



Oriental Union Chemical Corporation (OUCC)

2023 Annual Shareholders Meeting Minutes (Translation)

Date: Tuesday, 6 June 2023

Time: 9:00 a.m. Taipei Time

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

Convening Method:

Hybrid Shareholders Meeting (Physical Shareholders Meeting Supported by Video-Conferencing)

E-Meeting Platform:

Taiwan Depository & Clearing Corp./Stockvote Platform
(<https://www.stockvote.com.tw>)

Shareholders present:

Total number of outstanding shares: 876,594,475 shares (excluding 9,108,554 shares owned by OUCC's subsidiary)

Total shares represented by shareholders present: 525,037,937 shares (including shareholders attending via electronic and video conference)

Percentage of represented shares held by shareholders present: 59.89%

Directors present: Douglas Tong Hsu,

Representatives of Far Eastern New Century Corp.: Johnny Shih,
Humphrey Cheng, Kao-Shan Wu

Representative of Yue Ming Trading Co., Ltd.: Justin Tsai

Representative of Fu Da Transport Corp.: Eric Chueh,

Independent Director & Convener of Audit Committee: Walt Cheng

Independent Director: Ping Lih

Guests present: Yu-Wei Fan, CPA, Ming-Jiang Chen, Lawyer

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

Recorder: Daniel Yu



Call the meeting to order

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

Chairman's remarks (Omitted)

A. Reporting items:

1. 2022 Business Report (Omitted)
2. 2022 Financial Statements (See attachment)
3. Audit Committee's review report of 2022 Business Report and Financial Statements (See attachment)
4. To report 2022 Directors' remuneration and employees' compensation (Omitted)

B. Approval items:

1. To accept 2022 Business Report and Financial Statements

The Board of Directors proposes and recommends that each shareholder vote for the acceptance of 2022 Business Report and Financial Statements.

Explanatory notes:

- (1) OUCC's 2022 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 Mrs. Li-Wen Kuo of Deloitte & Touche, and have been examined and determined to be correct and accurate by Audit Committee of OUCC. We thereby submit this report.
- (2) Please accept the aforesaid Business Report and Financial Statements.

Voting Results: 525,037,937 shares were represented at the time of voting (including electronic and video voting); 514,825,789 shares voted for the proposal, representing 98.05% of the total represented shares, 172,050 shares voted against the proposal, while 10,040,098 shares voted abstained the proposal.

RESOLVED, that the 2022 Business Report and Financial Statements be and hereby accepted as submitted.

2. To approve the proposal for the 2022 profit allocation

The Board of Directors proposes and recommends that each shareholder vote for the 2022 profit allocation.

Explanatory notes:

(1) OUCC's 2022 financial statement has been completed and audited by the CPAs of Deloitte & Touche. The 2022 surplus profit allocation, pursuant to Article 34 of Articles of Incorporation, is proposed as follows: (Unit: NT\$)

(A) Beginning of unappropriated earnings	174,020,902
(B) 2022 net income	38,872,713
(C) Confirmed reevaluated amount of welfare plan for retained earnings	1,563,897
(D) Yearly net income with other item besides net income included as unappropriated earnings (B)+(C)	40,436,610
(E) Legal reserve appropriation	(4,043,661)
(F) Retained earnings available for distribution (A)+(D)+(E)	210,413,851
(G) Shareholders dividend (NT\$0.2/share in cash)	(177,140,606)
(H) Unappropriated earnings after distribution (F)+(G)	33,273,245

(2) After being approved at the 2023 Annual Shareholders Meeting, the cash dividend to common shareholders will be distributed on an ex-dividend date to be determined by the Board of Directors, and round down to dollar. Should OUCC subsequently repurchase its common shares or issue new common shares according to the relevant regulations, the total number of common shares outstanding may change, and the ultimate cash to be distributed to each common share may need to be adjusted accordingly. It is proposed that the Board of Directors of OUCC be authorized to adjust the cash to be distributed to each common share based on the total amount of profits resolved to be distributed and the number of actual common shares outstanding on the ex-dividend date for distribution.

(3) Please approve the aforesaid proposal.

Voting Results: 525,037,937 shares were represented at the time of voting (including electronic and video voting); 515,363,141 shares voted for the proposal, representing 98.16% of the total represented shares, 183,576 shares voted against the proposal, while 9,491,220 shares voted abstained the proposal.

RESOLVED, that the proposal for 2022 profit allocation be and hereby accepted as proposed.

Question of shareholder

**Q: The company should invest in other businesses that may profit.
(Shareholder No. 0312202)**

**A: Thank you for the question. The company shall do its best to look for the
lucrative businesses for investment.**

C. Extemporary Motion: Nil

D. Meeting Adjourned: by 10:05 am

Attachment

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, 2022 and 2021, 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, 2022 and 2021, 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 the Standards on Auditing of the Republic of China. 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, 2022. 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, 2022 are as follow:

The Impairment Loss of Property, Plant and Equipment

The consolidated balances of property, plant and equipment amounted to \$12,389,916 thousand as of December 31, 2022. 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 30% 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, 2022 and 2021 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 Standards on Auditing of the Republic of China 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 Standards on Auditing of the Republic of China, 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, 2022 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 audits resulting in this independent auditors' report are Hsin-Wei Tai and Li-Wen Kuo.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 10, 2023

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the ROC and not those of any other jurisdictions. The standards, procedures and practices to 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, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

ASSETS	2022		2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents	\$ 2,145,428	6	\$ 2,103,567	6
Financial assets at fair value through profit or loss	48,707	-	61,443	-
Financial assets at amortized cost	352,755	1	385,591	1
Notes receivable, net	147,865	-	222,825	1
Trade receivables, net	910,342	3	1,002,032	3
Trade receivables from related parties	68,344	-	112,582	-
Other receivables	572,852	2	558,657	2
Inventories	1,264,508	4	1,401,534	4
Prepayments for purchases	275,762	1	207,749	1
Other prepayments	59,321	-	45,647	-
Non-current assets held for sale	308,622	1	-	-
Other current assets	<u>333,001</u>	<u>1</u>	<u>191,785</u>	<u>1</u>
Total current assets	<u>6,487,507</u>	<u>19</u>	<u>6,293,412</u>	<u>19</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income	7,384,643	21	5,499,431	16
Financial assets at amortized cost	64,523	-	87,217	-
Investments accounted for using the equity method	187,675	-	1,331,028	4
Property, plant and equipment	12,389,916	35	12,991,435	38
Construction in progress	2,346,572	7	1,650,287	5
Right-of-use assets	385,495	1	386,150	1
Investment properties	1,682,742	5	1,991,406	6
Intangible assets	40,815	-	46,382	-
Deferred tax assets	548,518	2	556,899	2
Other non-current assets	<u>3,389,398</u>	<u>10</u>	<u>2,942,524</u>	<u>9</u>
Total non-current assets	<u>28,420,297</u>	<u>81</u>	<u>27,482,759</u>	<u>81</u>
TOTAL	<u>\$ 34,907,804</u>	<u>100</u>	<u>\$ 33,776,171</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings	\$ 7,727,567	22	\$ 5,471,310	16
Notes payable	145,512	-	-	-
Trade payables	1,195,524	4	1,556,601	5
Other payables	618,928	2	1,275,103	4
Other payables to related parties	77,092	-	74,149	-
Current tax liabilities	-	-	6,566	-
Lease liabilities	4,233	-	7,300	-
Other current liabilities	<u>212,264</u>	<u>1</u>	<u>287,722</u>	<u>1</u>
Total current liabilities	<u>9,981,120</u>	<u>29</u>	<u>8,678,751</u>	<u>26</u>
NON-CURRENT LIABILITIES				
Long-term borrowings	9,598,259	28	8,129,398	24
Deferred tax liabilities	730,928	2	720,629	2
Lease liabilities	9,765	-	2,881	-
Net defined benefit liabilities	168,584	-	230,482	1
Guarantee deposits	54,375	-	39,431	-
Other non-current liabilities	<u>70,038</u>	<u>-</u>	<u>53,997</u>	<u>-</u>
Total non-current liabilities	<u>10,631,949</u>	<u>30</u>	<u>9,176,818</u>	<u>27</u>
Total liabilities	<u>20,613,069</u>	<u>59</u>	<u>17,855,569</u>	<u>53</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION				
Ordinary shares	<u>8,857,031</u>	<u>25</u>	<u>8,857,031</u>	<u>26</u>
Capital surplus	<u>1,085,930</u>	<u>3</u>	<u>1,006,828</u>	<u>3</u>
Retained earnings				
Legal reserve	1,615,037	5	1,526,813	4
Special reserve	1,911,129	5	1,911,129	6
Unappropriated earnings	214,458	1	882,237	3
Total retained earnings	<u>3,740,624</u>	<u>11</u>	<u>4,320,179</u>	<u>13</u>
Other equity				
Exchange differences on translating foreign operations	(477,924)	(2)	(496,003)	(2)
Unrealized loss on financial assets at fair value through other comprehensive income	(1,090,401)	(3)	(726,882)	(2)
Total other equity	<u>(1,568,325)</u>	<u>(5)</u>	<u>(1,222,885)</u>	<u>(4)</u>
Treasury shares	<u>(124,373)</u>	<u>-</u>	<u>(124,373)</u>	<u>-</u>
Total equity	<u>14,294,735</u>	<u>41</u>	<u>15,920,602</u>	<u>47</u>
TOTAL	<u>\$ 34,907,804</u>	<u>100</u>	<u>\$ 33,776,171</u>	<u>100</u>

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE				
Sales revenue	\$ 22,036,389	100	\$ 27,466,680	100
Other operating revenue	<u>44,710</u>	<u>-</u>	<u>15,039</u>	<u>-</u>
Total operating revenue	<u>22,081,099</u>	<u>100</u>	<u>27,481,719</u>	<u>100</u>
OPERATING COST				
Cost of goods sold	<u>22,136,114</u>	<u>100</u>	<u>24,929,674</u>	<u>91</u>
GROSS (LOSS) PROFIT	<u>(55,015)</u>	<u>-</u>	<u>2,552,045</u>	<u>9</u>
OPERATING EXPENSES				
Selling and marketing expenses	646,613	3	663,766	2
General and administrative expenses	263,738	1	269,229	1
Research and development expenses	193,876	1	195,881	1
Expected credit (gain) loss	<u>(1,513)</u>	<u>-</u>	<u>1,177</u>	<u>-</u>
Total operating expenses	<u>1,102,714</u>	<u>5</u>	<u>1,130,053</u>	<u>4</u>
(LOSS) PROFIT FROM OPERATIONS	<u>(1,157,729)</u>	<u>(5)</u>	<u>1,421,992</u>	<u>5</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	40,732	-	42,555	-
Rental income	39,554	-	39,554	-
Dividend income	83,019	-	71,542	-
Other income	49,600	-	621,988	3
Gain on disposal of investments	1,093,973	5	-	-
Foreign currency exchange gain	16,318	-	11,598	-
(Loss) gain on financial assets at fair value through profit or loss	(1,753)	-	332	-
Other expenses	(57,704)	-	(59,562)	-
Interest expense	(306,808)	(1)	(260,011)	(1)
Share of loss of associates accounted for using the equity method	<u>(574,220)</u>	<u>(3)</u>	<u>(514,913)</u>	<u>(2)</u>
Total non-operating income and expenses	<u>382,711</u>	<u>1</u>	<u>(46,917)</u>	<u>-</u>
(LOSS) PROFIT BEFORE INCOME TAX	(775,018)	(4)	1,375,075	5
INCOME TAX EXPENSE	<u>15,007</u>	<u>-</u>	<u>188,320</u>	<u>1</u>
NET (LOSS) PROFIT FOR THE YEAR	<u>(790,025)</u>	<u>(4)</u>	<u>1,186,755</u>	<u>4</u>

(Continued)

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OTHER COMPREHENSIVE LOSS				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ 1,955	-	\$ (21,901)	-
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	(363,519)	(1)	(239,678)	(1)
Income tax relating to items that will not be reclassified subsequently to profit or loss	(391)	-	4,380	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statement of foreign operations	67,003	-	(27,084)	-
Share of the other comprehensive loss of associates accounted for using the equity method	-	-	(7,643)	-
Other comprehensive loss for the year, net of income tax	<u>(294,952)</u>	<u>(1)</u>	<u>(291,926)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE YEAR	<u>\$ (1,084,977)</u>	<u>(5)</u>	<u>\$ 894,829</u>	<u>3</u>
NET (LOSS) PROFIT ATTRIBUTED TO:				
Owners of the Corporation	<u>\$ 38,873</u>	<u>-</u>	<u>\$ 899,758</u>	<u>3</u>
Non-controlling interests	<u>\$ (828,898)</u>	<u>(4)</u>	<u>\$ 286,997</u>	<u>1</u>
TOTAL COMPREHENSIVE (LOSS) INCOME ATTRIBUTED TO:				
Owners of the Corporation	<u>\$ (305,003)</u>	<u>(1)</u>	<u>\$ 618,844</u>	<u>2</u>
Non-controlling interests	<u>\$ (779,974)</u>	<u>(4)</u>	<u>\$ 275,985</u>	<u>1</u>
EARNINGS PER SHARE				
Basic	<u>\$ 0.04</u>		<u>\$ 1.03</u>	
Diluted	<u>\$ 0.04</u>		<u>\$ 1.03</u>	

(Concluded)

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Corporation							Other Equity			Non-controlling Interests	Total Equity
	Ordinary Shares	Capital Surplus			Retained Earnings			Exchange Differences on Translating Foreign Operations	Unrealized Loss on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Shares		
		Paid-in Capital in Excess of Par Value	Treasury Shares	Other	Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficits)					
BALANCE AT JANUARY 1, 2021	\$ 8,857,031	\$ 470,767	\$ 322,787	\$ 162,732	\$ 2,327,378	\$ 1,911,129	\$ (800,565)	\$ (472,288)	\$ (487,204)	\$ (187,798)	\$ 2,807,837	\$ 14,911,806
Legal reserve to offset the deficit	-	-	-	-	(800,565)	-	800,565	-	-	-	-	-
Net profit for the year ended December 31, 2021	-	-	-	-	-	-	899,758	-	-	-	286,997	1,186,755
Other comprehensive loss for the year ended December 31, 2021	-	-	-	-	-	-	(17,521)	(23,715)	(239,678)	-	(11,012)	(291,926)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	-	882,237	(23,715)	(239,678)	-	275,985	894,829
Stocks of the parent company disposed of by the subsidiary and recognized as treasury shares transaction	-	-	50,542	-	-	-	-	-	-	63,425	-	113,967
BALANCE AT DECEMBER 31, 2021	8,857,031	470,767	373,329	162,732	1,526,813	1,911,129	882,237	(496,003)	(726,882)	(124,373)	3,083,822	15,920,602
Legal reserve	-	-	-	-	88,224	-	(88,224)	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	-	-	(619,992)	-	-	-	-	(619,992)
Net profit (loss) for the year ended December 31, 2022	-	-	-	-	-	-	38,873	-	-	-	(828,898)	(790,025)
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	-	1,564	18,079	(363,519)	-	48,924	(294,952)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	-	40,437	18,079	(363,519)	-	(779,974)	(1,084,977)
Change in capital surplus from dividends distributed to subsidiary	-	-	6,376	-	-	-	-	-	-	-	-	6,376
Changes in capital surplus from investments accounted for using the equity method	-	-	-	72,726	-	-	-	-	-	-	-	72,726
BALANCE AT DECEMBER 31, 2022	<u>\$ 8,857,031</u>	<u>\$ 470,767</u>	<u>\$ 379,705</u>	<u>\$ 235,458</u>	<u>\$ 1,615,037</u>	<u>\$ 1,911,129</u>	<u>\$ 214,458</u>	<u>\$ (477,924)</u>	<u>\$ (1,090,401)</u>	<u>\$ (124,373)</u>	<u>\$ 2,303,848</u>	<u>\$ 14,294,735</u>

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) profit before income tax	\$ (775,018)	\$ 1,375,075
Adjustments :		
Depreciation expenses	1,082,425	1,081,452
Amortization expenses	13,674	15,015
Expected credit (gain) loss	(1,513)	1,177
Loss (gain) on financial assets at fair value through profit or loss, net	1,753	(332)
Interest expense	306,808	260,011
Interest income	(40,732)	(42,555)
Dividend income	(83,019)	(71,542)
Share of loss of associates accounted for using the equity method	574,220	514,913
Loss on disposal of property, plant and equipment	2,362	11,574
Gain on disposal of investments	(1,093,973)	-
Write-downs of inventories	8,156	35,240
Unrealized gain on foreign currency exchange	(11,854)	(17,782)
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	10,983	(1,623)
Notes receivable	75,090	(29,591)
Trade receivables	93,073	(142,618)
Trade receivables from related parties	44,238	48,590
Other receivables	(6,939)	(5,342)
Inventories	140,994	(446,896)
Prepayments	(81,408)	106,606
Other current assets	(141,216)	185,245
Notes payable	145,512	(98,209)
Trade payables	(361,077)	456,051
Other payables	(589,575)	738,368
Other current liabilities	(75,458)	(35,908)
Net defined benefit liabilities	(59,943)	(51,099)
Other non-current liabilities	16,041	29,906
Cash (used in) generated from operations	(806,396)	3,915,726
Interest received	41,137	39,456
Interest paid	(280,424)	(262,325)
Income tax received (paid)	83	(1,500)
Net cash (used in) generated from operating activities	<u>(1,045,600)</u>	<u>3,691,357</u>

(Continued)

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	\$ (573,959)	\$ (115,795)
Proceeds from the capital reduction of financial assets at fair value through other comprehensive income	13,500	-
Decrease (increase) in financial assets at amortized cost	61,276	(398,171)
Payments for property, plant and equipment	(19,519)	(17,299)
Proceeds from disposal of property, plant and equipment	720	3,649
Payments for intangible assets	-	(22,981)
Proceeds from disposal of intangible assets	21	-
Acquisition of right-of-use assets	-	(439)
Increase in other non-current assets	(422,808)	(431,608)
Increase in construction in progress	(1,119,339)	(1,016,806)
Other dividend received	<u>83,019</u>	<u>71,542</u>
Net cash used in investing activities	<u>(1,977,089)</u>	<u>(1,927,908)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from (repayments of) short-term borrowings	2,190,084	(1,384,279)
Proceeds from long-term borrowings	15,960,000	13,420,000
Repayments of long-term borrowings	(14,491,139)	(14,539,778)
Increase in guarantee deposits	14,944	4,913
Repayment of the principal portion of lease liabilities	(10,284)	(8,411)
Dividends paid to owners of the Corporation	(613,616)	-
Proceeds from reissuance of treasury shares	<u>-</u>	<u>113,967</u>
Net cash generated from (used in) financing activities	<u>3,049,989</u>	<u>(2,393,588)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>14,561</u>	<u>(1,172)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	41,861	(631,311)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>2,103,567</u>	<u>2,734,878</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 2,145,428</u>	<u>\$ 2,103,567</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, 2022 and 2021, 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, 2022 and 2021, 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 the Standards on Auditing of 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 Matter

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, 2022. 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, 2022 are as follow:

The Impairment Loss of Property, Plant and Equipment

The balances of property, plant and equipment amounted to \$4,948,718 thousand as of December 31, 2022. 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 22% 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 Standards on Auditing of the Republic of China 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 Standards on Auditing of the Republic of China 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, 2022 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 audits resulting in this independent auditors' report are Hsin-Wei Tai and Li-Wen Kuo.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 10, 2023

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, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

ASSETS	2022		2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents	\$ 344,876	2	\$ 730,924	3
Notes receivable, net	55,704	-	77,214	-
Trade receivables, net	646,029	3	830,041	4
Trade receivables from related parties	66,724	-	111,762	-
Other receivables	331	-	251	-
Inventories	656,156	3	626,662	3
Prepayments for purchases	9,011	-	11,620	-
Other prepayments	17,377	-	16,799	-
Non-current assets held for sale	308,622	1	-	-
Other current assets	185,275	1	169,049	1
Total current assets	<u>2,290,105</u>	<u>10</u>	<u>2,574,322</u>	<u>11</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income	3,920,805	17	3,773,522	16
Financial assets at amortized cost	64,523	-	87,217	-
Investments accounted for using the equity method	6,320,201	28	6,801,395	29
Property, plant and equipment	4,948,718	22	5,222,625	23
Construction in progress	2,232,242	10	1,575,030	7
Right-of-use assets	14,046	-	10,350	-
Investment properties	1,682,742	7	1,991,406	9
Intangible assets	6,941	-	7,356	-
Deferred tax assets	258,129	1	270,612	1
Other non-current assets	1,180,387	5	918,695	4
Total non-current assets	<u>20,628,734</u>	<u>90</u>	<u>20,658,208</u>	<u>89</u>
TOTAL	<u>\$ 22,918,839</u>	<u>100</u>	<u>\$ 23,232,530</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Trade payables	\$ 494,261	2	\$ 1,117,110	5
Other payables	301,589	1	492,900	2
Current tax liabilities	-	-	6,566	-
Lease liabilities	4,233	-	7,300	-
Other current liabilities	122,857	1	153,383	1
Total current liabilities	<u>922,940</u>	<u>4</u>	<u>1,777,259</u>	<u>8</u>
NON-CURRENT LIABILITIES				
Long-term borrowings	8,999,258	39	7,599,571	33
Deferred tax liabilities	708,247	3	696,177	3
Lease liabilities	9,765	-	2,881	-
Net defined benefit liabilities	168,584	1	230,482	1
Guarantee deposits	49,120	-	35,383	-
Other non-current liabilities	70,038	1	53,997	-
Total non-current liabilities	<u>10,005,012</u>	<u>44</u>	<u>8,618,491</u>	<u>37</u>
Total liabilities	<u>10,927,952</u>	<u>48</u>	<u>10,395,750</u>	<u>45</u>
EQUITY				
Ordinary shares	8,857,031	39	8,857,031	38
Capital surplus	1,085,930	5	1,006,828	4
Retained earnings				
Legal reserve	1,615,037	7	1,526,813	7
Special reserve	1,911,129	8	1,911,129	8
Unappropriated earnings	214,458	1	882,237	4
Total retained earnings	<u>3,740,624</u>	<u>16</u>	<u>4,320,179</u>	<u>19</u>
Other equity				
Exchange differences on translating foreign operations	(477,924)	(2)	(496,003)	(2)
Unrealized loss on financial assets at fair value through other comprehensive income	(1,090,401)	(5)	(726,882)	(3)
Total other equity	<u>(1,568,325)</u>	<u>(7)</u>	<u>(1,222,885)</u>	<u>(5)</u>
Treasury shares	(124,373)	(1)	(124,373)	(1)
Total equity	<u>11,990,887</u>	<u>52</u>	<u>12,836,780</u>	<u>55</u>
TOTAL	<u>\$ 22,918,839</u>	<u>100</u>	<u>\$ 23,232,530</u>	<u>100</u>

ORIENTAL UNION CHEMICAL CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE				
Sales revenue	\$ 12,770,275	100	\$ 14,673,731	100
OPERATING COSTS				
Cost of goods sold	<u>11,426,269</u>	<u>90</u>	<u>12,620,091</u>	<u>86</u>
GROSS PROFIT	<u>1,344,006</u>	<u>10</u>	<u>2,053,640</u>	<u>14</u>
OPERATING EXPENSES				
Selling and marketing expenses	617,342	5	627,742	4
General and administrative expenses	106,355	1	119,621	1
Research and development expenses	156,500	1	156,857	1
Expected credit (gain) loss	<u>(1,513)</u>	<u>-</u>	<u>1,177</u>	<u>-</u>
Total operating expenses	<u>878,684</u>	<u>7</u>	<u>905,397</u>	<u>6</u>
PROFIT FROM OPERATIONS	<u>465,322</u>	<u>3</u>	<u>1,148,243</u>	<u>8</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	2,899	-	905	-
Rental income	39,662	-	39,662	-
Dividend income	83,019	1	71,542	-
Other income	34,605	-	39,140	-
(Loss) gain on disposal of property, plant and equipment	(1,314)	-	263	-
Foreign currency exchange gain (loss)	7,334	-	(1,908)	-
Other expenses	(33,256)	-	(35,184)	-
Interest expense	(78,666)	-	(59,820)	-
Share of loss of subsidiaries accounted for using equity method	<u>(463,590)</u>	<u>(4)</u>	<u>(113,311)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>(409,307)</u>	<u>(3)</u>	<u>(58,711)</u>	<u>(1)</u>
PROFIT BEFORE INCOME TAX	56,015	-	1,089,532	7
INCOME TAX EXPENSE	<u>17,142</u>	<u>-</u>	<u>189,774</u>	<u>1</u>
NET PROFIT FOR THE YEAR	<u>38,873</u>	<u>-</u>	<u>899,758</u>	<u>6</u>
OTHER COMPREHENSIVE LOSS				

(Continued)

ORIENTAL UNION CHEMICAL CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2022		2021	
	Amount	%	Amount	%
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 20)	\$ 1,955	-	\$ (21,901)	-
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	(248,734)	(2)	(187,378)	(1)
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 23)	(391)	-	4,380	-
Share of the other comprehensive loss of subsidiaries accounted for using equity method	(114,785)	-	(52,300)	(1)
Items that may be reclassified subsequently to profit or loss:				
Share of the other comprehensive income (loss) of subsidiaries accounted for using equity method	<u>18,079</u>	<u>-</u>	<u>(23,715)</u>	<u>-</u>
Other comprehensive loss for the year, net of income tax	<u>(343,876)</u>	<u>(2)</u>	<u>(280,914)</u>	<u>(2)</u>
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE YEAR	<u>\$ (305,003)</u>	<u>(2)</u>	<u>\$ 618,844</u>	<u>4</u>
EARNINGS PER SHARE				
Basic	<u>\$ 0.04</u>		<u>\$ 1.03</u>	
Diluted	<u>\$ 0.04</u>		<u>\$ 1.03</u>	

(Concluded)

ORIENTAL UNION CHEMICAL CORPORATION

**STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)**

	Capital Surplus				Retained Earnings			Other Equity		Treasury Shares	Total Equity
	Ordinary Shares	Paid-in Capital in Excess of Par Value	Treasury Shares	Other	Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficits)	Exchange Differences on Translating Foreign Operations	Unrealized Loss on Financial Assets at Fair Value Through Other Comprehensive Income		
BALANCE AT JANUARY 1, 2021	\$ 8,857,031	\$ 470,767	\$ 322,787	\$ 162,732	\$ 2,327,378	\$ 1,911,129	\$ (800,565)	\$ (472,288)	\$ (487,204)	\$ (187,798)	\$ 12,103,969
Legal reserve to offset the deficit	-	-	-	-	(800,565)	-	800,565	-	-	-	-
Net profit for the year ended December 31, 2021	-	-	-	-	-	-	899,758	-	-	-	899,758
Other comprehensive loss for the year ended December 31, 2021	-	-	-	-	-	-	(17,521)	(23,715)	(239,678)	-	(280,914)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	-	882,237	(23,715)	(239,678)	-	618,844
Stocks of the parent company disposed of by the subsidiary and recognized as treasury shares transaction	-	-	50,542	-	-	-	-	-	-	63,425	113,967
BALANCE AT DECEMBER 31, 2021	8,857,031	470,767	373,329	162,732	1,526,813	1,911,129	882,237	(496,003)	(726,882)	(124,373)	12,836,780
Legal reserve	-	-	-	-	88,224	-	(88,224)	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	-	-	(619,992)	-	-	-	(619,992)
Net profit for the year ended December 31, 2022	-	-	-	-	-	-	38,873	-	-	-	38,873
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	-	1,564	18,079	(363,519)	-	(343,876)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	-	40,437	18,079	(363,519)	-	(305,003)
Change in capital surplus from dividends distributed to subsidiary	-	-	6,376	-	-	-	-	-	-	-	6,376
Changes in capital surplus from investments accounted for using the equity method	-	-	-	72,726	-	-	-	-	-	-	72,726
BALANCE AT DECEMBER 31, 2022	\$ 8,857,031	\$ 470,767	\$ 379,705	\$ 235,458	\$ 1,615,037	\$ 1,911,129	\$ 214,458	\$ (477,924)	\$ (1,090,401)	\$ (124,373)	\$ 11,990,887

ORIENTAL UNION CHEMICAL CORPORATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 56,015	\$ 1,089,532
Adjustments:		
Depreciation expenses	538,401	550,938
Amortization expenses	7,950	9,157
Expected credit (gain) loss	(1,513)	1,177
Interest expense	78,666	59,820
Interest income	(2,899)	(905)
Dividend income	(83,019)	(71,542)
Share of loss of subsidiaries accounted for using equity method	463,590	113,311
Loss (gain) on disposal of property, plant and equipment	1,314	(263)
Write-downs of inventories	18,337	12,543
Unrealized (gain) loss on foreign currency exchange	(10,732)	934
Changes in operating assets and liabilities		
Notes receivable	21,640	(19,879)
Trade receivables	230,433	(176,185)
Other receivables	85	1,460
Inventories	(47,831)	(285,165)
Prepayments	2,307	62,480
Other current assets	(16,226)	14,960
Trade payables	(622,849)	571,170
Other payables	(65,005)	89,714
Other current liabilities	(30,526)	58,311
Net defined benefit liabilities	(59,943)	(51,099)
Other non-current liabilities	16,041	29,906
Cash generated from operations	494,236	2,060,375
Interest received	2,829	1,020
Interest paid	(69,677)	(60,658)
Income tax received (paid)	83	(1,500)
Net cash generated from operating activities	<u>427,471</u>	<u>1,999,237</u>

(Continued)

ORIENTAL UNION CHEMICAL CORPORATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	\$ (409,517)	\$ (60,658)
Proceeds from the capital reduction of financial assets at fair value through other comprehensive income	13,500	-
Decrease (increase) in financial assets at amortized cost	22,694	(22,834)
Proceeds from disposal of property, plant and equipment	720	263
Acquisition of right-of-use assets	-	(439)
(Increase) decrease in other non-current assets	(265,733)	152,347
Increase in construction in progress	(1,052,082)	(1,004,527)
Dividends received	<u>83,019</u>	<u>71,542</u>
Net cash used in investing activities	<u>(1,607,399)</u>	<u>(864,306)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	13,100,000	11,700,000
Repayments of long-term borrowings	(11,700,313)	(12,759,818)
Increase in guarantee deposits	13,737	9,028
Repayment of the principal portion of lease liabilities	(10,284)	(8,411)
Dividends paid to owners of the Corporation	<u>(619,992)</u>	<u>-</u>
Net cash generated from (used in) financing activities	<u>783,148</u>	<u>(1,059,201)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>10,732</u>	<u>(934)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(386,048)	74,796
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>730,924</u>	<u>656,128</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 344,876</u>	<u>\$ 730,924</u>

(Concluded)

Audit Committee's review report on the 2022 Business Report and Financial Statements

To the 2023 Annual Shareholders' Meeting of Oriental Union Chemical Corporation,

In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we have examined the Business Report, Financial Statements, and the Resolution for Allocation of Surplus Profit submitted by the Board of Directors for the year ending 2022, which have been audited by the CPAs Hsin-Wei Tai and Li-Wen Kuo of Deloitte & Touche, and found them in order.

The Convener of the Audit Committee : Walt Cheng



March 10, 2023