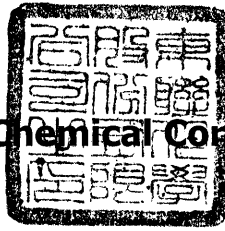




Oriental Union Chemical Corporation (OUCC)



**2021 Annual General Shareholders' Meeting Minutes
(Translation)**

Date: Thursday, 15 July 2021

Time: 9:00 a.m. Taipei time

Place: Auditorium in the Taipei Hero House
No. 20, Changsha Street, Section 1, Taipei, Taiwan

Shareholders present:

Total number of outstanding shares: 871,949,475 shares (excluding 13,753,554 shares owned by OUCC's subsidiary)

Total shares represented by shareholders present: 549,496,927 shares

Percentage of shares held by shareholders: 63.019%

Directors present: Mr. Douglas Tong Hsu, Mr. Johnny Shih, Mr. Humphrey Cheng,
Mr. Justin Tsai, Mr. Kao-Shan Wu, Mr. Eric Chueh

Independent Directors present: Mr. Walt Cheng, Mrs. Ping Lih

Guests present: Mr. Hsin-Wei Tai, CPA, Mr. Ming-Jiang Chen, Lawyer

Chairman: Mr. Douglas Tong Hsu, Chairman of the Board of Directors

Recorder: Mrs. Victoria Peng



A. Call the meeting to order

(The aggregate shares of shareholders present in person or by proxy constituted a quorum.)

B. Chairman's remarks (Omitted)

C. Reporting items:

1. 2020 Business Report (See P3-P7, 2021 AGM Handbook)
2. 2020 Financial Statements (See Attachment I)
3. Audit Committee's review report of 2020 Business Report and Financial Statements (See P25, 2021 AGM Handbook)

D. Approval items:

1. To accept 2020 Business Report and Financial Statements

The Board of Directors proposes and recommends that each shareholder vote for the acceptance of 2020 Business Report and Financial Statements.

Explanatory notes:

- i. OUCC's 2020 Business Report and Financial Statements (including consolidated balance sheets, consolidated statements of comprehensive income, consolidated statements of changes in equity, consolidated statements of cash flows, and balance sheets, statements of comprehensive income, statements of changes in equity, statements of cash flows) have been audited by independent auditors, Mr. Hsin-Wei Tai and Mr. Yu-Wei Fan of Deloitte & Touche, and have been examined and determined to be correct and accurate by Audit Committee of OUCC. We thereby submit this report.
- ii. Please accept the aforesaid Business Report and Financial Statements.

Voting Results: 549,496,927 shares were represented at the time of voting (including e-voting); 532,189,680 shares voted for the proposal, representing 96.85% of the total represented shares, 248,620 shares voted against the proposal, while 17,058,627 shares voted abstained the proposal.

RESOLVED, that the 2020 Business Report and Financial Statements be and hereby accepted as submitted.

2. To approve the proposal for the 2020 deficit offset

The Board of Directors proposes and recommends that each shareholder vote for the 2020 deficit offset.

Explanatory notes:

- i. OUCC's 2020 financial statement has been completed and audited by the CPAs of Deloitte & Touche. The 2020 deficit offset, pursuant to Article 33 of Articles of Incorporation, is proposed as follows: (Unit: NT\$)

(A) Beginning of unappropriated earnings	274,123,258
(B) 2020 net loss	(1,064,697,992)
(C) Confirmed reevaluated amount of welfare plan for retained earnings	(9,990,628)
(D) Yearly net loss with other item included as unappropriated earnings (B)+(C)	(1,074,688,620)
(E) Year-end deficit to be offset (A)+(D)	(880,565,362)
(F) Legal reserve to offset the deficit	880,565,362
(G) Remained deficit to be offset (E)+(F)	0
- ii. Year-end deficit in total of NT\$ 800,565,362 is to be offset with the legal reserve. No more deficit is remained to be offset. The balanced legal reserve sum is NT\$1,526,813,049.
- iii. Please approve the aforesaid proposal.

Voting Results: 549,496,927 shares were represented at the time of voting (including e-voting); 532,489,809 shares voted for the proposal, representing 96.90% of the total represented shares, 320,046 shares voted against the proposal, while 16,687,072 shares voted abstained the proposal.

RESOLVED, that the offset of 2020 deficit be and hereby accepted as proposed.

E. Discussion & election items

1. To elect the Board of Directors (including Independent Directors)

The Board of Directors proposes and recommends that each shareholder vote for the re-election of Directors (including Independent Directors).

Explanatory notes:

- i. Upon the expiration of the Directors of the 15th term, the Board of Directors resolved to conduct the re-election at this annual general shareholders' meeting.
- ii. According to Article 16 and Article 17 of the Articles of Incorporation of the OUCC, eleven Directors (including three Independent Directors) shall serve the tenure of three years starting 16th June 2021.
- iii. The re-election of Directors and Independent Directors are conducted according to the candidate nomination system, which allows the candidate to be nominated by Board of Directors or shareholders with shareholding over 1%. The nomination of Directors and Independent Directors starting 11 April till 20 April 2021, during which time OUCC acknowledged the nominated candidates of eight Directors and three Independent Directors from Far Eastern New Century Corporation, which nominees listed in the roster of candidates were submitted to the Board of Directors Meeting held at 4th May for approval. The candidates list is enclosed as attachment.
- iv. Please approve the aforesaid election.

Candidates List of Directors and Independent Directors

Type	Candidate	Education	Major Experiences	Current Position	Quantity of Shares Held	Name of Institutional Shareholder and Quantity of Shares Held
Director	Douglas Tong Hsu	Honorable PhD in Management, NCTU	Chairman of Oriental Union Chemical Corp., Far Eastern New Century Corp., Asia Cement Corp., Far Eastern Department Stores, Fetnet, and U-Ming Marine Transport Corp. Vice Chairman of Far Eastern International Bank	Chairman of Oriental Union Chemical Corp., Far Eastern New Century Corp., Asia Cement Corp., Far Eastern Department Stores, Fetnet, and U-Ming Marine Transport Corp. Vice Chairman of Far Eastern International Bank	1,664,781	N/A
Director	Johnny Shih	Master in Computer Science, Columbia University, USA	Chairman of Everest Textile Co., Ltd. Vice Chairman of Oriental Union Chemical Corp., Far Eastern New Century Corp. Director of Asia Cement Corp., and CTCI Corp.	Chairman of Everest Textile Co., Ltd. Vice Chairman of Oriental Union Chemical Corp., Far Eastern New Century Corp. Director of Asia Cement Corp., and CTCI Corp.	560,871	Far Eastern New Century Corp. of shares 81,217,005
Director	Humphrey Cheng	EMBA of National Taiwan University	President of Administration HQ of Far Eastern New Century Corp. Director of Oriental Union Chemical Corp., Far Eastern International Bank Chairman & President of Tong Fu Investment Corp.	President of Administration HQ of Far Eastern New Century Corp. Director of Oriental Union Chemical Corp., Far Eastern International Bank Chairman & President of Tong Fu Investment Corp.	941	Far Eastern New Century Corp. of shares 81,217,005
Director	Kao-Shan Wu	Bachelor in Chemistry, Chinese Culture University	President of Petrochemical HQ of Far Eastern New Century Corp.	President of Petrochemical HQ of Far Eastern New Century Corp.	0	Far Eastern New Century Corp. of shares 81,217,005

Type	Candidate	Education	Major Experiences	Current Position	Quantity of Shares Held	Name of Institutional Shareholder and Quantity of Shares Held
Director	Justin Tsai	EMBA of National Chengchi University	Director of Oriental Union Chemical Corp., Everest Textile Co., Ltd., and Oriental Petrochemical (Taiwan) Co., Ltd. President of Oriental Union Chemical Corp. Director of Oriental Union Chemical Corp., Far Eastern Union Petrochemical (Yangzhou) Ltd., and Feng Tay Enterprises Co., Ltd.	Director of Oriental Union Chemical Corp., Everest Textile Co., Ltd., and Oriental Petrochemical (Taiwan) Co., Ltd. President of Oriental Union Chemical Corp. Director of Oriental Union Chemical Corp., Far Eastern Union Petrochemical (Yangzhou) Ltd., and Feng Tay Enterprises Co., Ltd.	0	Yue Ming Trading Co., Ltd. of shares 440,000
Director	Eric Chueh	EMBA of National Chengchi University	President of Oriental Petrochemical (Taiwan) Co., Ltd. Director of Oriental Union Chemical Corp.	President of Oriental Petrochemical (Taiwan) Co., Ltd. Director of Oriental Union Chemical Corp.	0	Fu Da Transport Corp. of shares 3,254,125
Director	James Chou	Bachelor in Chemical Engineering, National Taiwan University	Chairman of Oriental Petrochemical (Shanghai) Corp., and Far Eastern Industries (Shanghai) Ltd. Director of Oriental Petrochemical (Taiwan) Co., Ltd. Director & President of Far	Chairman of Oriental Petrochemical (Shanghai) Corp., and Far Eastern Industries (Shanghai) Ltd. Director of Oriental Petrochemical (Taiwan) Co., Ltd. Director & President of Far	0	Da Chu Chemical Fiber Co., Ltd. of shares 1,000,000

Type	Candidate	Education	Major Experiences	Current Position	Quantity of Shares Held	Name of Institutional Shareholder and Quantity of Shares Held
Director	Bing Shen	MBA of Harvard University, USA	Eastern Union Petrochemical (Yangzhou) Ltd. Vice President/Executive Director of Morgan Stanley Vice President of China Development Industrial Bank President of CDIB & Partners Investment Holding Corp. Director of CTCI Corp.	Eastern Union Petrochemical (Yangzhou) Ltd. Independent Director of Far Eastern New Century Corp., Far Eastern International Bank, and Elite Material Co., Ltd.	0	Yu Li Investment Co., Ltd. of shares 4,861,781
Independent Director	Walt Cheng	Bachelor in Chemical Engineering, National Cheng Kung University	Chairman of DuPont Taiwan Global President of Microcircuit Division of Telecommunication Business of DuPont President of Axolar Technology Corp. Independent Director of SCI Pharmtech Inc. and Oriental Union Chemical Corp. Supervisor of Sunny Pharmtech Inc.	President of Axolar Technology Corp. Independent Director of Oriental Union Chemical Corp. Supervisor of Sunny Pharmtech Inc.	0	N/A
Independent Director	C. T. Chan	High school graduated	Chairman of Yi Jinn Industrial Co., Ltd., Kwang Ming Silk Mill Co., Ltd., Yi Tong Fiber Co., Ltd., Hong Chou Fiber Industrial Co., Ltd., Ta Dien	Chairman of Yi Jinn Industrial Co., Ltd., Kwang Ming Silk Mill Co., Ltd., Yi Tong Fiber Co., Ltd., Hong Chou Fiber Industrial Co., Ltd., Ta Dien	0	N/A

Type	Candidate	Education	Major Experiences	Current Position	Quantity of Shares Held	Name of Institutional Shareholder and Quantity of Shares Held
Independent Director	Ping Lih	Master in Accounting, Texas University, USA	International Development Co., Ltd., Ta Yi International Development Co., Ltd., and Shin Mao Investment Co., Ltd. Independent Director of Oriental Union Chemical Corp.	International Development Co., Ltd., Ta Yi International Development Co., Ltd., and Shin Mao Investment Co., Ltd. Independent Director of Oriental Union Chemical Corp.	0	N/A

Voting Results:

	Name	Votes Received
Directors	Douglas Tong Hsu	591,427,884
	Far Eastern New Century Corporation Representative: Johnny Shih	540,198,607
	Far Eastern New Century Corporation Representative: Humphrey Cheng	494,892,481
	Yue-Ming Trading Company Representative: Justin Tsai	494,790,021
	Far Eastern New Century Corporation Representative: Kao-Shan Wu	494,750,993
	Fu Da Transport Corporation Representative: Eric Chueh	489,191,434
	Da Chu Chemical Fiber Co., Ltd. Representative: James Chou	482,494,149
	Yu Li Investment Co., Ltd. Representative: Bing Shen	480,181,545
Independent Directors	Walt Cheng	473,118,492
	C. T. Chan	472,138,140
	Ping Lih	471,475,167

2. To approve the release of the relevant Directors from the non-competitive restriction under Article 209 of the Company Act

The Board of Directors proposes and recommends that each shareholder vote for the release of the relevant Directors from the non-competitive restriction under Article 209 of the Company Act.

Explanatory notes:

- i. According to Article 209-1 of Company Act "The Director who does anything for himself or on behalf of others that is within the scope of company business, shall explain the essential contents for such an act and obtain the approval from the Shareholders' Meeting".
- ii. The newly elected Director of Oriental Union Chemical Corporation invests or operates as Director or Manager of another company which shares the same or similar business scope as the company, shall seek approval at the Shareholders' Meeting to release new Directors and their representatives from the non-competitive restriction.
- iii. Please approve the release of the aforesaid non-competitive restriction.

Directors	Served as Director/President of other company in the industry
Douglas Tong Hsu	Chairman of Oriental Petrochemical (Taiwan) Co., Ltd. Director of Air Liquide Taiwan
Far Eastern New Century Corporation Representative: Johnny Shih	Director of Oriental Petrochemical (Taiwan) Co., Ltd. and CTCI Corp.
Far Eastern New Century Corporation Representative: Humphrey Cheng	Director of Far Eastern Union Petrochemical (Yangzhou) Ltd. and Oriental Petrochemical (Shanghai) Corp.
Far Eastern New Century Corporation Representative: Kao-Shan Wu	Director of Oriental Petrochemical (Taiwan) Co., Ltd., Far Eastern Union Petrochemical (Yangzhou) Ltd. and Oriental Petrochemical (Shanghai) Corp.
Yue-Ming Trading Company Representative: Justin Tsai	Director of Oriental Petrochemical (Taiwan) Co., Ltd., Far Eastern Union Petrochemical (Yangzhou) Ltd. and Oriental Petrochemical (Shanghai) Corp.

Directors	Served as Director/President of other company in the industry
Fu Da Transport Corporation Representative: Eric Chueh	Director & President of Oriental Petrochemical (Taiwan) Co., Ltd.
Da Chu Chemical Fiber Co., Ltd. Representative: James Chou	Director of Oriental Petrochemical (Taiwan) Co., Ltd. Director & President of Far Eastern Union Petrochemical (Yangzhou) Ltd. Chairman of Oriental Petrochemical (Shanghai) Corp.
Yu Li Investment Co., Ltd. Representative: Bing Shen	Independent Director of Elite Material Co., Ltd.

Voting Results: 549,496,927 shares were represented at the time of voting (including e-voting); 532,096,401 shares voted for proposal, representing 96.83% of the total represented shares, 456,709 shares voted against the proposal, while 16,943,817 shares voted abstained the proposal.

RESOLVED, that the proposal for the release of the relevant Directors from the non-competitive restriction be and hereby accepted as proposed.

F. Extemporaneous motion: None

G. Meeting adjourned

The English version is the translation of the Chinese version and if there is any discrepancy between this English and the Chinese text of this document, the Chinese text shall prevail.

Attachment I

2020 INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Oriental Union Chemical Corporation

Opinion

We have audited the accompanying consolidated financial statements of Oriental Union Chemical Corporation and its subsidiaries (the "Group"), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards ("IFRS"), International Accounting Standards ("IAS"), IFRIC Interpretations ("IFRIC"), and SIC Interpretations ("SIC") endorsed and issued into effect by the Financial Supervisory Commission ("FSC") of the Republic of China ("ROC").

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the ROC. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the ROC, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The descriptions of the key audit matters of the consolidated financial statements for the year ended December 31, 2020 are as follow:

The Impairment Loss of Property, Plant and Equipment

The consolidated balances of property, plant and equipment amounted to \$13,837,770 thousand as of December 31, 2020. On each balance sheet date, the Group reviews its tangible assets for indications of impairment. If any indication thereof exists, the Group then estimates the recoverable amount of the assets. If it is not possible to determine the recoverable amount (fair value less cost to sell and value in use) for the individual asset, then the Group will determine the recoverable amount for the

asset's cash-generating unit. Because the aforementioned tangible assets represent 41% of total consolidated assets and the calculation for recoverable amount involves several assumptions and estimations, which directly impact the amount recognized as impairment losses, we deem the review of impairment of assets a key audit matter.

Corresponding audit procedures:

1. We obtained an understanding of management's estimation of asset impairment and of the design and execution for relevant controls.
2. We evaluated the rationality of management's identification of impairment indicators and the appropriateness of the assumptions. Given that there are impairment indications, we performed:
 - a. Obtained the asset impairment valuation form produced by the management for each cash-generating unit.
 - b. Consulted Deloitte firm internal experts regarding the appropriateness of the assumptions, including the classification of cash-generating units, forecast of cash flows, and discount rate.

Other Matter

We have also audited the parent company only financial statements of Oriental Union Chemical Corporation as of and for the years ended December 31, 2020 and 2019 on which we have issued an unmodified report.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the auditing standards generally accepted in the ROC, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche

Taipei, Taiwan

Republic of China

March 18, 2021

Notice to Readers

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

For the convenience of readers, the independent auditors' 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' report and consolidated financial statements shall prevail.

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

	2020		2019	
	Amount	%	Amount	%
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 2,734,878	8	\$ 3,098,554	9
Financial assets at fair value through profit or loss	59,488	-	144,336	-
Financial assets at amortized cost	-	-	462,298	1
Notes receivable, net	193,353	1	253,814	1
Trade receivables, net	860,472	2	648,856	2
Trade receivables from related parties	161,172	-	94,422	-
Other receivables	550,216	2	358,658	1
Inventories	989,670	3	1,279,190	4
Prepayments for purchases	235,263	1	321,185	1
Other prepayments	124,739	-	66,665	-
Other current assets	377,030	1	875,186	2
Total current assets	6,286,281	18	7,603,164	21
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income	5,623,314	17	5,959,862	16
Financial assets at amortized cost	74,204	-	56,043	-
Investments accounted for using the equity method	1,854,779	6	2,362,912	7
Property, plant and equipment	13,837,770	41	13,861,199	38
Construction in progress	734,464	2	1,078,421	3
Right-of-use assets	401,940	1	402,090	1
Investment properties	1,991,488	6	1,991,571	5
Intangible assets	31,431	-	20,235	-
Deferred tax assets	749,996	2	852,711	2
Other non-current assets	2,517,960	7	2,674,908	7
Total non-current assets	27,817,346	82	29,259,952	79
TOTAL	\$ 34,103,627	100	\$ 36,863,116	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings	\$ 6,885,222	20	\$ 7,923,978	21
Short-term bills payable	-	-	200,000	1
Notes payable	98,209	1	-	-
Trade payables	1,100,550	3	1,315,580	4
Other payables	408,856	1	356,526	1
Other payables to related parties	55,860	-	74,441	-
Current tax liabilities	31,424	-	35,225	-
Lease liabilities	8,103	-	8,996	-
Current portion of long-term borrowings	-	-	600,000	2
Other current liabilities	323,630	1	191,375	-
Total current liabilities	8,911,854	26	10,706,121	29
NON-CURRENT LIABILITIES				
Long-term borrowings	9,249,176	27	8,339,607	23
Deferred tax liabilities	705,372	2	689,556	2
Lease liabilities	7,130	-	14,919	-
Deferred revenue	-	-	102,135	-
Net defined benefit liabilities	259,680	1	263,765	1
Guarantee deposits	34,518	-	23,418	-
Other non-current liabilities	24,091	-	-	-
Total non-current liabilities	10,279,967	30	9,433,400	26
Total liabilities	19,191,821	56	20,139,521	55
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION				
Common stock	8,857,031	26	8,857,031	24
Capital surplus	956,286	3	825,222	2
Retained earnings				
Legal reserve	2,327,378	7	2,325,353	6
Special reserve	1,911,129	5	1,911,129	5
Unappropriated earnings (accumulated deficits)	(800,565)	(2)	541,859	2
Total retained earnings	3,437,942	10	4,778,341	13
Other equity				
Exchange differences on translating foreign operations	(472,288)	(1)	(556,135)	(1)
Unrealized loss on financial assets at fair value through other comprehensive income	(487,204)	(2)	(192,656)	(1)
Total other equity	(959,492)	(3)	(748,791)	(2)
Treasury stock	(187,798)	-	(187,798)	-
NON-CONTROLLING INTERESTS	2,807,837	8	3,199,590	8
Total equity	14,911,806	44	16,723,595	45
TOTAL	\$ 34,103,627	100	\$ 36,863,116	100

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

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

	2020		2019	
	Amount	%	Amount	%
OPERATING REVENUE				
Sales revenue	\$ 18,713,712	100	\$ 22,318,452	100
Other operating revenue	<u>49,447</u>	-	<u>22,775</u>	-
Total operating revenue	<u>18,763,159</u>	<u>100</u>	<u>22,341,227</u>	<u>100</u>
COST OF GOODS SOLD				
	<u>18,245,325</u>	<u>97</u>	<u>22,363,514</u>	<u>100</u>
GROSS PROFIT (LOSS)				
	<u>517,834</u>	<u>3</u>	<u>(22,287)</u>	<u>-</u>
OPERATING EXPENSES				
Selling and marketing expenses	545,283	3	573,870	3
General and administrative expenses	277,940	1	254,822	1
Research and development expenses	149,965	1	161,393	1
Expected credit loss (gain)	<u>638</u>	-	<u>(1,769)</u>	-
Total operating expenses	<u>973,826</u>	<u>5</u>	<u>988,316</u>	<u>5</u>
LOSS FROM OPERATIONS				
	<u>(455,992)</u>	<u>(2)</u>	<u>(1,010,603)</u>	<u>(5)</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	62,096	-	80,027	1
Rental income	39,323	-	40,201	-
Dividend income	49,990	-	49,089	-
Other income	208,598	1	390,753	2
Foreign currency exchange gain (loss)	11,088	-	(694)	-
Gain on financial assets at fair value through profit or loss	5,512	-	13,382	-
Other expenses	(214,908)	(1)	(161,538)	(1)
Interest expense	(367,029)	(2)	(347,670)	(1)
Share of (loss) profit of associates accounted for using the equity method	<u>(645,967)</u>	<u>(3)</u>	<u>279,154</u>	<u>1</u>
Total non-operating income and expenses	<u>(851,297)</u>	<u>(5)</u>	<u>342,704</u>	<u>2</u>
LOSS BEFORE INCOME TAX				
	(1,307,289)	(7)	(667,899)	(3)
INCOME TAX EXPENSE (BENEFIT)				
	<u>164,358</u>	<u>1</u>	<u>(412,547)</u>	<u>(2)</u>
NET LOSS FOR THE YEAR				
	<u>(1,471,647)</u>	<u>(8)</u>	<u>(255,352)</u>	<u>(1)</u>

(Continued)

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

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

	2020		2019	
	Amount	%	Amount	%
OTHER COMPREHENSIVE LOSS				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ (12,488)	-	\$ (16,709)	-
Unrealized (loss) gain on investments in equity instruments designated as at fair value through other comprehensive income	(294,548)	(2)	292,270	1
Income tax relating to items that will not be reclassified subsequently to profit or loss	2,498	-	3,342	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statement of foreign operations	102,767	1	(307,613)	(1)
Share of the other comprehensive income (loss) of associates accounted for using the equity method	<u>23,219</u>	<u>-</u>	<u>(89,940)</u>	<u>(1)</u>
Other comprehensive loss for the year, net of income tax	<u>(178,552)</u>	<u>(1)</u>	<u>(118,650)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u>\$ (1,650,199)</u>	<u>(9)</u>	<u>\$ (374,002)</u>	<u>(2)</u>
NET (LOSS) PROFIT ATTRIBUTED TO:				
Owners of the Corporation	<u>\$ (1,064,698)</u>	<u>(6)</u>	<u>\$ 33,618</u>	<u>-</u>
Non-controlling interests	<u>\$ (406,949)</u>	<u>(2)</u>	<u>\$ (288,970)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE (LOSS) INCOME ATTRIBUTED TO:				
Owners of the Corporation	<u>\$ (1,285,389)</u>	<u>(7)</u>	<u>\$ 46,941</u>	<u>-</u>
Non-controlling interests	<u>\$ (364,810)</u>	<u>(2)</u>	<u>\$ (420,943)</u>	<u>(2)</u>
(LOSS) EARNINGS PER SHARE				
Basic	<u>\$ (1.22)</u>		<u>\$ 0.04</u>	
Diluted	<u>\$ (1.22)</u>		<u>\$ 0.04</u>	

(Concluded)

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Owners of the Corporation											
	Capital Surplus				Retained Earnings			Other Equity				
	Common Stock	Paid-in Capital in Excess of Par Value	Treasury Stock	Other	Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficits)	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Stock	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2019	\$ 8,857,031	\$ 470,767	\$ 294,592	\$ -	\$ 2,150,280	\$ 1,911,129	\$ 2,246,662	\$ (290,555)	\$ (484,926)	\$ (187,798)	\$ 3,620,533	\$ 18,587,715
Legal reserve	-	-	-	-	175,073	-	(175,073)	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	(1,549,981)	-	-	-	-	(1,549,981)
Net profit (loss) for the year ended December 31, 2019	-	-	-	-	-	-	33,618	-	-	-	(288,970)	(255,352)
Other comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	-	-	(13,367)	(265,580)	292,270	-	(131,973)	(118,650)
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	-	-	20,251	(265,580)	292,270	-	(420,943)	(374,002)
Change in capital surplus from dividends distributed to subsidiary	-	-	24,069	-	-	-	-	-	-	-	-	24,069
Dividends unclaimed by stockholders	-	-	-	35,794	-	-	-	-	-	-	-	35,794
BALANCE AT DECEMBER 31, 2019	8,857,031	470,767	318,661	35,794	2,325,353	1,911,129	541,859	(556,135)	(192,656)	(187,798)	3,199,590	16,723,595
Legal reserve	-	-	-	-	2,025	-	(2,025)	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	(265,711)	-	-	-	-	(265,711)
Net loss for the year ended December 31, 2020	-	-	-	-	-	-	(1,064,698)	-	-	-	(406,949)	(1,471,647)
Other comprehensive (loss) income for the year ended December 31, 2020	-	-	-	-	-	-	(9,990)	83,847	(294,548)	-	42,139	(178,552)
Total comprehensive (loss) income for the year ended December 31, 2020	-	-	-	-	-	-	(1,074,688)	83,847	(294,548)	-	(364,810)	(1,650,199)
Change in capital surplus from dividends distributed to subsidiary	-	-	4,126	-	-	-	-	-	-	-	-	4,126
Changes in percentage of ownership interests in subsidiaries	-	-	-	16,367	-	-	-	-	-	-	(26,943)	(10,576)
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	-	110,571	-	-	-	-	-	-	-	110,571
BALANCE AT DECEMBER 31, 2020	\$ 8,857,031	\$ 470,767	\$ 322,787	\$ 162,732	\$ 2,327,378	\$ 1,911,129	\$ (800,565)	\$ (472,288)	\$ (487,204)	\$ (187,798)	\$ 2,807,837	\$ 14,911,806

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	\$(1,307,289)	\$ (667,899)
Adjustments :		
Depreciation expenses	1,044,194	1,068,913
Amortization expenses	16,888	13,050
Expected credit loss (gain)	638	(1,769)
Gain on financial assets at fair value through profit or loss, net	(5,512)	(13,382)
Interest expense	367,029	347,670
Interest income	(62,096)	(80,027)
Dividend income	(49,990)	(49,089)
Share of loss (profit) of associates accounted for using the equity method	645,967	(279,154)
(Gain) loss on disposal of assets	(6,412)	8,723
Write-downs (reversal of write-downs) of inventories	28,908	(721)
Unrealized loss (gain) on foreign currency exchange	38,026	(177,396)
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	90,360	(52,885)
Notes receivable	60,546	532,047
Trade receivables	(212,339)	515,124
Trade receivables from related parties	(66,750)	(24,239)
Other receivables	(198,176)	(315,012)
Inventories	275,978	352,569
Prepayments	27,848	801,024
Other current assets	498,156	(306,062)
Notes payable	98,209	-
Trade payables	(215,030)	(1,595,374)
Other payables	(31,179)	(267,871)
Other current liabilities	132,255	(23,672)
Net defined benefit liabilities	(16,573)	(3,104)
Deferred revenue	(101,784)	(8,829)
Other non-current liabilities	<u>24,091</u>	<u>-</u>
Cash generated from (used in) operations	1,075,963	(227,365)
Interest received	68,711	65,876
Interest paid	(349,499)	(343,262)
Income tax paid	<u>(43,574)</u>	<u>(242,546)</u>
Net cash generated from (used in) operating activities	<u>751,601</u>	<u>(747,297)</u>

(Continued)

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	-	(360,174)
Proceeds from the capital reduction of financial assets at fair value through other comprehensive income	42,000	-
Proceeds from disposal of (payments for) financial assets at amortized cost	442,734	(441,373)
Payments for property, plant and equipment	\$ (15,052)	\$ (31,274)
Proceeds from disposal of property, plant and equipment	2,612	-
Payments for intangible assets	(10,857)	(23)
Decrease (increase) in other non-current assets	145,854	(77,990)
Increase in construction in progress	(498,259)	(376,298)
Other dividend received	<u>49,990</u>	<u>49,089</u>
Net cash generated from (used in) investing activities	<u>159,022</u>	<u>(1,238,043)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayments of) proceeds from short-term borrowings	(1,142,496)	2,947,833
Repayments of short-term bills payable	(200,000)	(100,000)
Proceeds from long-term borrowings	13,330,787	12,451,946
Repayments of long-term borrowings	(13,021,218)	(10,526,250)
Increase (decrease) in guarantee deposits	11,100	(7,460)
Repayment of the principal portion of lease liabilities	(9,274)	(10,522)
Dividends paid to owners of the Corporation	<u>(261,585)</u>	<u>(1,525,912)</u>
Net cash (used in) generated from financing activities	<u>(1,292,686)</u>	<u>3,229,635</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>18,387</u>	<u>(56,241)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		
	(363,676)	1,188,054
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
	<u>3,098,554</u>	<u>1,910,500</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
	<u>\$ 2,734,878</u>	<u>\$ 3,098,554</u>

(Concluded)

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Oriental Union Chemical Corporation

Opinion

We have audited the accompanying financial statements of Oriental Union Chemical Corporation (the "Corporation"), which comprise the balance sheets as of December 31, 2020 and 2019, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China ("ROC"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation in accordance with The Norm of Professional Ethics for Certified Public Accountant of the ROC, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The descriptions of the key audit matters of the financial statements for the year ended December 31, 2020 are as follow:

The Impairment Loss of Property, Plant and Equipment

The balances of property, plant and equipment amounted to \$5,563,410 thousand as of December 31, 2020. On each balance sheet date, the Corporation reviews its tangible assets for indications of impairment. If any indication thereof exists, the Corporation then estimates the recoverable amount of the assets. If it is not possible to determine the recoverable amount (fair value less cost to sell and value in use) for the individual asset, then the Corporation will determine the recoverable amount for the asset's cash-generating unit. Because the aforementioned tangible assets represent 25% of total assets and the calculation for recoverable amount involves several assumptions and estimations,

which directly impact the amount recognized as impairment losses, we deem the review of impairment of assets a key audit matter.

Corresponding audit procedures:

1. We obtained an understanding of management's estimation of asset impairment and of the design and execution for relevant controls.
2. We evaluated the rationality of management's identification of impairment indicators and the appropriateness of the assumptions. Given that there are impairment indications, we performed:
 - a. Obtained the asset impairment valuation form produced by the management for each cash-generating unit.
 - b. Consulted Deloitte firm internal experts regarding the appropriateness of the assumptions, including the classification of cash-generating units, forecast of cash flows, and discount rate.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Corporation's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with the auditing standards generally accepted in the ROC, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error,

as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Corporation to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the Corporation audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche

Taipei, Taiwan

Republic of China

March 18, 2021

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying 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' report and financial statements shall prevail.

ORIENTAL UNION CHEMICAL CORPORATION

BALANCE SHEETS DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

ASSETS	2020		2019	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents	\$ 656,128	3	\$ 1,402,390	6
Financial assets at fair value through profit or loss	-	-	76,537	-
Notes receivable, net	57,454	-	71,538	-
Trade receivables, net	673,003	3	553,365	2
Trade receivables from related parties	93,673	-	93,376	1
Other receivables	1,826	-	7,170	-
Inventories	354,040	2	635,914	3
Prepayments for purchases	74,595	-	31,534	-
Other prepayments	16,304	-	17,475	-
Other current assets	<u>184,009</u>	<u>1</u>	<u>26,432</u>	<u>-</u>
Total current assets	<u>2,111,032</u>	<u>9</u>	<u>2,915,731</u>	<u>12</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income	3,900,242	17	4,170,780	17
Financial assets at amortized cost	64,383	-	56,043	-
Investments accounted for using the equity method	6,876,754	30	7,839,221	32
Property, plant and equipment	5,563,410	25	5,420,700	22
Construction in progress	640,293	3	857,602	4
Right-of-use assets	14,973	-	23,803	-
Investment properties	1,991,488	9	1,991,571	8
Intangible assets	11,060	-	8,663	-
Deferred tax assets	462,545	2	425,757	2
Other non-current assets	<u>1,076,495</u>	<u>5</u>	<u>837,571</u>	<u>3</u>
Total non-current assets	<u>20,601,643</u>	<u>91</u>	<u>21,631,711</u>	<u>88</u>
TOTAL	<u>\$ 22,712,675</u>	<u>100</u>	<u>\$ 24,547,442</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Trade payables	\$ 545,940	2	\$ 659,234	3
Other payables	272,164	1	260,830	1
Current tax liabilities	31,424	-	34,515	-
Lease liabilities	8,103	-	8,996	-
Current portion of long-term borrowings	-	-	600,000	2
Other current liabilities	<u>95,072</u>	<u>1</u>	<u>159,638</u>	<u>1</u>
Total current liabilities	<u>952,703</u>	<u>4</u>	<u>1,723,213</u>	<u>7</u>
NON-CURRENT LIABILITIES				
Long-term borrowings	8,659,389	38	8,339,607	34
Deferred tax liabilities	679,358	3	660,386	3
Lease liabilities	7,130	-	14,919	-
Net defined benefit liabilities	259,680	2	263,765	1
Guarantee deposits	26,355	-	21,547	-
Other non-current liabilities	<u>24,091</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total non-current liabilities	<u>9,656,003</u>	<u>43</u>	<u>9,300,224</u>	<u>38</u>
Total liabilities	<u>10,608,706</u>	<u>47</u>	<u>11,023,437</u>	<u>45</u>
EQUITY				
Common stock	<u>8,857,031</u>	<u>39</u>	<u>8,857,031</u>	<u>36</u>
Capital surplus	<u>956,286</u>	<u>4</u>	<u>825,222</u>	<u>3</u>
Retained earnings				
Legal reserve	2,327,378	10	2,325,353	10
Special reserve	1,911,129	8	1,911,129	8
Unappropriated earnings (accumulated deficits)	<u>(800,565)</u>	<u>(3)</u>	<u>541,859</u>	<u>2</u>
Total retained earnings	<u>3,437,942</u>	<u>15</u>	<u>4,778,341</u>	<u>20</u>
Other equity				
Exchange differences on translating foreign operations	(472,288)	(2)	(556,135)	(2)
Unrealized loss on financial assets at fair value through other comprehensive income	<u>(487,204)</u>	<u>(2)</u>	<u>(192,656)</u>	<u>(1)</u>
Total other equity	<u>(959,492)</u>	<u>(4)</u>	<u>(748,791)</u>	<u>(3)</u>
Treasury stock	<u>(187,798)</u>	<u>(1)</u>	<u>(187,798)</u>	<u>(1)</u>
Total equity	<u>12,103,969</u>	<u>53</u>	<u>13,524,005</u>	<u>55</u>
TOTAL	<u>\$ 22,712,675</u>	<u>100</u>	<u>\$ 24,547,442</u>	<u>100</u>

ORIENTAL UNION CHEMICAL CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Except (Loss) Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
OPERATING REVENUE				
Sales revenue	\$ 9,798,912	100	\$ 11,762,636	100
OPERATING COSTS				
Cost of goods sold	<u>9,015,310</u>	<u>92</u>	<u>10,951,780</u>	<u>93</u>
GROSS PROFIT	<u>783,602</u>	<u>8</u>	<u>810,856</u>	<u>7</u>
OPERATING EXPENSES				
Selling and marketing expenses	511,610	5	507,711	4
General and administrative expenses	114,277	1	90,420	1
Research and development expenses	149,965	2	161,393	2
Expected credit loss (gain)	<u>638</u>	<u>-</u>	<u>(1,769)</u>	<u>-</u>
Total operating expenses	<u>776,490</u>	<u>8</u>	<u>757,755</u>	<u>7</u>
PROFIT FROM OPERATIONS	<u>7,112</u>	<u>-</u>	<u>53,101</u>	<u>-</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	2,142	-	5,494	-
Rental income	39,683	-	39,670	-
Dividend income	49,990	1	49,089	1
Other income	44,074	-	277,212	2
Gain on disposal of property, plant and equipment	995	-	-	-
Foreign currency exchange (loss) gain	(9,016)	-	4,128	-
Gain on financial assets at fair value through profit or loss	5,064	-	12,948	-
Other expenses	(30,112)	-	(43,528)	-
Interest expense	(78,580)	(1)	(69,274)	-
Share of loss of subsidiaries and associates accounted for using equity method	<u>(1,111,368)</u>	<u>(11)</u>	<u>(306,666)</u>	<u>(3)</u>
Total non-operating income and expenses	<u>(1,087,128)</u>	<u>(11)</u>	<u>(30,927)</u>	<u>-</u>
(LOSS) PROFIT BEFORE INCOME TAX	(1,080,016)	(11)	22,174	-
INCOME TAX BENEFIT	<u>(15,318)</u>	<u>-</u>	<u>(11,444)</u>	<u>-</u>
NET (LOSS) PROFIT FOR THE YEAR	<u>(1,064,698)</u>	<u>(11)</u>	<u>33,618</u>	<u>-</u>

(Continued)

ORIENTAL UNION CHEMICAL CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

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

	2020		2019	
	Amount	%	Amount	%
OTHER COMPREHENSIVE (LOSS) INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ (12,488)	-	\$ (16,709)	-
Unrealized (loss) gain on investments in equity instruments designated as at fair value through other comprehensive income	(228,538)	(2)	231,491	2
Income tax relating to items that will not be reclassified subsequently to profit or loss	2,498	-	3,342	-
Share of the other comprehensive (loss) income of subsidiaries and associates accounted for using equity method	(66,010)	(1)	60,779	-
Items that may be reclassified subsequently to profit or loss:				
Share of the other comprehensive income (loss) of subsidiaries and associates accounted for using equity method	<u>83,847</u>	<u>1</u>	<u>(265,580)</u>	<u>(2)</u>
Other comprehensive (loss) income for the year, net of income tax	<u>(220,691)</u>	<u>(2)</u>	<u>13,323</u>	<u>-</u>
TOTAL COMPREHENSIVE (LOSS) PROFIT FOR THE YEAR	<u>\$ (1,285,389)</u>	<u>(13)</u>	<u>\$ 46,941</u>	<u>-</u>
(LOSS) EARNINGS PER SHARE				
Basic	<u>\$ (1.22)</u>		<u>\$ 0.04</u>	
Diluted	<u>\$ (1.22)</u>		<u>\$ 0.04</u>	

(Concluded)

ORIENTAL UNION CHEMICAL CORPORATION

**STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)**

	Capital Surplus				Retained Earnings			Other Equity			
	Common Stock	Paid-in Capital in Excess of Par Value	Treasury Stock	Other	Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficits)	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Stock	Total Equity
BALANCE AT JANUARY 1, 2019	\$ 8,857,031	\$ 470,767	\$ 294,592	\$ -	\$ 2,150,280	\$ 1,911,129	\$ 2,246,662	\$ (290,555)	\$ (484,926)	\$ (187,798)	\$ 14,967,182
Legal reserve	-	-	-	-	175,073	-	(175,073)	-	-	-	-
Cash dividends	-	-	-	-	-	-	(1,549,981)	-	-	-	(1,549,981)
Net profit for the year ended December 31, 2019	-	-	-	-	-	-	33,618	-	-	-	33,618
Other comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	-	-	(13,367)	(265,580)	292,270	-	13,323
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	-	-	20,251	(265,580)	292,270	-	46,941
Change in capital surplus from dividends distributed to subsidiary	-	-	24,069	-	-	-	-	-	-	-	24,069
Dividends unclaimed by stockholders	-	-	-	35,794	-	-	-	-	-	-	35,794
BALANCE AT DECEMBER 31, 2019	8,857,031	470,767	318,661	35,794	2,325,353	1,911,129	541,859	(556,135)	(192,656)	(187,798)	13,524,005
Legal reserve	-	-	-	-	2,025	-	(2,025)	-	-	-	-
Cash dividends	-	-	-	-	-	-	(265,711)	-	-	-	(265,711)
Net loss for the year ended December 31, 2020	-	-	-	-	-	-	(1,064,698)	-	-	-	(1,064,698)
Other comprehensive (loss) income for the year ended December 31, 2020	-	-	-	-	-	-	(9,990)	83,847	(294,548)	-	(220,691)
Total comprehensive (loss) income for the year ended December 31, 2020	-	-	-	-	-	-	(1,074,688)	83,847	(294,548)	-	(1,285,389)
Change in capital surplus from dividends distributed to subsidiary	-	-	4,126	-	-	-	-	-	-	-	4,126
Changes in percentage of ownership interests in subsidiaries	-	-	-	16,367	-	-	-	-	-	-	16,367
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	-	110,571	-	-	-	-	-	-	110,571
BALANCE AT DECEMBER 31, 2020	\$ 8,857,031	\$ 470,767	\$ 322,787	\$ 162,732	\$ 2,327,378	\$ 1,911,129	\$ (800,565)	\$ (472,288)	\$ (487,204)	\$ (187,798)	\$ 12,103,969

ORIENTAL UNION CHEMICAL CORPORATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(In Thousands of New Taiwan Dollars)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) profit before income tax	\$(1,080,016)	\$ 22,174
Adjustments:		
Depreciation expenses	531,066	530,779
Amortization expenses	9,781	10,625
Expected credit loss (gain)	638	(1,769)
Interest expense	78,580	69,274
Interest income	(2,142)	(5,494)
Gain on financial assets at fair value through profit or loss, net	(5,064)	(12,948)
Dividend income	(49,990)	(49,089)
Share of loss of subsidiaries and associates accounted for using equity method	1,111,368	306,666
(Gain) loss on disposal of property, plant and equipment	(995)	8,552
Reversal of write-downs of inventories	(7,897)	(13,828)
Unrealized loss (gain) on foreign currency exchange	9,016	(4,128)
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	81,601	-
Notes receivable	14,169	39,240
Trade receivables	(120,658)	253,886
Other receivables	5,427	(2,596)
Inventories	289,771	210,512
Prepayments	(41,890)	9,836
Other current assets	(157,577)	144,124
Trade payables	(113,294)	(141,600)
Other payables	(32,171)	(93,761)
Other current liabilities	(64,566)	33,303
Net defined benefit liabilities	(16,573)	(3,104)
Other non-current liabilities	24,091	-
Cash generated from operations	462,675	1,310,654
Interest received	2,059	6,271
Interest paid	(83,119)	(66,642)
Income tax paid	(3,091)	(122,892)
Net cash generated from operating activities	<u>378,524</u>	<u>1,127,391</u>

(Continued)

ORIENTAL UNION CHEMICAL CORPORATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(In Thousands of New Taiwan Dollars)

	2020	2019
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	-	(273,011)
Proceeds from the capital reduction of financial assets at fair value through other comprehensive income	42,000	-
(Payments for) proceeds from disposal of financial assets at amortized cost	(8,340)	20,925
Purchase of investments accounted for using equity method	-	(615,143)
Proceeds from disposal of property, plant and equipment	995	-
(Increase) decrease in other non-current assets	(245,311)	25,657
Increase in construction in progress	\$ (404,709)	\$ (291,241)
Dividends received	<u>49,990</u>	<u>49,089</u>
Net cash used in investing activities	<u>(565,375)</u>	<u>(1,083,724)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	12,441,000	12,062,000
Repayments of long-term borrowings	(12,721,218)	(9,751,781)
Increase (decrease) in guarantee deposits	4,808	(6,923)
Repayment of the principal portion of lease liabilities	(9,274)	(10,522)
Dividends paid	<u>(265,711)</u>	<u>(1,549,981)</u>
Net cash (used in) generated from financing activities	<u>(550,395)</u>	<u>742,793</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>(9,016)</u>	<u>4,128</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		
	(746,262)	790,588
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
	<u>1,402,390</u>	<u>611,802</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
	<u>\$ 656,128</u>	<u>\$ 1,402,390</u>

(Concluded)

