



Oriental Union Chemical Corporation (OUCC)

2025 Annual Shareholders Meeting Minutes

Date: Monday, 19 May 2025

Time: 9:00 a.m. Taipei Time

Place: Auditorium of GIS MOTC Convention Center
5F, No. 24, Hangzhou S. Rd., Section 1, Taipei, Taiwan

Convening Method:

Hybrid Shareholders Meeting (Physical Shareholders Meeting Supported by VideoConference)

E-Meeting Platform:

Taiwan Depository & Clearing Corp. / eVoting
(<https://stockservices.tdcc.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: 492,982,732 shares (including shareholders attending via electronic and videoconference)

Percentage of represented shares held by shareholders present: 56.20%

Directors present: Douglas Tong Hsu, Johnny Shih, Humphrey Cheng, Kao-Shan Wu, Justin Tsai, Eric Chueh, Alan Tsai, Walt Cheng, Ping Lih, An-Ming Wu

Guests present: Wen-Ling Liu, CPA, Ming-Jiang Chen, Attorney

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. 2024 Business Report (Omitted)
2. 2024 Financial Statements (See attachment)
3. Audit Committee's review report of 2024 Business Report and Financial Statements (See attachment)

Summarized question raised by shareholder No. 0293050 and answered by President regarding 2024 Business Report.

Q: In terms of OUCC's joining in the semiconductor supply chain, is there a specific timeframe for the anticipated income contribution within two years?

A: Not particularly just generously speaking, among all the customers we provided last year, the totals of semiconductors operative income was approx. NT\$340 million and profit over 200 million.

B. Approval items:

1. To accept 2024 Business Report and Financial Statements

The Board of Directors proposes and recommends that each shareholder vote for the acceptance of the 2024 Business Report and Financial Statements.

Explanatory notes:

- i. OUCC's 2024 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, Wen-Ling Liu and Pei-De Chen 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: 492,982,732 shares were represented at the time of voting (including electronic and video voting); 471,502,608 shares voted for the proposal, representing 95.64% of the total represented shares, 3,811,119 shares voted against the proposal, while 17,669,005 shares voted abstained the proposal.

RESOLVED, that the 2024 Business Report and Financial Statements be and hereby accepted as submitted.

2. To approve the proposal for the 2024 profit allocation

The Board of Directors proposes and recommends that each shareholder vote for the 2024 profit allocation.

Explanatory notes:

- i. OUCC's 2024 financial statement has been completed and audited by the CPAs of Deloitte & Touche. The 2024 profit allocation, pursuant to Article 34 of Articles of Incorporation, is proposed as follows: (Unit: NT\$)

(A) Beginning of unappropriated earnings	97,930,538
(B) 2024 net income	19,989,537
(C) Disposed equities at fair value through other comprehensive income, and transferred cumulated income to retained earnings	364,692,584
(D) Confirmed reevaluated amount of welfare plan for retained earnings	525,254
(E) Yearly net income with others besides net income included as unappropriated earning (B)+(C)+(D)	385,207,375
(F) Legal reserve appropriation	(38,520,737)
(G) Special reserve appropriation	(444,617,176)
(H) Retained earnings available for distribution (A)+(E)+(F)+(G)	0
- ii. On account of the zero amount of retained earnings stated above, OUCC will have no profit allocation for 2024.
- iii. The appropriate special reserve for the profit allocation proposal complies with the decree of Jin-Guan-Jan-Fa-Tze No. 1090150022 of Financial Supervisory Commission dated 31 March 2021.
- iv. The aforesaid proposal has been approved by the 4th Board of Directors meeting of the 17th term in 2025.
- v. Please approve the aforesaid proposal.

Voting Results: 492,982,732 shares were represented at the time of voting (including electronic and video voting); 471,824,875 shares voted for the proposal, representing 95.71% of the total represented shares, 3,882,653 shares voted against the proposal, while 17,275,204 shares voted abstained the proposal.

RESOLVED, that the proposal for 2024 profit allocation be and hereby accepted as proposed.

C. Discussion & election items

1. To approve the amendment to the Articles of Incorporation of OUCC

The Board of Directors proposes and recommends that each shareholder vote for the amendment to the Articles of Incorporation of OUCC.

Explanatory notes:

- i. In accordance with Article 4 of Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers, the number of Independent Directors seats shall be no less than one third. The Company adjusts the number of Independent Directors accordingly.
- ii. The decree of Jin-Guan-Jan-Fa-Tze No. 1130385442: Pursuant to Article 14, Paragraph 6 of the Securities and Exchange Act, listed companies shall, at the latest in the 2025 shareholders' meeting, amend their articles of association in accordance with the provisions of this article to stipulate matters related to the use of a certain percentage of annual profits to adjust the salaries or distribute remuneration to fundamental employees, which are referred to those who are no managers and whose salary level is lower than a certain amount. The aforesaid "certain amount" is determined by the company based on its own operating conditions and industrial properties, yet it shall be no lower than the salary level of fundamental employees defined in the Ministry of Economic Affairs' "Regulations on the Deduction of Salary Expenses for Employees of Small and Medium-sized Enterprises".
- iii. In conformity with the request of competent authorities, the company amends its Articles of Incorporation as attached.
- iv. Please approve the aforesaid election.

Voting Results: 492,982,732 shares were represented at the time of voting (including electronic and video voting); 471,806,144 shares voted for the proposal, representing 95.70% of the total represented shares, 3,830,825 shares voted against the proposal, while 17,345,763 shares voted abstained the proposal.

RESOLVED, that the proposal for the amendment to the Articles of Incorporation be and hereby accepted as proposed.

D. Extemporary Motion: Nil

E. Meeting Adjourned: at 10:08 am

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, 2024 and 2023, 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, 2024 and 2023, 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, 2024. 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, 2024 are as follow:

The Impairment Loss of Property, Plant and Equipment in Mainland China

As of December 31, 2024, the balances of property, plant and equipment in Mainland China amounted to \$6,895,742 thousand. Management considers the subsidiary in Mainland China as a cash-generating unit and, in accordance with the International Accounting Standard No. 36 ‘Impairment of Assets,’ the management assesses property, plant and equipment for signs of impairment at the end of each reporting period. If any impairment indicators are identified, the

recoverable amount of the asset should be estimated to assess the amount of impairment. Management evaluates the recoverable amount of property, plant and equipment using the value in use model. Since this calculation involves various assumptions and uncertainties in estimates, we deem the review of impairment of the property, plant and equipment of the Mainland China subsidiary a key audit matter.

Corresponding audit procedures:

1. Understand the internal controls relevant to management's assessment and oversight of the impairment evaluation of property, plant and equipment.
2. Obtain the impairment evaluation report for property, plant and equipment issued by a professional valuation firm commissioned by management, and evaluating the professional capacity, competence, and objectivity of independent valuers.
3. Evaluate the valuation model used by management to calculate the recoverable amount.
4. Assess the assumptions used in the valuation model, including the classification of cash-generating units, cash flow forecasts, discount rates, etc., and consider the company's past operational performance, industry conditions, and future prospects, to comprehensively evaluate the reasonableness of the impairment assessment.

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, 2024 and 2023 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, 2024 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 Wen-Ling Liu and Pei-De Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 7, 2025

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, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024		2023	
	Amount	%	Amount	%
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 1,674,844	6	\$ 1,917,016	6
Financial assets at fair value through profit or loss	50,990	-	66,595	-
Financial assets at amortized cost	10,034	-	-	-
Notes receivable, net	92,421	-	110,852	-
Trade receivables, net	1,033,851	3	911,145	3
Trade receivables from related parties	272,255	1	80,746	-
Other receivables	627,368	2	563,784	2
Inventories	1,355,168	4	1,397,180	4
Prepayments for purchases	56,188	-	364,188	1
Other prepayments	39,616	-	66,911	-
Other current assets	196,681	1	177,571	1
Total current assets	5,409,416	17	5,655,988	17
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income	4,905,158	16	7,103,068	22
Financial assets at amortized cost	102,887	-	64,942	-
Investments accounted for using the equity method	95,850	-	138,109	-
Property, plant and equipment	11,878,813	38	11,378,230	35
Construction in progress	3,551,405	11	3,113,584	9
Right-of-use assets	389,620	1	376,973	1
Investment properties	1,682,742	6	1,682,742	5
Intangible assets	52,976	-	48,857	-
Deferred tax assets	626,827	2	525,309	2
Other non-current assets	2,739,383	9	2,926,529	9
Total non-current assets	26,025,661	83	27,358,343	83
TOTAL	<u>\$ 31,435,077</u>	<u>100</u>	<u>\$ 33,014,331</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings	\$ 6,527,141	21	\$ 6,126,925	19
Short-term bills payable	-	-	199,936	1
Notes payable	50,169	-	151,733	-
Trade payables	1,550,749	5	1,333,301	4
Other payables	477,035	2	453,256	1
Other payables to related parties	81,485	-	89,875	-
Current tax liabilities	14,428	-	-	-
Lease liabilities	9,668	-	6,629	-
Other current liabilities	243,298	1	262,355	1
Total current liabilities	8,953,973	29	8,624,010	26
NON-CURRENT LIABILITIES				
Long-term borrowings	8,231,979	26	9,014,232	27
Deferred tax liabilities	681,811	2	718,463	2
Lease liabilities	15,993	-	14,998	-
Net defined benefit liabilities	155,150	1	158,090	1
Guarantee deposits	21,931	-	40,530	-
Other non-current liabilities	20,326	-	53,250	-
Total non-current liabilities	9,127,190	29	9,999,563	30
Total liabilities	18,081,163	58	18,623,573	56
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION				
Ordinary shares	8,857,031	28	8,857,031	27
Capital surplus	1,091,942	3	1,087,752	3
Retained earnings				
Legal reserve	1,645,947	5	1,619,080	5
Special reserve	1,911,129	6	1,911,129	6
Unappropriated earnings	483,138	2	301,938	1
Total retained earnings	4,040,214	13	3,832,147	12
Other equity				
Exchange differences on translating foreign operations	(324,402)	(1)	(545,606)	(2)
Unrealized loss on financial assets at fair value through other comprehensive income	(2,749,995)	(9)	(1,324,205)	(4)
Total other equity	(3,074,397)	(10)	(1,869,811)	(6)
Treasury shares	(118,460)	-	(124,373)	-
NON-CONTROLLING INTERESTS	2,557,584	8	2,608,012	8
Total equity	13,353,914	42	14,390,758	44
TOTAL	<u>\$ 31,435,077</u>	<u>100</u>	<u>\$ 33,014,331</u>	<u>100</u>

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE				
Sales revenue	\$ 23,735,756	100	\$ 20,792,927	100
Other operating revenue	<u>48,864</u>	<u>-</u>	<u>24,004</u>	<u>-</u>
Total operating revenue	<u>23,784,620</u>	<u>100</u>	<u>20,816,931</u>	<u>100</u>
OPERATING COST				
Cost of goods sold	22,690,338	95	<u>20,480,005</u>	<u>98</u>
GROSS PROFIT	<u>1,094,282</u>	<u>5</u>	<u>336,926</u>	<u>2</u>
OPERATING EXPENSES				
Selling and marketing expenses	691,398	3	530,363	3
General and administrative expenses	245,546	1	277,035	1
Research and development expenses	229,057	1	209,604	1
Expected credit (gain) loss	<u>(410)</u>	<u>-</u>	<u>402</u>	<u>-</u>
Total operating expenses	<u>1,165,591</u>	<u>5</u>	<u>1,017,404</u>	<u>5</u>
LOSS FROM OPERATIONS	<u>(71,309)</u>	<u>-</u>	<u>(680,478)</u>	<u>(3)</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	30,768	-	40,222	-
Rental income	34,942	-	33,631	-
Dividend income	44,466	-	67,886	-
Other income	96,462	-	50,015	-
Gain on disposal of property, plant and equipment	123	-	4,352	-
Gain on disposal of non-current assets held for sale	-	-	743,178	4
Foreign currency exchange gain	3,441	-	16,629	-
(Loss) gain on financial assets at fair value through profit or loss	(1,134)	-	3,254	-
Interest expense	(322,296)	(1)	(375,387)	(2)
Other expenses	(40,423)	-	(52,320)	-
Share of loss of associates accounted for using the equity method	<u>(48,894)</u>	<u>-</u>	<u>(47,357)</u>	<u>-</u>
Total non-operating income and expenses	<u>(202,545)</u>	<u>(1)</u>	<u>484,103</u>	<u>2</u>
LOSS BEFORE INCOME TAX	(273,854)	(1)	(196,375)	(1)
INCOME TAX (BENEFIT) EXPENSE (Note 25)	<u>(109,768)</u>	<u>-</u>	<u>27,923</u>	<u>-</u>

(Continued)

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
NET LOSS FOR THE YEAR	\$ (164,086)	(1)	\$ (224,298)	(1)
OTHER COMPREHENSIVE LOSS				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	657	-	3,675	-
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	(1,061,097)	(4)	(233,804)	(1)
Income tax relating to items that will not be reclassified subsequently to profit or loss	(131)	-	(735)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statement of foreign operations	354,851	1	(92,832)	(1)
Other comprehensive loss for the year, net of income tax	(705,720)	(3)	(323,696)	(2)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	\$ (869,806)	(4)	\$ (547,994)	(3)
NET PROFIT (LOSS) ATTRIBUTED TO:				
Owners of the Corporation	\$ 19,989	-	\$ 265,724	1
Non-controlling interests	(184,075)	(1)	(490,022)	(2)
	\$ (164,086)	(1)	\$ (224,298)	(1)
TOTAL COMPREHENSIVE LOSS ATTRIBUTED TO:				
Owners of the Corporation	\$ (819,378)	(4)	\$ (32,822)	-
Non-controlling interests	(50,428)	-	(515,172)	(3)
	\$ (869,806)	(4)	\$ (547,994)	(3)
EARNINGS PER SHARE				
Basic	\$ 0.02		\$ 0.30	
Diluted	\$ 0.02		\$ 0.30	

(Concluded)

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Corporation											Total Equity
								Other Equity			Non-controlling Interests	
	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					
BALANCE AT JANUARY 1, 2023	\$ 8,857,031	\$ 470,767	\$ 379,705	\$ 235,458	\$ 1,615,037	\$ 1,911,129	\$ 214,458	\$ (477,924)	\$ (1,090,401)	\$ (124,373)	\$ 2,303,848	\$ 14,294,735
Legal reserve	-	-	-	-	4,043	-	(4,043)	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	-	-	(177,141)	-	-	-	-	(177,141)
Net profit (loss) for the year ended December 31, 2023	-	-	-	-	-	-	265,724	-	-	-	(490,022)	(224,298)
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	-	2,940	(67,682)	(233,804)	-	(25,150)	(323,696)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	-	268,664	(67,682)	(233,804)	-	(515,172)	(547,994)
Change in capital surplus from dividends distributed to subsidiaries	-	-	1,822	-	-	-	-	-	-	-	-	1,822
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	819,336	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	14,390,758
Legal reserve	-	-	-	-	26,867	-	(26,867)	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	-	-	(177,141)	-	-	-	-	(177,141)
Net profit (loss) for the year ended December 31, 2024	-	-	-	-	-	-	19,989	-	-	-	(184,075)	(164,086)
Other comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	-	526	221,204	(1,061,097)	-	133,647	(705,720)
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	-	20,515	221,204	(1,061,097)	-	(50,428)	(869,806)
Disposal of the Corporation's shares held by subsidiaries	-	-	2,455	-	-	-	-	-	-	5,913	-	8,368
Change in capital surplus from dividends distributed to subsidiaries	-	-	1,735	-	-	-	-	-	-	-	-	1,735
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	364,693	-	(364,693)	-	-	-
BALANCE AT DECEMBER 31, 2024	\$ 8,857,031	\$ 470,767	\$ 385,717	\$ 235,458	\$ 1,645,947	\$ 1,911,129	\$ 483,138	\$ (324,402)	\$ (2,749,995)	\$ (118,460)	\$ 2,557,584	\$ 13,353,914

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	\$ (273,854)	\$ (196,375)
Adjustments:		
Depreciation expenses	1,113,157	1,064,480
Amortization expenses	15,787	14,454
Expected credit loss (reversed) recognized on trade receivables	(410)	402
Loss (gain) on financial assets at fair value through profit or loss, net	1,134	(3,254)
Interest expense	322,296	375,387
Interest income	(30,768)	(40,222)
Dividend income	(44,466)	(67,886)
Share of loss of associates accounted for using the equity method	48,894	47,357
Gain on disposal of property, plant and equipment	(123)	(4,352)
Gain on disposal of non-current assets held for sale	-	(743,178)
Write-downs of inventories	2,868	9,271
Net loss on foreign currency exchange	51,370	19,258
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	14,471	(14,634)
Notes receivable	18,468	36,880
Trade receivables	(122,333)	(1,072)
Trade receivables from related parties	(191,509)	(12,402)
Other receivables	(34,685)	(1,705)
Inventories	71,041	(152,482)
Prepayments	335,291	(96,292)
Other current assets	(19,110)	155,430
Notes payable	(101,564)	6,221
Trade payables	217,448	137,777
Other payables	(12,000)	(118,337)
Other current liabilities	(19,057)	50,091
Net defined benefit liabilities	(2,283)	(6,819)
Other non-current liabilities	(32,924)	(16,788)
Cash generated from operations	1,327,139	441,210
Interest received	30,771	42,678
Interest paid	(316,784)	(425,636)
Income tax paid	(293)	(23,249)
Net cash generated from operating activities	1,040,833	35,003

(Continued)

ORIENTAL UNION CHEMICAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of financial assets at fair value through other comprehensive income	1,180,175	-
Proceeds from the capital reduction of financial assets at fair value through other comprehensive income	-	19,350
(Increase) decrease in financial assets at amortized cost	(47,867)	353,499
Proceeds from disposal of non-current assets held for sale	-	1,051,800
Payments for property, plant and equipment	(7,203)	(26,737)
Proceeds from disposal of property, plant and equipment	\$ 168	\$ 5,553
Payments for intangible assets	(13,540)	(17,415)
Acquisition of right-of-use assets	(512)	-
Decrease in other non-current assets	270,088	430,770
Increase in construction in progress	(1,628,812)	(886,920)
Other dividends received	<u>44,466</u>	<u>67,886</u>
Net cash (used in) generated from investing activities	<u>(203,037)</u>	<u>997,786</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from (repayments of) short-term borrowings	87,102	(1,503,384)
(Repayments of) proceeds from short-term bills payable	(199,936)	199,936
Proceeds from long-term borrowings	15,566,817	23,254,523
Repayments of long-term borrowings	(16,350,000)	(23,838,259)
Decrease in guarantee deposits	(18,599)	(13,845)
Repayment of the principal portion of lease liabilities	(8,022)	(5,340)
Dividends paid to owners of the Corporation	(175,406)	(175,319)
Proceeds from reissuance of treasury shares	8,368	-
Changes in non-controlling interests	<u>-</u>	<u>819,336</u>
Net cash used in financing activities	<u>(1,089,676)</u>	<u>(1,262,352)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>9,708</u>	<u>1,151</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(242,172)	(228,412)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,917,016</u>	<u>2,145,428</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,674,844</u>	<u>\$ 1,917,016</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, 2024 and 2023, 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 material 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, 2024 and 2023, 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 Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2024. 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, 2024 are as follow:

The Impairment Loss of Property, Plant and Equipment in Mainland China

As of December 31, 2024, the balances of property, plant and equipment in Mainland China amounted to \$6,895,742 thousand. Management considers the subsidiary in Mainland China as a cash-generating unit and, in accordance with the International Accounting Standard No. 36 'Impairment

of Assets,' the management assesses property, plant and equipment for signs of impairment at the end of each reporting period. If any impairment indicators are identified, the recoverable amount of the asset should be estimated to assess the amount of impairment. Management evaluates the recoverable amount of property, plant and equipment using the value in use model. Since this calculation involves various assumptions and uncertainties in estimates, we deem the review of impairment of the property, plant and equipment of the Mainland China subsidiary a key audit matter.

Corresponding audit procedures:

1. Understand the internal controls relevant to management's assessment and oversight of the impairment evaluation of property, plant and equipment.
2. Obtain the impairment evaluation report for property, plant and equipment issued by a professional valuation firm commissioned by management, and evaluating the professional capacity, competence, and objectivity of independent valuers.
3. Evaluate the valuation model used by management to calculate the recoverable amount.
4. Assess the assumptions used in the valuation model, including the classification of cash-generating units, cash flow forecasts, discount rates, etc., and consider the company's past operational performance, industry conditions, and future prospects, to comprehensively evaluate the reasonableness of the impairment assessment.

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, 2024 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 Wen-Ling Liu and Pei-De Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 7, 2025

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, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

ASSETS	2024		2023	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents	\$ 251,579	1	\$ 356,473	2
Notes receivable, net	71,621	-	77,743	-
Trade receivables, net	517,376	3	704,106	3
Trade receivables from related parties	174,405	1	53,192	-
Other receivables	1,523	-	1,842	-
Inventories	709,422	3	784,494	4
Prepayments for purchases	16,946	-	99,593	1
Other prepayments	23,575	-	21,680	-
Other current assets	141,746	1	98,761	-
Total current assets	1,908,193	9	2,197,884	10
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income	3,042,018	14	4,326,158	19
Financial assets at amortized cost	102,887	-	64,942	-
Investments accounted for using the equity method	5,262,012	25	5,697,426	25
Property, plant and equipment	4,983,071	24	4,513,098	20
Construction in progress	2,581,473	12	2,805,814	12
Right-of-use assets	25,562	-	21,350	-
Investment properties	1,682,742	8	1,682,742	8
Intangible assets	2,007	-	5,311	-
Deferred tax assets	326,468	2	239,808	1
Other non-current assets	1,177,921	6	1,200,547	5
Total non-current assets	19,186,161	91	20,557,196	90
TOTAL	\$ 21,094,354	100	\$ 22,755,080	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Trade payables	\$ 737,563	3	\$ 782,049	3
Other payables	329,837	2	350,860	2
Current tax liabilities	10,237	-	-	-
Lease liabilities	9,668	-	6,629	-
Other current liabilities	141,233	1	175,589	1
Total current liabilities	1,228,538	6	1,315,127	6
NON-CURRENT LIABILITIES				
Long-term borrowings	8,200,000	39	8,700,000	38
Deferred tax liabilities	661,768	3	698,046	3
Lease liabilities	15,993	-	14,998	-
Net defined benefit liabilities	155,150	1	158,090	1
Guarantee deposits	16,249	-	32,823	-
Other non-current liabilities	20,326	-	53,250	-
Total non-current liabilities	9,069,486	43	9,657,207	42
Total liabilities	10,298,024	49	10,972,334	48
EQUITY				
Ordinary shares	8,857,031	42	8,857,031	39
Capital surplus	1,091,942	5	1,087,752	5
Retained earnings				
Legal reserve	1,645,947	8	1,619,080	7
Special reserve	1,911,129	9	1,911,129	9
Unappropriated earnings	483,138	2	301,938	1
Total retained earnings	4,040,214	19	3,832,147	17
Other equity				
Exchange differences on translating foreign operations	(324,402)	(2)	(545,606)	(2)
Unrealized loss on financial assets at fair value through other comprehensive income	(2,749,995)	(13)	(1,324,205)	(6)
Total other equity	(3,074,397)	(15)	(1,869,811)	(8)
Treasury shares	(118,460)	-	(124,373)	(1)
Total equity	10,796,330	51	11,782,746	52
TOTAL	\$ 21,094,354	100	\$ 22,755,080	100

ORIENTAL UNION CHEMICAL CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE				
Sales revenue	\$ 11,468,163	100	\$ 10,347,248	100
OPERATING COST				
Cost of goods sold	<u>10,397,555</u>	<u>91</u>	<u>9,345,111</u>	<u>90</u>
GROSS PROFIT	<u>1,070,608</u>	<u>9</u>	<u>1,002,137</u>	<u>10</u>
OPERATING EXPENSES				
Selling and marketing expenses	639,593	5	494,204	5
General and administrative expenses	114,629	1	139,349	1
Research and development expenses	185,307	2	168,427	2
Expected credit (gain) loss	<u>(410)</u>	<u>-</u>	<u>402</u>	<u>-</u>
Total operating expenses	<u>939,119</u>	<u>8</u>	<u>802,382</u>	<u>8</u>
PROFIT FROM OPERATIONS	<u>131,489</u>	<u>1</u>	<u>199,755</u>	<u>2</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	2,922	-	8,978	-
Rental income	35,050	-	33,739	-
Dividend income	44,466	-	67,886	1
Other income	58,438	1	27,687	-
Gain on disposal of property, plant and equipment	159	-	5,553	-
Gain on disposal of non-current assets held for sale	-	-	743,178	7
Foreign currency exchange gain	8,521	-	5,876	-
Interest expense	(144,167)	(1)	(147,455)	(1)
Other expenses	(24,915)	-	(30,480)	-
Share of loss of subsidiaries accounted for using equity method	<u>(204,521)</u>	<u>(2)</u>	<u>(619,149)</u>	<u>(6)</u>
Total non-operating income and expenses	<u>(224,047)</u>	<u>(2)</u>	<u>95,813</u>	<u>1</u>
(LOSS) PROFIT BEFORE INCOME TAX	(92,558)	(1)	295,568	3
INCOME TAX (BENEFIT) EXPENSE	<u>(112,547)</u>	<u>(1)</u>	<u>29,844</u>	<u>-</u>
NET PROFIT FOR THE YEAR	<u>19,989</u>	<u>-</u>	<u>265,724</u>	<u>3</u>
OTHER COMPREHENSIVE LOSS				

(Continued)

ORIENTAL UNION CHEMICAL CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ 657	-	\$ 3,675	-
Unrealized loss (gain) on investments in equity instruments at fair value through other comprehensive income	(598,897)	(5)	424,703	4
Income tax relating to items that will not be reclassified subsequently to profit or loss	(131)	-	(735)	-
Share of the other comprehensive loss of subsidiaries accounted for using equity method	(462,200)	(4)	(658,507)	(6)
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>221,204</u>	<u>2</u>	<u>(67,682)</u>	<u>(1)</u>
Other comprehensive loss for the year, net of income tax	<u>(839,367)</u>	<u>(7)</u>	<u>(298,546)</u>	<u>(3)</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u>\$ (819,378)</u>	<u>(7)</u>	<u>\$ (32,822)</u>	<u>-</u>
EARNINGS PER SHARE				
Basic	<u>\$ 0.02</u>		<u>\$ 0.30</u>	
Diluted	<u>\$ 0.02</u>		<u>\$ 0.30</u>	

(Concluded)

ORIENTAL UNION CHEMICAL CORPORATION

STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	Ordinary Shares	Capital Surplus			Retained Earnings			Other Equity		Treasury Shares	Total Equity
		Paid-in Capital in Excess of Par Value	Treasury Shares	Other	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Loss on Financial Assets at Fair Value Through Other Comprehensive Income		
BALANCE AT JANUARY 1, 2023	\$ 8,857,031	\$ 470,767	\$ 379,705	\$ 235,458	\$ 1,615,037	\$ 1,911,129	\$ 214,458	\$ (477,924)	\$ (1,090,401)	\$ (124,373)	\$ 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 subsidiaries	-	-	1,822	-	-	-	-	-	-	-	1,822
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)	11,782,746
Legal reserve	-	-	-	-	26,867	-	(26,867)	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	-	-	(177,141)	-	-	-	(177,141)
Net profit for the year ended December 31, 2024	-	-	-	-	-	-	19,989	-	-	-	19,989
Other comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	-	526	221,204	(1,061,097)	-	(839,367)
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	-	20,515	221,204	(1,061,097)	-	(819,378)
Disposal of the Corporation's shares held by subsidiaries	-	-	2,455	-	-	-	-	-	-	5,913	8,368
Change in capital surplus from dividends distributed to subsidiaries	-	-	1,735	-	-	-	-	-	-	-	1,735
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	364,693	-	(364,693)	-	-
BALANCE AT DECEMBER 31, 2024	\$ 8,857,031	\$ 470,767	\$ 385,717	\$ 235,458	\$ 1,645,947	\$ 1,911,129	\$ 483,138	\$ (324,402)	\$ (2,749,995)	\$ (118,460)	\$ 10,796,330

ORIENTAL UNION CHEMICAL CORPORATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) profit before income tax	\$ (92,558)	\$ 295,568
Adjustments:		
Depreciation expenses	569,310	530,787
Amortization expenses	7,346	7,491
Expected credit loss (reversed) recognized on trade receivables	(410)	402
Interest expense	144,167	147,455
Interest income	(2,922)	(8,978)
Dividend income	(44,466)	(67,886)
Share of loss of subsidiaries accounted for using equity method	204,521	619,149
Gain on disposal of property, plant and equipment	(159)	(5,553)
Gain on disposal of non-current assets held for sale	-	(743,178)
Write-downs of inventories	28,880	27,023
Net (gain) loss on foreign currency exchange	(9,080)	372
Changes in operating assets and liabilities		
Notes receivable	6,159	(22,172)
Trade receivables	65,890	(44,814)
Other receivables	349	(362)
Inventories	46,192	(155,361)
Prepayments	80,752	(95,161)
Other current assets	(42,985)	86,514
Trade payables	(44,486)	287,788
Other payables	(12,771)	21,745
Other current liabilities	(34,356)	52,732
Net defined benefit liabilities	(2,283)	(6,819)
Other non-current liabilities	(32,924)	(16,788)
Cash generated from operations	834,166	909,954
Interest received	2,895	8,892
Interest paid	(141,349)	(152,256)
Income tax paid	(288)	(23,246)
Net cash generated from operating activities	695,424	743,344

(Continued)

ORIENTAL UNION CHEMICAL CORPORATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of financial assets at fair value through other comprehensive income	\$ 685,243	\$ -
Proceeds from the capital reduction of financial assets at fair value through other comprehensive income	-	19,350
Increase in financial assets at amortized cost	(37,945)	(419)
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	159	5,553
Acquisition of right-of-use assets	(512)	-
Decrease (increase) in other non-current assets	18,584	(24,201)
Increase in construction in progress	(817,656)	(632,567)
Dividends received	<u>44,466</u>	<u>67,886</u>
Net cash used in investing activities	<u>(107,661)</u>	<u>(233,339)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	14,700,000	21,490,000
Repayments of long-term borrowings	(15,200,000)	(21,789,258)
Decrease in guarantee deposits	(16,574)	(16,297)
Repayment of the principal portion of lease liabilities	(8,022)	(5,340)
Dividends paid to owners of the Corporation	<u>(177,141)</u>	<u>(177,141)</u>
Net cash used in financing activities	<u>(701,737)</u>	<u>(498,036)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>9,080</u>	<u>(372)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(104,894)	11,597
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>356,473</u>	<u>344,876</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 251,579</u>	<u>\$ 356,473</u>

(Concluded)

The Audit Committee's Review Report

To the 2025 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 2024, which have been audited by the CPAs, Wen-Ling Liu and Pei-De Chen 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 7, 2025

Attachment

Section	Proposed Changes	Current Articles
Article 16	<p>The Company shall have 9 to 15 Directors, who are elected and appointed by the people with legal capacity at the shareholders' meeting. The total share number of the registered shares of the Company held by all the Directors shall be determined according to the provisions of "Rules and Review Procedures for Director and Supervisor Ownership Ratios at Public Companies".</p> <p>Three <u>to five</u> Independent Directors shall be elected from the list of people with legal capacity. Directors shall be elected by adopting the candidate nomination system in accordance with Article 192-1 of Company Act. The shareholders shall elect from the nominees listed in the roster of candidates. The election of Independent, Non-Independent Directors should be held together, yet with the elected calculated separately.</p>	<p>The Company shall have 9 to 15 Directors, who are elected and appointed by the people with legal capacity at the shareholders' meeting. The total share number of the registered shares of the Company held by all the Directors shall be determined according to the provisions of "Rules and Review Procedures for Director and Supervisor Ownership Ratios at Public Companies".</p> <p>Three Independent Directors shall be elected from the list of people with legal capacity. Directors shall be elected by adopting the candidate nomination system in accordance with Article 192-1 of Company Act. The shareholders shall elect from the nominees listed in the roster of candidates. The election of Independent, Non-Independent Directors should be held together, yet with the elected calculated separately.</p>
Article 33	<p>Should the Company have a profit for the current year, the proportioned 1%-2% of the profit shall be allocated as employees' bonuses, and less than 1% as Directors' remuneration. <u>The bonuses allocation of fundamental employees shall be no less than 30% of total employees.</u> However, if the Company has accumulated losses, the profit shall be prioritized for deficit offset. Employees' bonuses could be in the form of cash or stocks. The actual ratio, amount, form and number of stocks are to be proposed to the Board of Directors, with over two thirds of the Directors in attendance, and passed and approved by most Directors in attendance, prior to reporting to the General Shareholders' Meeting. The same shall be applied to the Directors' remuneration, the ratio and amount will be approved by the Board prior to the General Shareholders' Meeting.</p>	<p>Should the Company have a profit for the current year, the proportioned 1%-2% of the profit shall be allocated as employees' bonuses, and less than 1% as Directors' remuneration. However, if the Company has accumulated losses, the profit shall be prioritized for deficit offset. Employees' bonuses could be in the form of cash or stocks. The actual ratio, amount, form and number of stocks are to be proposed to the Board of Directors, with over two thirds of the Directors in attendance, and passed and approved by most Directors in attendance, prior to reporting to the General Shareholders' Meeting. The same shall be applied to the Directors' remuneration, the ratio and amount will be approved by the Board prior to the General Shareholders' Meeting.</p>
Article 38	<p><u>These Company's Articles of Incorporation, established on November 7, 1975, shall herein take effect after approval by the competent authority, and shall take effect after approval by shareholders' meeting in terms of amendment.</u></p> <p>(Omitted)</p> <p>Thirty-eighth amendment on June 9, 2022</p> <p><u>Thirty-ninth amendment on May 19, 2025</u></p>	<p><u>These Articles of Incorporation were established on November 7, 1975.</u></p> <p>(Omitted)</p> <p>Thirty-eighth amendment on June 9, 2022</p> <p>The Articles of Incorporation herein take effect after approval by the competent authority. The same applies for any amendments.</p>