 349,206
Provisions for repairs and maintenance	41,159	70,038	74,126
Others	<u>31,288</u>	<u>26,534</u>	<u>26,616</u>
	<u>\$ 341,070</u>	<u>\$ 282,302</u>	<u>\$ 449,948</u>
Current	\$ 299,911	\$ 212,264	\$ 375,822
Non-current	<u>41,159</u>	<u>70,038</u>	<u>74,126</u>
	<u>\$ 341,070</u>	<u>\$ 282,302</u>	<u>\$ 449,948</u>

Contract liabilities were receipts in advance.

22. 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, 2022 and 2021. The amounts were \$2,551 thousand, \$2,231 thousand, \$7,653 thousand and \$7,089 thousand for the three months and nine months ended September 30, 2023 and 2022, respectively.

23. EQUITY

a. Ordinary shares

	September 30, 2023	December 31, 2022	September 30, 2022
Number of shares authorized (in thousands)	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Shares authorized	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>885,703</u>	<u>885,703</u>	<u>885,703</u>
Shares issued	<u>\$ 8,857,031</u>	<u>\$ 8,857,031</u>	<u>\$ 8,857,031</u>

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

b. Capital surplus

	September 30, 2023	December 31, 2022	September 30, 2022
May be used to offset a deficit, distributed as cash dividends, or transferred to capital share (Note)			
Issuance of ordinary shares	\$ 470,767	\$ 470,767	\$ 470,767
Changes in percentage of ownership interests in subsidiaries	16,367	16,367	16,367
Treasury shares transactions	381,527	379,705	379,705
Only be used to offset a deficit			
Dividends unclaimed by shareholders	35,794	35,794	35,794
Changes in capital surplus from investments in associates accounted for using the equity method	<u>183,297</u>	<u>183,297</u>	<u>110,571</u>
	<u>\$ 1,087,752</u>	<u>\$ 1,085,930</u>	<u>\$ 1,013,204</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 shares (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 shareholders' meeting. For the policies on the distribution of employees' compensation and remuneration of directors before and after amendment, refer to Note 24 (c) "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 shareholders' 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 shareholders 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.

The appropriation of earnings for 2022 and 2021 that were resolved by the shareholder's in their meeting on June 6, 2023 and June 9, 2022, respectively, were as follows:

	2022	2021
Legal reserve	\$ 4,043	\$ 88,224
Cash dividends	177,141	619,992
Cash dividends per share (NT\$)	0.20	0.70

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 shares

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

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Carrying Amount	Market Price
<u>September 30, 2023</u>			
TFIC	9,109	<u>\$ 124,373</u>	<u>\$ 173,973</u>
<u>December 31, 2022</u>			
TFIC	9,109	<u>\$ 124,373</u>	<u>\$ 169,419</u>
<u>September 30, 2022</u>			
TFIC	9,109	<u>\$ 124,373</u>	<u>\$ 158,033</u>

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

24. NET (LOSS) PROFIT

a. Interest expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Interest on bank loans	\$ 74,137	\$ 62,802	\$ 229,572	\$ 174,265
Interest on loans from related parties (Note 29)	14,335	18,354	62,816	44,646
Interest on lease liabilities	67	38	134	136
Other interest expense	<u>-</u>	<u>4</u>	<u>18</u>	<u>15</u>
	<u>\$ 88,539</u>	<u>\$ 81,198</u>	<u>\$ 292,540</u>	<u>\$ 219,062</u>

Information about capitalized interest was as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Capitalized interest	\$ 2,943	\$ 5,813	\$ 8,416	\$ 13,405
Capitalization rate	1.74%-1.94%	1.05%-1.80%	1.22%-2.17%	0.83%-1.80%

b. Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Property, plant and equipment	\$ 262,017	\$ 264,656	\$ 786,488	\$ 796,715
Right-of-use assets	3,997	5,182	11,333	15,524
Intangible assets and other assets	3,551	3,490	10,836	10,309
Investment properties	<u>-</u>	<u>-</u>	<u>-</u>	<u>42</u>
	<u>\$ 269,565</u>	<u>\$ 273,328</u>	<u>\$ 808,657</u>	<u>\$ 822,590</u>
An analysis of depreciation by function				
Operating costs	\$ 250,616	\$ 255,333	\$ 751,917	\$ 764,578
Operating expenses	15,398	14,505	45,904	47,661
Non-operating expenses and losses	<u>-</u>	<u>-</u>	<u>-</u>	<u>42</u>
	<u>\$ 266,014</u>	<u>\$ 269,838</u>	<u>\$ 797,821</u>	<u>\$ 812,281</u>
An analysis of amortization by function				
Operating costs	\$ 2,662	\$ 2,531	\$ 8,041	\$ 7,427
Operating expenses	<u>889</u>	<u>959</u>	<u>2,795</u>	<u>2,882</u>
	<u>\$ 3,551</u>	<u>\$ 3,490</u>	<u>\$ 10,836</u>	<u>\$ 10,309</u>

c. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Salary expense	\$ 140,595	\$ 119,605	\$ 428,771	\$ 404,948
Insurance expense	16,948	16,861	48,713	51,199
Post-employment benefits				
Defined contribution plans	16,109	8,268	29,000	24,566
Defined benefit plans (Note 22)	2,551	2,231	7,657	7,089
Other employee benefits	29,623	25,022	90,470	82,889
Total employee benefits expense	\$ 205,826	\$ 171,987	\$ 604,611	\$ 570,691
An analysis of employee benefits expense by function				
Operating costs	\$ 113,581	\$ 95,488	\$ 328,778	\$ 313,499
Operating expenses	92,245	76,499	275,833	257,192
	\$ 205,826	\$ 171,987	\$ 604,611	\$ 570,691

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 accrued employees' compensation and remuneration of directors were \$15,464 thousand for the nine months ended September 30, 2023. The Group did not accrue employees' compensation and remuneration of directors because of net loss before tax for the nine months ended September 30, 2022.

There was no difference between the actual amount of the accrued employees' compensation and remuneration of directors in 2022 and 2021 and the amount recognized in the consolidated financial statements in 2022 and 2021.

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.

25. INCOME TAXES

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Current tax				
land value increment tax	\$ -	\$ -	\$ 19,954	\$ -
Deferred tax				
In respect of the current periods	<u>(9,228)</u>	<u>(60,526)</u>	<u>14,818</u>	<u>(137,537)</u>
Income tax (benefit) expense recognized in profit or loss	<u>\$ (9,228)</u>	<u>\$ (60,526)</u>	<u>\$ 34,772</u>	<u>\$ (137,537)</u>

b. Income tax assessments

The Corporation's tax returns through 2020 have been assessed by the tax authorities.

The subsidiary's TFIC's tax returns through 2021 have been assessed by the tax authorities.

26. (LOSS) EARNINGS PER SHARE

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

Net (Loss) Profit for the Period

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Net (loss) profit used in the computation of basic (loss) earnings per share	<u>\$ (148,842)</u>	<u>\$ (257,902)</u>	<u>\$ 405,318</u>	<u>\$ (518,731)</u>

Weighted average number of ordinary shares outstanding (in thousand shares):

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Weighted average number of ordinary shares	885,703	885,703	885,703	885,703
Less: Reclassification of the Corporation's shares held by subsidiaries	<u>(9,109)</u>	<u>(9,109)</u>	<u>(9,109)</u>	<u>(9,109)</u>
Weighted average number of ordinary shares used in the computation of basic (loss) earnings per share	876,594	876,594	876,594	876,594
Effect of potentially dilutive ordinary shares:				
Employees' compensation or bonuses issued to employees	<u>-</u>	<u>-</u>	<u>554</u>	<u>-</u>
Weighted average number of ordinary shares used in the computation of diluted (loss) earnings per share	<u>876,594</u>	<u>876,594</u>	<u>877,148</u>	<u>876,594</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.

27. 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 shareholders 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.

28. 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

September 30, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares	<u>\$ 83,485</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83,485</u>
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Domestic listed shares	\$ 1,513,913	\$ -	\$ -	\$ 1,513,913
Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>5,942,292</u>	<u>5,942,292</u>
	<u>\$ 1,513,913</u>	<u>\$ -</u>	<u>\$ 5,942,292</u>	<u>\$ 7,456,205</u>

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares	<u>\$ 48,707</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,707</u>
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Domestic listed shares	\$ 1,476,284	\$ -	\$ -	\$ 1,476,284
Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>5,908,359</u>	<u>5,908,359</u>
	<u>\$ 1,476,284</u>	<u>\$ -</u>	<u>\$ 5,908,359</u>	<u>\$ 7,384,643</u>

September 30, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares	<u>\$ 33,737</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,737</u>
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Domestic listed shares	\$ 1,464,408	\$ -	\$ -	\$ 1,464,408
Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>4,433,221</u>	<u>4,433,221</u>
	<u>\$ 1,464,408</u>	<u>\$ -</u>	<u>\$ 4,433,221</u>	<u>\$ 5,897,629</u>

For the nine months ended September 30, 2023 and 2022, there were no transfers between Levels 1 and 2.

2) Reconciliation of Level 3 fair value measurements of financial instruments

Financial assets at FVTOCI

	For the Nine Months Ended September 30	
	2023	2022
Balance at January 1	\$ 5,908,359	\$ 3,987,569
Purchases	-	540,262
Recognized in other comprehensive income	20,696	(81,110)
Reduction in Capital	(19,350)	(13,500)
Change of exchange rate	<u>32,587</u>	<u>-</u>
Balance at September 30	<u>\$ 5,942,292</u>	<u>\$ 4,433,221</u>

3) 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.
- 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 share is calculated after considering the liquidity discount parameter.

c. Categories of financial instruments

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Financial assets</u>			
Fair value through profit or loss			
Mandatorily classified as at FVTPL	\$ 83,485	\$ 48,707	\$ 33,737
Financial assets at amortized cost (Note 1)	3,792,946	4,262,109	4,919,023
Financial assets at FVTOCI			
Equity instruments	7,456,205	7,384,643	5,897,629

Financial liabilities

Amortized cost (Note 2)	17,158,217	19,417,257	19,189,124
-------------------------	------------	------------	------------

Note 1: The balances include financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable, trade receivables (including related parties), and other receivables (including related parties).

Note 2: The balances include financial liabilities at amortized cost, which comprise short-term loans, notes payables, trade payables (including related parties), other payables (including related parties), long-term loans 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 33.

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 pre-tax profit (loss) would increase by \$10,772 thousand and increase by \$11,727 thousand for the nine months ended September 30, 2023 and 2022, 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:

	September 30, 2023	December 31, 2022	September 30, 2022
Fair value interest rate risk			
Financial assets	\$ 252,828	\$ 569,404	\$ 742,951
Financial liabilities	9,512,593	13,446,569	15,317,085
Cash flow interest rate risk			
Financial assets	1,550,786	1,837,096	2,305,934
Financial liabilities	5,450,000	3,895,000	1,950,000

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 pre-tax profit (loss) for the nine months ended September 30, 2023 and 2022 would decrease/increase by \$14,622 thousand and decrease/increase by \$1,335 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 nine months ended September 30, 2023 and 2022 would have increased/decreased by \$4,174 thousand and decreased/increased by \$1,687 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 nine months ended September 30, 2023 and 2022 would have increased/decreased by \$75,696 thousand and \$73,220 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 September 30, 2023, December 31, 2022 and September 30, 2022, 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.

September 30, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	More than 5 Years
Non-interest bearing liabilities	\$ -	\$ 1,644,326	\$ -	\$ -	\$ -
Lease liabilities	555	1,110	5,092	16,102	189
Variable interest rate liabilities	-	-	-	5,586,667	-
Fixed interest rate liabilities	<u>2,140,919</u>	<u>1,986,880</u>	<u>2,212,148</u>	<u>3,204,679</u>	<u>-</u>
	<u>\$ 2,141,474</u>	<u>\$ 3,632,316</u>	<u>\$ 2,217,240</u>	<u>\$ 8,807,448</u>	<u>\$ 189</u>

December 31, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	More than 5 Years
Non-interest bearing liabilities	\$ -	\$ 1,341,036	\$ -	\$ -	\$ -
Lease liabilities	568	735	3,046	9,703	204
Variable interest rate liabilities	70	45,124	-	3,897,750	-
Fixed interest rate liabilities	<u>1,026,921</u>	<u>3,206,395</u>	<u>3,525,521</u>	<u>5,765,657</u>	<u>-</u>
	<u>\$ 1,027,559</u>	<u>\$ 4,593,290</u>	<u>\$ 3,528,567</u>	<u>\$ 9,673,110</u>	<u>\$ 204</u>

September 30, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	More than 5 Years
Non-interest bearing liabilities	\$ -	\$ 1,216,352	\$ -	\$ -	\$ -
Lease liabilities	894	1,237	3,141	9,510	204
Variable interest rate liabilities	-	-	-	1,987,975	-
Fixed interest rate liabilities	<u>1,944,862</u>	<u>2,269,678</u>	<u>3,612,952</u>	<u>7,570,385</u>	<u>-</u>
	<u>\$ 1,945,756</u>	<u>\$ 3,487,267</u>	<u>\$ 3,616,093</u>	<u>\$ 9,567,870</u>	<u>\$ 204</u>

The amounts shown 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

	September 30, 2023	December 31, 2022	September 30, 2022
Unsecured bank borrowing limit			
Amount used	\$ 13,695,000	\$ 17,233,000	\$ 18,054,000
Amount unused	<u>14,979,000</u>	<u>12,149,000</u>	<u>13,499,000</u>
	<u>\$ 28,674,000</u>	<u>\$ 29,382,000</u>	<u>\$ 31,553,000</u>
Secured bank borrowing limit			
Amount used	\$ 2,450,000	\$ -	\$ -
Amount unused	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,450,000</u>	<u>\$ -</u>	<u>\$ -</u>

29. TRANSACTIONS WITH RELATED PARTIES

Except as stated in the other notes, 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.

a.

Related Party Name	Related Party Category
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 (Note)
Asia Cement Corp.	Others
Oriental Petrochemical (Taiwan) Co., Ltd. (OPTC)	Others
Air Liquide Far Eastern Ltd.	Others

(Continued)

<u>Related Party Name</u>	<u>Related Party Category</u>
Oriental Green Materials Ltd.	Others
Ya Tung Ready Mixed Concrete Co., Ltd.	Others
Everest Textile Co., Ltd.	Others
Far Eastern Polytex (Vietnam) Ltd.	Others
Asia Cement (Singapore) Pte. Ltd.	Others
Fu-Ming Transport Corp.	Others
Fu-Da Transport Corp.	Others
Far Eastern International Bank (FEIB)	Others
PET Far Eastern (Holding) Ltd. (PETH)	Others
Hubei Yadong Cement Co., Ltd.	Others
Far Eastern Industries (Shanghai) Ltd.	Others
Far Eastern Industries (Yangzhou) Ltd.	Others
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Others
Oriental Industries (Suzhou) Ltd.	Others
Shanghai Yuanhua Logistics Co., Ltd.	Others
Shanghai Yuanzi Information Technology Ltd.	Others
Speedy (Shanghai) Digital Technology Co., Ltd.	Others
Far Eastern Apparel (Suzhou) Ltd.	Others

(Concluded)

Note: OPSC is eliminated after merger with Far Eastern Industries (Shanghai) Ltd. in the year ended December 31, 2022.

b. Sales of goods

	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	2023	2022	2023	2022
Investors with significant influence over the Group	\$ 211,316	\$ 247,660	\$ 634,011	\$ 770,317
Others	<u>80,879</u>	<u>63,811</u>	<u>161,416</u>	<u>176,776</u>
	<u>\$ 292,195</u>	<u>\$ 311,471</u>	<u>\$ 795,427</u>	<u>\$ 947,093</u>

c. Purchases of goods

	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	2023	2022	2023	2022
Investors with significant influence over the Group	\$ -	\$ 304	\$ -	\$ 304
Others	<u>207</u>	<u>-</u>	<u>377</u>	<u>279</u>
	<u>\$ 207</u>	<u>\$ 304</u>	<u>\$ 377</u>	<u>\$ 583</u>

d. Operating expenses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Associates	\$ -	\$ 2,383	\$ -	\$ 7,125
Others				
Fu-Ming Transport Corp.	43,938	46,245	127,342	141,173
Others	13,407	15,190	32,331	48,287
	<u>57,345</u>	<u>61,435</u>	<u>159,673</u>	<u>189,460</u>
	<u>\$ 57,345</u>	<u>\$ 63,818</u>	<u>\$ 159,673</u>	<u>\$ 196,585</u>

e. Interest expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Others				
Far Eastern Industries (Shanghai) Ltd.	\$ 9	\$ 9,412	\$ 20,714	\$ 23,558
Others	14,326	8,942	42,102	21,088
	<u>\$ 14,335</u>	<u>\$ 18,354</u>	<u>\$ 62,816</u>	<u>\$ 44,646</u>

f. Interest income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Associates (HXYZ)	\$ 1,662	\$ 1,643	\$ 4,926	\$ 4,862
Others (FEIB)	165	3,077	647	7,106
	<u>\$ 1,827</u>	<u>\$ 4,720</u>	<u>\$ 5,573</u>	<u>\$ 11,968</u>

g. Rental income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Others				
Fu-Da Transport Corp.	\$ -	\$ 2,423	\$ 4,039	\$ 7,270

h. Cash and cash equivalents

	September 30, 2023	December 31, 2022	September 30, 2022
Others			
FEIB	<u>\$ 41,572</u>	<u>\$ 34,185</u>	<u>\$ 60,353</u>

i. Notes receivable and trade receivables

	September 30, 2023	December 31, 2022	September 30, 2022
Investors with significant influence over the Group			
Far Eastern New Century Corp.	\$ 41,583	\$ 55,242	\$ 102,823
Others			
Far Eastern Industries (Shanghai) Ltd.	73,266	-	-
Others	<u>8,567</u>	<u>13,102</u>	<u>10,246</u>
	<u>81,833</u>	<u>13,102</u>	<u>10,246</u>
	<u>\$ 123,416</u>	<u>\$ 68,344</u>	<u>\$ 113,069</u>

The outstanding trade receivables from related parties are unsecured. For the nine months ended September 30, 2023 and 2022, no impairment loss was recognized for trade receivables from related parties.

j. Other receivables

	September 30, 2023	December 31, 2022	September 30, 2022
Associates			
HXYZ (Note)	\$ 545,097	\$ 529,854	\$ 532,267
Others	<u>344</u>	<u>699</u>	<u>967</u>
	<u>\$ 545,441</u>	<u>\$ 530,553</u>	<u>\$ 533,234</u>

Note: The Group provided secured short-term loans to HXYZ amounted to \$539,346 thousand. Refer to Table 1 for detailed information.

k. Financial assets at amortized cost

	September 30, 2023	December 31, 2022	September 30, 2022
Others			
FEIB	<u>\$ 64,754</u>	<u>\$ 64,523</u>	<u>\$ 64,440</u>

l. Acquisition of property, plant and equipment

For the nine months ended September 30, 2023: None

For the nine months ended September 30, 2022:

Investors with significant influence over the Group		For the Nine Months Ended September 30, 2022
Far Eastern New Century Corp.		<u>\$ 1,815</u>

m. Accounts payable

	September 30, 2023	December 31, 2022	September 30, 2022
Others	\$ <u> -</u>	\$ <u> 80</u>	\$ <u> -</u>

n. Acquisition of additional share interests from related parties

For the nine months ended September 30, 2023: None

For the nine months ended September 30, 2022:

Line Item	Number of Shares	Purchase Price
Others		
OPTC	Financial assets at FVTOCI - non-current	54,026,152
		\$ <u> 540,262</u>

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

	September 30, 2023	December 31, 2022	September 30, 2022
Others			
Oriental Industries (Suzhou) Ltd.	\$ 1,528,147	\$ 1,278,737	\$ 849,673
Far Eastern Industries (Yangzhou) Ltd.	539,346	529,133	536,635
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	224,728	-	-
Far Eastern Industries (Shanghai) Ltd.	<u> -</u>	<u> 1,322,832</u>	<u> 1,341,588</u>
	<u>\$ 2,292,221</u>	<u>\$ 3,130,702</u>	<u>\$ 2,727,896</u>

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

p. Other payables

	September 30, 2023	December 31, 2022	September 30, 2022
Others	\$ 102,199	\$ 38,297	\$ 38,850
Associates	<u> -</u>	<u> 38,795</u>	<u> 37,253</u>
	<u>\$ 102,199</u>	<u>\$ 77,092</u>	<u>\$ 76,103</u>

q. Disposal of non-current assets held for sale

The Group disposed of non-current assets held for sale to Fu-Ming Transportation, please refer to Note 12 and Table 4.

r. Remuneration of key management personnel

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Short-term employee benefits	\$ 11,779	\$ 8,498	\$ 32,269	\$ 30,726
Post-employment benefits	<u>54</u>	<u>108</u>	<u>270</u>	<u>324</u>
	<u>\$ 11,833</u>	<u>\$ 8,606</u>	<u>\$ 32,539</u>	<u>\$ 31,050</u>

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

30. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

	September 30, 2023	December 31, 2022	September 30, 2022
Pledged deposits (financial assets at amortized cost - non-current)	\$ 64,754	\$ 64,523	\$ 64,440
Listed Shares (financial assets at fair value through other comprehensive income)	404,968	-	-
Investment Properties	<u>1,682,742</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,152,464</u>	<u>\$ 64,523</u>	<u>\$ 64,440</u>

As of September 30, 2023, the Corporation pledged 28,599 thousand stocks of the subsidiary TFIC as security.

31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

- a. As of September 30, 2023, unused letters of credit for purchases of raw materials amounted to \$1,493,600 thousand, purchase guarantees from banking institution and performance guarantees from Taiwan small and medium enterprise counseling foundation subsidy amounted to \$399,000 thousand, refundable deposit with the Harbor Bureau amounted to \$217,255 thousand, and leased silver for catalysts from financial institution amounted to \$1,115,645 thousand, respectively.
- b. Endorsements/guarantees provided to subsidiaries and associates

The Corporation

TFIC \$ 1,600,000

- 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, 2023. 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 2021, the Corporation signed a two-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. If both sides have no objection before the expiry date, the original contract shall be renewed for 2 years.
- f. The Corporation’s Board of Directors resolved to construct ethylene storage tanks at the Kaohsiung Intercontinental Container Terminal in 2019. The contract amount was \$765,893 thousand. As of September 30, 2023, the Corporation had paid \$569,203 thousand, which accounted for as construction in progress and equipment to be inspected.

32. OTHER ITEMS

The Group has been impacted by the COVID-19 pandemic and fluctuations of international crude oil price. 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.

33. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

September 30, 2023

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 3,334	32.27 (USD:NTD)	\$ 107,588
USD	431	7.18 (USD:RMB)	<u>13,908</u>
			<u>\$ 121,496</u>
Non-monetary items			
Investments accounted for using the equity method			
RMB	34,510	4.49 (RMB:NTD)	<u>\$ 155,107</u>
			(Continued)

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 7,868	7.18 (USD:RMB)	\$ 253,900
USD	2,569	32.27 (USD:NTD)	82,902
RMB	29	4.49 (RMB:NTD)	<u>130</u>
			<u>\$ 336,932</u> (Concluded)

December 31, 2022

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 7,303	30.71 (USD:NTD)	\$ 224,275
USD	3,652	6.96 (USD:RMB)	<u>112,153</u>
			<u>\$ 336,428</u>
Non-monetary items			
Investments accounted for using the equity method			
RMB	42,562	4.41 (RMB:NTD)	<u>\$ 187,675</u>

Financial liabilities

Monetary items			
USD	3,408	6.96 (USD:RMB)	\$ 104,660
USD	798	30.71 (USD:NTD)	24,507
RMB	20	4.41 (RMB:NTD)	<u>88</u>
			<u>\$ 129,255</u>

September 30, 2022

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 11,682	31.75 (USD:NTD)	\$ 370,904
USD	293	7.10 (USD:RMB)	<u>9,303</u>
			<u>\$ 380,207</u> (Continued)

	Foreign Currencies	Exchange Rate	Carrying Amount
Non-monetary items			
Investments accounted for using the equity method			
RMB	\$ 218,129	4.47 (RMB:NTD)	<u>\$ 975,466</u>
<u>Financial liabilities</u>			
Monetary items			
USD	4,526	7.10 (USD:RMB)	\$ 143,701
USD	57	31.75 (USD:NTD)	1,810
RMB	20	4.47 (RMB:NTD)	89
EUR	2	6.99 (EUR:RMB)	<u>63</u>
			<u>\$ 145,663</u>
			(Concluded)

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

For the Three Months Ended September 30				
2023			2022	
Foreign Currencies	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
NTD	1 (NTD:NTD)	\$ 8,081	1 (NTD:NTD)	\$ 23,301
RMB	4.42 (RMB:NTD)	<u>(866)</u>	4.45 (RMB:NTD)	<u>(214)</u>
		<u>\$ 7,215</u>		<u>\$ 23,087</u>
For the Nine Months Ended September 30				
2023			2022	
Foreign Currencies	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
NTD	1 (NTD:NTD)	\$ 13,995	1 (NTD:NTD)	\$ 30,045
RMB	4.49 (RMB:NTD)	<u>15,607</u>	4.44 (RMB:NTD)	<u>6,104</u>
		<u>\$ 29,602</u>		<u>\$ 36,149</u>

34. 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. (Table 4)
 - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 5)
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 6)
 - 9) Trading in derivative instruments. (None)
 - 10) Intercompany relationships and significant intercompany transactions. (None)
- b. Information on investees. (Table 7)
- 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 8)
 - 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 shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholders, the number of shares owned, and percentage of ownership of each shareholders. (Table 9)

35. 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 Nine Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2023	2022	2023	2022
Ethylene glycols business	\$ 9,797,205	\$ 10,215,735	\$ (883,227)	\$ (1,781,245)
Special chemicals business	4,661,193	5,530,672	(76,034)	466,195
Gas business	1,245,678	1,171,565	421,964	409,542
Investment and others	27,040	42,580	16,563	19,406
Other eliminations and adjustments	-	-	81	81
Total operating segments	<u>\$ 15,731,116</u>	<u>\$ 16,960,552</u>	(520,653)	(886,021)
Non-operating income and expense			<u>572,813</u>	<u>(433,068)</u>
Profit (loss) before income tax			<u>\$ 52,160</u>	<u>\$ (1,319,089)</u>

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

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Segment assets</u>			
Ethylene glycols business	\$ 10,500,449	\$ 11,524,958	\$ 11,509,721
Special chemicals business	4,778,961	4,537,069	4,500,447
Gas business	2,143,619	2,169,726	2,315,523
Investment and others	26,657,124	26,074,149	25,650,868
Other eliminations and adjustments	<u>(10,466,045)</u>	<u>(9,398,098)</u>	<u>(9,220,554)</u>
Total segment assets	<u>\$ 33,614,108</u>	<u>\$ 34,907,804</u>	<u>\$ 34,756,005</u>

c. Information of major customers:

In the first nine months of 2023, Ethylene glycol business - the amount of direct sales revenue was \$9,797,205 thousand and has included \$2,147,574 thousand which came from East China Branch of China Petroleum & Chemical Corporation, the largest customer of the Group. In the first nine months of 2022, there is no single customer accounted for 10% of the Group's total revenue.

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

**FINANCINGS PROVIDED TO OTHERS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(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	\$ 539,346	\$ 539,346	\$ 539,346	1.3%	Necessary for short-term financing	\$ -	Operating capital	\$ -	Promissory notes	\$ -	40% of net worth of FUPY \$2,539,948	40% of net worth of FUPY \$2,539,948	

Note: Based on reviewed financial statements.

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(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 \$6,200,512	\$ 1,600,000	\$ 1,600,000	\$ 390,000	\$ -	12.90	100% of net worth of the Corporation \$12,401,025	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

SEPTEMBER 30, 2023

(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2023				Note	
				Number of Shares/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	\$ 339,326	1	\$ 339,326	Note 1	
	Far Eastern New Century Corp.	Same chairman	Same as above	6,888,446	198,043	-	198,043	Note 1	
	Asia Cement Corp.	Same chairman	Same as above	8,486,315	337,331	-	337,331	Note 1	
	Everest Textile Co., Ltd.	The chairman of Everest Textile Co., Ltd. is a director of the Corporation	Same as above	16,040,145	122,707	2	122,707	Note 1	
	Oriental Petrochemical (Taiwan) Co., Ltd.	The Corporation is one of its director	Same as above	350,286,055	2,546,580	14	2,546,580	Note 2	
	Grand Cathay Venture Capital Co., Ltd.	The Corporation is one of its director	Same as above	26,666,667	326,933	17	326,933	Note 2	
	Eminent Venture Capital Corp.	The Corporation is one of its director	Same as above	675,000	6,467	10	6,467	Note 2	
	Eminent II Venture Capital Corp.	The Corporation is one of its director	Same as above	2,340,000	15,702	6	15,702	Note 2	
	Tai An Technologies Corp.	-	Same as above	499,998	6,725	5	6,725	Note 2	
	TFIC	Chung Hsin Electric & Machinery Manufacturing Corp.	-	Financial assets at FVTPL - current	33,000	3,547	-	3,547	Note 1
Kinik Company		-	Same as above	27,000	4,172	-	4,172	Note 1	
CSBC Corp., Taiwan		-	Same as above	150,000	3,428	-	3,428	Note 1	
Accton Technology Corp.		-	Same as above	7,000	3,451	-	3,451	Note 1	
ASUSTek Computer Inc.		-	Same as above	9,000	3,303	-	3,303	Note 1	
Silicon Integrated Systems Corp.		-	Same as above	99,000	3,737	-	3,737	Note 1	
Giga-byte Technology CO., Ltd.		-	Same as above	12,000	3,378	-	3,378	Note 1	
Quanta Computer Inc.		-	Same as above	15,000	3,593	-	3,593	Note 1	
ICHIA Technologies, Inc.		-	Same as above	90,000	3,623	-	3,623	Note 1	
Weltrend Semiconductor Inc.		-	Same as above	48,000	3,240	-	3,240	Note 1	
Visual Photonics Epitaxy Co., Ltd.		-	Same as above	24,000	3,552	-	3,552	Note 1	
Compucase Enterprise CO., Ltd.		-	Same as above	57,000	4,178	-	4,178	Note 1	
Tripod Technology Corp.		-	Same as above	21,000	4,042	-	4,042	Note 1	
Wistron Corp.		-	Same as above	36,000	3,654	-	3,654	Note 1	
Ability Opto-Electronics Technology Co., Ltd.		-	Same as above	21,000	3,055	-	3,055	Note 1	
Genius Electronic Optical Co., Ltd.		-	Same as above	9,000	3,312	-	3,312	Note 1	
Senao Networks, Inc.		-	Same as above	12,000	3,138	-	3,138	Note 1	
AIC Inc.		-	Same as above	6,000	3,270	-	3,270	Note 1	
Zyxel Group Corp.		-	Same as above	69,000	3,450	-	3,450	Note 1	
Waffer Technology Corp.		-	Same as above	27,000	3,969	-	3,969	Note 1	
INPAQ Technology Co., Ltd.		-	Same as above	60,000	3,690	-	3,690	Note 1	
Brave C&H Supply Co., Ltd.		-	Same as above	24,000	3,816	-	3,816	Note 1	
Century Iron & Steel Industrial Co., Ltd.		-	Same as above	27,000	4,887	-	4,887	Note 1	
The Corporation		Treasury Share		Financial assets at FVTOCI - non-current	9,108,554	124,373	1	173,973	Note 1
Far Eastern International Commercial Bank ("FEIC")		The chairman of the Corporation is FEIC's director	Same as above	Same as above	34,761,214	404,968	1	404,968	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	14,580,194	111,538	2	111,538	Note 1
Yue Ding Industry Co., Ltd.		Related party in substance	Same as above	Same as above	6,260,174	93,026	5	93,026	Note 2
Ding Shen Investment Co., Ltd.		Related party in substance	Same as above	Same as above	40,328,640	412,966	18	412,966	Note 2
Oriental Petrochemical (Taiwan) Co., Ltd.		The Corporation is one of its director	Same as above	Same as above	111,834,375	813,035	4	813,035	Note 2
PPL	Far Eastern Polytex (Shanghai),Ltd.	Related party in substance	Same as above	-	1,720,858	10	1,720,858	Note 2	

Note 1: The market value was calculated at closing price on September 30, 2023.

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

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

**DISPOSAL OF INDIVIDUAL REAL ESTATE AT PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023**

(In Thousands of New Taiwan Dollars)

Seller	Property	Event Date	Original Acquisition Date	Carrying Amount	Transaction Amount	Collection	Gain (Loss) on Disposal	Counterparty	Relationship	Purpose of Disposal	Price Reference	Other Terms
The Corporation	Non-current assets held for sale - land and land improvements	2023.03	2004.11	\$ 308,622	\$ 1,052,000	1,052,000	\$ 743,178	Fu-Ming Transport Corp.	Others	Revitalize assets and realize asset appreciation benefits	Refer to professional appraisal reports and bargaining decisions	-

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 NINE MONTHS ENDED SEPTEMBER 30, 2023

(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	\$ (634,011)	(4)	Same as those to unrelated parties	-	-	\$ 41,583	3	-

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

SEPTEMBER 30, 2023

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
FUPY	HXYZ	Investee by using equity method	Other receivables \$ 545,097	-	\$ -	-	\$ -	\$ -

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

**INFORMATION ON INVESTEEES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(In Thousands of New Taiwan Dollars or Foreign Currency)**

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2023			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				September 30, 2023	December 31, 2022	Shares	%	Carrying Amount			
The Corporation	PPL	British Virgin Islands	Investment	US\$ 216,452	US\$ 192,972	149,000	100	\$ 4,882,771	\$ (398,199)	\$ (398,199)	Note
	TFIC	Taipei City, ROC	Enterprise and financial institution investments	\$ 1,110,000	\$ 1,110,000	161,863,198	100	1,293,709	18,593	16,771	
	OUCG (Bermuda)	British Bermuda Islands	Investment	US\$ 90,000	US\$ 90,000	103,580	100	572,364	(94,273)	(94,273)	

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

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

INFORMATION OF INVESTMENTS IN MAINLAND CHINA
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investee Company	Major Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of September 30, 2023	Accumulated Repatriation of Investment Income as of September 30, 2023	Note
					Outflow	Inflow							
FUPY	Manufacturing and selling chemical products (ethylene glycol, diethylene glycol, triethylene glycol and ethylene oxide) and other specific chemical products.	US\$ 357,500	Indirect	US\$ 179,500	US\$ 23,480	US\$ -	US\$ 202,980	RMB (198,866)	56	\$ (489,740) (Note 2)	\$ 3,543,228	\$ -	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 (16,137)	28	(35,537) (Note 3)	155,107	-	

Accumulated Outward Remittance for Investment in Mainland China as of September 30, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
US\$295,866	US\$315,116	(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 9**ORIENTAL UNION CHEMICAL CORPORATION****INFORMATION OF MAJOR SHAREHOLDERS
SEPTEMBER 30, 2023**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Far Eastern New Century Corp.	81,217,005	9.16
Asia Cement Corp.	63,766,522	7.19
Yuan Ding Investment Co., Ltd.	56,254,684	6.35
Yuan Tong Investment Co., Ltd.	49,942,396	5.63

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