

**Oriental Union Chemical Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Six Months Ended June 30, 2024 and 2023 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 June 30, 2024 and 2023, and the consolidated statements of comprehensive income for the three-month and six-month then ended, and the consolidated statements of changes in equity and cash flows for the six-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 disclosed in Note 14 to the consolidated financial statements, as of June 30, 2024 and 2023, investments accounted for using the equity method were NT\$119,718 thousand and NT\$159,629 thousand, respectively; for the three-month and six-month periods ended June 30, 2024 and 2023, the amounts of the share of loss recognized from investments accounted for using the equity method were NT\$12,739 thousand, NT\$12,030 thousand, NT\$24,984 thousand and NT\$24,357 thousand, respectively. These investment amounts were calculated and disclosed on basis of the associates, financial statements which have not been reviewed for the same periods.

Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and the financial reports of investments accounted for using the equity method as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not give a true in all material respects, the consolidated financial position of the Group as of June 30, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the three-month and six-month then ended June 30, 2024 and 2023 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 Pei-de Chen and Li-Wen Kuo.

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 5, 2024

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	June 30, 2024		December 31, 2023		June 30, 2023	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Notes 6 and 29)	\$ 1,753,113	5	\$ 1,917,016	6	\$ 1,462,704	4
Financial assets at fair value through profit or loss (Note 7)	96,745	-	66,595	-	77,176	-
Notes receivable, net (Notes 10 and 29)	112,617	-	110,852	-	213,057	1
Trade receivables, net (Note 10)	1,140,900	3	911,145	3	859,028	3
Trade receivables from related parties (Notes 10 and 29)	209,070	1	80,746	-	75,615	-
Other receivables (Note 29)	592,862	2	563,784	2	538,034	2
Inventories (Note 11)	1,497,184	5	1,397,180	4	1,263,215	4
Prepayments for purchases	190,203	1	364,188	1	148,738	-
Other prepayments	56,110	-	66,911	-	78,635	-
Other current assets (Note 18)	<u>259,463</u>	<u>1</u>	<u>177,571</u>	<u>1</u>	<u>233,180</u>	<u>1</u>
Total current assets	<u>5,908,267</u>	<u>18</u>	<u>5,655,988</u>	<u>17</u>	<u>4,949,382</u>	<u>15</u>
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income (Note 8)	6,090,167	19	7,103,068	22	7,523,857	23
Financial assets at amortized cost (Notes 9, 29 and 30)	65,205	-	64,942	-	64,741	-
Investments accounted for using the equity method (Note 14)	119,718	-	138,109	-	159,629	-
Property, plant and equipment (Note 15)	12,019,156	37	11,378,230	35	11,747,724	35
Construction in progress (Note 15)	2,957,485	9	3,113,584	9	2,682,493	8
Right-of-use assets (Note 16)	392,527	1	376,973	1	378,080	1
Investment properties (Notes 17 and 30)	1,682,742	5	1,682,742	5	1,682,742	5
Intangible assets	58,746	-	48,857	-	50,042	-
Deferred tax assets	571,319	2	525,309	2	513,768	2
Other non-current assets (Note 18)	<u>2,833,329</u>	<u>9</u>	<u>2,926,529</u>	<u>9</u>	<u>3,604,845</u>	<u>11</u>
Total non-current assets	<u>26,790,394</u>	<u>82</u>	<u>27,358,343</u>	<u>83</u>	<u>28,407,921</u>	<u>85</u>
TOTAL	<u>\$ 32,698,661</u>	<u>100</u>	<u>\$ 33,014,331</u>	<u>100</u>	<u>\$ 33,357,303</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 19 and 29)	\$ 6,173,738	19	\$ 6,126,925	19	\$ 6,005,313	18
Short-term bills payable (Note 19)	150,000	-	199,936	1	52,000	-
Notes payable	77,405	-	151,733	-	215,478	1
Trade payables	1,590,465	5	1,333,301	4	1,228,091	4
Other payables (Note 20)	835,273	3	453,256	1	555,998	2
Other payables to related parties (Note 29)	106,641	-	89,875	-	94,041	-
Lease liabilities (Note 16)	7,908	-	6,629	-	5,623	-
Other current liabilities (Note 21)	<u>349,202</u>	<u>1</u>	<u>262,355</u>	<u>1</u>	<u>214,044</u>	<u>-</u>
Total current liabilities	<u>9,290,632</u>	<u>28</u>	<u>8,624,010</u>	<u>26</u>	<u>8,370,588</u>	<u>25</u>
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 19 and 30)	7,881,926	24	9,014,232	27	8,750,000	26
Deferred tax liabilities	698,566	2	718,463	2	723,782	2
Lease liabilities (Note 16)	15,949	-	14,998	-	14,247	-
Net defined benefit liabilities	156,035	1	158,090	1	161,930	1
Guarantee deposits	28,057	-	40,530	-	47,577	-
Other non-current liabilities (Note 21)	<u>19,143</u>	<u>-</u>	<u>53,250</u>	<u>-</u>	<u>25,534</u>	<u>-</u>
Total non-current liabilities	<u>8,799,676</u>	<u>27</u>	<u>9,999,563</u>	<u>30</u>	<u>9,723,070</u>	<u>29</u>
Total liabilities	<u>18,090,308</u>	<u>55</u>	<u>18,623,573</u>	<u>56</u>	<u>18,093,658</u>	<u>54</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Note 23)						
Ordinary shares	<u>8,857,031</u>	<u>27</u>	<u>8,857,031</u>	<u>27</u>	<u>8,857,031</u>	<u>26</u>
Capital surplus	<u>1,090,207</u>	<u>3</u>	<u>1,087,752</u>	<u>3</u>	<u>1,085,930</u>	<u>3</u>
Retained earnings						
Legal reserve	1,645,947	5	1,619,080	5	1,619,080	5
Special reserve	1,911,129	6	1,911,129	6	1,911,129	5
Unappropriated earnings	<u>501,186</u>	<u>2</u>	<u>301,938</u>	<u>1</u>	<u>587,434</u>	<u>2</u>
Total retained earnings	<u>4,058,262</u>	<u>13</u>	<u>3,832,147</u>	<u>12</u>	<u>4,117,643</u>	<u>12</u>
Other equity						
Exchange differences on translating foreign operations	(331,533)	(1)	(545,606)	(2)	(584,339)	(2)
Unrealized loss on financial assets at fair value through other comprehensive income	<u>(1,563,529)</u>	<u>(5)</u>	<u>(1,324,205)</u>	<u>(4)</u>	<u>(893,595)</u>	<u>(2)</u>
Total other equity	<u>(1,895,062)</u>	<u>(6)</u>	<u>(1,869,811)</u>	<u>(6)</u>	<u>(1,477,934)</u>	<u>(4)</u>
Treasury shares	<u>(118,460)</u>	<u>-</u>	<u>(124,373)</u>	<u>-</u>	<u>(124,373)</u>	<u>-</u>
NON-CONTROLLING INTERESTS	<u>2,616,375</u>	<u>8</u>	<u>2,608,012</u>	<u>8</u>	<u>2,805,348</u>	<u>9</u>
Total equity	<u>14,608,353</u>	<u>45</u>	<u>14,390,758</u>	<u>44</u>	<u>15,263,645</u>	<u>46</u>
TOTAL	<u>\$ 32,698,661</u>	<u>100</u>	<u>\$ 33,014,331</u>	<u>100</u>	<u>\$ 33,357,303</u>	<u>100</u>

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

(With Deloitte & Touche review report dated August 5, 2024)

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE								
Sales revenue (Note 29)	\$ 6,497,106	100	\$ 5,235,379	100	\$ 11,640,360	100	\$ 10,455,657	100
Other operating revenue	(438)	-	2,174	-	11,349	-	6,580	-
Total operating revenue	6,496,668	100	5,237,553	100	11,651,709	100	10,462,237	100
Cost of goods sold (Notes 11, 24 and 29)	6,164,153	95	5,123,798	98	11,092,896	95	10,211,490	98
GROSS PROFIT	332,515	5	113,755	2	558,813	5	250,747	2
OPERATING EXPENSES (Notes 24 and 29)								
Selling and marketing expenses	186,719	3	140,381	3	326,144	3	273,535	3
General and administrative expenses	72,807	1	62,143	1	133,370	1	146,768	1
Research and development expenses	55,227	-	52,838	1	107,058	1	103,499	1
Expected credit loss (gain) (Note 10)	2,304	-	(32)	-	767	-	(692)	-
Total operating expenses	317,057	4	255,330	5	567,339	5	523,110	5
INCOME (LOSS) FROM OPERATIONS	15,458	1	(141,575)	(3)	(8,526)	-	(272,363)	(3)
NON-OPERATING INCOME AND EXPENSES								
Interest income (Note 29)	6,947	-	12,868	-	16,341	-	22,727	-
Rental income (Note 29)	8,754	-	6,879	-	17,491	-	17,398	-
Dividend income	25,307	-	23,255	1	25,307	-	23,255	1
Other income	5,690	-	4,771	-	14,224	-	15,053	-
Gain on disposal of non-current assets held for sale (Notes 12 and 29)	-	-	-	-	-	-	743,178	7
Foreign currency exchange (loss) gain (Note 32)	(1,263)	-	16,604	-	5,272	-	22,387	-
Gain (loss) on financial assets at fair value through profit or loss	1,204	-	5,819	-	(49)	-	6,962	-
Interest expense (Notes 24 and 29)	(81,675)	(1)	(100,653)	(2)	(165,667)	(1)	(204,001)	(2)
Other expenses	(7,779)	-	(9,809)	-	(14,476)	-	(22,849)	-
Net (loss) gain on disposal of property, plant and equipment	(1)	-	(149)	-	155	-	(65)	-
Share of loss of associates accounted for using the equity method (Note 14)	(12,739)	-	(12,030)	-	(24,984)	-	(24,357)	-
Total non-operating income and expenses	(55,555)	(1)	(52,445)	(1)	(126,386)	(1)	599,688	6
(LOSS) PROFIT BEFORE INCOME TAX	(40,097)	-	(194,020)	(4)	(134,912)	(1)	327,325	3
INCOME TAX (BENEFIT) EXPENSE (Note 25)	(7,978)	-	19,539	-	(52,387)	-	44,000	-
NET (LOSS) PROFIT FOR THE PERIOD	(32,119)	-	(213,559)	(4)	(82,525)	(1)	283,325	3

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ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	\$ 16,596	-	\$ 105,148	2	\$ 125,368	1	\$ 196,806	2
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating the financial statement of foreign operations	67,723	1	(190,979)	(4)	343,525	3	(153,416)	(2)
Other comprehensive income (loss) for the period, net of income tax	84,319	1	(85,831)	(2)	468,893	4	43,390	-
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	<u>\$ 52,200</u>	<u>1</u>	<u>\$ (299,390)</u>	<u>(6)</u>	<u>\$ 386,368</u>	<u>3</u>	<u>\$ 326,715</u>	<u>3</u>
NET (LOSS) PROFIT ATTRIBUTED TO:								
Owners of the Corporation	\$ 15,229	-	\$ (75,771)	(1)	\$ 38,564	-	\$ 554,160	5
Non-controlling interests	(47,378)	-	(137,788)	(3)	(121,089)	(1)	(270,835)	(2)
	<u>\$ (32,149)</u>	<u>-</u>	<u>\$ (213,559)</u>	<u>(4)</u>	<u>\$ (82,525)</u>	<u>(1)</u>	<u>\$ 283,325</u>	<u>3</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTED TO:								
Owners of the Corporation	\$ 74,001	1	\$ (102,794)	(2)	\$ 378,005	3	\$ 644,551	6
Non-controlling interests	(21,801)	-	(196,596)	(4)	8,363	-	(317,836)	(3)
	<u>\$ 52,200</u>	<u>1</u>	<u>\$ (299,390)</u>	<u>(6)</u>	<u>\$ 386,368</u>	<u>3</u>	<u>\$ 326,715</u>	<u>3</u>
EARNING (LOSS) PER SHARE (Note 26)								
Basic	<u>\$ 0.01</u>		<u>\$ (0.09)</u>		<u>\$ 0.04</u>		<u>\$ 0.63</u>	
Diluted	<u>\$ 0.01</u>		<u>\$ (0.09)</u>		<u>\$ 0.04</u>		<u>\$ 0.63</u>	

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

(With Deloitte & Touche review report dated August 5, 2024)

(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											
	Common Stock	Capital Surplus			Retained Earnings			Other Equities		Treasury Shares	Non-controlling Interests	Total Equity
		Paid-in Capital in Excess of Par Value	Treasury Shares	Other	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income			
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 (loss) for the six months ended June 30, 2023	-	-	-	-	-	-	554,160	-	-	-	(270,835)	283,325
Other comprehensive (loss) income for the six months ended June 30, 2023	-	-	-	-	-	-	-	(106,415)	196,806	-	(47,001)	43,390
Total comprehensive income (loss) for the six months ended June 30, 2023	-	-	-	-	-	-	554,160	(106,415)	196,806	-	(317,836)	326,715
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	819,336	819,336
BALANCE AT JUNE 30, 2023	<u>\$ 8,857,031</u>	<u>\$ 470,767</u>	<u>\$ 379,705</u>	<u>\$ 235,458</u>	<u>\$ 1,619,080</u>	<u>\$ 1,911,129</u>	<u>\$ 587,434</u>	<u>\$ (584,339)</u>	<u>\$ (893,595)</u>	<u>\$ (124,373)</u>	<u>\$ 2,805,348</u>	<u>\$ 15,263,645</u>
BALANCE AT JANUARY 1, 2024	\$ 8,857,031	\$ 470,767	\$ 381,527	\$ 235,458	\$ 1,619,080	\$ 1,911,129	\$ 301,938	\$ (545,606)	\$ (1,324,205)	\$ (124,373)	\$ 2,608,012	\$ 14,390,758
Legal reserve	-	-	-	-	26,867	-	(26,867)	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	-	-	(177,141)	-	-	-	-	(177,141)
Net profit (loss) for the six months ended June 30, 2024	-	-	-	-	-	-	38,564	-	-	-	(121,089)	(82,525)
Other comprehensive income for the six months ended June 30, 2024	-	-	-	-	-	-	-	214,073	125,368	-	129,452	468,893
Total comprehensive income for the six months ended June 30, 2024	-	-	-	-	-	-	38,564	214,073	125,368	-	8,363	386,368
Disposal of the Corporation's shares held by subsidiaries	-	-	2,455	-	-	-	-	-	-	5,913	-	8,368
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	364,692	-	(364,692)	-	-	-
BALANCE AT JUNE 30, 2024	<u>\$ 8,857,031</u>	<u>\$ 470,767</u>	<u>\$ 383,982</u>	<u>\$ 235,458</u>	<u>\$ 1,645,947</u>	<u>\$ 1,911,129</u>	<u>\$ 501,186</u>	<u>\$ (331,533)</u>	<u>\$ (1,563,529)</u>	<u>\$ (118,460)</u>	<u>\$ 2,616,375</u>	<u>\$ 14,608,353</u>

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

(With Deloitte & Touche review report dated August 5, 2024)

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) profit before income tax	\$ (134,912)	\$ 327,325
Adjustments:		
Depreciation expenses	546,762	531,807
Amortization expenses	7,932	7,285
Expected credit loss (gain)	767	(692)
Loss (gain) on financial assets at fair value through profit or loss, net	49	(6,962)
Interest expense	165,667	204,001
Interest income	(16,341)	(22,727)
Dividend income	(25,307)	(23,255)
Share of loss of associates accounted for using the equity method	24,984	24,357
(Gain) loss on disposal of property, plant and equipment	(155)	65
Gain on disposal of non-current assets held for sale	-	(743,178)
(Reversal of) write-down of inventories	(9,768)	2,033
Unrealized loss on foreign currency exchange	47,328	13,936
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	(30,199)	(21,507)
Notes receivable	(1,751)	(65,263)
Trade receivables	(230,536)	52,077
Trade receivables from related parties	(128,324)	(7,271)
Other receivables	(1,930)	26,683
Inventories	(58,021)	(13,521)
Prepayments	184,787	107,432
Other current assets	(81,892)	99,821
Notes payable	(74,328)	69,966
Trade payables	257,164	32,567
Other payables	141,619	(128,385)
Other current liabilities	86,847	1,780
Net defined benefit liabilities	(2,055)	(6,654)
Other non-current liabilities	(34,107)	(44,504)
Cash generated from operations	634,280	417,216
Interest received	16,463	25,390
Interest paid	(158,123)	(251,201)
Income tax paid	(198)	(22,181)
Net cash generated from operating activities	492,422	169,224
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of financial assets at fair value through other comprehensive income	1,180,175	-
Proceeds from the capital reduction of financial assets at fair value through other comprehensive income	-	19,350
(Increase) decrease in financial assets at amortized cost	(263)	352,696

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ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2024	2023
Proceeds from disposal of non-current assets held for sale	\$ -	\$ 1,051,800
Payments for property, plant and equipment	(1,660)	(3,582)
Proceeds from disposal of property, plant and equipment	168	1,106
Payments for intangible assets	(13,480)	(14,844)
Acquisition of right-of-use assets	(512)	-
Decrease (increase) in other non-current assets	177,635	(273,527)
Increase in construction in progress	(589,484)	(431,384)
Other dividends received	<u>25,307</u>	<u>16,573</u>
Net cash generated from investing activities	<u>777,886</u>	<u>718,188</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of short-term borrowings	(252,693)	(1,583,764)
(Repayments of) proceeds from short-term bills payable	(49,936)	52,000
Proceeds from long-term borrowings	9,966,742	12,290,999
Repayments of long-term borrowings	(11,100,000)	(13,139,258)
Decrease in guarantee deposits	(12,473)	(6,798)
Repayment of the principal portion of lease liabilities	(3,742)	(2,351)
Proceeds from disposal of treasury share	8,368	-
Change in non-controlling interests	<u>-</u>	<u>819,336</u>
Net cash used in financing activities	<u>(1,443,734)</u>	<u>(1,569,836)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>9,523</u>	<u>(300)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(163,903)</u>	<u>(682,724)</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>1,917,016</u>	<u>2,145,428</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 1,753,113</u>	<u>\$ 1,462,704</u>

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

(With Deloitte & Touche review report dated August 5, 2024)

(Concluded)

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023 (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 shares 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 August 5, 2024.

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 “IFRS Accounting Standards”) endorsed and issued into effect by the FSC.

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

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB</u>
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note)

Note: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

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

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
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
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

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

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

Except for the following description, the material accounting policy information adopted for the consolidated financial statements are the same as those adopted for the consolidated financial statements for the year ended December 31, 2023.

a. Statement of compliance

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

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities which are 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, 2023.

Refer to Note 13, Table 7 and 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, 2023.

6. CASH AND CASH EQUIVALENTS

	June 30, 2024	December 31, 2023	June 30, 2023
Cash on hand	\$ 100	\$ 110	\$ 110
Checking accounts and demand deposits	1,573,615	1,737,428	1,258,178
Cash equivalents			
Time deposits with original maturities of less than 3 months	179,398	179,478	178,416
Repurchase agreements collateralized by bonds	<u>-</u>	<u>-</u>	<u>26,000</u>
	<u>\$ 1,753,113</u>	<u>\$ 1,917,016</u>	<u>\$ 1,462,704</u>

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2024	December 31, 2023	June 30, 2023
Financial assets mandatorily classified as at FVTPL			
Domestic listed shares	<u>\$ 96,745</u>	<u>\$ 66,595</u>	<u>\$ 77,176</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments at FVTOCI

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Non-current</u>			
Domestic listed shares	\$ 617,726	\$ 1,590,083	\$ 1,647,653
Domestic and foreign unlisted shares	<u>5,472,441</u>	<u>5,512,985</u>	<u>5,876,204</u>
	<u>\$ 6,090,167</u>	<u>\$ 7,103,068</u>	<u>\$ 7,523,857</u>

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

9. FINANCIAL ASSETS AT AMORTIZED COST

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Non-current</u>			
Pledged certificates of deposits (a)	<u>\$ 65,205</u>	<u>\$ 64,942</u>	<u>\$ 64,741</u>

a. The ranges of interest rates for the pledged certificates of deposits were 0.90%-1.575%, 0.90%-1.575% and 0.90%-1.45% per annum as of June 30, 2024, December 31, 2023 and June 30, 2023, respectively. The Group assesses there has not been a significant expected credit losses and an increase in credit risk since the original recognize.

b. Refer to Note 30 for information relating to financial assets at amortized cost as security.

10. NOTES RECEIVABLE AND TRADE RECEIVABLES

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Notes receivable</u>			
Notes receivable	\$ 113,072	\$ 111,321	\$ 213,464
Less: Allowance for impairment loss	<u>(455)</u>	<u>(469)</u>	<u>(407)</u>
	<u>\$ 112,617</u>	<u>\$ 110,852</u>	<u>\$ 213,057</u>
<u>Trade receivables</u>			
Trade receivables	\$ 1,355,322	\$ 996,462	\$ 938,182
Less: Allowance for impairment loss	<u>(5,352)</u>	<u>(4,571)</u>	<u>(3,539)</u>
	<u>\$ 1,349,970</u>	<u>\$ 991,891</u>	<u>\$ 934,643</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:

June 30, 2024

	0 to 60 Days	61 to 90 Days	91 to 120 Days	Over 121 Days	Total
Carrying amount	\$ 1,451,809	\$ 13,080	\$ 3,292	\$ 213	\$ 1,468,394
Loss allowance (Lifetime ECLs)	<u>(455)</u>	<u>(1,847)</u>	<u>(3,292)</u>	<u>(213)</u>	<u>(5,807)</u>
Amortized cost	<u>\$ 1,451,354</u>	<u>\$ 11,233</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,462,587</u>

December 31, 2023

	0 to 60 Days	61 to 90 Days	91 to 120 Days	Over 121 Days	Total
Carrying amount	\$ 1,075,751	\$ 19,698	\$ 12,278	\$ 56	\$ 1,107,783
Loss allowance (Lifetime ECLs)	<u>(469)</u>	<u>-</u>	<u>(4,515)</u>	<u>(56)</u>	<u>(5,040)</u>
Amortized cost	<u>\$ 1,075,282</u>	<u>\$ 19,698</u>	<u>\$ 7,763</u>	<u>\$ -</u>	<u>\$ 1,102,743</u>

June 30, 2023

	0 to 60 Days	61 to 90 Days	91 to 120 Days	Over 121 Days	Total
Carrying amount	\$ 1,130,333	\$ 19,840	\$ 1,381	\$ 92	\$ 1,151,646
Loss allowance (Lifetime ECLs)	<u>(407)</u>	<u>(2,066)</u>	<u>(1,381)</u>	<u>(92)</u>	<u>(3,946)</u>
Amortized cost	<u>\$ 1,129,926</u>	<u>\$ 17,774</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,147,700</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 Six Months Ended June 30	
	2024	2023
Balance at January 1	\$ 5,040	\$ 4,638
Net remeasurement of loss allowance	<u>767</u>	<u>(692)</u>
Balance at June 30	<u>\$ 5,807</u>	<u>\$ 3,946</u>

11. INVENTORIES

	June 30, 2024	December 31, 2023	June 30, 2023
Finished goods	\$ 987,772	\$ 1,006,098	\$ 909,982
Work in progress	34,324	43,368	53,516
Raw materials	<u>475,088</u>	<u>347,714</u>	<u>299,717</u>
	<u>\$ 1,497,184</u>	<u>\$ 1,397,180</u>	<u>\$ 1,263,215</u>

The costs of inventories recognized as cost of goods sold for the three months and six months ended June 30, 2024 and 2023 were \$6,164,153 thousand, \$5,123,798 thousand, \$11,092,896 thousand and \$10,211,490 thousand, respectively.

The costs of goods sold for the three months and six months ended June 30, 2024 and 2023 included inventory write-downs of \$14,478 thousand, inventory write-downs of \$18,484 thousand, reversals of inventory write-downs of \$9,768 thousand and inventory write-downs of \$2,033 thousand, respectively. The reversals of previous write-downs resulted from increased selling prices in markets.

12. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

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
			June 30, 2024	December 31, 2023	June 30, 2023	
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%	-
	OUC (Bermuda) Holding Ltd. ("OUC (Bermuda)")	Investment	100.00%	100.00%	100.00%	1)
OUC (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%	9.65%	9.65%	2)
PPL	FUPY	Manufacturing and selling chemical products (ethylene glycol, diethylene glycol, triethylene glycol and ethylene oxide) and other specific chemical products.	46.15%	46.15%	46.15%	2)

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 and 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		
		June 30, 2024	December 31, 2023	June 30, 2023
FUPY	Yang Zhou, China	44.2%	44.2%	44.2%

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Associates

	June 30, 2024	December 31, 2023	June 30, 2023
Associates that are not individually material			
Hwa Xu Heat Supply Co. ("HXYZ")	<u>\$ 119,718</u>	<u>\$ 138,109</u>	<u>\$ 159,629</u>

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. 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.

15. PROPERTY, PLANT AND EQUIPMENT AND CONSTRUCTION IN PROGRESS

	June 30, 2024	December 31, 2023	June 30, 2023
Land	\$ 1,591,461	\$ 1,591,461	\$ 1,591,461
Land improvements	91,996	81,147	83,752
Buildings	1,183,467	978,241	1,000,612
Machinery and equipment	9,054,182	8,637,775	8,969,234
Other equipment	<u>98,050</u>	<u>89,606</u>	<u>102,665</u>
	12,019,156	11,378,230	11,747,724
Construction in progress and equipment to be inspected	<u>2,957,485</u>	<u>3,113,584</u>	<u>2,682,493</u>
	<u>\$ 14,976,641</u>	<u>\$ 14,491,814</u>	<u>\$ 14,430,217</u>

Except for depreciation recognized and certain transfers of buildings, machinery and equipment from construction in progress and equipment to be inspected, the Group had no significant disposal and impairment of property, plant and equipment for the six months ended June 30, 2024 and 2023.

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

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Carrying amounts</u>			
Land	\$ 369,517	\$ 356,774	\$ 358,657
Buildings	384	-	55
Transportation equipment	<u>22,626</u>	<u>20,199</u>	<u>19,368</u>
	<u>\$ 392,527</u>	<u>\$ 376,973</u>	<u>\$ 378,080</u>
		For the Six Months Ended June 30	
		2024	2023
Additions to right-of-use assets		<u>\$ 6,484</u>	<u>\$ 8,223</u>

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Depreciation charge for right-of-use assets				
Land	\$ 2,571	\$ 2,463	\$ 5,072	\$ 4,963
Buildings	64	55	128	110
Transportation equipment	<u>1,864</u>	<u>1,184</u>	<u>3,544</u>	<u>2,263</u>
	<u>\$ 4,499</u>	<u>\$ 3,702</u>	<u>\$ 8,744</u>	<u>\$ 7,336</u>

Except for depreciation and addition, the Group had no significant disposal and impairment of right-of-use assets for the six months ended June 30, 2024 and 2023.

b. Lease liabilities

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Carrying amounts</u>			
Current	<u>\$ 7,908</u>	<u>\$ 6,629</u>	<u>\$ 5,623</u>
Non-current	<u>\$ 15,949</u>	<u>\$ 14,998</u>	<u>\$ 14,247</u>

Ranges of discount rates for lease liabilities were 0.82-2.01%, 0.82-1.92% and 0.82-1.92% per annum as of June 30, 2024, December 31, 2023 and June 30, 2023, respectively.

c. Material lease-in activities and terms

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

d. Other lease information

The Group leases certain assets which qualify as short-term or low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

The Group as lessor

Operating leases relate to leasing the investment properties owned by the Corporation with lease terms 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

The Group had no significant addition and impairment of investment properties for the six months ended June 30, 2024 and 2023. Disposal of investment properties, please refer to Note 12.

The fair values of investment properties were \$3,279,381 thousand and \$2,822,930 thousand as of December 31, 2023 and 2022, 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

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Other assets</u>			
Silver and catalysts	\$ 2,207,118	\$ 2,263,826	\$ 2,945,634
Materials	595,790	574,082	549,996
Input tax	61,751	106,538	152,156
Others	<u>228,133</u>	<u>159,654</u>	<u>190,239</u>
	<u>\$ 3,092,792</u>	<u>\$ 3,104,100</u>	<u>\$ 3,838,025</u>
Current	\$ 259,463	\$ 177,571	\$ 233,180
Non-current	<u>2,833,329</u>	<u>2,926,529</u>	<u>3,604,845</u>
	<u>\$ 3,092,792</u>	<u>\$ 3,104,100</u>	<u>\$ 3,838,025</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

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Unsecured borrowings</u>			
Line of credit borrowings	\$ 4,306,910	\$ 3,915,968	\$ 3,807,437
Loans from related parties (Note 29)	<u>1,866,828</u>	<u>2,210,957</u>	<u>2,197,876</u>
	<u>\$ 6,173,738</u>	<u>\$ 6,126,925</u>	<u>\$ 6,005,313</u>
Interest rate	2.50%-3.45%	1.95%-3.55%	2.50%-3.55%

b. Short-term bills payable

	June 30, 2024	December 31, 2023	June 30, 2023
Commercial paper	\$ 150,000	\$ 200,000	\$ 52,000
Less: Unamortized discount on bills payable	<u>-</u>	<u>(64)</u>	<u>-</u>
	<u>\$ 150,000</u>	<u>\$ 199,936</u>	<u>\$ 52,000</u>

c. Long-term borrowings

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Secured borrowings (Note 30)</u>			
Bank loans	<u>\$ 2,200,000</u>	<u>\$ 2,200,000</u>	<u>\$ 2,200,000</u>
<u>Unsecured borrowings</u>			
Bank loans	<u>5,681,926</u>	<u>6,814,232</u>	<u>6,550,000</u>
Long-term borrowings	<u>\$ 7,881,926</u>	<u>\$ 9,014,232</u>	<u>\$ 8,750,000</u>
Interest rate	1.92%-3.50%	1.84%-3.50%	1.82%-2.59%
Maturity date	December 2026	December 2026	May 2025

20. OTHER PAYABLES

	June 30, 2024	December 31, 2023	June 30, 2023
Payables for purchase of equipment	\$ 246,795	\$ 170,918	\$ 106,947
Payables for dividends	185,104	5,174	182,396
Payables for export sales expenses	53,811	17,948	7,827
Payables for salaries	33,814	55,457	26,174
Payables for taxes	24,414	8,991	18,272
Interest payables	24,064	16,520	19,569
Payables for annual leave	19,584	19,584	9,000
Payables for pipeline's rental	16,454	-	2,438
Pension payable	14,409	13,404	14,120
Freight payables	11,330	9,880	10,862
Payables for employees' compensation and remuneration of directors	3,850	9,943	18,916
Payables for royalties	4,422	4,108	5,545
Others	<u>197,222</u>	<u>121,329</u>	<u>133,932</u>
	<u>\$ 835,273</u>	<u>\$ 453,256</u>	<u>\$ 555,998</u>

21. OTHER LIABILITIES

	June 30, 2024	December 31, 2023	June 30, 2023
Contract liabilities	\$ 313,407	\$ 231,278	\$ 183,171
Provisions for repairs and maintenance	19,143	53,250	25,534
Others	<u>35,795</u>	<u>31,077</u>	<u>30,873</u>
	<u>\$ 368,345</u>	<u>\$ 315,605</u>	<u>\$ 239,578</u>

(Continued)

	June 30, 2024	December 31, 2023	June 30, 2023
Current	\$ 349,202	\$ 262,355	\$ 214,044
Non-current	<u>19,143</u>	<u>53,250</u>	<u>25,534</u>
	<u>\$ 368,345</u>	<u>\$ 315,605</u>	<u>\$ 239,578</u>
			(Concluded)

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, 2023 and 2022. The amounts were \$2,429 thousand, \$2,551 thousand, \$4,980 thousand and \$5,102 thousand for the three months and six months ended June 30, 2024 and 2023, respectively.

23. EQUITY

a. Ordinary shares

	June 30, 2024	December 31, 2023	June 30, 2023
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 shares were authorized to be reserved for the issuance of employee share options.

b. Capital surplus

	June 30, 2024	December 31, 2023	June 30, 2023
May be used to offset a deficit, distributed as cash dividends, or transferred to capital stock (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	383,982	381,527	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>183,297</u>
	<u>\$ 1,090,207</u>	<u>\$ 1,087,752</u>	<u>\$ 1,085,930</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 stockholders 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 2023 and 2022 that were resolved by the shareholder's in their meeting on June 12, 2024 and June 6, 2023, respectively, were as follows:

	For the year ended December 31	
	2023	2022
Legal reserve	\$ 26,867	\$ 4,043
Cash dividends	177,141	177,141
Cash dividends per share (NT\$)	0.20	0.20

d. Special reserves

On the initial application of IFRS Accounting Standards, 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>June 30, 2024</u>			
TFIC	8,676	<u>\$ 118,460</u>	<u>\$ 149,220</u>
<u>December 31, 2023</u>			
TFIC	9,109	<u>\$ 124,373</u>	<u>\$ 183,537</u>
<u>June 30, 2023</u>			
TFIC	9,109	<u>\$ 124,373</u>	<u>\$ 201,754</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 June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Interest on bank loans	\$ 67,883	\$ 74,222	\$ 138,309	\$ 155,435
Interest on loans from related parties (Note 29)	13,682	26,385	27,166	48,481
Interest on lease liabilities	91	34	173	67
Other interest expense	<u>19</u>	<u>12</u>	<u>19</u>	<u>18</u>
	<u>\$ 81,675</u>	<u>\$ 100,653</u>	<u>\$ 165,667</u>	<u>\$ 204,001</u>

Information about capitalized interest was as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Capitalized interest	\$ 3,739	\$ 2,818	\$ 7,154	\$ 5,473
Capitalization rate	1.82%-3.50%	1.31%-2.01%	1.73%-3.50%	1.22%-2.17%

b. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Property, plant and equipment	\$ 275,178	\$ 260,357	\$ 538,018	\$ 524,471
Right-of-use assets	4,499	3,702	8,744	7,336
Intangible assets and other assets	<u>3,995</u>	<u>3,573</u>	<u>7,932</u>	<u>7,285</u>
	<u>\$ 283,672</u>	<u>\$ 267,632</u>	<u>\$ 554,694</u>	<u>\$ 539,092</u>
An analysis of depreciation by function				
Operating costs	\$ 265,258	\$ 248,928	\$ 516,697	\$ 501,301
Operating expenses	<u>14,419</u>	<u>15,131</u>	<u>30,065</u>	<u>30,506</u>
	<u>\$ 279,677</u>	<u>\$ 264,059</u>	<u>\$ 546,762</u>	<u>\$ 531,807</u>
An analysis of amortization by function				
Operating costs	\$ 3,031	\$ 2,640	\$ 6,016	\$ 5,379
Operating expenses	<u>964</u>	<u>933</u>	<u>1,916</u>	<u>1,906</u>
	<u>\$ 3,995</u>	<u>\$ 3,573</u>	<u>\$ 7,932</u>	<u>\$ 7,285</u>

c. Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Salary expense	\$ 154,855	\$ 137,940	\$ 286,969	\$ 288,176
Insurance expense	17,191	15,553	33,945	31,765
Post-employment benefits				
Defined contribution plans	9,859	3,334	19,357	12,891
Defined benefit plans (Note 22)	2,429	2,555	4,980	5,106
Other employee benefits	<u>30,181</u>	<u>27,411</u>	<u>61,739</u>	<u>60,847</u>
Total employee benefits expense	<u>\$ 214,515</u>	<u>\$ 186,793</u>	<u>\$ 406,990</u>	<u>\$ 398,785</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 122,139	\$ 105,237	\$ 235,693	\$ 215,197
Operating expenses	<u>92,376</u>	<u>81,556</u>	<u>171,297</u>	<u>183,588</u>
	<u>\$ 214,515</u>	<u>\$ 186,793</u>	<u>\$ 406,990</u>	<u>\$ 398,785</u>

In compliance with the Articles, the Corporation accrued employees' compensation and remuneration of directors at the rates from 1% to 2% and no higher than 1%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. However, if the Corporation has accumulated any deficit, the profit should be set aside for offsetting the losses. The Group did not accrue employees' compensation and remuneration of directors because of net loss before tax for the six months ended June 30, 2024. The accrued employees' compensation and remuneration of directors were \$15,464 thousand for the six months ended June 30, 2023.

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the financial statements for the years ended December 31, 2023 and 2022.

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 June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Current tax				
In respect of the current periods	\$ -	\$ (6,633)	\$ -	\$ -
Land revaluation increment tax	-	-	-	19,954
Deferred tax				
In respect of the current periods	<u>(7,978)</u>	<u>26,172</u>	<u>(52,387)</u>	<u>24,046</u>
Income tax (benefit) expense recognized in profit or loss	<u>\$ (7,978)</u>	<u>\$ 19,539</u>	<u>\$ (52,387)</u>	<u>\$ 44,000</u>

- b. Income tax assessments

The Corporation's income tax returns through 2021 have been assessed by the tax authorities.

The income tax returns of TFIC through 2021 have been assessed by the tax authorities.

26. EARNINGS (LOSS) PER SHARE

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

Net Profit (Loss) for the Period

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Net profit (loss) used in the computation of basic/diluted earnings (loss) per share	<u>\$ 15,229</u>	<u>\$ (75,771)</u>	<u>\$ 38,564</u>	<u>\$ 554,160</u>

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
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>(8,676)</u>	<u>(9,109)</u>	<u>(8,699)</u>	<u>(9,109)</u>
Weighted average number of ordinary shares used in the computation of basic earnings (loss) per share	877,027	876,594	877,004	876,594
Effect of potentially dilutive ordinary shares:				
Employees' compensation or bonuses issued to employees	<u>-</u>	<u>-</u>	<u>98</u>	<u>486</u>
Weighted average number of ordinary shares used in the computation of diluted earnings (loss) per share	<u>877,027</u>	<u>876,594</u>	<u>877,102</u>	<u>877,080</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

June 30, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares	\$ 96,745	\$ -	\$ -	\$ 96,745
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Domestic listed shares	\$ 617,726	\$ -	\$ -	\$ 617,726
Domestic and foreign unlisted shares	-	-	5,472,441	5,472,441
	\$ 617,726	\$ -	\$ 5,472,441	\$ 6,090,167

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares	\$ 66,595	\$ -	\$ -	\$ 66,595
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Domestic listed shares	\$ 1,590,083	\$ -	\$ -	\$ 1,590,083
Domestic and foreign unlisted shares	-	-	5,512,985	5,512,985
	\$ 1,590,083	\$ -	\$ 5,512,985	\$ 7,103,068

June 30, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares	\$ 77,176	\$ -	\$ -	\$ 77,176
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Domestic listed shares	\$ 1,647,653	\$ -	\$ -	\$ 1,647,653
Domestic unlisted shares	-	-	5,876,204	5,876,204
	\$ 1,647,653	\$ -	\$ 5,876,204	\$ 7,523,857

For the six months ended June 30, 2024 and 2023, 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 Six Months Ended June 30	
	2024	2023
Balance at January 1	\$ 5,512,985	\$ 5,908,359
Recognized in other comprehensive income	(82,449)	25,436
Reduction in capital	-	(19,350)
Change of exchange rate	41,905	(38,241)
Balance at June 30	\$ 5,472,441	\$ 5,876,204

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

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Financial assets</u>			
Fair value through profit or loss (FVTPL)			
Mandatorily classified as at FVTPL	\$ 96,745	\$ 66,595	\$ 77,176
Financial assets at amortized cost (Note 1)	3,873,767	3,648,485	3,213,179
Financial assets at FVTOCI			
Equity instruments	6,090,167	7,103,068	7,523,857

Financial liabilities

Amortized cost (Note 2)	16,843,505	17,409,788	16,948,498
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Note 1 The balances include financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable, trade receivables (including related parties), other receivables (including related parties) and debt investments.

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

d. Financial risk management objectives and policies

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

1) Market risk

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

a) Foreign currency risk

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

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

Sensitivity analysis

The Group was mainly exposed to the USD and RMB.

The following details the effects of a 5% increase in NTD (the functional currency) against the relevant foreign currencies. For a 5% weakening of relevant currency against the NTD, the pre-tax (loss) profit would decrease by \$7,997 thousand and \$2,374 thousand for the six months ended June 30, 2024 and 2023, 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:

	June 30, 2024	December 31, 2023	June 30, 2023
Fair value interest rate risk			
Financial assets	\$ 244,603	\$ 244,420	\$ 269,157
Financial liabilities	10,629,521	9,462,720	8,427,183
Cash flow interest rate risk			
Financial assets	1,347,020	1,595,611	1,106,112
Financial liabilities	3,600,000	5,900,000	6,400,000

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 (loss) profit for the six months ended June 30, 2024 and 2023 would have increased/decreased by \$5,632 thousand and decreased/increased by \$13,235 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 (loss) profit for the six months ended June 30, 2024 and 2023 would have decreased/increased by \$4,837 thousand and increased/decreased \$3,859 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for the six months ended June 30, 2024 and 2023 would have increased/decreased by \$30,886 thousand and \$82,383 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 June 30, 2024, December 31, 2023 and June 30, 2023, 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.

June 30, 2024

	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	\$ -	\$ 1,667,870	\$ -	\$ -	\$ -
Lease liabilities	673	1,345	6,216	16,169	173
Variable interest rate liabilities	-	-	-	3,719,488	-
Fixed interest rate liabilities	<u>2,492,869</u>	<u>1,630,520</u>	<u>2,246,559</u>	<u>4,294,840</u>	<u>-</u>
	<u>\$ 2,493,542</u>	<u>\$ 3,299,735</u>	<u>\$ 2,252,775</u>	<u>\$ 8,030,497</u>	<u>\$ 173</u>

December 31, 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	\$ -	\$ 1,485,034	\$ -	\$ -	\$ -
Lease liabilities	797	1,110	4,996	15,022	335
Variable interest rate liabilities	-	-	-	6,050,700	-
Fixed interest rate liabilities	<u>2,086,686</u>	<u>1,434,831</u>	<u>2,862,703</u>	<u>3,122,224</u>	<u>-</u>
	<u>\$ 2,087,483</u>	<u>\$ 2,920,975</u>	<u>\$ 2,867,699</u>	<u>\$ 9,187,946</u>	<u>\$ 335</u>

June 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	\$ -	\$ 1,443,569	\$ -	\$ -	\$ -
Lease liabilities	480	960	4,417	14,392	189
Variable interest rate liabilities	-	-	-	6,532,433	-
Fixed interest rate liabilities	<u>1,816,494</u>	<u>1,692,980</u>	<u>2,600,505</u>	<u>2,351,861</u>	<u>-</u>
	<u>\$ 1,816,974</u>	<u>\$ 3,137,509</u>	<u>\$ 2,604,922</u>	<u>\$ 8,898,686</u>	<u>\$ 189</u>

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

b) Financing facilities

	June 30, 2024	December 31, 2023	June 30, 2023
Unsecured bank borrowing limit			
Amount used	\$ 13,793,000	\$ 13,971,000	\$ 13,302,000
Amount unused	<u>14,165,000</u>	<u>13,241,000</u>	<u>15,514,000</u>
	<u>\$ 27,958,000</u>	<u>\$ 27,212,000</u>	<u>\$ 28,816,000</u>
Secured bank borrowing limit			
Amount used	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000
Amount unused	<u>150,000</u>	<u>250,000</u>	<u>-</u>
	<u>\$ 2,350,000</u>	<u>\$ 2,450,000</u>	<u>\$ 2,200,000</u>

29. TRANSACTIONS WITH RELATED PARTIES

Besides information disclosed elsewhere 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
Asia Cement Corp.	Others
Oriental Petrochemical (Taiwan) Co., Ltd. (OPTC)	Others
Air Liquide Far Eastern Ltd.	Others
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
Yangzhou Yadong Cement Co., Ltd.	Others
Jiangxi Yadong Cement Co., Ltd.	Others
Huanggang Yadong Cement Co., Ltd.	Others

(Continued)

Related Party Name	Related Party Category
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

(Concluded)

b. Sale of goods

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Investors with significant influence over the Group	\$ 223,333	\$ 233,765	\$ 326,356	\$ 422,695
Others	<u>187,286</u>	<u>65,966</u>	<u>247,048</u>	<u>80,537</u>
	<u>\$ 410,619</u>	<u>\$ 299,731</u>	<u>\$ 573,404</u>	<u>\$ 503,232</u>

c. Purchase of goods

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Others	<u>\$ -</u>	<u>\$ 170</u>	<u>\$ 1,500</u>	<u>\$ 170</u>

d. Operating expenses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Others				
Fu-Ming Transport Corp.	\$ 40,751	\$ 41,597	\$ 74,980	\$ 83,404
Others	<u>20,995</u>	<u>11,584</u>	<u>31,856</u>	<u>18,924</u>
	<u>\$ 61,746</u>	<u>\$ 53,181</u>	<u>\$ 106,836</u>	<u>\$ 102,328</u>

e. Interest expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Others				
Oriental Industries (Suzhou) Ltd.	\$ 10,224	\$ 9,579	\$ 19,889	\$ 16,845
Far Eastern Industries (Shanghai) Ltd.	-	10,341	-	20,705
Others	<u>3,458</u>	<u>6,465</u>	<u>7,277</u>	<u>10,931</u>
	<u>\$ 13,682</u>	<u>\$ 26,385</u>	<u>\$ 27,166</u>	<u>\$ 48,481</u>

f. Interest income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Associates				
HXYZ	\$ 1,722	\$ 1,628	\$ 3,396	\$ 3,264
Others				
FEIB	<u>561</u>	<u>340</u>	<u>722</u>	<u>482</u>
	<u>\$ 2,283</u>	<u>\$ 1,968</u>	<u>\$ 4,118</u>	<u>\$ 3,746</u>

g. Rental income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Others				
Fu-Da Transport Corp.	<u>\$ -</u>	<u>\$ 1,616</u>	<u>\$ -</u>	<u>\$ 4,039</u>

h. Cash and cash equivalents

	June 30, 2024	December 31, 2023	June 30, 2023
Others			
FEIB	<u>\$ 83,488</u>	<u>\$ 75,317</u>	<u>\$ 84,238</u>

i. Receivables from related parties

Line Item	Related Party Category/Name	June 30, 2024	December 31, 2023	June 30, 2023
Notes receivable	Others			
	Oriental Petrochemical (Shanghai) Corp. (OPSC)	\$ -	\$ -	\$ 36,025
Trade receivable	Investors with significant influence over the Group	124,351	46,253	61,196
	Others	84,719	34,493	14,419
		<u>209,070</u>	<u>80,746</u>	<u>75,615</u>
		<u>\$ 209,070</u>	<u>\$ 80,746</u>	<u>\$ 111,640</u>

The outstanding trade receivables from related parties are unsecured. For the six months ended June 30, 2024 and 2023, no impairment loss was recognized for trade receivables from related parties.

j. Other receivables

	June 30, 2024	December 31, 2023	June 30, 2023
Associates			
HXYZ (Note)	\$ 559,741	\$ 529,659	\$ 521,041
Others	<u>2,615</u>	<u>1,728</u>	<u>2,113</u>
	<u>\$ 562,356</u>	<u>\$ 531,387</u>	<u>\$ 523,154</u>

Note: The Group provided secured short-term loans to HXYZ amounted to \$555,495 thousand. Refer to Table 1 for detailed information.

k. Financial assets at amortized cost - non-current

	June 30, 2024	December 31, 2023	June 30, 2023
Others			
FEIB	<u>\$ 65,205</u>	<u>\$ 64,942</u>	<u>\$ 64,741</u>

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

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Others</u>			
Oriental Industries (Suzhou) Ltd.	\$ 1,320,439	\$ 1,473,971	\$ 1,249,773
Far Eastern Industries (Yangzhou) Ltd.	546,389	520,225	517,147
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	-	216,761	430,956
	<u>\$ 1,866,828</u>	<u>\$ 2,210,957</u>	<u>\$ 2,197,876</u>

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

m. Other payables

	June 30, 2024	December 31, 2023	June 30, 2023
Others	\$ <u>106,641</u>	\$ <u>89,875</u>	\$ <u>94,041</u>

n. Disposal of non-current assets held for sale

The Group disposed of non-current assets held for sale to Fu-Ming Transport Corp. on March 2023. Refer to Note 12 for detailed information.

o. Remuneration of key management personnel

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Short-term employee benefits	\$ 9,485	\$ 11,572	\$ 16,286	\$ 20,490
Post-employment benefits	<u>54</u>	<u>108</u>	<u>108</u>	<u>216</u>
	<u>\$ 9,539</u>	<u>\$ 11,680</u>	<u>\$ 16,394</u>	<u>\$ 20,706</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:

	June 30, 2024	December 31, 2023	June 30, 2023
Pledged deposits (financial assets at amortized cost - non-current)	\$ 65,205	\$ 64,942	\$ 64,741
Investment Properties	<u>1,682,742</u>	<u>1,682,742</u>	<u>1,682,742</u>
	<u>\$ 1,747,947</u>	<u>\$ 1,747,684</u>	<u>\$ 1,747,483</u>

As of June 30, 2024, the Corporation pledged 28,599 thousand shares 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 as of June 30, 2024 were as follows:

- a. As of June 30, 2024, unused letters of credit for purchases of raw materials amounted to \$1,860,034 thousand, purchase guarantees from banking institution amounted to \$450,000 thousand, refundable deposit with the Harbor Bureau amounted to \$91,065 thousand, and leased silver for catalysts from financial institution amounted to \$1,048,151 thousand, respectively.
- b. Endorsements/guarantees provided to subsidiaries and associates

The Corporation

TFIC	<u>\$ 1,600,000</u>
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- c. The Corporation has a long-term ethylene purchase agreement with Chinese Petroleum Corporation, Taiwan under which the Corporation is committed to purchase ethylene until December 31, 2024. 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. The agreement is automatically renewed for another two years, as specified in the contract.
- f. The Corporation’s Board of Directors resolved to construct ethylene storage tanks at the Kaohsiung Intercontinental Container Terminal in 2019. The total contract amount is \$765,893 thousand. As of June 30, 2024, the Corporation had paid 610,430 thousand, which is accounted for as construction in progress and equipment to be inspected.

32. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

June 30, 2024

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 6,017	32.45 (USD:NTD)	\$ 195,252
USD	328	7.13 (USD:RMB)	<u>10,644</u>
			<u>\$ 205,896</u>
Non-monetary items			
Investments accounted for using the equity method			
RMB	26,293	4.55 (RMB:NTD)	<u>\$ 119,718</u>

Financial liabilities

Monetary items			
USD	8,196	7.13 (USD:RMB)	\$ 265,960
USD	3,076	32.45 (USD:NTD)	99,816
RMB	11	4.55 (RMB:NTD)	<u>50</u>
			<u>\$ 365,826</u>

December 31, 2023

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 8,010	30.71 (USD:NTD)	\$ 245,947
USD	229	7.08 (USD:RMB)	<u>7,031</u>
			<u>\$ 252,978</u>
Non-monetary items			
Investments accounted for using the equity method			
RMB	31,858	4.34 (RMB:NTD)	<u>\$ 138,109</u>

(Continued)

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 2,028	7.08 (USD:RMB)	\$ 62,270
USD	1,942	30.71 (USD:NTD)	59,629
RMB	47	4.34 (RMB:NTD)	<u>204</u>
			<u>\$ 122,103</u>
			(Concluded)

June 30, 2023

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 3,399	31.14 (USD:NTD)	\$ 105,845
USD	459	7.23 (USD:RMB)	<u>14,293</u>
			<u>\$ 120,138</u>
Non-monetary items			
Investments accounted for using the equity method			
RMB	37,041	4.31 (RMB:NTD)	<u>\$ 159,629</u>
<u>Financial liabilities</u>			
Monetary items			
USD	1,853	7.23 (USD:RMB)	\$ 57,702
USD	476	31.14 (USD:NTD)	14,823
RMB	29	4.31 (RMB:NTD)	<u>125</u>
			<u>\$ 72,650</u>

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

For the Three Months Ended June 30				
Foreign Currencies	Exchange Rate	2024	Exchange Rate	2023
		Net Foreign Exchange Gain (Loss)		Net Foreign Exchange Gain (Loss)
NTD	1 (NTD:NTD)	\$ (1,310)	1 (NTD:NTD)	\$ 7,176
RMB	4.55 (RMB:NTD)	<u>47</u>	4.38 (RMB:NTD)	<u>9,428</u>
		<u>\$ (1,263)</u>		<u>\$ 16,604</u>

For the Six Months Ended June 30				
Foreign Currencies	2024		2023	
	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
NTD	1 (NTD:NTD)	\$ 5,265	1 (NTD:NTD)	\$ 5,914
RMB	4.49 (RMB:NTD)	<u>7</u>	4.31 (RMB:NTD)	<u>16,473</u>
		<u>\$ 5,272</u>		<u>\$ 22,387</u>

33. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

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

34. SEGMENT INFORMATION

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

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

a. Segment revenues and results

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

	Segment Revenues		Segment Profit (Loss)	
	For the Six Months Ended		For the Six Months Ended	
	June 30		June 30	
	2024	2023	2024	2023
Ethylene glycols business	\$ 7,590,819	\$ 6,512,163	\$ (341,147)	\$ (567,397)
Special chemicals business	3,276,911	3,106,994	148,794	(21,110)
Gas business	772,630	836,500	186,242	315,347
Investment and others	11,349	6,580	(2,469)	743
Other eliminations and adjustments	-	-	54	54
Total operating segments	<u>\$ 11,651,709</u>	<u>\$ 10,462,237</u>	<u>(8,526)</u>	<u>(272,363)</u>
Non-operating income and expense			<u>(126,386)</u>	<u>599,688</u>
(Loss) profit before income tax			<u>\$ (134,912)</u>	<u>\$ 327,325</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

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Segment assets</u>			
Ethylene glycols business	\$ 11,273,088	\$ 9,999,102	\$ 12,201,609
Special chemicals business	5,164,877	4,853,227	4,825,292
Gas business	2,101,676	2,068,279	2,082,636
Investment and others	23,451,286	25,267,231	24,677,772
Other eliminations and adjustments	<u>(9,292,266)</u>	<u>(9,173,508)</u>	<u>(10,430,006)</u>
Total segment assets	<u>\$ 32,698,661</u>	<u>\$ 33,014,331</u>	<u>\$ 33,357,303</u>

c. Information on major customers:

In the first half year of 2024 and 2023, Ethylene glycol business - the amount of direct sales revenue were \$7,590,819 thousand and \$6,512,163 thousand, respectively, and had included \$1,938,606 thousand and \$1,427,590 thousand, respectively, which came from East China Branch of China Petroleum & Chemical Corporation, the largest customer of the Group.

TABLE 1

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

FINANCINGS PROVIDED TO OTHERS
FOR THE SIX MONTHS ENDED JUNE 30, 2024
(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	\$ 555,495	\$ 555,495	\$ 555,495	1.3%	Necessary for short-term financing	\$ -	Operating capital	\$ -	Promissory notes	\$ -	40% of net worth of FUPY \$2,367,760	40% of net worth of FUPY \$2,367,760	

Note: Based on reviewed financial statements.

TABLE 2

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 2024
(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 \$5,995,989	\$ 1,600,000	\$ 1,600,000	\$ 150,000	\$ -	13.34	100% of net worth of the Corporation \$11,991,978	Y	N	N	

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

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

TABLE 3

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
JUNE 30, 2024
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2024				Note
				Number of Stocks/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Corporation	Far Eastern Department Stores Ltd.	Same chairman	Financial assets at FVTOCI - non-current	5,500,000	\$ 187,000	-	\$ 187,000	Note 1
	Asia Cement Corp.	Same chairman	Same as above	4,243,315	186,069	-	186,069	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	128,161	2	128,161	Note 1
	Oriental Petrochemical (Taiwan) Co., Ltd.	The Corporation is one of its director	Same as above	350,286,055	2,707,711	14	2,707,711	Note 2
	Grand Cathay Venture Capital Co., Ltd.	The Corporation is one of its director	Same as above	26,666,667	451,467	17	451,467	Note 2
	Eminent Venture Capital Corp.	The Corporation is one of its director	Same as above	675,000	6,086	10	6,086	Note 2
	Eminent II Venture Capital Corp.	The Corporation is one of its director	Same as above	2,340,000	14,632	6	14,632	Note 2
	Tai An Technologies Corp.	-	Same as above	499,998	6,639	5	6,639	Note 2
TFIC	Chung Hsin Electric & Machinery Manufacturing Corp.	-	Financial assets at FVTPL - current	21,000	3,948	-	3,948	Note 1
	China General Plastics Corp.	-	Same as above	252,000	4,221	-	4,221	Note 1
	Eclat Textile Co., Ltd.	-	Same as above	12,000	6,348	-	6,348	Note 1
	Shihlin Electric & Engineering Corp.	-	Same as above	18,000	5,337	-	5,337	Note 1
	Teco Electric & Machinery Co., Ltd	-	Same as above	87,000	4,655	-	4,655	Note 1
	T.Y.C. Brother Industrial Co, Ltd.	-	Same as above	72,000	5,155	-	5,155	Note 1
	Kinik Company	-	Same as above	18,000	5,904	-	5,904	Note 1
	Accton Technology Corp.	-	Same as above	9,000	4,995	-	4,995	Note 1
	Cheng Uei Precision Industry Co., Ltd.	-	Same as above	72,000	5,688	-	5,688	Note 1
	Yang Ming Marine Transport Corp.	-	Same as above	72,000	5,371	-	5,371	Note 1
	Ruentex Industries Limited	-	Same as above	72,000	4,910	-	4,910	Note 1
	Unimicron Technology Corp.	-	Same as above	30,000	5,400	-	5,400	Note 1
	New Era Electronics Co., Ltd	-	Same as above	54,000	6,291	-	6,291	Note 1
	Coretronic Corp.	-	Same as above	54,000	4,914	-	4,914	Note 1
	L & K Engineering Co., Ltd.	-	Same as above	21,000	5,051	-	5,051	Note 1
	Actron Technology Corp.	-	Same as above	21,000	4,788	-	4,788	Note 1
	Ruentex Development Co., Ltd.	-	Same as above	108,000	4,709	-	4,709	Note 1
	Century Iron and Steel Industrial Co., Ltd.	-	Same as above	30,000	9,060	-	9,060	Note 1
	The Corporation	Treasury share	Financial assets at FVTOCI - non-current	8,675,554	118,460	1	149,220	Note 1
	Everest Textile Co., Ltd.	The chairman of Everest Textile Co., Ltd. is the Corporation's parent corporation's director	Same as above	14,580,194	116,496	2	116,496	Note 1
	Yue Ding Industry Co., Ltd.	Related party in substance	Same as above	6,260,174	93,402	5	93,402	Note 2
	Ding Shen Investment Co., Ltd.	Related party in substance	Same as above	40,328,640	452,891	18	452,891	Note 2
	Oriental Petrochemical (Taiwan) Co., Ltd.	The Corporation is one of its director	Same as above	111,834,375	864,479	4	864,479	Note 2
PPL	Far Eastern Polytex (Shanghai),Ltd.	Related party in substance	Same as above	-	875,134	10	875,134	Note 2

Note 1: The market value was calculated at closing price on June 30, 2024.

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

TABLE 4

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE SIX MONTHS ENDED JUNE 30, 2024
(In Thousands of New Taiwan Dollars)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
TFIC	Far Eastern International Commercial Bank (“FEIB”)	Financial assets at FVTOCI - non-current	-	-	34,761,214	\$ 439,729	-	\$ -	34,761,214	\$ 494,934	\$ 362,068	\$ 132,866	-	\$ -

TABLE 5

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 SIX MONTHS ENDED JUNE 30, 2024
(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	\$ (326,356)	(3)	Same as those to unrelated parties	\$ -	-	\$ 124,351	9	-

TABLE 6

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
JUNE 30, 2024
(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		
The Corporation FUPY	Far Eastern New Century Corp. HXYZ	Same chairman Investee by using equity method	Trade receivables \$ 124,351	7.65	\$ -	-	\$ 120,543	\$ -
			Other receivables 559,741	-	-	-	-	-

TABLE 7

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE SIX MONTHS ENDED JUNE 30, 2024
(In Thousands of New Taiwan Dollars or Foreign Currency)

Investor Company	Investee Company	Location	Major Businesses and Products	Original Investment Amount		As of June 30, 2024			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				June 30, 2024	December 31, 2023	Stocks	%	Carrying Amount			
The Corporation	PPL	British Virgin Islands	Investment	US\$ 216,452	US\$ 216,452	149,000	100	\$ 3,728,586	\$ (137,105)	\$ (137,105)	Note
	TFIC	Taipei City, ROC	Enterprise and financial institution investments	1,110,000	1,110,000	162,913,789	100	1,486,925	5,100	5,100	
	OUCG (Bermuda)	British Bermuda Islands	Investment	US\$ 90,000	US\$ 90,000	103,580	100	624,510	(26,360)	(26,360)	

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

TABLE 8

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

INFORMATION OF INVESTMENTS IN MAINLAND CHINA
FOR THE SIX MONTHS ENDED JUNE 30, 2024
(In Thousands of New Taiwan Dollars or Foreign Currency)

Investee Company	Major Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2024	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of June 30, 2024	Accumulated Repatriation of Investment Income as of June 30, 2024	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\$ 202,980	US\$ -	US\$ -	US\$ 202,980	RMB (61,018)	56	\$ (152,868) (Note 2)	\$ 3,303,026	\$ -	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 (11,152)	28	(24,984) (Note 3)	119,718	-	

Accumulated Outward Remittance for Investment in Mainland China as of June 30, 2024	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. 11351002620 from Industrial Development Administration, 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****JUNE 30, 2024**

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.