



Oriental Union Chemical Corporation (OUCC)

2024 Annual Shareholders Meeting Minutes

Date: Wednesday, 12 June 2024

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: 877,027,475 shares (excluding 8,675,554 shares owned by OUCC's subsidiary)

Total shares represented by shareholders present: 513,063,375 shares (including shareholders attending via electronic and video conference)

Percentage of represented shares held by shareholders present: 58.50%

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 Da Chu Chemical Fiber Co., Ltd.: James Chou

Representative of Yu Li Investment Co., Ltd.: Bing Shen

Independent Director & Convener of Audit Committee: Walt Cheng

Independent Director: Ping Lih

Guests present: Peide P. Chen, 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. 2023 Business Report (Omitted)
2. 2023 Financial Statements (See attachment)
3. Audit Committee's review report of 2023 Business Report and Financial Statements (See attachment)
4. 2023 Directors' remuneration and employees' compensation (Omitted)

B. Approval items:

1. To accept 2023 Business Report and Financial Statements

The Board of Directors proposes and recommends that each shareholder vote for the acceptance of 2023 Business Report and Financial Statements.

Explanatory notes:

- i. OUCC's 2023 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, Hsin-Wei Tai and 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.
- ii. Please accept the aforesaid Business Report and Financial Statements.

Voting Results: 513,134,143 shares were represented at the time of voting (including electronic and video voting); 501,258,971 shares voted for the proposal, representing 97.69% of the total represented shares, 3,750,344 shares voted against the proposal, while 8,124,828 shares voted abstained the proposal.

RESOLVED, that the 2023 Business Report and Financial Statements be and hereby accepted as submitted.

2. To approve the proposal for the 2023 profit allocation

The Board of Directors proposes and recommends that each shareholder vote for the 2023 profit allocation.

Explanatory notes:

- i. OUCC's 2023 financial statement has been completed and audited by the CPAs of Deloitte & Touche. The 2023 profit allocation, pursuant to Article 34 of Articles of Incorporation, is proposed as follows: (Unit: NT\$)

| | |
|--|---------------|
| (A) Beginning of unappropriated earnings | 33,273,245 |
| (B) 2023 net income | 265,724,314 |
| (C) Confirmed reevaluated amount of welfare plan for retained earnings | 2,940,018 |
| (D) Yearly net income with other item besides net income included as unappropriated earnings (B)+(C) | 268,664,332 |
| (E) Legal reserve appropriation | (26,866,433) |
| (F) Retained earnings available for distribution (A)+(D)+(E) | 275,071,144 |
| (G) Shareholders dividend (NT\$0.2/share in cash) | (177,140,606) |
| (H) Unappropriated earnings after distribution (F)+(G) | 97,930,538 |

- ii. After being approved at the 2024 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. 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.
- iii. Please approve the aforesaid proposal.

Voting Results: 513,134,143 shares were represented at the time of voting (including electronic and video voting); 501,694,465 shares voted for the proposal, representing 97.77% of the total represented shares, 3,777,513 shares voted against the proposal, while 7,662,165 shares voted abstained the proposal.

RESOLVED, that the proposal for 2023 profit allocation be and hereby accepted as proposed.

C. 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 16th 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 12th June 2024.
- 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 9 April till 18 April 2024, 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 30th April for approval. The candidates' list is enclosed as attachment.
- iv. Please approve the aforesaid election.

Voting Results:

| | Name | Votes Received |
|----------------------------------|---|-----------------------|
| Directors | Douglas Tong Hsu | 536,691,900 |
| | Far Eastern New Century Corporation Representative: Johnny Shih | 523,889,253 |
| | Far Eastern New Century Corporation Representative: Humphrey Cheng | 520,117,952 |
| | Yue-Ming Trading Company Representative: Justin Tsai | 519,059,784 |
| | Far Eastern New Century Corporation Representative: Kao-Shan Wu | 492,041,147 |
| | Da Chu Chemical Fiber Co., Ltd. Representative: Eric Chueh | 480,907,592 |
| | Yu Li Investment Co., Ltd. Representative: Bing Shen | 474,070,479 |
| | Yu Li Investment Co., Ltd. Representative: Alan Tsai | 472,020,371 |
| Independent Directors | Walt Cheng | 465,455,581 |
| | Ping Lih | 461,673,225 |
| | An-Ming Wu | 459,833,115 |

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, Oriental Petrochemical (Taiwan) Co., Ltd. Director, Air Liquide Far Eastern |
| Far Eastern New Century Corporation Representative: Johnny Shih | Director, Oriental Petrochemical (Taiwan) Co., Ltd. and CTCI Corp. |
| Far Eastern New Century Corporation Representative: Kao-Shan Wu | Director, Oriental Petrochemical (Taiwan) Co., Ltd. Chairman, Far Eastern Union Petrochemical (Yangzhou) Ltd. Director, Far Eastern Industries (Shanghai) Ltd. |
| Yue-Ming Trading Company Representative: Justin Tsai | Director, Oriental Petrochemical (Taiwan) Co., Ltd., Director, Far Eastern Union Petrochemical (Yangzhou) Ltd. |
| Da Chu Chemical Fiber Co., Ltd. Representative: Eric Chueh | Director & President, Oriental Petrochemical (Taiwan) Co., Ltd. Director, Far Eastern Union Petrochemical (Yangzhou) Ltd. Director, Far Eastern Industries (Shanghai) Ltd. |
| Yu Li Investment Co., Ltd. Representative: Bing Shen | Independent Director, Elite Material Co., Ltd. Director, ECOVE Environment Corp. Independent Director, Far Eastern International Bank |
| Yu Li Investment Co., Ltd. Representative: Alan Tsai | Director, Far Eastern Union Petrochemical (Yangzhou) Ltd. Director, Far Eastern Industries (Shanghai) Ltd. |
| Walt Cheng | Independent Director, TSEC Corporation |
| An-Ming Wu | Independent Director, AHOKU Electronic Company |

Voting Results: 513,134,143 shares were represented at the time of voting (including e-voting); 471,716,228 shares voted for proposal, representing 91.93% of the total represented shares, 33,589,125 shares voted against the proposal, while 7,828,790 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.

D. Key points of shareholder's speech: Nil

E. Extemporaneous Motion: Nil

F. Meeting Adjourned: by 09:53 am

Attachment I

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, 2023 and 2022, 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 material 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, 2023 and 2022, 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 Financial Statement Audit and Attestation Engagements of 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, 2023. 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, 2023 are as follow:

The Impairment Loss of Property, Plant and Equipment

The consolidated balances of property, plant and equipment amounted to \$11,378,230 thousand as of December 31, 2023. 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 35% 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, 2023 and 2022 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, 2023 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 1, 2024

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the ROC and not those of any other jurisdictions. The standards, procedures and practices to 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, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

| | 2023 | | 2022 | |
|--|----------------------|------------|----------------------|------------|
| | Amount | % | Amount | % |
| ASSETS | | | | |
| CURRENT ASSETS | | | | |
| Cash and cash equivalents | \$ 1,917,016 | 6 | \$ 2,145,428 | 6 |
| Financial assets at fair value through profit or loss | 66,595 | - | 48,707 | - |
| Financial assets at amortized cost | - | - | 352,755 | 1 |
| Notes receivable, net | 110,852 | - | 147,865 | - |
| Trade receivables, net | 911,145 | 3 | 910,342 | 3 |
| Trade receivables from related parties | 80,746 | - | 68,344 | - |
| Other receivables | 563,784 | 2 | 572,852 | 2 |
| Inventories | 1,397,180 | 4 | 1,264,508 | 4 |
| Prepayments for purchases | 364,188 | 1 | 275,762 | 1 |
| Other prepayments | 66,911 | - | 59,321 | - |
| Non-current assets held for sale | - | - | 308,622 | 1 |
| Other current assets | 177,571 | 1 | 333,001 | 1 |
| Total current assets | 5,655,988 | 17 | 6,487,507 | 19 |
| NON-CURRENT ASSETS | | | | |
| Financial assets at fair value through other comprehensive income | 7,103,068 | 22 | 7,384,643 | 21 |
| Financial assets at amortized cost | 64,942 | - | 64,523 | - |
| Investments accounted for using the equity method | 138,109 | - | 187,675 | - |
| Property, plant and equipment | 11,378,230 | 35 | 12,389,916 | 35 |
| Construction in progress | 3,113,584 | 9 | 2,346,572 | 7 |
| Right-of-use assets | 376,973 | 1 | 385,495 | 1 |
| Investment properties | 1,682,742 | 5 | 1,682,742 | 5 |
| Intangible assets | 48,857 | - | 40,815 | - |
| Deferred tax assets | 525,309 | 2 | 548,518 | 2 |
| Other non-current assets | 2,926,529 | 9 | 3,389,398 | 10 |
| Total non-current assets | 27,358,343 | 83 | 28,420,297 | 81 |
| TOTAL | \$ 33,014,331 | 100 | \$ 34,907,804 | 100 |
| LIABILITIES AND EQUITY | | | | |
| CURRENT LIABILITIES | | | | |
| Short-term borrowings | \$ 6,126,925 | 19 | \$ 7,727,567 | 22 |
| Short-term bills payable | 199,936 | 1 | - | - |
| Notes payable | 151,733 | - | 145,512 | - |
| Trade payables | 1,333,301 | 4 | 1,195,524 | 4 |
| Other payables | 453,256 | 1 | 618,928 | 2 |
| Other payables to related parties | 89,875 | - | 77,092 | - |
| Lease liabilities | 6,629 | - | 4,233 | - |
| Other current liabilities | 262,355 | 1 | 212,264 | 1 |
| Total current liabilities | 8,624,010 | 26 | 9,981,120 | 29 |
| NON-CURRENT LIABILITIES | | | | |
| Long-term borrowings | 9,014,232 | 27 | 9,598,259 | 28 |
| Deferred tax liabilities | 718,463 | 2 | 730,928 | 2 |
| Lease liabilities | 14,998 | - | 9,765 | - |
| Net defined benefit liabilities | 158,090 | 1 | 168,584 | - |
| Guarantee deposits | 40,530 | - | 54,375 | - |
| Other non-current liabilities | 53,250 | - | 70,038 | - |
| Total non-current liabilities | 9,999,563 | 30 | 10,631,949 | 30 |
| Total liabilities | 18,623,573 | 56 | 20,613,069 | 59 |
| EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION | | | | |
| Ordinary shares | 8,857,031 | 27 | 8,857,031 | 25 |
| Capital surplus | 1,087,752 | 3 | 1,085,930 | 3 |
| Retained earnings | | | | |
| Legal reserve | 1,619,080 | 5 | 1,615,037 | 5 |
| Special reserve | 1,911,129 | 6 | 1,911,129 | 5 |
| Unappropriated earnings | 301,938 | 1 | 214,458 | 1 |
| Total retained earnings | 3,832,147 | 12 | 3,740,624 | 11 |
| Other equity | | | | |
| Exchange differences on translating foreign operations | (545,606) | (2) | (477,924) | (2) |
| Unrealized loss on financial assets at fair value through other comprehensive income | (1,324,205) | (4) | (1,090,401) | (3) |
| Total other equity | (1,869,811) | (6) | (1,568,325) | (5) |
| Treasury shares | (124,373) | - | (124,373) | - |
| NON-CONTROLLING INTERESTS | 2,608,012 | 8 | 2,303,848 | 7 |
| Total equity | 14,390,758 | 44 | 14,294,735 | 41 |
| TOTAL | \$ 33,014,331 | 100 | \$ 34,907,804 | 100 |

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

| | 2023 | | 2022 | |
|--|-------------------|------------|--------------------|------------|
| | Amount | % | Amount | % |
| OPERATING REVENUE | | | | |
| Sales revenue | \$ 20,792,927 | 100 | \$ 22,036,389 | 100 |
| Other operating revenue | <u>24,004</u> | <u>-</u> | <u>44,710</u> | <u>-</u> |
| Total operating revenue | <u>20,816,931</u> | <u>100</u> | <u>22,081,099</u> | <u>100</u> |
| OPERATING COST | | | | |
| Cost of goods sold | <u>20,480,005</u> | <u>98</u> | <u>22,136,114</u> | <u>100</u> |
| GROSS PROFIT (LOSS) | <u>336,926</u> | <u>2</u> | <u>(55,015)</u> | <u>-</u> |
| OPERATING EXPENSES | | | | |
| Selling and marketing expenses | 530,363 | 3 | 646,613 | 3 |
| General and administrative expenses | 277,035 | 1 | 263,738 | 1 |
| Research and development expenses | 209,604 | 1 | 193,876 | 1 |
| Expected credit loss (gain) | <u>402</u> | <u>-</u> | <u>(1,513)</u> | <u>-</u> |
| Total operating expenses | <u>1,017,404</u> | <u>5</u> | <u>1,102,714</u> | <u>5</u> |
| LOSS FROM OPERATIONS | <u>(680,478)</u> | <u>(3)</u> | <u>(1,157,729)</u> | <u>(5)</u> |
| NON-OPERATING INCOME AND EXPENSES | | | | |
| Interest income | 40,222 | - | 40,732 | - |
| Rental income | 33,631 | - | 39,554 | - |
| Dividend income | 67,886 | - | 83,019 | - |
| Other income | 50,015 | - | 49,600 | - |
| Gain (loss) on disposal of property, plant and equipment | 4,352 | - | (2,362) | - |
| Gain on disposal of investments | - | - | 1,093,973 | 5 |
| Gain on disposal of non-current asset held for sale | 743,178 | 4 | - | - |
| Foreign currency exchange gain | 16,629 | - | 16,318 | - |
| Gain (loss) on financial assets at fair value through profit or loss | 3,254 | - | (1,753) | - |
| Interest expense | (375,387) | (2) | (306,808) | (1) |
| Other expenses | (52,320) | - | (55,342) | - |
| Share of loss of associates accounted for using the equity method | <u>(47,357)</u> | <u>-</u> | <u>(574,220)</u> | <u>(3)</u> |
| Total non-operating income and expenses | <u>484,103</u> | <u>2</u> | <u>382,711</u> | <u>1</u> |

(Continued)

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

| | 2023 | | 2022 | |
|---|---------------------|------------|-----------------------|------------|
| | Amount | % | Amount | % |
| LOSS BEFORE INCOME TAX | \$ (196,375) | (1) | \$ (775,018) | (4) |
| INCOME TAX EXPENSE | <u>27,923</u> | - | <u>15,007</u> | - |
| NET LOSS FOR THE YEAR | <u>(224,298)</u> | <u>(1)</u> | <u>(790,025)</u> | <u>(4)</u> |
| OTHER COMPREHENSIVE LOSS | | | | |
| Items that will not be reclassified subsequently to profit or loss: | | | | |
| Remeasurement of defined benefit plans | 3,675 | - | 1,955 | - |
| Unrealized loss on investments in equity instruments at fair value through other comprehensive income | (233,804) | (1) | (363,519) | (1) |
| Income tax relating to items that will not be reclassified subsequently to profit or loss | (735) | - | (391) | - |
| Items that may be reclassified subsequently to profit or loss: | | | | |
| Exchange differences on translating the financial statement of foreign operations | <u>(92,832)</u> | <u>(1)</u> | <u>67,003</u> | - |
| Other comprehensive loss for the year, net of income tax | <u>(323,696)</u> | <u>(2)</u> | <u>(294,952)</u> | <u>(1)</u> |
| TOTAL COMPREHENSIVE LOSS FOR THE YEAR | <u>\$ (547,994)</u> | <u>(3)</u> | <u>\$ (1,084,977)</u> | <u>(5)</u> |
| NET PROFIT (LOSS) ATTRIBUTED TO: | | | | |
| Owners of the Corporation | \$ 265,724 | 1 | \$ 38,873 | - |
| Non-controlling interests | <u>(490,022)</u> | <u>(2)</u> | <u>(828,898)</u> | <u>(4)</u> |
| | <u>\$ (224,298)</u> | <u>(1)</u> | <u>\$ (790,025)</u> | <u>(4)</u> |
| TOTAL COMPREHENSIVE LOSS ATTRIBUTED TO: | | | | |
| Owners of the Corporation | \$ (32,822) | - | \$ (305,003) | (1) |
| Non-controlling interests | <u>(515,172)</u> | <u>(3)</u> | <u>(779,974)</u> | <u>(4)</u> |
| | <u>\$ (547,994)</u> | <u>(3)</u> | <u>\$ (1,084,977)</u> | <u>(5)</u> |
| EARNINGS PER SHARE | | | | |
| Basic | <u>\$ 0.30</u> | | <u>\$ 0.04</u> | |
| Diluted | <u>\$ 0.30</u> | | <u>\$ 0.04</u> | |

(Concluded)

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

| | Equity Attributable to Owners of the Corporation | | | | | | | | | | | Total Equity |
|---|--|--|-----------------|------------|-------------------|-----------------|-------------------------|--|--|-----------------|---------------------------|--------------|
| | Ordinary Shares | Capital Surplus | | | Retained Earnings | | | Other Equity | | Treasury Shares | Non-controlling Interests | |
| | | Paid-in Capital in Excess of Par Value | Treasury Shares | Other | Legal Reserve | Special Reserve | Unappropriated Earnings | Exchange Differences on Translating Foreign Operations | Unrealized Loss on Financial Assets at Fair Value Through Other Comprehensive Income | | | |
| | | | | | | | | | | | | |
| BALANCE AT JANUARY 1, 2022 | \$ 8,857,031 | \$ 470,767 | \$ 373,329 | \$ 162,732 | \$ 1,526,813 | \$ 1,911,129 | \$ 882,237 | \$ (496,003) | \$ (726,882) | \$ (124,373) | \$ 3,083,822 | |
| Legal reserve | - | - | - | - | 88,224 | - | (88,224) | - | - | - | - | |
| Cash dividends distributed by the Corporation | - | - | - | - | - | - | (619,992) | - | - | - | - | |
| Net profit (loss) for the year ended December 31, 2022 | - | - | - | - | - | - | 38,873 | - | - | - | (828,898) | |
| Other comprehensive income (loss) for the year ended December 31, 2022 | - | - | - | - | - | - | 1,564 | 18,079 | (363,519) | - | 48,924 | |
| Total comprehensive income (loss) for the year ended December 31, 2022 | - | - | - | - | - | - | 40,437 | 18,079 | (363,519) | - | (779,974) | |
| Change in capital surplus from dividends distributed to subsidiary | - | - | 6,376 | - | - | - | - | - | - | - | - | |
| Changes in capital surplus from investments accounted for using the equity method | - | - | - | 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) | 2,303,848 | |
| Legal reserve | - | - | - | - | 4,043 | - | (4,043) | - | - | - | - | |
| Cash dividends distributed by the Corporation | - | - | - | - | - | - | (177,141) | - | - | - | - | |
| Net profit (loss) for the year ended December 31, 2023 | - | - | - | - | - | - | 265,724 | - | - | - | (490,022) | |
| Other comprehensive income (loss) for the year ended December 31, 2023 | - | - | - | - | - | - | 2,940 | (67,682) | (233,804) | - | (25,150) | |
| Total comprehensive income (loss) for the year ended December 31, 2023 | - | - | - | - | - | - | 268,664 | (67,682) | (233,804) | - | (515,172) | |
| Change in capital surplus from dividends distributed to subsidiary | - | - | 1,822 | - | - | - | - | - | - | - | - | |
| Changes in ownership interests in subsidiaries | - | - | - | - | - | - | - | - | - | - | 819,336 | |
| BALANCE AT DECEMBER 31, 2023 | \$ 8,857,031 | \$ 470,767 | \$ 381,527 | \$ 235,458 | \$ 1,619,080 | \$ 1,911,129 | \$ 301,938 | \$ (545,606) | \$ (1,324,205) | \$ (124,373) | \$ 2,608,012 | |

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

| | 2023 | 2022 |
|---|--------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss before income tax | \$ (196,375) | \$ (775,018) |
| Adjustments: | | |
| Depreciation expenses | 1,064,480 | 1,082,425 |
| Amortization expenses | 14,454 | 13,674 |
| Expected credit loss (gain) | 402 | (1,513) |
| (Gain) loss on financial assets at fair value through profit or loss, net | (3,254) | 1,753 |
| Interest expense | 375,387 | 306,808 |
| Interest income | (40,222) | (40,732) |
| Dividend income | (67,886) | (83,019) |
| Share of loss of associates accounted for using the equity method | 47,357 | 574,220 |
| (Gain) loss on disposal of property, plant and equipment | (4,352) | 2,362 |
| Gain on disposal of non-current assets held for sale | (743,178) | - |
| Gain on disposal of inventories | - | (1,093,973) |
| Write-downs of inventories | 9,271 | 8,156 |
| Unrealized loss (gain) on foreign currency exchange | 19,258 | (11,854) |
| Changes in operating assets and liabilities | | |
| Financial assets at fair value through profit or loss | (14,634) | 10,983 |
| Notes receivable | 36,880 | 75,090 |
| Trade receivables | (1,072) | 93,073 |
| Trade receivables from related parties | (12,402) | 44,238 |
| Other receivables | (1,705) | (6,939) |
| Inventories | (152,482) | 140,994 |
| Prepayments | (96,292) | (81,408) |
| Other current assets | 155,430 | (141,216) |
| Notes payable | 6,221 | 145,512 |
| Trade payables | 137,777 | (361,077) |
| Other payables | (118,337) | (589,575) |
| Other current liabilities | 50,091 | (75,458) |
| Net defined benefit liabilities | (6,819) | (59,943) |
| Other non-current liabilities | (16,788) | 16,041 |
| Cash generated from (used in) operations | 441,210 | (806,396) |
| Interest received | 42,678 | 41,137 |
| Interest paid | (425,636) | (280,424) |
| Income tax (paid) received | (23,249) | 83 |
| Net cash generated from (used in) operating activities | 35,003 | (1,045,600) |

(Continued)

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

| | 2023 | 2022 |
|--|---------------------|---------------------|
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of financial assets at fair value through other comprehensive income | \$ - | \$ (573,959) |
| Proceeds from the capital reduction of financial assets at fair value through other comprehensive income | 19,350 | 13,500 |
| Decrease in financial assets at amortized cost | 353,499 | 61,276 |
| Proceeds from disposal of non-current assets held for sale | 1,051,800 | - |
| Payments for property, plant and equipment | (26,737) | (19,519) |
| Proceeds from disposal of property, plant and equipment | 5,553 | 720 |
| Payments for intangible assets | (17,415) | - |
| Proceeds from disposal of intangible assets | - | 21 |
| Decrease (increase) in other non-current assets | 430,770 | (422,808) |
| Increase in construction in progress | (886,920) | (1,119,339) |
| Other dividends received | <u>67,886</u> | <u>83,019</u> |
| Net cash generated from (used in) investing activities | <u>997,786</u> | <u>(1,977,089)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| (Repayments of) proceeds from short-term borrowings | (1,503,384) | 2,190,084 |
| Proceeds from short-term bills payable | 199,936 | - |
| Proceeds from long-term borrowings | 23,254,523 | 15,960,000 |
| Repayments of long-term borrowings | (23,838,259) | (14,491,139) |
| (Decrease) increase in guarantee deposits | (13,845) | 14,944 |
| Repayment of the principal portion of lease liabilities | (5,340) | (10,284) |
| Dividends paid to owners of the Corporation | (175,319) | (613,616) |
| Changes in non-controlling interests | <u>819,336</u> | <u>-</u> |
| Net cash (used in) generated from financing activities | <u>(1,262,352)</u> | <u>3,049,989</u> |
| EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES | <u>1,151</u> | <u>14,561</u> |
| NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS | (228,412) | 41,861 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | <u>2,145,428</u> | <u>2,103,567</u> |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | <u>\$ 1,917,016</u> | <u>\$ 2,145,428</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, 2023 and 2022, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information (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, 2023 and 2022, 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 Financial Statement Audit and Attestation Engagements of 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 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, 2023. 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, 2023 are as follow:

The Impairment Loss of Property, Plant and Equipment

The balances of property, plant and equipment amounted to \$4,513,098 thousand as of December 31, 2023. 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 20% 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, 2023 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 1, 2024

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, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

| ASSETS | 2023 | | 2022 | |
|--|---------------|-----|---------------|-----|
| | Amount | % | Amount | % |
| CURRENT ASSETS | | | | |
| Cash and cash equivalents | \$ 356,473 | 2 | \$ 344,876 | 2 |
| Notes receivable, net | 77,743 | - | 55,704 | - |
| Trade receivables, net | 704,106 | 3 | 646,029 | 3 |
| Trade receivables from related parties | 53,192 | - | 66,724 | - |
| Other receivables | 1,842 | - | 331 | - |
| Inventories | 784,494 | 4 | 656,156 | 3 |
| Prepayments for purchases | 99,593 | 1 | 9,011 | - |
| Other prepayments | 21,680 | - | 17,377 | - |
| Non-current assets held for sale | - | - | 308,622 | 1 |
| Other current assets | 98,761 | - | 185,275 | 1 |
| Total current assets | 2,197,884 | 10 | 2,290,105 | 10 |
| NON-CURRENT ASSETS | | | | |
| Financial assets at fair value through other comprehensive income | 4,326,158 | 19 | 3,920,805 | 17 |
| Financial assets at amortized cost | 64,942 | - | 64,523 | - |
| Investments accounted for using the equity method | 5,697,426 | 25 | 6,320,201 | 28 |
| Property, plant and equipment | 4,513,098 | 20 | 4,948,718 | 22 |
| Construction in progress | 2,805,814 | 12 | 2,232,242 | 10 |
| Right-of-use assets | 21,350 | - | 14,046 | - |
| Investment properties | 1,682,742 | 8 | 1,682,742 | 7 |
| Intangible assets | 5,311 | - | 6,941 | - |
| Deferred tax assets | 239,808 | 1 | 258,129 | 1 |
| Other non-current assets | 1,200,547 | 5 | 1,180,387 | 5 |
| Total non-current assets | 20,557,196 | 90 | 20,628,734 | 90 |
| TOTAL | \$ 22,755,080 | 100 | \$ 22,918,839 | 100 |
| LIABILITIES AND EQUITY | | | | |
| CURRENT LIABILITIES | | | | |
| Trade payables | \$ 782,049 | 3 | \$ 494,261 | 2 |
| Other payables | 350,860 | 2 | 301,589 | 1 |
| Lease liabilities | 6,629 | - | 4,233 | - |
| Other current liabilities | 175,589 | 1 | 122,857 | 1 |
| Total current liabilities | 1,315,127 | 6 | 922,940 | 4 |
| NON-CURRENT LIABILITIES | | | | |
| Long-term borrowings | 8,700,000 | 38 | 8,999,258 | 39 |
| Deferred tax liabilities | 698,046 | 3 | 708,247 | 3 |
| Lease liabilities | 14,998 | - | 9,765 | - |
| Net defined benefit liabilities | 158,090 | 1 | 168,584 | 1 |
| Guarantee deposits | 32,823 | - | 49,120 | - |
| Other non-current liabilities | 53,250 | - | 70,038 | 1 |
| Total non-current liabilities | 9,657,207 | 42 | 10,005,012 | 44 |
| Total liabilities | 10,972,334 | 48 | 10,927,952 | 48 |
| EQUITY | | | | |
| Ordinary shares | 8,857,031 | 39 | 8,857,031 | 39 |
| Capital surplus | 1,087,752 | 5 | 1,085,930 | 5 |
| Retained earnings | | | | |
| Legal reserve | 1,619,080 | 7 | 1,615,037 | 7 |
| Special reserve | 1,911,129 | 9 | 1,911,129 | 8 |
| Unappropriated earnings | 301,938 | 1 | 214,458 | 1 |
| Total retained earnings | 3,832,147 | 17 | 3,740,624 | 16 |
| Other equity | | | | |
| Exchange differences on translating foreign operations | (545,606) | (2) | (477,924) | (2) |
| Unrealized loss on financial assets at fair value through other comprehensive income | (1,324,205) | (6) | (1,090,401) | (5) |
| Total other equity | (1,869,811) | (8) | (1,568,325) | (7) |
| Treasury shares | (124,373) | (1) | (124,373) | (1) |
| Total equity | 11,782,746 | 52 | 11,990,887 | 52 |
| TOTAL | \$ 22,755,080 | 100 | \$ 22,918,839 | 100 |

ORIENTAL UNION CHEMICAL CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

| | 2023 | | 2022 | |
|---|------------------|------------|-------------------|------------|
| | Amount | % | Amount | % |
| OPERATING REVENUE | | | | |
| Sales revenue | \$ 10,347,248 | 100 | \$ 12,770,275 | 100 |
| OPERATING COSTS | | | | |
| Cost of goods sold | <u>9,345,111</u> | <u>90</u> | <u>11,426,269</u> | <u>90</u> |
| GROSS PROFIT | <u>1,002,137</u> | <u>10</u> | <u>1,344,006</u> | <u>10</u> |
| OPERATING EXPENSES | | | | |
| Selling and marketing expenses | 494,204 | 5 | 617,342 | 5 |
| General and administrative expenses | 139,349 | 1 | 106,355 | 1 |
| Research and development expenses | 168,427 | 2 | 156,500 | 1 |
| Expected credit loss (gain) | <u>402</u> | <u>-</u> | <u>(1,513)</u> | <u>-</u> |
| Total operating expenses | <u>802,382</u> | <u>8</u> | <u>878,684</u> | <u>7</u> |
| PROFIT FROM OPERATIONS | <u>199,755</u> | <u>2</u> | <u>465,322</u> | <u>3</u> |
| NON-OPERATING INCOME AND EXPENSES | | | | |
| Interest income | 8,978 | - | 2,899 | - |
| Rental income | 33,739 | - | 39,662 | - |
| Dividend income | 67,886 | 1 | 83,019 | 1 |
| Other income | 27,687 | - | 34,605 | - |
| Gain (loss) on disposal of property, plant and equipment | 5,553 | - | (1,314) | - |
| Gain on disposal of non-current assets held for sale | 743,178 | 7 | - | - |
| Foreign currency exchange gain | 5,876 | - | 7,334 | - |
| Interest expense | (147,455) | (1) | (78,666) | - |
| Other expenses | (30,480) | - | (33,256) | - |
| Share of loss of subsidiaries accounted for using equity method | <u>(619,149)</u> | <u>(6)</u> | <u>(463,590)</u> | <u>(4)</u> |
| Total non-operating income and expenses | <u>95,813</u> | <u>1</u> | <u>(409,307)</u> | <u>(3)</u> |
| PROFIT BEFORE INCOME TAX | 295,568 | 3 | 56,015 | - |
| INCOME TAX EXPENSE | <u>29,844</u> | <u>-</u> | <u>17,142</u> | <u>-</u> |
| NET PROFIT FOR THE YEAR | <u>265,724</u> | <u>3</u> | <u>38,873</u> | <u>-</u> |

(Continued)

ORIENTAL UNION CHEMICAL CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

| | <u>2023</u> | | <u>2022</u> | |
|---|--------------------|------------|---------------------|------------|
| | <u>Amount</u> | <u>%</u> | <u>Amount</u> | <u>%</u> |
| OTHER COMPREHENSIVE LOSS | | | | |
| Items that will not be reclassified subsequently to profit or loss: | | | | |
| Remeasurement of defined benefit plans | \$ 3,675 | - | \$ 1,955 | - |
| Unrealized loss on investments in equity instruments at fair value through other comprehensive income | 424,703 | 4 | (248,734) | (2) |
| Income tax relating to items that will not be reclassified subsequently to profit or loss | (735) | - | (391) | - |
| Share of the other comprehensive loss of subsidiaries accounted for using equity method | (658,507) | (6) | (114,785) | - |
| 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>(67,682)</u> | <u>(1)</u> | <u>18,079</u> | <u>-</u> |
| Other comprehensive loss for the year, net of income tax | <u>(298,546)</u> | <u>(3)</u> | <u>(343,876)</u> | <u>(2)</u> |
| TOTAL COMPREHENSIVE LOSS FOR THE YEAR | <u>\$ (32,822)</u> | <u>-</u> | <u>\$ (305,003)</u> | <u>(2)</u> |
| EARNINGS PER SHARE | | | | |
| Basic | <u>\$ 0.30</u> | | <u>\$ 0.04</u> | |
| Diluted | <u>\$ 0.30</u> | | <u>\$ 0.04</u> | |

(Concluded)

ORIENTAL UNION CHEMICAL CORPORATION

STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

| | Ordinary Shares | Paid-in Capital in Excess of Par Value | Capital Surplus | | Retained Earnings | | | Other Equity | | Treasury Shares | Total Equity |
|---|---------------------|--|-------------------|-------------------|---------------------|---------------------|----------------------------|--|--|---------------------|----------------------|
| | | | Treasury Shares | Other | Legal Reserve | Special Reserve | Unappropriated Earnings | Exchange Differences on Translating Foreign Operations | Unrealized Loss on Financial Assets at Fair Value Through Other Comprehensive Income | | |
| BALANCE AT JANUARY 1, 2022 | \$ 8,857,031 | \$ 470,767 | \$ 373,329 | \$ 162,732 | \$ 1,526,813 | \$ 1,911,129 | \$ 882,237 | \$ (496,003) | \$ (726,882) | \$ (124,373) | \$ 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 |
| Legal Reserve | - | - | - | - | 4,043 | - | (4,043) | - | - | - | - |
| Cash dividends distributed by the Corporation | - | - | - | - | - | - | (177,141) | - | - | - | (177,141) |
| Net profit for the year ended December 31, 2023 | - | - | - | - | - | - | 265,724 | - | - | - | 265,724 |
| Other comprehensive income (loss) for the year ended December 31, 2023 | - | - | - | - | - | - | 2,940 | (67,682) | (233,804) | - | (298,546) |
| Total comprehensive income (loss) for the year ended December 31, 2023 | - | - | - | - | - | - | 268,664 | (67,682) | (233,804) | - | (32,822) |
| Change in capital surplus from dividends distributed to subsidiary | - | - | 1,822 | - | - | - | - | - | - | - | 1,822 |
| BALANCE AT DECEMBER 31, 2023 | <u>\$ 8,857,031</u> | <u>\$ 470,767</u> | <u>\$ 381,527</u> | <u>\$ 235,458</u> | <u>\$ 1,619,080</u> | <u>\$ 1,911,129</u> | <u>\$ 301,938</u> | <u>\$ (545,606)</u> | <u>\$ (1,324,205)</u> | <u>\$ (124,373)</u> | <u>\$ 11,782,746</u> |

ORIENTAL UNION CHEMICAL CORPORATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

| | 2023 | 2022 |
|---|------------|-----------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before income tax | \$ 295,568 | \$ 56,015 |
| Adjustments: | | |
| Depreciation expenses | 530,787 | 538,401 |
| Amortization expenses | 7,491 | 7,950 |
| Expected credit loss (gain) | 402 | (1,513) |
| Interest expense | 147,455 | 78,666 |
| Interest income | (8,978) | (2,899) |
| Dividend income | (67,886) | (83,019) |
| Share of loss of subsidiaries accounted for using equity method | 619,149 | 463,590 |
| (Gain) loss on disposal of property, plant and equipment | (5,553) | 1,314 |
| Gain on disposal of non-current assets held for sale | (743,178) | - |
| Write-downs of inventories | 27,023 | 18,337 |
| Unrealized loss (gain) on foreign currency exchange | 372 | (10,732) |
| Changes in operating assets and liabilities | | |
| Notes receivable | (22,172) | 21,640 |
| Trade receivables | (44,814) | 230,433 |
| Other receivables | (362) | 85 |
| Inventories | (155,361) | (47,831) |
| Prepayments | (95,161) | 2,307 |
| Other current assets | 86,514 | (16,226) |
| Trade payables | 287,788 | (622,849) |
| Other payables | 21,745 | (65,005) |
| Other current liabilities | 52,732 | (30,526) |
| Net defined benefit liabilities | (6,819) | (59,943) |
| Other non-current liabilities | (16,788) | 16,041 |
| Cash generated from operations | 909,954 | 494,236 |
| Interest received | 8,892 | 2,829 |
| Interest paid | (152,256) | (69,677) |
| Income tax (paid) received | (23,246) | 83 |
| Net cash generated from operating activities | 743,344 | 427,471 |

(Continued)

ORIENTAL UNION CHEMICAL CORPORATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

| | 2023 | 2022 |
|--|-------------------|--------------------|
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of financial assets at fair value through other comprehensive income | - | (409,517) |
| Proceeds from the capital reduction of financial assets at fair value through other comprehensive income | 19,350 | 13,500 |
| (Increase) decrease in financial assets at amortized cost | (419) | 22,694 |
| Acquisition of subsidiaries | (720,741) | - |
| Proceeds from disposal of non-current assets held for sale | 1,051,800 | - |
| Proceeds from disposal of property, plant and equipment | 5,553 | 720 |
| Increase in other non-current assets | (24,201) | (265,733) |
| Increase in construction in progress | \$ (632,567) | \$ (1,052,082) |
| Dividends received | <u>67,886</u> | <u>83,019</u> |
| Net cash used in investing activities | <u>(233,339)</u> | <u>(1,607,399)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from long-term borrowings | 21,490,000 | 13,100,000 |
| Repayments of long-term borrowings | (21,789,258) | (11,700,313) |
| (Decrease) increase in guarantee deposits | (16,297) | 13,737 |
| Repayment of the principal portion of lease liabilities | (5,340) | (10,284) |
| Dividends paid to owners of the Corporation | <u>(177,141)</u> | <u>(619,992)</u> |
| Net cash (used in) generated from financing activities | <u>(498,036)</u> | <u>783,148</u> |
| EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES | <u>(372)</u> | <u>10,732</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 11,597 | (386,048) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | <u>344,876</u> | <u>730,924</u> |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | <u>\$ 356,473</u> | <u>\$ 344,876</u> |

(Concluded)

Attachment II

The Audit Committee's Review Report

To the 2024 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 2023, 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

A handwritten signature in black ink, appearing to read 'Walt Cheng', with a stylized, flowing script.

March 1, 2024