

Stock Symbol: 1709

Formosan Union Chemical
Corporation and Subsidiaries

Consolidated Financial Statements
and Independent Auditor's Report

2024Q3 and 2023Q3

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The English version of the financial report is
translated without being reviewed by the CPAs.

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Independent Auditor's Review Report

To: Formosan Union Chemical Corporation

Preamble

We have reviewed the consolidated balance sheets of Formosan Union Chemical Corporation and its subsidiaries as of September 30, 2024 and 2023, as well as the consolidated income statements from July 1 to September 30 and January 1 to September 30, 2024 and 2023, consolidated statement of retained earnings and consolidated statement of cash flows from January 1 to September 30, 2024 and 2023, and notes (including the summary of material accounting policies) to the consolidated financial statements. The preparation of fairly presented consolidated financial statements based on the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" endorsed and announced by the Financial Supervisory Commission is the responsibility of the management, our responsibility is to express a conclusion on the consolidated financial statements in accordance with the review results.

Scope

Except for the descriptions in the "Basis for Qualified Conclusion" section, we conducted our review in accordance with the Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." The consolidated financial statements review procedures include making inquiries (primarily enquiring the persons responsible for financial and accounting matters), analytical procedures, and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all material matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for qualified conclusion

As stated in Note 12 of the consolidated financial statements, the financial statements of some insignificant subsidiaries included in the consolidated financial statements for the same period have not been reviewed by the CPAs. The total assets were NT\$2,168,752 thousand and NT\$1,996,976 thousand on September 30, 2024 and 2023, respectively, accounted for 16.14% and 15.95% of the total consolidated assets, respectively. The total liabilities were NT\$526,000 thousand and NT\$458,633 thousand, respectively, accounted for 13.75% and 10.84% of the total consolidated liabilities, respectively. The total consolidated profits and losses were NT\$13,114 thousand, (NT\$2,223 thousand), NT\$89,240 thousand, and NT\$85,354 thousand from July 1 to September 30, and January 1 to September 30, 2024 and 2023, respectively, accounted for 5.43%, (1.71%), 5.42%, and 14.92% of the total consolidated profits and losses, respectively. As mentioned in Note 13 of the consolidated financial statements, the amounts of the investment under the equity method were NT\$631,618 thousand and NT\$826,964 thousand on September 30, 2024 and 2023, respectively. The amount of profit and loss from the associates and joint venture under the equity method were (NT\$3,211 thousand), NT\$1,108 thousand, NT\$2,396 thousand, and (NT\$3,997 thousand) on July 1 to September 30 and January 1 to September 30, 2024 and 2023, respectively, which were recognized based on the invested company's financial statements for the same period that have not been reviewed by the CPAs. In addition, the relevant information disclosed in Note 38 of the consolidated financial statements and the information related to some of the aforementioned insignificant subsidiaries and invested companies has not been reviewed by the CPAs.

Qualified conclusion

Based on the CPA's review results, except for the financial statements and related information of some insignificant subsidiaries and invested companies under the equity method as mentioned in the preceding paragraph that may cause an adjustment to the consolidated financial statements if they have been reviewed by the CPAs, we found the consolidated financial statements of Formosan Union Chemical Corporation and subsidiaries on September 30, 2024 and 2023, the results of operation on July 1 to September 30, 2024 and

2023, and the results of operations and cash flows on January 1 to September 30, 2024 and 2023 present fairly, in all material respects, in conformity with the “Regulations Governing the Preparation of Financial Reports by Securities Firms” and International Accounting Standard No. 34 “Interim Financial Reporting” endorsed and promulgated as effective by the Financial Supervisory Commission.

Deloitte & Touche

C P A

W e n - Y u a n

Z h u a n g

C P A

Z e - L i G o n g

Financial Supervision Commission

Approval Number

Jin-Guang-Zheng-Shen-Zi No.
1090347472

Financial Supervision Commission

Approval Number

Jin-Guang-Zheng-Shen-Zi No.
1000028068

November 8, 2024

Formosan Union Chemical Corporation and Subsidiaries
Consolidated Balance Sheet
September 30, 2024, December 31, 2023, and September 30, 2023

Unit: NT\$ thousand

Code	Assets	9/30/2024		12/31/2023		9/30/2023	
		Amount	%	Amount	%	Amount	%
	Current assets						
1100	Cash and cash equivalents (Note 6)	\$ 375,128	3	\$ 488,048	4	\$ 740,911	6
1120	Financial assets measured at fair value through profit and loss – current (Note 7)	85,514	1	170,323	1	211,041	2
1136	Financial assets measured at the amortized cost – current (Note 9)	73,000	-	66,000	1	175,000	1
1150	Notes receivable (Note 10 & 26)	218,211	2	185,032	2	212,705	2
1170	Accounts receivable – net (Note 10 & 26)	1,312,138	10	1,091,236	9	1,040,074	8
1180	Account receivable – related party (Note 10, 26, & 32)	40,318	-	259	-	262	-
1200	Other receivables (Note 10)	62,271	-	45,394	-	55,831	-
1210	Other receivables – related party (Note 10 and 32)	2	-	3	-	1,410	-
1220	Income tax assets – current	46,174	-	33	-	3,974	-
130X	Inventory – net (Note 11)	3,033,612	23	3,156,521	26	3,068,243	25
1410	Prepayments (Note 19)	102,395	1	80,603	1	59,042	-
1470	Other current assets	6,322	-	4,760	-	6,866	-
11XX	Total current assets	<u>5,355,085</u>	<u>40</u>	<u>5,288,212</u>	<u>44</u>	<u>5,575,359</u>	<u>44</u>
	Noncurrent assets						
1517	Financial assets measured at fair value through other comprehensive profit and loss – noncurrent (Note 8)	2,482,119	18	1,150,575	9	1,219,546	10
1550	Investment under the equity method (Note 13)	631,618	5	800,687	7	826,964	7
1600	Property, plant and equipment (Note 14, 32, & 33)	3,824,891	28	3,607,069	30	3,637,987	29
1755	Right-of-use assets (Note 15 & 32)	788,257	6	767,444	6	780,611	6
1760	Investment property – net (Note 16 & 33)	16,009	-	9,067	-	9,105	-
1805	Goodwill (Note 17)	91,897	1	91,897	1	91,897	1
1821	Intangible assets (Note 18)	6,586	-	1,598	-	1,481	-
1840	Deferred income tax assets	118,751	1	222,741	2	223,457	2
1915	Prepaid equipment (Note 19 & 32)	76,218	1	91,825	1	94,143	1
1920	Refundable deposits (Note 19)	6,675	-	4,618	-	4,881	-
1975	Net defined benefit assets – noncurrent	12,738	-	10,715	-	9,615	-
1990	Other noncurrent assets (Note 19 & 33)	27,678	-	44,693	-	44,646	-
15XX	Total noncurrent assets	<u>8,083,437</u>	<u>60</u>	<u>6,802,929</u>	<u>56</u>	<u>6,944,333</u>	<u>56</u>
1XXX	Total assets	<u>\$ 13,438,522</u>	<u>100</u>	<u>\$ 12,091,141</u>	<u>100</u>	<u>\$ 12,519,692</u>	<u>100</u>
C o d e	L i a b i l i t i e s a n d s h a r e h o l d e r s ' e q u i t y						
	Current liabilities						
2100	Short-term loans (Note 20 & 33)	\$ 1,099,427	8	\$ 1,526,740	13	\$ 2,105,000	17
2150	Notes payable (Note 21)	1,007	-	11,203	-	18,280	-
2170	Accounts payable (Note 21)	558,042	4	629,875	5	443,067	4
2180	Accounts payable – related party (Note 21 & 32)	10,087	-	-	-	9,960	-
2219	Other payables (Note 22)	484,064	4	368,612	3	301,398	2
2220	Other payables – related party (Note 22 & 32)	992	-	575	-	1,709	-
2230	Income tax liabilities - current	21,709	-	95,123	1	92,337	1
2250	Liability provisions – current (Note 23)	24,071	-	25,013	-	24,992	-
2280	Lease liabilities – current (Note 15 & 32)	77,285	1	76,043	1	68,168	1
2322	Long-term loans due within one year (Note 20 & 33)	-	-	104	-	417	-
2399	Other current liabilities (Note 22 & 26)	52,849	-	33,931	-	41,854	-
21XX	Total current liabilities	<u>2,329,533</u>	<u>17</u>	<u>2,767,219</u>	<u>23</u>	<u>3,107,182</u>	<u>25</u>
	Noncurrent liabilities						
2540	Long-term loans (Note 20 & 33)	155,703	1	-	-	-	-
2570	Deferred income tax liabilities	583,377	4	335,290	3	364,668	3
2580	Lease liabilities – noncurrent (Note 15 & 32)	738,802	6	716,587	6	733,770	6
2640	Net defined benefit liabilities – noncurrent (Note 24)	14,540	-	15,072	-	21,598	-
2670	Other noncurrent liabilities	2,333	-	2,144	-	2,144	-
25XX	Total noncurrent liabilities	<u>1,494,755</u>	<u>11</u>	<u>1,069,093</u>	<u>9</u>	<u>1,122,180</u>	<u>9</u>
2XXX	Total liabilities	<u>3,824,288</u>	<u>28</u>	<u>3,836,312</u>	<u>32</u>	<u>4,229,362</u>	<u>34</u>
	Equity attributable to the Company's shareholders						
3110	Common stock capital	4,770,163	35	4,770,163	39	4,770,163	38
3200	Additional paid-in capital	76,136	1	77,090	1	77,090	1
	Retained earnings						
3310	Legal reserve	1,223,857	9	1,182,361	10	1,182,361	9
3320	Special reserve	251,175	2	251,175	2	251,175	2
3350	Unappropriated earnings	1,281,928	10	940,225	8	895,698	7
3300	Total retained earnings	<u>2,756,960</u>	<u>21</u>	<u>2,373,761</u>	<u>20</u>	<u>2,329,234</u>	<u>18</u>
	Other equities						
3410	Exchange difference from the conversion of the financial statements of foreign operations	7,458	-	(6,158)	-	17,305	-
3420	Unrealized profit and loss in valuation of the financial assets measured at fair value through other comprehensive profit and loss	1,737,000	13	770,316	6	825,979	7
3400	Total other equities	<u>1,744,458</u>	<u>13</u>	<u>764,158</u>	<u>6</u>	<u>843,284</u>	<u>7</u>
31XX	Total shareholders' equity of the Company	<u>9,347,717</u>	<u>70</u>	<u>7,985,172</u>	<u>66</u>	<u>8,019,771</u>	<u>64</u>
36XX	Non-controlling interests	<u>266,517</u>	<u>2</u>	<u>269,657</u>	<u>2</u>	<u>270,559</u>	<u>2</u>
3XXX	Total equities	<u>9,614,234</u>	<u>72</u>	<u>8,254,829</u>	<u>68</u>	<u>8,290,330</u>	<u>66</u>
	Total liabilities and shareholders' equity	<u>\$ 13,438,522</u>	<u>100</u>	<u>\$ 12,091,141</u>	<u>100</u>	<u>\$ 12,519,692</u>	<u>100</u>

The notes attached hereinafter are an integral part of the consolidated financial statements.
(Please refer to the review report issued by Deloitte & Touche on November 8, 2024)

Chairman:

CEO:

CFO:

Accountant:

Formosan Union Chemical Corporation and Subsidiaries

Consolidated Income Statement

July 1 – September 30, 2024 and 2023

January 1 – September 30, 2024 and 2023

Unit: NT\$ thousand; except for earnings per share in NT\$

Code		July 1 – September 30, 2024		July 1 – September 30, 2023		January 1 – September 30, 2024		January 1 – September 30, 2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4100	Operating income – net (Note 26 & 32)	\$ 2,575,259	100	\$ 2,329,512	100	\$ 8,098,818	100	\$ 7,200,959	100
5110	Operating cost (Note 11, 27, & 32)	<u>2,153,152</u>	<u>84</u>	<u>2,010,208</u>	<u>86</u>	<u>6,895,812</u>	<u>85</u>	<u>6,284,095</u>	<u>87</u>
5900	Gross profit	422,107	16	319,304	14	1,203,006	15	916,864	13
5910	Unrealized profit on sales	(<u>1,572</u>)	<u>-</u>	<u>-</u>	<u>-</u>	(<u>1,465</u>)	<u>-</u>	<u>-</u>	<u>-</u>
5920	Realized profit on sales	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>363</u>	<u>-</u>
5950	Realized gross profit	<u>420,535</u>	<u>16</u>	<u>319,304</u>	<u>14</u>	<u>1,201,541</u>	<u>15</u>	<u>917,227</u>	<u>13</u>
	Operating expense (Note 10 & 27)								
6100	Marketing expense	152,916	6	116,085	5	417,387	5	374,363	5
6200	Managerial expense	70,440	3	48,424	2	188,345	2	150,649	2
6300	R&D expense	17,767	-	14,519	1	54,860	1	42,567	1
6450	Expected credit impairment reversed profit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	(<u>42</u>)	<u>-</u>
6000	Total operating expense	<u>241,123</u>	<u>9</u>	<u>179,028</u>	<u>8</u>	<u>660,592</u>	<u>8</u>	<u>567,537</u>	<u>8</u>
6900	Operating profit	<u>179,412</u>	<u>7</u>	<u>140,276</u>	<u>6</u>	<u>540,949</u>	<u>7</u>	<u>349,690</u>	<u>5</u>
	Non-operating income and expense								
7100	Interest income (Note 27)	419	-	2,471	-	3,283	-	8,043	-
7010	Other income (Note 27 & 32)	58,609	2	33,961	1	93,722	1	58,720	1
7020	Other profit and loss (Note 27)	(<u>331</u>)	<u>-</u>	22,757	1	164,249	2	78,456	1
7060	Profit or loss amount from associates and joint venture under the equity method (Note 13)	(<u>3,211</u>)	<u>-</u>	1,108	-	2,396	-	(<u>3,997</u>)	<u>-</u>
7050	Financial cost (Note 27 & 32)	(<u>10,293</u>)	<u>-</u>	(<u>11,504</u>)	<u>-</u>	(<u>35,150</u>)	<u>-</u>	(<u>34,540</u>)	(<u>1</u>)
7000	Total non-operating income and expense	<u>45,193</u>	<u>2</u>	<u>48,793</u>	<u>2</u>	<u>228,500</u>	<u>3</u>	<u>106,682</u>	<u>1</u>
7900	Net income before tax	224,605	9	189,069	8	769,449	10	456,372	6
7950	Income tax expense (Note 28)	<u>33,876</u>	<u>1</u>	<u>30,347</u>	<u>1</u>	<u>117,330</u>	<u>2</u>	<u>87,425</u>	<u>1</u>
8200	Net income	<u>190,729</u>	<u>8</u>	<u>158,722</u>	<u>7</u>	<u>652,119</u>	<u>8</u>	<u>368,947</u>	<u>5</u>
	Other comprehensive profit or loss								
8310	Items not-reclassified to profit or loss:								
8316	Unrealized profit or loss in valuation of equity instrument investment measured at fair value through other comprehensive profit or loss (Note 8)	65,866	3	(<u>52,530</u>)	(<u>2</u>)	1,227,358	15	235,631	3
8320	Other comprehensive profit or loss amount from associates and joint venture under the equity method (Note 13)	-	-	(<u>55</u>)	-	-	-	(<u>55</u>)	-
8349	Income tax related to non-reclassified items (Note 28)	<u>13,348</u>	<u>1</u>	(<u>3,754</u>)	<u>-</u>	<u>247,148</u>	<u>3</u>	<u>44,867</u>	<u>-</u>
		<u>52,518</u>	<u>2</u>	(<u>48,831</u>)	(<u>2</u>)	<u>980,210</u>	<u>12</u>	<u>190,709</u>	<u>3</u>
8360	Items could be reclassified to profit or loss subsequently:								
8361	Exchange difference from the conversion of financial statements of foreign operations	(<u>1,974</u>)	-	25,486	1	17,040	-	15,540	-
8399	Income tax related to items could be reclassified to profit or loss (Note 28)	(<u>391</u>)	<u>-</u>	<u>4,982</u>	<u>-</u>	<u>3,405</u>	<u>-</u>	<u>3,102</u>	<u>-</u>
		(<u>1,583</u>)	<u>-</u>	<u>20,504</u>	<u>1</u>	<u>13,635</u>	<u>-</u>	<u>12,438</u>	<u>-</u>
8300	Total other comprehensive profit or loss	<u>50,935</u>	<u>2</u>	(<u>28,327</u>)	(<u>1</u>)	<u>993,845</u>	<u>12</u>	<u>203,147</u>	<u>3</u>
8500	Total comprehensive profit or loss – current	<u>\$ 241,664</u>	<u>10</u>	<u>\$ 130,395</u>	<u>6</u>	<u>\$ 1,645,964</u>	<u>20</u>	<u>\$ 572,094</u>	<u>8</u>

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		July 1 – September 30, 2024		July 1 – September 30, 2023		January 1 – September 30, 2024		January 1 – September 30, 2023	
C o d e		A m o u n t	%	A m o u n t	%	A m o u n t	%	A m o u n t	%
	Net income (loss) attributable to:								
8610	The company's shareholders	\$ 196,215	8	\$ 155,216	7	\$ 655,883	8	\$ 374,524	5
8620	Non-controlling interest	(5,486)	-	3,506	-	(3,764)	-	(5,577)	-
8600		<u>\$ 190,729</u>	<u>8</u>	<u>\$ 158,722</u>	<u>7</u>	<u>\$ 652,119</u>	<u>8</u>	<u>\$ 368,947</u>	<u>5</u>
	Total comprehensive profit or loss attributable to:								
8710	The company's shareholders	\$ 247,167	10	\$ 126,865	6	\$ 1,649,709	20	\$ 577,639	8
8720	Non-controlling interest	(5,503)	-	3,530	-	(3,745)	-	(5,545)	-
8700		<u>\$ 241,664</u>	<u>10</u>	<u>\$ 130,395</u>	<u>6</u>	<u>\$ 1,645,964</u>	<u>20</u>	<u>\$ 572,094</u>	<u>8</u>
	Earnings per share (Note 29)								
9710	Basic	<u>\$ 0.41</u>		<u>\$ 0.33</u>		<u>\$ 1.37</u>		<u>\$ 0.79</u>	
9810	Diluted	<u>\$ 0.41</u>		<u>\$ 0.33</u>		<u>\$ 1.37</u>		<u>\$ 0.78</u>	

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

(Please refer to the review report issued by Deloitte & Touche on November 8, 2024)

Chairman :

CEO:

CFO:

Accountant:

Formosan Union Chemical Corporation and Subsidiaries
Consolidated Statement of Retained Earnings
January 1 – September 30, 2024 and 2023

Unit: NT\$ Thousand

		E q u i t y a t t r i b u t a b l e t o t h e c o m p a n y ' s s h a r e h o l d e r s												
		Capital stock (Note 25)			Retained earnings (Note 8 & 25)				O t h e r e q u i t i e s (N o t e 8 & 2 5)					
		Shares (Thousand)	Capital stock	Additional paid-in capital (Note 25)	Legal reserve	Special reserve	Unappropriated earnings	Total	Exchange difference from the conversion of financial instruments of foreign operations	Unrealized profit or loss in valuation of financial assets measured at fair value through other comprehensive profit or loss	Tota	Tota	Non-controlling interest (Note 12 & 25)	Total equity
A1	Balance – 1/1/2023	477,016	\$ 4,770,163	\$ 77,090	\$ 1,074,510	\$ 251,175	\$ 1,491,746	\$ 2,817,431	(\$ 25,070)	\$ 633,578	\$ 608,508	\$ 8,273,192	\$ 276,492	\$ 8,549,684
	The 2022 Earnings appropriation and distribution													
B1	Appropriation of legal reserve	-	-	-	107,851	-	(107,851)	-	-	-	-	-	-	-
B5	Common stock cash dividends	-	-	-	-	-	(858,629)	(858,629)	-	-	-	(858,629)	-	(858,629)
		-	-	-	107,851	-	(966,480)	(858,629)	-	-	-	(858,629)	-	(858,629)
D1	Net income (loss) – 1/1 – 9/30, 2023	-	-	-	-	-	374,524	374,524	-	-	-	374,524	(5,577)	368,947
D3	Other comprehensive profit or loss – 1/1 – 9/30, 2023	-	-	-	-	-	-	-	12,406	190,709	203,115	203,115	32	203,147
D5	Total comprehensive profit or loss – 1/1 – 9/30, 2023	-	-	-	-	-	374,524	374,524	12,406	190,709	203,115	577,639	(5,545)	572,094
O1	Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(388)	(388)
Q1	Disposal of equity instruments measured at fair value through other comprehensive profit or loss	-	-	-	-	-	(1,692)	(1,692)	-	1,692	1,692	-	-	-
T1	Others	-	-	-	-	-	(2,400)	(2,400)	29,969	-	29,969	27,569	-	27,569
Z1	Balance – 9/30/2023	477,016	\$ 4,770,163	\$ 77,090	\$ 1,182,361	\$ 251,175	\$ 895,698	\$ 2,329,234	\$ 17,305	\$ 825,979	\$ 843,284	\$ 8,019,771	\$ 270,559	\$ 8,290,330
A1	Balance – 1/1/2024	477,016	\$ 4,770,163	\$ 77,090	\$ 1,182,361	\$ 251,175	\$ 940,225	\$ 2,373,761	(\$ 6,158)	\$ 770,316	\$ 764,158	\$ 7,985,172	\$ 269,657	\$ 8,254,829
	The 2023 Earnings appropriation and distribution													
B1	Appropriation of legal reserve	-	-	-	41,496	-	(41,496)	-	-	-	-	-	-	-
B5	Common stock cash dividends	-	-	-	-	-	(286,210)	(286,210)	-	-	-	(286,210)	-	(286,210)
		-	-	-	41,496	-	(327,706)	(286,210)	-	-	-	(286,210)	-	(286,210)
D1	Net income (loss) – 1/1 – 9/30, 2024	-	-	-	-	-	655,883	655,883	-	-	-	655,883	(3,764)	652,119
D3	Other comprehensive profit or loss – 1/1 – 9/30, 2024	-	-	-	-	-	-	-	13,616	980,210	993,826	993,826	19	993,845
D5	Total comprehensive profit or loss – 1/1 – 9/30, 2024	-	-	-	-	-	655,883	655,883	13,616	980,210	993,826	1,649,709	(3,745)	1,645,964
M7	Changes in the equity of subsidiaries owned by the company	-	-	(954)	-	-	-	-	-	-	-	(954)	954	-
O1	Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(349)	(349)
Q1	Disposal of equity instruments measured at fair value through other comprehensive profit or loss	-	-	-	-	-	13,526	13,526	-	(13,526)	(13,526)	-	-	-
Z1	Balance – 9/30/2024	477,016	\$ 4,770,163	\$ 76,136	\$ 1,223,857	\$ 251,175	\$ 1,281,928	\$ 2,756,960	\$ 7,458	\$ 1,737,000	\$ 1,744,458	\$ 9,347,717	\$ 266,517	\$ 9,614,234

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

(Please refer to the review report issued by Deloitte & Touche on November 8, 2024)

Chairman:

CEO:

CFO:

Accountant:

Formosan Union Chemical Corporation and Subsidiaries

Consolidated Statement of Cash Flows

January 1 – September 30, 2024 and 2023

Unit: NT\$ Thousand

C o d e		1/1 – 9/30, 2024	1/1 – 9/30, 2023
	Cash flow from operating activities		
A00010	Net income before tax	\$ 769,449	\$ 456,372
A20010	Income and expenses		
A20100	Depreciation expense	195,609	191,268
A20200	Amortization expense	1,678	974
A20300	Expected credit impairment reversed profit	-	(42)
A20400	Net profit of financial assets measured at fair value through profit or loss	(137,423)	(45,035)
A20900	Financial cost	35,150	34,540
A21200	Interest income	(3,283)	(8,043)
A21300	Dividend income	(65,064)	(41,167)
A22300	Profit or loss amount from associates and joint venture under the equity method	(2,396)	3,997
A22500	Profit from the disposal of property, plant, and equipment	(703)	(175)
A23800	Reversed profit from the loss in valuation of inventory	(14,739)	(3,124)
A23900	Unrealized profit on sales	1,465	-
A24000	Realized profit on sales	-	(363)
A24100	Unrealized foreign currency exchange losses (gains)	15,810	(9,339)
A29900	Lease modification profit	(19)	-
A30000	Net changes in operating assets and liabilities		
A31125	Financial assets mandated to be measured at fair value through profit or loss	222,232	64,884
A31130	Notes receivable	(33,179)	(42,062)
A31150	Accounts receivable	(238,905)	(115,584)
A31160	Accounts receivable – related party	(40,389)	(262)
A31180	Other receivables	(16,789)	6,515
A31190	Other receivable – related party	1	3,252
A31200	Inventories	158,081	832,936
A31230	Prepayments	(21,792)	80,469
A31240	Other current assets	(1,805)	133
A31990	Defined benefit assets – net	(2,023)	(1,982)
A32130	Notes payable	(10,196)	8,424

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Code		1/1 – 9/30, 2024	1/1 – 9/30, 2023
A32150	Accounts payable	(\$ 69,458)	(\$ 338,069)
A32160	Accounts payable – related party	10,205	9,886
A32180	Other payables	102,415	(343,810)
A32190	Other payables – related party	417	127
A32200	Liability provisions	(942)	(1,268)
A32230	Other current liabilities	15,291	15,110
A32240	Defined benefit liabilities – net	(532)	(466)
A33000	Cash from operating activities	868,166	758,096
A33100	Interest collected	3,253	9,361
A33200	Dividends collected	65,064	41,167
A33300	Interest paid	(35,520)	(34,625)
A33500	Income tax paid	(135,360)	(219,034)
AAAA	Net cash inflow from operating activities	<u>765,603</u>	<u>554,965</u>
Cash flow from investing activities			
B00010	Acquisition of financial assets measured at fair value through other comprehensive profit or loss	(100,771)	-
B00020	Disposal of financial assets measured at fair value through other comprehensive profit or loss	14,105	-
B00030	Proceeds from capital reduction of financial assets measured at fair value through other comprehensive profit or loss	-	3,556
B00040	Acquisition of financial assets measured at amortized cost	(50,000)	(37,711)
B00050	Disposal of financial assets measured at amortized cost	43,000	-
B01800	Acquisition of investment under the equity method	(11,000)	-
B02000	Increase in prepaid investment	-	(17,520)
B02400	Proceeds from capital reduction of the invested company under the equity method	191,531	-
B02700	Acquisition of property, plant, and equipment	(296,618)	(37,127)
B02800	Disposal of property, plant, and equipment	1,977	357
B03700	Decrease (Increase) in refundable deposit	(1,806)	543
B04500	Acquisition of intangible assets	(6,666)	(576)
B06700	Decrease (increase) in noncurrent assets	(505)	13,995

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<u>C o d e</u>		<u>1/1 – 9/30, 2024</u>	<u>1/1 – 9/30, 2023</u>
B07100	Increase in prepaid equipment	(\$ 52,543)	(\$ 12,459)
B07600	Collected dividends from affiliated enterprises	<u>5,923</u>	<u>700</u>
BBBB	Cash outflow from financing activities - net	(<u>263,373</u>)	(<u>86,242</u>)
	Cash flow from financing activities		
C00100	Decrease in short-term loans	(427,313)	(36,000)
C01600	Borrowed long-term loans	155,703	-
C01700	Liquidated long-term loans	(104)	(3,833)
C03000	Increase in deposits received	3,816	-
C04020	Liquidated lease principal	(61,130)	(32,882)
C04500	Distribution of cash dividends	(286,210)	(858,629)
C05800	Changes in non-controlling interest	(<u>349</u>)	(<u>388</u>)
CCCC	Net cash outflow from financing activities	(<u>615,587</u>)	(<u>931,732</u>)
DDDD	Effect of changes in exchange rate on cash and cash equivalents	<u>437</u>	<u>654</u>
EEEE	Net decrease in cash and cash equivalents	(112,920)	(462,355)
E00100	Balance of cash and cash equivalents – beginning	<u>488,048</u>	<u>1,203,266</u>
E00200	Balance of cash and cash equivalents – ending	<u>\$ 375,128</u>	<u>\$ 740,911</u>

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

(Please refer to the review report issued by Deloitte & Touche on November 8, 2024)

Chairman:

CEO:

CFO:

Accountant:

Formosan Union Chemical Corporation and Subsidiaries
Notes to the Consolidated Financial Statements
January 1 – September 30, 2024 and 2023
(Unless otherwise noted, all units are expressed in NT\$ Thousand)

1. Company profile

Formosan Union Chemical Corporation (hereinafter referred to as the “company”) was established on June 21, 1973 to engage in the production, processing, and trading of alkylbenzene (dodecylbenzene), alkenes, alkanol (nonylphenol), and their derivatives; also, the operation and investment of other related businesses.

The company’s stock shares have been listed and traded on the Taiwan Stock Exchange since July 1986.

This consolidated financial report is expressed in the company’s functional currency (New Taiwan Dollar).

2. Date of and procedure for the approval of the financial report

The consolidated financial report was approved by the board of directors on November 8, 2024.

3. Application of the newly announced and amended regulations and interpretations

- (1) The company has adopted International Financial Reporting Standards (IFRS) that were endorsed and announced for the first time by the Financial Supervisory Commission, International Accounting Standards (IAS), Interpretations, and Notices (IFRS), Interpretation (IFRIC) and Interpretative Announcement (SIC) (hereinafter collectively referred to as the “IFRSs”).

The company has started applying the amended “International Financial Reporting Standards (IFRSs)” that was endorsed and announced by the Financial Supervisory Commission and it will not cause a material change to the accounting policies of the company and the business entities controlled by the company (hereinafter referred to as “the merged company”).

- (2) IFRS accounting standards approved by the Financial Supervisory Commission applicable in 2025

Newly announced/revised/amended regulations and interpretations	Effective date for the announcement of the IASB (Note 1)
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025

Note 1: It is applicable to the annual reporting periods starting after January 1, 2025. When this amendment is applied for the first time, the financial statements for the comparative period may not be reprepared, but the amount of effect shall be recognized in the retained earnings or foreign operations under equity on the date of initial application.

The merged company's evaluation of the amendments to the aforementioned standards and interpretations will not have a material impact on the financial position and financial performance as of the issuance date of the consolidated financial report.

(3) IFRSs announced by IASB but not yet endorsed and announced by the Financial Supervisory Commission

Newly announced/revised/amended regulations and interpretations	Effective date for the announcement of the IASB (Note 1)
IFRS Accounting Standards "Annual Improvements - Volume 11"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or investment of assets between investors and their associates or joint ventures"	Undetermined
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendment to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without public accountability: Disclosure"	January 1, 2027

Note 1: Unless otherwise specified, the aforementioned newly announced/revised/amended regulations and interpretations will be effective in the annual reporting period starting after the respective date.

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will replace IAS 1 "Presentation and Disclosure in Financial Statements" with the following changes:

- The income, expense, and loss in the income statement should be classified into the categories of operating, investment, financing, income tax, and discontinued entities.
- The subtotal and total amount of operating profit and loss, financing, profit and loss before income tax, and profit and loss should be booked in the income statement.
- Providing guidelines for enhancing aggregation and segmentation: The merged company must identify the assets, liabilities, equity, income, expenses, losses, and cash flows from individual transactions or other events, and must base the classification and summary on the common characteristics in order to have each account on the financial statement has at least one similar characteristic. Items with different characteristics should be classified on the financial statements and notes. The merged company will have such items classified as “others” only when no more informative name is available.
- Disclosing the performance evaluation defined by management: When the merged company communicates to the public on matters other than the financial statements and communicates management’s views on a certain aspect of the merged company’s overall financial performance to the users of the financial statements, it is necessary to disclose the information related to the performance evaluation defined by management in a specific note, including the description of the measurement, how it is calculated, its reconciliation with the subtotal or total amount specified in IFRS accounting standards, and the impact of income tax and non-controlling interests on related reconciliation items.

In addition to the aforementioned influences, the merged company continues to evaluate the impact of amendments to other standards and interpretations on the financial position and financial performance as of the date this consolidated financial report approved and announced. The other relevant impacts will be disclosed upon the completion of the evaluation.

4. Summary of material accounting policies

(1) Statement of compliance

This consolidated financial report is prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” endorsed and announced by the Financial Supervisory Commission. This consolidated financial report does not contain all the disclosures required by IFRS accounting standards for a comprehensive annual financial report.

(2) Preparation basis for financial statements

Except for the financial instruments measured at fair value and the net defined benefit liabilities recognized at the present value of the defined benefit obligation net of the fair value of the planned assets, this consolidated financial report is prepared at the historical cost.

The measurement of fair value is divided into Level 1 to Level 3 according to the observability and importance of the relevant input values.

1. Level 1 input values: It refers to the market price (unadjusted) of the same asset or liability available on the measurement date.
2. Level 2 input values: It refers to the direct (that is, price) or indirectly (that is, deduced from price) observable input value of an asset or liability, except for Level 1 quotation.
3. Level 3 input values: It refers to the unobservable input value of an asset or liability.

(3) Consolidation basis

This consolidated financial report includes the financial report of the company and the entities (subsidiaries) controlled by the company. The consolidated income statement includes the operating profit or loss of the acquired or disposed subsidiaries from the date of acquisition or till the date of disposal in the current period. The financial reports of the subsidiaries have been adjusted to make their accounting policies consistent with the accounting policies of the merged company. All transactions, account balances, incomes, expenses, and losses between business entities have been written off at the time of preparing the

consolidated financial report. The total comprehensive profit or loss of the subsidiaries is attributable to the shareholders and non-controlling interests of the company, even if the non-controlling interests are with a negative balance thereafter.

When the changes in the equity of the subsidiary owned by the merged company do not result in the loss of control, it is treated as an equity transaction. The book amount of the merged company and non-controlling interests has been adjusted to reflect the changes in its relative equity in the subsidiary. The difference between the adjustment amount of non-controlling interests and the fair value of the consideration paid or received is directly recognized as equity and attributable to the company's shareholders.

When the merged company loses its control over the subsidiary, the disposal profit or loss is the amount of difference between the following two items: (1) the sum of the fair value of the consideration received and the fair value of the residual investment in the former subsidiary at the date of losing control over the former subsidiary, and (2) the sum of the book amount of the assets (including goodwill) and liabilities and non-controlling interest on the day losing control of the former subsidiary. The basis of accounting treatment for all the amounts recognized in other comprehensive profit or loss related to the subsidiary is the same as the mandatory basis for the relevant assets or liabilities directly disposed by the merged company.

Please refer to Note 12 and Appendix 6 for the subsidiaries, shareholding ratio, and business items in detail.

(4) Other material accounting policies

In addition to the following explanations, please refer to the summary of material accounting policies in the 2023 Consolidated Financial Report.

1. Criteria for the classification of assets and liabilities as current and noncurrent

Current assets include:

- (1) Assets held primarily for trading purposes;
- (2) Assets that are expected to be realized within twelve (12) months after the balance sheet date; and

- (3) Cash and cash equivalents (excluding restricted items that will be exchanged or used to liquidate liabilities within 12 months after the balance sheet date);

Current liabilities include:

- (1) Liabilities held primarily for trading purposes;
- (2) Liabilities that will be due for settlement within 12 months after the balance sheet date, and;
- (3) Liabilities for which there is no substantive right at the balance sheet date with the settlement deferred for at least 12 months after the balance sheet date.

Assets and liabilities other than current assets and current liabilities are classified as noncurrent assets and noncurrent liabilities.

2. Defined benefits of pensions

The pension cost during the interim period is calculated based on the actuarially determined pension cost rate at the end of the previous year, from the beginning of the year to the end of the current period, and adjusts the material market fluctuations of the current period, as well as material amendments, liquidations, or other material non-recurring changes.

3. Income tax expense

Income tax expense is the sum of current income tax and deferred income tax. Income tax for the interim period is evaluated on an annual basis and it is calculated based on interim net income before tax at the tax rate applicable to the expected total annual earnings.

5. Material accounting judgment, estimation, and the main source of assumption uncertainties

The description of the main sources of uncertainty in the material accounting judgments, estimates, and assumptions used in this consolidated financial report is the same as that in the 2023 consolidated financial report.

6. Cash and cash equivalents

	<u>9/30/2024</u>	<u>12/31/2023</u>	<u>9/30/2023</u>
Cash on hand and petty cash	\$ 701	\$ 997	\$ 1,005
Bank checking deposit and demand deposit	374,427	406,051	555,082
Cash equivalents			
Time deposit with original maturity date within 3 months	-	81,000	184,824
	<u>\$ 375,128</u>	<u>\$ 488,048</u>	<u>\$ 740,911</u>

7. Financial assets measured at fair value through profit or loss

	<u>9/30/2024</u>	<u>12/31/2023</u>	<u>9/30/2023</u>
<u>Financial assets – current</u>			
Financial assets mandated to be measured at fair value through profit or loss			
Non-derivative financial assets			
— Taiwan innovation board listed stock	\$ -	\$ 145,116	\$ 174,895
— Domestic non-TWSE/TPEX listing stock	-	1,000	1,000
— Fund beneficiary certificate	85,514	24,207	35,146
	<u>\$ 85,514</u>	<u>\$ 170,323</u>	<u>\$ 211,041</u>

8. Financial assets measured at fair value through other comprehensive profit or loss

	<u>9/30/2024</u>	<u>12/31/2023</u>	<u>9/30/2023</u>
<u>Noncurrent</u>			
Domestic investment			
TWSE/TPEX stock	\$ 2,000,476	\$ -	\$ -
Innovation board listed stock	-	794,008	855,447
Non-TWSE/TPEX stock	282,157	212,080	214,289
Subtotal	<u>2,282,633</u>	<u>1,006,088</u>	<u>1,069,736</u>
Foreign investment			
Non-TWSE/TPEX stock	199,486	144,487	149,810
	<u>\$ 2,482,119</u>	<u>\$ 1,150,575</u>	<u>\$ 1,219,546</u>

The merged company has based on the mid-term and long-term strategic purpose to invest in the stocks, and expected to make profits

through long-term investment. The management of the merged company believes that if the short-term fluctuation in the fair value of the investment is included in the profit or loss, it is inconsistent with the aforementioned long-term investment plan; therefore, the management chooses to have such investments measured at fair value through other comprehensive profit or loss.

The merged company adjusted its investment positions to diversify risks and sold some common stock shares of J&V Energy Technology Co., Ltd. at a fair value of NT\$14,105 thousand in September 2024 and the related other equity - unrealized profit in valuation of the financial assets measured at fair value through other comprehensive profit and loss for an amount of NT\$13,526 thousand was transferred to the retained earnings. Daiwa Green Energy No. 7 GK reduced its capital and returned NT\$3,556 thousand of its capital in August 2023 and the related other equity - unrealized loss in valuation of the financial assets measured at fair value through other comprehensive profit and loss for an amount of NT\$1,692 thousand was transferred to retained earnings.

9. Financial assets measured at the amortized cost

	<u>9/30/2024</u>	<u>12/31/2023</u>	<u>9/30/2023</u>
<u>Current</u>			
Domestic investment			
Time deposits with original maturity date for more than 3 months	<u>\$ 73,000</u>	<u>\$ 66,000</u>	<u>\$ 175,000</u>

10. Notes receivable, accounts receivable, and other receivable

	<u>9/30/2024</u>	<u>12/31/2023</u>	<u>9/30/2023</u>
<u>Notes receivable</u>			
Measured at the amortized cost			
Total book amount – non-related party	<u>\$ 218,211</u>	<u>\$ 185,032</u>	<u>\$ 212,705</u>

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	9/30/2024	12/31/2023	9/30/2023
<u>Accounts receivable</u>			
Measured at the amortized cost			
Total book amount – non-related part	\$ 1,312,138	\$ 1,091,236	\$ 1,040,074
Total book amount – related part	40,318	259	262
	<u>\$ 1,352,456</u>	<u>\$ 1,091,495</u>	<u>\$ 1,040,336</u>
<u>Other receivables</u>			
Non-related party	\$ 62,271	\$ 45,394	\$ 55,831
Related party	2	3	1,410
	<u>\$ 62,273</u>	<u>\$ 45,397</u>	<u>\$ 57,241</u>

The merged company granted customers a credit period of 1-5 months. The impairment evaluation of accounts receivable is analyzed in accordance with the individual evaluation, aging analysis, historical experience, and customer's current financial situation in order to estimate the unrecoverable amount.

The merged company before accepting a new customer bases on the customer's basic information and pays the customer a visit to collect data in order to determine the adequate credit line to be granted.

The merged company recognizes the allowance for loss of accounts receivable based on the expected credit loss during the duration. The expected credit loss during the duration is calculated in accordance with the provision matrix, including the considerations of the customer's default record and current financial situation, and industrial economic situation. According to the historical credit loss of the merged company, there is no significant difference in the loss patterns of different customer groups; therefore, the provision matrix does not further distinguish customer groups, and the expected credit loss rate is formulated based on the days of overdue of the accounts receivable.

If there is evidence that the counterparty is facing serious financial difficulties and the merged company cannot reasonably estimate the recoverable amount, the merged company will directly write-off the

relevant receivable, but will continue the recourse activities with the recovered amount, if any, recognized in profit or loss.

The merged company measures the allowance for loss for notes receivable and accounts receivable according to the provision matrix as follows:

9/30/2024

	Not overdue	Overdue for 1 ~ 30 days	Overdue for 31~180 days	Overdue for 181 ~ 364 d a y s	Overdue for more than 365 days	T o t a l
Expected credit loss rate	-%	0%	0%	-%	-%	
Total book amount	\$ 1,310,020	\$ 258,108	\$ 2,539	\$ -	\$ -	\$ 1,570,667
Allowance for loss (expected credit loss during the duration)	-	-	-	-	-	-
Amortized cost	<u>\$ 1,310,020</u>	<u>\$ 258,108</u>	<u>\$ 2,539</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,570,667</u>

12/31/2023

	Not overdue	Overdue for 1 ~ 30 d a y s	Overdue for 31~180 d a y s	Overdue for 181~364 d a y s	Overdue for more than 365 days	T o t a l
Expected credit loss rate	-%	0%	0%	-%	-%	
Total book amount	\$ 1,178,789	\$ 96,599	\$ 1,139	\$ -	\$ -	\$ 1,276,527
Allowance for loss (expected credit loss during the duration)	-	-	-	-	-	-
Amortized cost	<u>\$ 1,178,789</u>	<u>\$ 96,599</u>	<u>\$ 1,139</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,276,527</u>

9/30/2023

	Not overdue	Overdue for 1 ~ 30 d a y s	Overdue for 31~180 d a y s	Overdue for 181~364 d a y s	Overdue for more than 365 days	T o t a l
Expected credit loss rate	-%	0%	0%	-%	-%	
Total book amount	\$ 1,165,415	\$ 84,815	\$ 2,811	\$ -	\$ -	\$ 1,253,041
Allowance for loss (expected credit loss during the duration)	-	-	-	-	-	-
Amortized cost	<u>\$ 1,165,415</u>	<u>\$ 84,815</u>	<u>\$ 2,811</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,253,041</u>

The changes in the allowance for loss of notes receivable and accounts receivable are as follows:

	1/1 – 9/30, 2024	1/1 – 9/30, 2023
Balance - beginning	\$ -	\$ 42
Less: Reversed impairment loss in the current period	-	(42)
Balance - ending	<u>\$ -</u>	<u>\$ -</u>

11. Inventory - net

	9/30/2024	12/31/2023	9/30/2023
Raw material	\$ 942,186	\$ 1,216,673	\$ 1,039,835
Supplies	357,525	325,291	318,020
Work-in-process products	95,164	117,082	102,945
Finished products	1,630,762	1,489,359	1,597,289
Commodities	7,975	8,116	10,154
	<u>\$ 3,033,612</u>	<u>\$ 3,156,521</u>	<u>\$ 3,068,243</u>

The nature of the cost of goods sold related to inventory is as follows:

	7/1 – 9/30, 2024	7/1 – 9/30, 2023	1/1 – 9/30, 2024	1/1 – 9/30, 2023
Cost of inventory sold	\$ 2,151,736	\$ 2,018,905	\$ 6,895,892	\$ 6,271,659
Reversed profit in valuation of inventory	(<u>3,848</u>)	(<u>14,364</u>)	(<u>14,739</u>)	(<u>3,124</u>)
	<u>\$ 2,147,888</u>	<u>\$ 2,004,541</u>	<u>\$ 6,881,153</u>	<u>\$ 6,268,535</u>

The reversal of the net realizable value of inventories was due to the increase in crude oil prices, which led to the increase in commodity prices.

12. Subsidiaries

(1) Subsidiaries included in the consolidated financial report

The main business entities of the consolidated financial report are as follows:

Investing company	Name of subsidiary	Nature of business	Shareholding ratio			Remarks
			9/30/2024	12/31/2023	9/30/2023	
Formosan Union Chemical Corporation (FUCC)	Hershey Environmental Technology Co., Ltd. (HEC)	Planning and design of petrochemical engineering, machinery equipment installation and trading, household liquefied petroleum gas distribution, and petrochemical raw materials and products processing and manufacturing business.	100.00%	100.00%	100.00%	
FUCC	United Performance Materials Corporation (UPM)	Manufacturing, processing, and trading of petroleum resins and polyester resins.	80.25%	80.25%	80.25%	
Hershey Environmental Technology Co., Ltd.			1.35%	1.35%	1.35%	
Great Victory Chemical Industry Co., Ltd. (Great Victory)			0.49%	0.49%	0.49%	
FUCC	Great Victory Chemical Industry Co., Ltd.	Manufacturing and import/export of pesticides, manufacturing and sales of household pesticides, and manufacturing and sales of various chemical paper bags.	100.00%	100.00%	100.00%	

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Investing company	Name of subsidiary	Nature of business	Shareholding ratio			Remarks
			9/30/2024	12/31/2023	9/30/2023	
FUCC	Fusugar Industry Corp. (Fusugar)	Sugar and seasonings manufacturing	90.52%	88.35%	88.35%	3
Great Victory Chemical Co., Ltd.	Industry		3.15%	3.87%	3.87%	3
United Performance Materials Corporation (UPM)			1.00%	1.23%	1.23%	3
FUCC	TANQUES DEL PACIFIO, S.A. (Tanques)	Operating warehousing business and liquid oil tanks leasing business	100.00%	100.00%	100.00%	
Great Victory Chemical Co., Ltd.	Yung Sheng Green Power Co., Ltd. (Yung Sheng)	The main business is battery manufacturing, power generation, power transmission, power distribution machinery manufacturing, energy technology service business, etc.	50.00%	50.00%	50.00%	1
Great Victory Chemical Co., Ltd.	Tecnica Cientifica De Guatemala S. A. (TCDG)	Mainly engaged in the sales of pesticides and fertilizers	73.75%	73.75%	73.75%	
Hershey Environmental Technology Co., Ltd.	Yongji Energy Co., Ltd. (Yongji)	Thermal energy supply business, cleaning supplies wholesale business, electrical and machinery installation, wholesale business, etc.	50.00%	50.00%	50.00%	2
Hershey Environmental Technology Co., Ltd.	Yongyao Energy Co., Ltd. (Yongyao)	The main business is battery manufacturing, power generation, power transmission, power distribution machinery manufacturing, energy technology service business, etc.	100.00%	100.00%	100.00%	

Remarks:

1. Great Victory Chemical Industry Co., Ltd. holds 50% shareholdings of Yung Sheng Green Power Co., Ltd. while the remaining 50% shareholdings are held by other shareholders. After considering the absolute number of voting rights held against other shareholders, it is concluded that Great Victory Chemical Industry Co., Ltd. dominates the business activities of Yung Sheng Green Power Co., Ltd.; therefore, the company has it classified as a subsidiary.
2. Hershey Environmental Technology Co., Ltd. holds 50% shareholdings of Yongji Energy Co., Ltd., and the remaining 50% of the shareholdings are held by other shareholders. After considering the absolute number of voting rights held against other shareholders, it is concluded that Hershey Environmental Technology Co., Ltd. dominates the business activities of Yongji Energy Co., Ltd.; therefore, the company has it classified as a subsidiary.

3. Fusugar Industry Corp. had its capital reduced to make up for losses in June 2024, delisting 58,400 thousand shares for a total amount of NT\$584,000 thousand, accounted for a capital reduction of 40%. Fusugar Industry Corp. increased capital in cash in August 2024, and the company has 20,000 thousand shares subscribed for a total of NT\$200,000 thousand, and the shareholding ratio after subscription accounted for 90.52%. In addition, Great Victory Chemical Industry Co., Ltd. and United Performance Materials Corporation did not subscribe the aforementioned cash capital increase of Fusugar Industry Corp. according to their respective shareholding ratios. Therefore, their respective shareholding ratios after the capital increase had dropped to 3.15% and 1.00%.

Among the subsidiaries included in the consolidated financial reports from July 1 to September 30 and January 1 to September 30, 2024 and 2023, except for United Performance Materials Corporation and Fusugar Industry Corp., which were recognized in accordance with the financial reports reviewed by the CPAs for the same period, the rest of them have not been reviewed by the CPAs.

(2) Subsidiaries not included in the consolidated financial report: None

(3) Information on subsidiaries with material non-controlling interests

N a m e o f s u b s i d i a r y	Main business p l a c e	Ratio of equity and voting rights held by n o n - c o n t r o l l i n g i n t e r e s t s		
		9/30/2024	12/31/2023	9/30/2023
United Performance Materials Corporation	Taiwan Pingtung	17.91%	17.91%	17.91%
Fusugar Industry Corp.	Taiwan Taichung	5.51%	6.77%	6.77%

N a m e o f s u b s i d i a r y	Profit or loss distributed to n o n - c o n t r o l l i n g i n t e r e s t		N o n - c o n t r o l l i n g i n t e r e s t s		
	1/1 – 9/30, 2024	1/1 – 9/30, 2023	9/30/2024	12/31/2023	9/30/2023
United Performance Materials Corporation	(\$ 1,240)	(\$ 2,351)	\$ 199,801	\$ 201,010	\$ 200,997
Fusugar Industry Corp.	(<u>3,232</u>)	(<u>4,020</u>)	<u>52,960</u>	<u>55,270</u>	<u>56,348</u>
Total	(<u>\$ 4,472</u>)	(<u>\$ 6,371</u>)	<u>\$ 252,761</u>	<u>\$ 256,280</u>	<u>\$ 257,345</u>

The financial information summary of the following subsidiaries is compiled based on the amount before writing off the inter-company transactions:

United Performance Materials Corporation

	<u>9/30/2024</u>	<u>12/31/2023</u>	<u>9/30/2023</u>
Current assets	\$ 537,125	\$ 629,388	\$ 751,508
Noncurrent assets	779,586	710,936	715,928
Current liabilities	(137,214)	(228,779)	(354,151)
Noncurrent liabilities	(75,855)	(1,153)	(2,966)
Equity	<u>\$ 1,103,642</u>	<u>\$ 1,110,392</u>	<u>\$ 1,110,319</u>

Equity attributable to:

The company's shareholders	\$ 903,841	\$ 909,382	\$ 909,322
Non-controlling interest	<u>199,801</u>	<u>201,010</u>	<u>200,997</u>
	<u>\$ 1,103,642</u>	<u>\$ 1,110,392</u>	<u>\$ 1,110,319</u>

	<u>7/1 – 9/30, 2024</u>	<u>7/1 – 9/30, 2023</u>	<u>1/1 – 9/30, 2024</u>	<u>1/1 – 9/30, 2023</u>
Operating income	\$ 321,360	\$ 404,488	\$ 1,006,372	\$ 1,174,143
Net income (loss)	(\$ 28,433)	\$ 24,161	(\$ 6,923)	(\$ 13,127)
Total comprehensive profit or loss	(\$ 28,433)	\$ 24,161	(\$ 6,923)	(\$ 13,127)

Net income (loss) attributable to:

The company's shareholders	(\$ 23,340)	\$ 19,833	(\$ 5,683)	(\$ 10,776)
Non-controlling interest	(5,093)	4,328	(1,240)	(2,351)
	(\$ 28,433)	\$ 24,161	(\$ 6,923)	(\$ 13,127)

Total comprehensive profit or loss attributable to:

The company's shareholders	(\$ 23,340)	\$ 19,833	(\$ 5,683)	(\$ 10,776)
Non-controlling interest	(5,093)	4,328	(1,240)	(2,351)
	(\$ 28,433)	\$ 24,161	(\$ 6,923)	(\$ 13,127)

Cash flow

Operating activities	\$ 38,833	\$ 81,567	\$ 156,648	\$ 211,459
Investing activities	(83,428)	(5,601)	(96,552)	(12,985)
Financing activities	<u>74,686</u>	(50,205)	(20,488)	(310,618)
Net cash inflow (outflow)	<u>\$ 30,091</u>	<u>\$ 25,761</u>	<u>\$ 39,608</u>	(\$ 112,144)

Dividend paid to non-controlling interest

	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
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Fusugar Industry Corp.

	<u>9/30/2024</u>	<u>12/31/2023</u>	<u>9/30/2023</u>
Current assets	\$ 30,868	\$ 27,886	\$ 29,648
Noncurrent assets	1,390,772	1,397,797	1,409,104
Current liabilities	(25,004)	(201,624)	(196,735)
Noncurrent liabilities	(402,624)	(379,516)	(380,989)
Equity	<u>\$ 994,012</u>	<u>\$ 844,543</u>	<u>\$ 861,028</u>

Equity attributable to:

The company's shareholders	\$ 941,052	\$ 789,273	\$ 804,680
Non-controlling interest	<u>52,960</u>	<u>55,270</u>	<u>56,348</u>
	<u>\$ 994,012</u>	<u>\$ 844,543</u>	<u>\$ 861,028</u>

	<u>7/1 – 9/30, 2024</u>	<u>7/1 – 9/30, 2023</u>	<u>1/1 – 9/30, 2024</u>	<u>1/1 – 9/30, 2023</u>
Operating income	\$ 750	\$ 750	\$ 2,250	\$ 750
Net loss	(\$ 12,023)	(\$ 17,261)	(\$ 50,531)	(\$ 61,418)
Total comprehensive profit or loss	(\$ 12,023)	(\$ 17,261)	(\$ 50,531)	(\$ 61,418)

Net loss attributable to:

The company's shareholders	(\$ 11,311)	(\$ 16,131)	(\$ 47,299)	(\$ 57,398)
Non-controlling interest	(712)	(1,130)	(3,232)	(4,020)
	(\$ 12,023)	(\$ 17,261)	(\$ 50,531)	(\$ 61,418)

Total comprehensive profit or loss attributable to:

The company's shareholders	(\$ 11,311)	(\$ 16,131)	(\$ 47,299)	(\$ 57,398)
Non-controlling interest	(712)	(1,130)	(3,232)	(4,020)
	(\$ 12,023)	(\$ 17,261)	(\$ 50,531)	(\$ 61,418)

Cash flow

Operating activities	(\$ 52,816)	(\$ 5,292)	(\$ 69,195)	(\$ 29,929)
Investing activities	-	4,629	430	11,992
Financing activities	<u>55,473</u>	(1,428)	<u>71,115</u>	(15,259)
Net cash inflow (outflow)	<u>\$ 2,657</u>	(\$ 2,091)	<u>\$ 2,350</u>	(\$ 33,196)

Dividend paid to non-controlling interest

	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
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13. Investment under the equity method

	<u>9/30/2024</u>	<u>12/31/2023</u>	<u>9/30/2023</u>
Investment in associates	\$ 67,159	\$ 54,250	\$ 50,203
Investment in joint venture	<u>564,459</u>	<u>746,437</u>	<u>776,761</u>
	<u>\$ 631,618</u>	<u>\$ 800,687</u>	<u>\$ 826,964</u>

(1) Investment in associates

	<u>9/30/2024</u>	<u>12/31/2023</u>	<u>9/30/2023</u>
Individual insignificant associate	<u>\$ 67,159</u>	<u>\$ 54,250</u>	<u>\$ 50,203</u>

Information summary of individual insignificant associate

	<u>7/1 – 9/30, 2024</u>	<u>7/1 – 9/30, 2023</u>	<u>1/1 – 9/30, 2024</u>	<u>1/1 – 9/30, 2023</u>
Profit amount attributable to the merged company				
Net income and total comprehensive profit or loss	<u>\$ 1,338</u>	<u>\$ 2,554</u>	<u>\$ 5,159</u>	<u>\$ 6,937</u>

(2) Investment in joint venture

	<u>9/30/2024</u>	<u>12/31/2023</u>	<u>9/30/2023</u>
Individual insignificant joint ventures	<u>\$ 564,459</u>	<u>\$ 746,437</u>	<u>\$ 776,761</u>

Information summary of individual insignificant joint venture

	<u>7/1 – 9/30, 2024</u>	<u>7/1 – 9/30, 2023</u>	<u>1/1 – 9/30, 2024</u>	<u>1/1 – 9/30, 2023</u>
Profit amount attributable to the merged company				
Net income and total comprehensive profit or loss	<u>(\$ 4,549)</u>	<u>(\$ 1,501)</u>	<u>(\$ 2,763)</u>	<u>(\$ 10,989)</u>

Please refer to Appendix 6 “Invested Company Information, Place... and other Related Information” and Appendix 7 “Information on Investment in Mainland China” for the information on the business nature, main business place, and registration country of the aforementioned associates and joint ventures.

The amount of profit and loss and other comprehensive profit and loss from the invested company and joint venture under the equity method is calculated based on financial reports on January 1 to September 30, 2024 and 2023 that have not been reviewed by the CPAs.

14. Property, plant and equipment

	<u>9/30/2024</u>	<u>12/31/2023</u>	<u>9/30/2023</u>
Proprietary use	<u>\$ 3,824,891</u>	<u>\$ 3,607,069</u>	<u>\$ 3,637,987</u>

	Proprietary l a n d	House and b u i l d i n g	Machinery e q u i p m e n t	Transportation e q u i p m e n t	O t h e r e q u i p m e n t	Construction in progress & equipment to b e t e s t e d	T o t a l
<u>Cost</u>							
Balance – 1/1/2024	\$ 898,339	\$ 1,195,576	\$ 6,597,126	\$ 75,566	\$ 501,084	\$ 2,112	\$ 9,269,803
Addition	142,158	114,195	7,856	-	22,129	8,161	294,499
Disposition	-	-	(8,315)	(3,931)	(3,118)	-	(15,364)
Reclassification	32,224	17,931	6,514	-	30,846	-	87,515
Transferred to investment property	(5,814)	(2,536)	-	-	-	-	(8,350)
Net exchange difference	-	-	1,162	42	-	-	1,204
Balance – 9/30/2024	<u>\$ 1,066,907</u>	<u>\$ 1,325,166</u>	<u>\$ 6,604,343</u>	<u>\$ 71,677</u>	<u>\$ 550,941</u>	<u>\$ 10,273</u>	<u>\$ 9,629,307</u>
<u>Accumulated depreciation and impairment</u>							
Balance – 1/1/2024	\$ -	\$ 446,893	\$ 4,798,108	\$ 63,309	\$ 354,424	\$ -	\$ 5,662,734
Depreciation expense	-	18,703	118,068	1,407	17,828	-	156,006
Disposition	-	-	(7,473)	(3,500)	(3,117)	-	(14,090)
Transferred to investment property	-	(1,290)	-	-	-	-	(1,290)
Net exchange difference	-	-	1,048	8	-	-	1,056
Balance – 9/30/2024	<u>\$ -</u>	<u>\$ 464,306</u>	<u>\$ 4,909,751</u>	<u>\$ 61,224</u>	<u>\$ 369,135</u>	<u>\$ -</u>	<u>\$ 5,804,416</u>
Net amount – 9/30/2024	<u>\$ 1,066,907</u>	<u>\$ 860,860</u>	<u>\$ 1,694,592</u>	<u>\$ 10,453</u>	<u>\$ 181,806</u>	<u>\$ 10,273</u>	<u>\$ 3,824,891</u>
1 Net amount – 12/31/2023 & 1/1/2024	<u>\$ 898,339</u>	<u>\$ 748,683</u>	<u>\$ 1,799,018</u>	<u>\$ 12,257</u>	<u>\$ 146,660</u>	<u>\$ 2,112</u>	<u>\$ 3,607,069</u>
<u>Cost</u>							
Balance – 1/1/2023	\$ 898,339	\$ 1,194,263	\$ 6,562,421	\$ 76,781	\$ 485,790	\$ 10,629	\$ 9,228,223
Addition	-	1,313	10,214	1,509	5,746	7,421	26,203
Disposition	-	-	(10,841)	(2,311)	(355)	-	(13,507)
Reclassification	-	-	22,690	-	1,892	(17,990)	6,592
Net exchange difference	-	-	1,340	63	-	-	1,403
Balance – 9/30/2023	<u>\$ 898,339</u>	<u>\$ 1,195,576</u>	<u>\$ 6,585,824</u>	<u>\$ 76,042</u>	<u>\$ 493,073</u>	<u>\$ 60</u>	<u>\$ 9,248,914</u>
<u>Accumulated depreciation and impairment</u>							
Balance – 1/1/2023	\$ -	\$ 422,065	\$ 4,644,838	\$ 63,835	\$ 332,178	\$ -	\$ 5,462,916
Depreciation expense	-	18,683	123,006	1,652	16,803	-	160,144
Disposition	-	-	(10,698)	(2,308)	(319)	-	(13,325)
Net exchange difference	-	-	1,165	27	-	-	1,192
Balance – 9/30/2023	<u>\$ -</u>	<u>\$ 440,748</u>	<u>\$ 4,758,311</u>	<u>\$ 63,206</u>	<u>\$ 348,662</u>	<u>\$ -</u>	<u>\$ 5,610,927</u>
Net amount – 9/30/2023	<u>\$ 898,339</u>	<u>\$ 754,828</u>	<u>\$ 1,827,513</u>	<u>\$ 12,836</u>	<u>\$ 144,411</u>	<u>\$ 60</u>	<u>\$ 3,637,987</u>

Great Victory Chemical Industry Co., Ltd., a subsidiary, purchased agricultural land Lot No. 4705 in Da-Pu-Wei, Chitong Township in 1998 for an amount of NT\$5,611 thousand. A loss of NT\$3,459 thousand was recognized after the asset impairment test performed in 2005 with a net book amount of NT\$2,152 thousand recorded. The law prohibits a juridical person from owning agricultural land; therefore, it is temporarily registered under the name of Ms. Trayling Zhang. The merged company (hereinafter referred to as “Party A”) and Ms. Trayling Zhang (hereinafter referred to as “Party B”) have signed a right-of-use land contract and a trust affidavit so that Party B has this lot of land provided to Party A for use free of charge.

Great Victory Chemical Industry Co., Ltd., a subsidiary, purchased agricultural land Lot No. 4704 in Da-Pu-Wei, Chitong Township in 2012 for an amount of NT\$4,223 thousand. The law prohibits a juridical person from owning agricultural land; therefore, it is temporarily registered under

the name of Mr. Chuncheng Lin. The merged company (hereinafter referred to as “Party A”) and Mr. Chuncheng Lin (hereinafter referred to as “Party B”) have signed a right-of-use land contract and a trust affidavit so that Party B has this lot of land provided to Party A for use free of charge.

Depreciation expenses are accrued on a straight-line basis according to the following years of useful life:

House and building	
Factory main building	2~60 years
Pipeline equipment	5~50 year
Partition and fences/walls	2~50 years
Machinery equipment	2~50 years
Transportation equipment	2~30 years
Other equipment	2~30 years

Please refer to Note 33 for the property, plant and equipment that are pledged as collateral for loans.

15. Lease agreement

(1) Right-of-use assets

Book amount of	9/30/2024	12/31/2023	9/30/2023
right-of-use assets			
Land	\$ 477,744	\$ 463,160	\$ 467,491
Buildings	53,583	6,034	6,486
Machinery equipment	245,592	291,551	299,105
Transportation equipment	11,338	6,699	7,529
	<u>\$ 788,257</u>	<u>\$ 767,444</u>	<u>\$ 780,611</u>

	7/1 – 9/30, 2024	7/1 – 9/30, 2023	1/1 – 9/30, 2024	1/1 – 9/30, 2023
Addition of right-of-use assets			<u>\$ 86,119</u>	<u>\$ 324,655</u>
Depreciation expense of right-of-use assets				
Land	\$ 4,509	\$ 4,331	\$ 13,409	\$ 12,993
Buildings	2,192	452	2,725	1,356
Machinery equipment	4,929	6,222	20,916	14,231
Transportation equipment	885	830	2,435	2,429
	<u>\$ 12,515</u>	<u>\$ 11,835</u>	<u>\$ 39,485</u>	<u>\$ 31,009</u>

Except for the aforementioned additions and recognized depreciation expenses, there were no material sublease or impairment of the right-of-use assets of the merged company from January 1 to September 30, 2024 and 2023.

(2) Lease liabilities

	<u>9/30/2024</u>	<u>12/31/2023</u>	<u>9/30/2023</u>
Book amount of lease liabilities			
Current	<u>\$ 77,285</u>	<u>\$ 76,043</u>	<u>\$ 68,168</u>
Noncurrent	<u>\$ 738,802</u>	<u>\$ 716,587</u>	<u>\$ 733,770</u>

The discount rate ranges for lease liabilities are as follows:

	<u>9/30/2024</u>	<u>12/31/2023</u>	<u>9/30/2023</u>
Land	0.85%~2.61%	0.85%~2.48%	0.85%~2.48%
Buildings	1.20%~1.77%	1.20%~2.29%	0.67%~2.29%
Machinery equipment	1.60%~1.76%	1.60%~1.76%	1.10%~1.76%
Transportation equipment	1.40%~2.29%	0.85%~2.29%	0.67%~2.29%

(3) Other lease information

	<u>7/1 – 9/30, 2024</u>	<u>7/1 – 9/30, 2023</u>	<u>1/1 – 9/30, 2024</u>	<u>1/1 – 9/30, 2023</u>
Short-term lease expense	<u>\$ 1,329</u>	<u>\$ 4,884</u>	<u>\$ 8,003</u>	<u>\$ 13,673</u>
Low value assets lease expense	<u>\$ 85</u>	<u>\$ 72</u>	<u>\$ 253</u>	<u>\$ 253</u>
Variable lease expense excluding from the measurement of lease liability	<u>\$ 661</u>	<u>\$ 532</u>	<u>\$ 1,681</u>	<u>\$ 4,216</u>
Total lease cash (outflow)			<u>(\$ 83,541)</u>	<u>(\$ 61,235)</u>

The merged company chooses to apply the recognition exemption for assets that qualify for short-term leases and leases for which the underlying asset is of low value; therefore, no right-of-use assets and lease liabilities recognized for such leases.

16. Investment property

	<u>9/30/2024</u>	<u>12/31/2023</u>	<u>9/30/2023</u>
Completed investment property	<u>\$ 16,009</u>	<u>\$ 9,067</u>	<u>\$ 9,105</u>

Except for the recognized depreciation expenses and partial proprietary parking spaces transferred from the “property, plant and equipment” to the “investment property,” there were no material additions or impairments occurred to the investment property of the merged company from January 1 to September 30, 2024 and 2023.

Investment property is depreciated on a straight-line basis according to the following years of useful life:

Buildings

Factory main building

32~60 years

The fair value of the investment property of the merged company is determined by referring to the market price in adjacent areas. The fair values are as follows:

	9/30/2024	12/31/2023	9/30/2023
Proprietary land and buildings	<u>\$ 39,808</u>	<u>\$ 24,808</u>	<u>\$ 21,305</u>

All investment properties of the merged company are proprietary equities.

Please refer to Note 33 for the investment property that is pledged as collateral for loans.

17. Goodwill

- (1) Goodwill is amortized to the cash-generating units identified by the operating departments of the merged company:

	9/30/2024	12/31/2023	9/30/2023
Petroleum Resin Department	\$ 91,897	\$ 91,897	\$ 91,897
Other departments	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 91,897</u>	<u>\$ 91,897</u>	<u>\$ 91,897</u>

- (2) Goodwill is amortized to the identified cash-generating units of the merged company. The recoverable amount is evaluated according to the value in use, and the value in use is estimated according to the pre-tax cash flow of the financial forecast for the next five years approved by the management. Since the recoverable amount of the value in use of the merged company's Petroleum Resin Department exceeds the book amount, the goodwill is free of any impairment. The recoverable amounts of other departments are estimated to be less than the book amount; therefore, a goodwill impairment for an amount of NT\$2,902 thousand was recognized at the end of 2021.

18. Intangible assets

	9/30/2024	12/31/2023	9/30/2023
Computer software	\$ 1,729	\$ 1,598	\$ 1,481
Others	<u>4,857</u>	<u>-</u>	<u>-</u>
	<u>\$ 6,586</u>	<u>\$ 1,598</u>	<u>\$ 1,481</u>

Expense is amortized on a straight-line basis for a service life of 2-5 years

19. Other assets

	<u>9/30/2024</u>	<u>12/31/2023</u>	<u>9/30/2023</u>
<u>Current</u>			
Prepayments			
Prepaid purchase	\$ 41,136	\$ 32,327	\$ 13,711
Others	<u>61,259</u>	<u>48,276</u>	<u>45,331</u>
	<u>\$ 102,395</u>	<u>\$ 80,603</u>	<u>\$ 59,042</u>
<u>Noncurrent</u>			
Prepaid equipment	<u>\$ 76,218</u>	<u>\$ 91,825</u>	<u>\$ 94,143</u>
Refundable deposits	<u>\$ 6,675</u>	<u>\$ 4,618</u>	<u>\$ 4,881</u>
Other noncurrent assets			
Pledged time deposits (Note 33)	\$ 27,000	\$ 27,000	\$ 27,000
Others	<u>678</u>	<u>17,693</u>	<u>17,646</u>
	<u>\$ 27,678</u>	<u>\$ 44,693</u>	<u>\$ 44,646</u>

20. Loans

(1) Short-term loans

	<u>9/30/2024</u>	<u>12/31/2023</u>	<u>9/30/2023</u>
<u>Guaranteed loans</u>			
Bank loans	\$ 35,000	\$ 109,000	\$ 109,000
<u>Unguaranteed loans</u>			
Bank loans	<u>1,064,427</u>	<u>1,417,740</u>	<u>1,996,000</u>
	<u>\$ 1,099,427</u>	<u>\$ 1,526,740</u>	<u>\$ 2,105,000</u>

The aforementioned guaranteed loans are guaranteed by the collateral of the merged company's land and buildings (see Note 33).

The interest rates of bank revolving loans were 0.50%~2.39%, 0.50%~3.10%, and 1.60%~3.10% on September 30 2024, December 31, 2023, and September 30, 2023, respectively.

(2) Long-term loans

	<u>9/30/2024</u>	<u>12/31/2023</u>	<u>9/30/2023</u>
<u>Guaranteed loans</u>			
Bank loans (1)	\$ 155,703	\$ -	\$ -
<u>Unguaranteed loans</u>			
Bank loans (2)	<u>-</u>	<u>104</u>	<u>417</u>
	155,703	104	417
Less: Long-term loan amount due in one year	<u>-</u>	<u>(104)</u>	<u>(417)</u>
	<u>\$ 155,703</u>	<u>\$ -</u>	<u>\$ -</u>

1. The merged company has obtained new guaranteed bank loans from January 1 to September 30, 2024 with monthly payments arranged for a period of 20 years. The first 12 months are designated as a grace period in which only interest will be paid at a floating interest rate of 2.38%. The said loan amount is used to purchase land and buildings, and the guaranteed loans are secured by the merged company's proprietary land and buildings mortgaged as collateral (see Note 33).
2. The unsecured bank loans were with a fixed interest rate charged, which was due in January 2024 with an effective interest rate of 2.40%.

21. Notes payable and accounts payable

	<u>9/30/2024</u>	<u>12/31/2023</u>	<u>9/30/2023</u>
<u>Notes payable</u>			
Arising from operating activities	<u>\$ 1,007</u>	<u>\$ 11,203</u>	<u>\$ 18,280</u>
<u>Accounts payable</u>			
Non-related party	\$ 558,042	\$ 629,875	\$ 443,067
Related party	<u>10,087</u>	<u>-</u>	<u>9,960</u>
	<u>\$ 568,129</u>	<u>\$ 629,875</u>	<u>\$ 453,027</u>

22. Other liabilities

	<u>9/30/2024</u>	<u>12/31/2023</u>	<u>9/30/2023</u>
<u>Current</u>			
Other payables			
Salary payable	\$ 218,849	\$ 172,169	\$ 120,881
Director remuneration payable	24,893	17,758	15,462
Employee remuneration payable	27,424	20,555	18,658
Interest payable	786	1,156	1,348
Labor service payable	2,559	3,083	3,039
Other expenses payable	149,027	129,623	92,467
Equipment payable	29,135	15,764	14,123
Others	<u>31,391</u>	<u>8,504</u>	<u>35,420</u>
	<u>\$ 484,064</u>	<u>\$ 368,612</u>	<u>\$ 301,398</u>
Other payable – related party	<u>\$ 992</u>	<u>\$ 575</u>	<u>\$ 1,709</u>

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	9/30/2024	12/31/2023	9/30/2023
Other liabilities			
Contract liability	\$ 18,612	\$ 25,443	\$ 16,749
Refund liability	19,186	2,378	20,800
Temporary credit	1,589	6	6
Others	13,462	6,104	4,299
	<u>\$ 52,849</u>	<u>\$ 33,931</u>	<u>\$ 41,854</u>

23. Liability provisions

	9/30/2024	12/31/2023	9/30/2023
Employee benefits	<u>\$ 24,071</u>	<u>\$ 25,013</u>	<u>\$ 24,992</u>

The employee benefits are estimated according to the historical experience, the management's judgment, and other known reasons, which should be recognized in profit or loss when the rights are vested to the employees and will be offset when the employees actually take vacations in the next period.

24. Retirement pension plan

The pension expenses related to the defined benefit plan recognized from July 1 to September 30 and January 1 to September 30, 2024 and 2023 are calculated based on the pension growth rate determined actuarially on December 31, 2023 and 2022; also, additional pension amount is appropriated for some employees who have met the retirement conditions in 2024 for an amount of NT\$228 thousand, NT\$7,208 thousand, NT\$684 thousand, and NT\$7,824 thousand, respectively.

25. Equity

(1) Common stock capital

	9/30/2024	12/31/2023	9/30/2023
Authorized stock shares (thousand shares)	<u>900,000</u>	<u>900,000</u>	<u>900,000</u>
Authorized capital stock	<u>\$ 9,000,000</u>	<u>\$ 9,000,000</u>	<u>\$ 9,000,000</u>
Stock shared issued and paid in full (thousand shares)	<u>477,016</u>	<u>477,016</u>	<u>477,016</u>
Outstanding capital stock	<u>\$ 4,770,163</u>	<u>\$ 4,770,163</u>	<u>\$ 4,770,163</u>

(2) Additional paid-in capital

	<u>9/30/2024</u>	<u>12/31/2023</u>	<u>9/30/2023</u>
<u>Applicable for making up</u> <u>for losses, distributing</u> <u>cash, or capitalization</u> <u>(1)</u>			
Stock premium	\$ 50,085	\$ 50,085	\$ 50,085
Treasury stock trading	8,625	8,625	8,625
Difference between consideration and book amount of subsidiary's stock shares acquired or disposed	12,076	12,076	12,076
Donated assets	124	124	124
<u>Applicable only for</u> <u>making up for losses</u> Recognition of changes in the equity of the subsidiary owned by the company (2)	<u>5,226</u> <u>\$ 76,136</u>	<u>6,180</u> <u>\$ 77,090</u>	<u>6,180</u> <u>\$ 77,090</u>

1. Such additional paid-in capital can be applied to make up for losses, and can also be applied to distribute cash or to be capitalized when the company has no losses. However, only a certain percentage of the paid-in capital can be applied for capitalization every year.
2. Such additional paid-in capital is the amount of equity transaction effect recognized by the company due to the changes in the subsidiary's equity when the company has not actually acquired or disposed of the equity of a subsidiary, or it is the amount of adjustment made to the additional paid-in capital of the subsidiary under the equity method.

(3) Retained earnings and dividend policy

It was resolved in the shareholders' meeting to have the company's articles of incorporation amended on June 16, 2023, stipulating that the company's earnings distribution or loss off-setting proposal may be implemented at the end of each interim fiscal year.

According to the earnings distribution policy of the company's amended articles of incorporation, the company's earnings distribution or loss off-setting proposal may be implemented at the end of each

interim fiscal year. The earnings in the final accounts of each interim fiscal year, if any, should be applied to make up for the accumulated losses first, appropriation for the estimated tax payable, employee remuneration, and director remuneration, and appropriation of 10% legal reserve. However, the legal reserve that has reached the company's total capital is exempted, including the appropriation or reversal of special reserve according to the laws and regulations or the provisions of the competent authority. For the remaining earnings, if any, and the accumulated undistributed earnings of the first half of the fiscal year, the board of directors shall prepare an earnings distribution proposal, and if it is processed with new shares issued, it shall be submitted to the shareholders' meeting for resolution first, or if it is done with cash distribution, it should be resolved by the board of directors first.

The earnings in the final accounts of each fiscal year, if any, should be applied to pay taxes in accordance with the law first, make up for the accumulated losses, and appropriate 10% legal reserve, except when the legal reserve amount is equivalent to the total capital stock. The special reserve shall be appropriated or reversed in accordance with the regulations. The special reserve and the undistributed earnings at the beginning of the same period shall be treated as the accumulated distributable earnings to shareholders; also, no less than 1% of the distributable amount shall be appropriated as shareholder dividends. The earnings distribution plan should be drafted up by the board of directors and if it is to be distributed with new shares issued, it must be with the resolution reached in the shareholders' meeting in advance.

The Company authorizes the Board of Directors to distribute and pay dividends and bonuses in cash in accordance with the provisions of Article 240 of the Company Act, as well as the legal reserve and additional paid-in capital in whole or in part as defined in Article 241 of the Company Act with the consent of the majority of the directors present in the meeting that is attended by more than two-thirds of the directors; also, it should be reported to the shareholders' meeting.

According to the earnings distribution policy of the company's articles of association before the amendment, the earnings in the final

accounts of each fiscal year, if any, should be applied to pay taxes in accordance with the law first, make up for the accumulated losses, and appropriate 10% legal reserve, except when the legal reserve amount is equivalent to the total capital stock. The special reserve shall be appropriated or reversed in accordance with the regulations. The special reserve and the undistributed earnings at the beginning of the same period shall be treated as accumulated distributable earnings to shareholders; also, no less than 1% of the distributable amount shall be appropriated as shareholder dividends. The earnings distribution plan should be drafted up by the board of directors and then presented in the shareholders' meeting for resolutions.

Please refer to Note 27(7) Employee remuneration and director remuneration for the employee and director remuneration distribution policy stipulated in the company's articles of incorporation.

In addition, according to the company's Articles of Incorporation, the company may distribute 40% to 60% stock dividends in accordance with the overall capital budget plan to retain the needed funds, and the balance amount will be distributed in the form of cash dividends. If there is no major capital budget plan for the year or when a working capital replenishment plan is needed, all dividends can be distributed in the form of cash. In other words, if a large amount of capital is required for the expansion and construction of the factory during the year, all dividends can be distributed in the form of stock shares.

The legal reserve shall be appropriated continuously until the balance is equal to the total paid-in capital of the company. The legal reserve can be used to make up for losses. When the company has no loss, the part of the legal reserve exceeding 25% of the total paid-in capital can be capitalized or applied for the distribution of cash

For the first-time adoption of the IFRSs, due to the selection of being subject to the exemption stated in IFRS 1 "First-time Adoption of International Financial Reporting Standards," a special reserve is appropriated for an amount equivalent to the unrealized revaluation gains and accumulated conversion adjustments (profit) under the shareholder's equity account that were transferred to retained earnings. When the

relevant assets are subsequently used, disposed of, or reclassified, an amount proportionally to the originally appropriated special reserve amount can be reversed for earnings distribution. When distributing distributable earnings, additional special reserve should be appropriated from the current profit or loss and unappropriated earnings of previous period for an amount equivalent to the difference between the net amount debited to “other equity” in the current period and the aforementioned special reserve amount. Additional special reserve should be appropriated from the unappropriated earnings of prior period for the net amount debited to “other equity” that is accumulated in the previous period; also, the appropriated amount cannot be distributed. If the net amount debited to the “other equity” is reversed subsequently, the special reserve for the same amount can be reversed for earnings distribution.

The company’s earnings distribution in the first and second half of 2023 are as follows:

	The 2 nd half of 2023	The 1 st half of 2023
Board resolution day	March 13, 2024	November 10, 2023
Legal reserve	\$ 41,496	\$ -
Cash dividend	\$ 286,210	\$ -
Cash dividend per share (NTD)	\$ 0.60	\$ -

The aforementioned cash dividend distribution has been resolved by the board of directors, and the remaining earnings distribution items were resolved in the regular shareholders’ meeting on June 13, 2024.

The company’s earnings distribution in 2022 are as follows:

	2022
Legal reserve	\$ 107,851
Cash dividend	\$ 858,629
Cash dividend per share (NTD)	\$ 1.80

The 2022 earnings distribution plan was resolved at the shareholders’ regular meeting on June 16, 2023.

(4) Other equities

1. Exchange difference from the conversion of financial statements of the foreign operations

	<u>1/1 – 9/30, 2024</u>	<u>1/1 – 9/30, 2023</u>
Balance – beginning	<u>(\$ 6,158)</u>	<u>(\$ 25,070)</u>
Incurred in the current year		
Exchange difference from the conversion of foreign operations	17,021	15,508
Income tax effect	<u>(3,405)</u>	<u>(3,102)</u>
Other comprehensive profit or loss of the year	<u>13,616</u>	<u>12,406</u>
Others	<u>-</u>	<u>29,969</u>
Balance - ending	<u>\$ 7,458</u>	<u>\$ 17,305</u>

2. Unrealized profit or loss in valuation of financial assets measured at fair value through other comprehensive profit or loss

	<u>1/1 – 9/30, 2024</u>	<u>1/1 – 9/30, 2023</u>
Balance – beginning	<u>\$ 770,316</u>	<u>\$ 633,578</u>
Incurred in the current year		
Unrealized profit or loss of equity instrument	1,227,358	235,631
Amount paid to the affiliated enterprises under the equity method	-	(55)
Income tax effect	<u>(247,148)</u>	<u>(44,867)</u>
Other comprehensive profit or loss of the year	<u>980,210</u>	<u>190,709</u>
Accumulated profits or losses from disposal of equity instruments are transferred to retained earnings	<u>(13,526)</u>	<u>1,692</u>
Balance - ending	<u>\$1,737,000</u>	<u>\$ 825,979</u>

(5) Non-controlling interests

	<u>1/1 – 9/30, 2024</u>	<u>1/1 – 9/30, 2023</u>
Balance – beginning	<u>\$ 269,657</u>	<u>\$ 276,492</u>
Net loss	<u>(3,764)</u>	<u>(5,577)</u>
Other comprehensive profit or loss of the year		
Exchange difference from the conversion of financial statements of foreign operations	19	32
Changes in the equity of subsidiaries owned by the company	954	-
Distribution of cash dividends by subsidiaries to non-controlling interests	<u>(349)</u>	<u>(388)</u>
Balance – ending	<u>\$ 266,517</u>	<u>\$ 270,559</u>

26. Income

	<u>7/1 – 9/30, 2024</u>	<u>7/1 – 9/30, 2023</u>	<u>1/1 – 9/30, 2024</u>	<u>1/1 – 9/30, 2023</u>
Income from contracts with customers				
Commodity sales income	\$ 2,567,021	\$ 2,321,588	\$ 8,076,974	\$ 7,180,403
Labor service income	2,339	2,383	6,541	5,255
Power income	<u>5,899</u>	<u>5,541</u>	<u>15,303</u>	<u>15,301</u>
	<u>\$ 2,575,259</u>	<u>\$ 2,329,512</u>	<u>\$ 8,098,818</u>	<u>\$ 7,200,959</u>

(1) Contract balance

	<u>9/30/2024</u>	<u>12/31/2023</u>	<u>9/30/2023</u>	<u>1/1/2023</u>
Notes receivable (Note 10)	<u>\$ 218,211</u>	<u>\$ 185,032</u>	<u>\$ 212,705</u>	<u>\$ 170,643</u>
Total accounts receivable (Note 10)	<u>\$ 1,312,138</u>	<u>\$ 1,091,236</u>	<u>\$ 1,040,074</u>	<u>\$ 913,548</u>
Accounts receivable – related party (Note 10)	<u>\$ 40,318</u>	<u>\$ 259</u>	<u>\$ 262</u>	<u>\$ -</u>
Contract liability (Note 22)				
Commodity sales	<u>\$ 18,612</u>	<u>\$ 25,443</u>	<u>\$ 16,749</u>	<u>\$ 18,574</u>

(2) Classification of income from contracts with customers

Please refer to Note 39 for the classification of income in details.

27. Net income

(1) Interest income

	<u>7/1 – 9/30, 2024</u>	<u>7/1 – 9/30, 2023</u>	<u>1/1 – 9/30, 2024</u>	<u>1/1 – 9/30, 2023</u>
Bank deposits	\$ 402	\$ 2,457	\$ 3,257	\$ 8,017
Others	<u>17</u>	<u>14</u>	<u>26</u>	<u>26</u>
	<u>\$ 419</u>	<u>\$ 2,471</u>	<u>\$ 3,283</u>	<u>\$ 8,043</u>

(2) Other income

	<u>7/1 – 9/30, 2024</u>	<u>7/1 – 9/30, 2023</u>	<u>1/1 – 9/30, 2024</u>	<u>1/1 – 9/30, 2023</u>
Rent income				
Operating lease	\$ 7,360	\$ 1,249	\$ 13,192	\$ 3,703
Division income				
Financial assets measured at fair value through profit or loss	1,424	3,442	1,424	3,442
Equity instrument investments measured at fair value through other comprehensive profit or loss	44,569	25,893	63,640	37,725
Others	<u>5,256</u>	<u>3,377</u>	<u>15,466</u>	<u>13,850</u>
	<u>\$ 58,609</u>	<u>\$ 33,961</u>	<u>\$ 93,722</u>	<u>\$ 58,720</u>

(3) Other profit and loss

	<u>7/1 – 9/30, 2024</u>	<u>7/1 – 9/30, 2023</u>	<u>1/1 – 9/30, 2024</u>	<u>1/1 – 9/30, 2023</u>
Financial assets profit or loss				
Financial assets mandated to be measured at fair value through profit or loss	\$ 16,985	(\$ 6,490)	\$ 137,423	\$ 45,035
Profit from the disposal of property, plant, and equipment	506	-	703	175
Net exchange profit (loss)	(17,867)	29,487	34,152	45,919
Others	<u>45</u>	<u>(240)</u>	<u>(8,029)</u>	<u>(12,673)</u>
	<u>(\$ 331)</u>	<u>\$ 22,757</u>	<u>\$ 164,249</u>	<u>\$ 78,456</u>

(4) Financial cost

	<u>7/1 – 9/30, 2024</u>	<u>7/1 – 9/30, 2023</u>	<u>1/1 – 9/30, 2024</u>	<u>1/1 – 9/30, 2023</u>
Interest expense				
Bank loans	\$ 5,979	\$ 7,460	\$ 22,600	\$ 24,305
Lease liability	4,304	4,036	12,474	10,211
Others	<u>10</u>	<u>8</u>	<u>76</u>	<u>24</u>
	<u>\$ 10,293</u>	<u>\$ 11,504</u>	<u>\$ 35,150</u>	<u>\$ 34,540</u>

(5) Depreciation and amortization

	<u>7/1 – 9/30, 2024</u>	<u>7/1 – 9/30, 2023</u>	<u>1/1 – 9/30, 2024</u>	<u>1/1 – 9/30, 2023</u>
Depreciation expense summarized by functions				
Operating cost	\$ 51,529	\$ 54,775	\$ 153,945	\$ 165,191
Operating expense	<u>13,168</u>	<u>10,573</u>	<u>41,664</u>	<u>26,077</u>
	<u>\$ 64,697</u>	<u>\$ 65,348</u>	<u>\$ 195,609</u>	<u>\$ 191,268</u>
Amortization expense summarized by functions				
Operating cost	\$ 172	\$ 166	\$ 527	\$ 788
Operating expense	<u>387</u>	<u>60</u>	<u>1,151</u>	<u>186</u>
	<u>\$ 559</u>	<u>\$ 226</u>	<u>\$ 1,678</u>	<u>\$ 974</u>

(6) Employee benefit expense

	<u>7/1 – 9/30, 2024</u>	<u>7/1 – 9/30, 2023</u>	<u>1/1 – 9/30, 2024</u>	<u>1/1 – 9/30, 2023</u>
Retirement benefits				
Defined contribution plan	\$ 4,671	\$ 4,860	\$ 13,958	\$ 14,657
Defined benefit plan (Note 24)	228	7,208	684	7,824
Other employee welfares	<u>213,338</u>	<u>169,845</u>	<u>606,012</u>	<u>486,537</u>
Total	<u>\$ 218,237</u>	<u>\$ 181,913</u>	<u>\$ 620,654</u>	<u>\$ 509,018</u>

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	<u>7/1 – 9/30, 2024</u>	<u>7/1 – 9/30, 2023</u>	<u>1/1 – 9/30, 2024</u>	<u>1/1 – 9/30, 2023</u>
Summarized by functions				
Operating cost	\$ 147,466	\$ 124,668	\$ 410,593	\$ 339,041
Operating expense	<u>70,771</u>	<u>57,245</u>	<u>210,061</u>	<u>169,977</u>
	<u>\$ 218,237</u>	<u>\$ 181,913</u>	<u>\$ 620,654</u>	<u>\$ 509,018</u>

(7) Remuneration to employees and directors

The company has remuneration to employees and directors appropriated for an amount equivalent to 2.50% and not higher than 2.50% of the net income before tax and before deducting the remuneration to employees and directors, respectively, in accordance with the Article of Incorporation. The remuneration to employees and directors for the period of July 1-September 30 and January 1-September 30, 2024 and 2023 are estimated as follows:

Estimation ratio

	<u>1/1 – 9/30, 2024</u>	<u>1/1 – 9/30, 2023</u>
Remuneration to employees	2.50%	2.50%
Remuneration to directors	2.50%	2.50%

Amount

	<u>7/1 – 9/30, 2024</u>	<u>7/1 – 9/30, 2023</u>	<u>1/1 – 9/30, 2024</u>	<u>1/1 – 9/30, 2023</u>
Remuneration to employees	<u>\$ 5,997</u>	<u>\$ 4,678</u>	<u>\$ 19,790</u>	<u>\$ 11,652</u>
Remuneration to directors	<u>\$ 5,997</u>	<u>\$ 4,678</u>	<u>\$ 19,790</u>	<u>\$ 11,652</u>

The changes in the amount of the consolidated financial report after the publication date shall be processed according to the change in accounting estimates and adjusted and recorded in the next year

The employee remuneration and director remuneration for 2023 and 2022 were resolved by the board of directors on March 13, 2024 and March 14, 2023, respectively, as follows:

Amount

	<u>2023</u>	<u>2022</u>
	<u>Cash</u>	<u>Cash</u>
Remuneration to employees	\$ 12,807	\$ 34,864
Remuneration to directors	12,807	34,864

There is no difference between the actual remuneration amount to employees and directors in 2023 and 2022 and the amount recognized in the 2023 and 2022 consolidated financial reports.

Please refer to the Market Observation Post System of Taiwan Stock Exchange for information on the remuneration to employees and directors resolved by the company's board of directors.

(8) Foreign exchange profit or loss

	<u>7/1 – 9/30, 2024</u>	<u>7/1 – 9/30, 2023</u>	<u>1/1 – 9/30, 2024</u>	<u>1/1 – 9/30, 2023</u>
Total foreign exchange profit	\$ 14,450	\$ 36,404	\$ 88,371	\$ 77,426
Total foreign exchange loss	(<u>32,317</u>)	(<u>6,917</u>)	(<u>54,219</u>)	(<u>31,507</u>)
Net profit (loss)	(<u>\$ 17,867</u>)	(<u>\$ 29,487</u>)	(<u>\$ 34,152</u>)	(<u>\$ 45,919</u>)

28. Income tax

(1) Income tax recognized in profit or loss

The main components of income tax expenses are as follows:

	<u>7/1 – 9/30, 2024</u>	<u>7/1 – 9/30, 2023</u>	<u>1/1 – 9/30, 2024</u>	<u>1/1 – 9/30, 2023</u>
Current income tax expense				
Incurred in the current year	\$ 34,474	\$ 34,936	\$ 13,690	\$ 90,324
Additionally levied on unappropriated earnings	-	-	6,269	8,421
Adjustment of prior periods	(<u>51</u>)	(<u>-</u>)	(<u>4,153</u>)	(<u>710</u>)
	<u>34,423</u>	<u>34,936</u>	<u>15,806</u>	<u>99,455</u>
Deferred income tax				
Incurred in the current year	(<u>547</u>)	(<u>4,589</u>)	(<u>101,524</u>)	(<u>12,030</u>)
Income tax expense recognized in profit or loss	<u>\$ 33,876</u>	<u>\$ 30,347</u>	<u>\$ 117,330</u>	<u>\$ 87,425</u>

(2) Income tax recognized in other comprehensive profit or loss

	<u>7/1 – 9/30, 2024</u>	<u>7/1 – 9/30, 2023</u>	<u>1/1 – 9/30, 2024</u>	<u>1/1 – 9/30, 2023</u>
<u>Deferred income tax</u>				
Incurred in the current year				
— Conversion of foreign operations	(\$ 391)	\$ 4,982	\$ 3,405	\$ 3,102

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	<u>7/1 – 9/30, 2024</u>	<u>7/1 – 9/30, 2023</u>	<u>1/1 – 9/30, 2024</u>	<u>1/1 – 9/30, 2023</u>
— Unrealized profit or loss of financial assets measured at fair value through other comprehensive profit or loss	<u>\$ 13,348</u>	<u>(\$ 3,754)</u>	<u>\$ 247,148</u>	<u>\$ 44,867</u>
Income tax recognized in other comprehensive profit or loss	<u>\$ 12,957</u>	<u>\$ 1,228</u>	<u>\$ 250,553</u>	<u>\$ 47,969</u>

(3) Income tax audit

The tax collection agency has the income tax returns of the company audited up to the year before 2021.

The tax collection agency has the income tax returns of United Performance Materials Corporation, Hershey Environmental Technology Co., Ltd., Yongyao Energy Co., Ltd., Yongji Energy Co., Ltd., Fusugar Industry Corp., Great Victory Chemical Industry Co., Ltd., and Yung Sheng Green Power Co., Ltd. audited up to the year before 2022.

TANQUES DEL PACIFIO, S.A. and TCDG had completed the 2023 income tax return filing before the deadline stipulated by the local tax collection agency.

29. Earnings per share

Unit: NT\$/share

	<u>7/1 – 9/30, 2024</u>	<u>7/1 – 9/30, 2023</u>	<u>1/1 – 9/30, 2024</u>	<u>1/1 – 9/30, 2023</u>
Basic earnings per share	<u>\$ 0.41</u>	<u>\$ 0.33</u>	<u>\$ 1.37</u>	<u>\$ 0.79</u>
Diluted earnings per share	<u>\$ 0.41</u>	<u>\$ 0.33</u>	<u>\$ 1.37</u>	<u>\$ 0.78</u>

The earnings and the weighted average number of common stock shares for the calculation of the earnings per share are as follows:

Net income

	<u>7/1 – 9/30, 2024</u>	<u>7/1 – 9/30, 2023</u>	<u>1/1 – 9/30, 2024</u>	<u>1/1 – 9/30, 2023</u>
Net income attributable to the company's shareholders	<u>\$ 196,215</u>	<u>\$ 155,216</u>	<u>\$ 655,883</u>	<u>\$ 374,524</u>

Shares

Unit: NT\$/share

	<u>7/1 – 9/30, 2024</u>	<u>7/1 – 9/30, 2023</u>	<u>1/1 – 9/30, 2024</u>	<u>1/1 – 9/30, 2023</u>
Weighted average number of common stock shares for the calculation of basic earnings per share	477,016	477,016	477,016	477,016
The impact of dilutive potential common stock:				
Remuneration to employees	<u>803</u>	<u>551</u>	<u>964</u>	<u>930</u>
Weighted average number of common stock shares for the calculation of diluted earnings per share	<u>477,819</u>	<u>477,567</u>	<u>477,980</u>	<u>477,946</u>

If the company may choose to pay remuneration to employees in the form of stocks or cash, when calculating the diluted earnings per share, it is assumed that the remuneration to employees is paid in the form of stocks, and the weighted average number of outstanding shares is included in the dilutive potential common stock for the calculation of the diluted earnings per share. When calculating the diluted earnings per share before the distribution of remuneration in the form of stock resolved in the shareholders meeting of the following year, the dilution effect of this potential common stock will be considered continuously.

30. Capital risk management

The merged company implements capital management to ensure that it can plan the needed working capital and dividend expenditure for the future under the precondition of ongoing concern and according to the industrial traits and the future operation of the company in order to secure the company's sustainable operation, to pursue long-term profits for shareholders, stabilize business performance, and maximize the return on shareholders' equity.

31. Financial instruments

- (1) Fair value information - financial instruments measured at fair value on a repeatability basis

1. Fair value level

9/30/2024

	<u>L e v e l 1</u>	<u>L e v e l 2</u>	<u>L e v e l 3</u>	<u>T o t a l</u>
<u>Financial assets valued at</u> <u>fair value through profit</u> <u>or loss</u>				
— Fund beneficiary certificate	\$ 85,514	\$ -	\$ -	\$ 85,514
<u>Financial assets valued at</u> <u>fair value through other</u> <u>comprehensive profit or</u> <u>loss</u>				
Equity instrument investment				
— TWSE/TPEX listing stock	\$ 2,000,476	\$ -	\$ -	\$ 2,000,476
— Domestic non-TWSE/TPEX listing stock	-	-	282,157	282,157
— Foreign non-TWSE/TPEX listing stock	-	-	199,486	199,486
Total	\$ 2,000,476	\$ -	\$ 481,643	\$ 2,482,119

12/31/2023

	<u>L e v e l 1</u>	<u>L e v e l 2</u>	<u>L e v e l 3</u>	<u>T o t a l</u>
<u>Financial assets valued at</u> <u>fair value through profit</u> <u>or loss</u>				
— Taiwan innovation board listed stock	\$ -	\$ 145,116	\$ -	\$ 145,116
— Domestic non-TWSE/TPEX listing stock	-	1,000	-	1,000
— Fund beneficiary certificate	24,207	-	-	24,207
Total	\$ 24,207	\$ 146,116	\$ -	\$ 170,323
<u>Financial assets valued at</u> <u>fair value through other</u> <u>comprehensive profit or</u> <u>loss</u>				
Equity instrument investment				
— Taiwan innovation board listed stock	\$ -	\$ 794,008	\$ -	\$ 794,008
— Domestic non-TWSE/TPEX listing stock	-	-	212,080	212,080
— Foreign non-TWSE/TPEX listing stock	-	-	144,487	144,487
Total	\$ -	\$ 794,008	\$ 356,567	\$ 1,150,575

9/30/2023

	<u>L e v e l 1</u>	<u>L e v e l 2</u>	<u>L e v e l 3</u>	<u>T o t a l</u>
<u>Financial assets valued at</u>				
<u>fair value through profit</u>				
<u>or loss</u>				
— Taiwan innovation				
board listed stock	\$ -	\$ 174,895	\$ -	\$ 174,895
— Domestic				
non-TWSE/TPEX				
listing stock	-	1,000	-	1,000
— Fund beneficiary				
certificate	35,146	-	-	35,146
Total	<u>\$ 35,146</u>	<u>\$ 175,895</u>	<u>\$ -</u>	<u>\$ 211,041</u>

Financial assets valued at
fair value through other
comprehensive profit or
loss

Equity instrument				
investment				
— Taiwan innovation				
board listed stock	\$ -	\$ 855,447	\$ -	\$ 855,447
— Domestic				
non-TWSE/TPEX				
listing stock	-	-	214,289	214,289
— Foreign				
non-TWSE/TPEX				
listing stock	-	-	149,810	149,810
Total	<u>\$ -</u>	<u>\$ 855,447</u>	<u>\$ 364,099</u>	<u>\$ 1,219,546</u>

There was no transfer between Level 1 and Level 2 fair value measurements on January 1-September 30, 2023. J&V Energy Technology Co., Ltd. was relisted from the Innovation Board Listed Stock to the General Board Listed Stock on June 19, 2024, and its fair value measurement was transferred from Level 2 to Level 1.

2. Evaluation technology and input value of Level 2 fair value measurement

The fair value of TWSE/TPEX stock, Taiwan innovation board listed stock, and domestic non-TWSE/TPEX listed stocks is evaluated in accordance with the Market Approach.

3. Adjustment of financial instruments measured at Level 3 fair value
January 1 – September 30, 2024

<u>F i n a n c i a l a s s e t s</u>	Financial assets measured at fair value through other comprehensive profit or loss <u>Equity instrument</u>
Balance - beginning	\$ 356,567
Purchase	118,291
Recognized in other comprehensive profit or loss (unrealized profit or loss of financial assets measured at fair value through other comprehensive profit or loss)	<u>6,785</u>
Balance - ending	<u>\$ 481,643</u>

January 1 – September 30, 2023

<u>F i n a n c i a l a s s e t s</u>	Financial assets measured at fair value through other comprehensive profit or loss <u>Equity instrument</u>
Balance - beginning	\$ 345,665
Recognized in other comprehensive profit or loss (unrealized profit or loss of financial assets measured at fair value through other comprehensive profit or loss)	<u>18,434</u>
Balance - ending	<u>\$ 364,099</u>

4. Evaluation technology and input value for Level 3 fair value
measurement

(1) Financial assets measured at fair value through other comprehensive profit or loss - domestic non-TWSE/TPEX listed company's equity investments is with its fair value estimated by referring to the comparable TWSE/TPEX listed companies. The material unobservable input values are as follows: when multipliers, special risk discounts, non-listing discount, and control premium increase, the fair value of these investments will increase too.

	9/30/2024	12/31/2023	9/30/2023
Weighted average capital cost rate	9.75%	9.75%	10.57%
Future value growth rate	2.00%	2.00%	2.00%
Discount adjustment	30.00%	30.00%	20.00%

If the following input values are changed to reflect reasonably possible alternative assumptions, while all other input values remain unchanged, the fair value of the investment is increased (decreased) as follows:

	9/30/2024	12/31/2023	9/30/2023
Weighted average capital cost rate			
Increased by 1%	(\$ 17,846)	(\$ 17,846)	(\$ 15,019)
Decreased by 1%	<u>\$ 23,146</u>	<u>\$ 23,146</u>	<u>\$ 18,994</u>
Future value growth rate			
Increased by 1%	<u>\$ 18,552</u>	<u>\$ 18,552</u>	<u>\$ 11,927</u>
Decreased by 1%	(<u>\$ 14,224</u>)	(<u>\$ 14,224</u>)	(<u>\$ 9,453</u>)
Discount adjustment			
Increased by 1%	(<u>\$ 3,004</u>)	(<u>\$ 3,004</u>)	(<u>\$ 2,827</u>)
Decreased by 1%	<u>\$ 2,915</u>	<u>\$ 2,915</u>	<u>\$ 2,827</u>

- (2) The fair value of the financial assets measured at fair value through other comprehensive profit or loss - foreign non-TWSE/TPEX listed company's equity investment is estimated in accordance with the cash flow discount method with the material unobservable input values of long-term income growth rate, weighted average capital cost, and lack of market liquidity discount adopted. When the weighted average capital cost increases, the fair value of these investments will decrease.

	9/30/2024	12/31/2023	9/30/2023
Long-term income growth rate	2.00%	2.00%	2.00%
Weighted average capital cost rate	8.66%	8.66%	8.78%
Liquidity discount rate	30.00%	30.00%	30.00%

If the following input values are changed to reflect reasonably possible alternative assumptions, while all other

input values remain unchanged, the amount of increase (decrease) in the fair value of the investment is as follows:

	9/30/2024	12/31/2023	9/30/2023
Long-term income growth rate			
Increased by 1%	\$ 17,291	\$ 17,291	\$ 3,659
Decreased by 1%	(\$ 12,776)	(\$ 12,776)	(\$ 2,718)
Weighted average capital cost rate			
Increased by 1%	(\$ 12,679)	(\$ 12,679)	(\$ 2,873)
Decreased by 1%	\$ 17,152	\$ 17,152	\$ 3,866
Liquidity discount rate			
Increased by 1%	(\$ 2,064)	(\$ 2,064)	(\$ 468)
Decreased by 1%	\$ 2,064	\$ 2,064	\$ 468

(2) Types of financial instruments

	9/30/2024	12/31/2023	9/30/2023
<u>Financial assets</u>			
Measured at fair value through profit or loss			
Mandated to be measured at fair value through profit or loss	\$ 85,514	\$ 170,323	\$ 211,041
Measured at the amortized cost (Note 1)	2,115,630	1,908,720	2,259,084
Measured at fair value through other comprehensive profit or loss			
Equity instrument investment	2,482,119	1,150,575	1,219,546
<u>Financial liabilities</u>			
Measured at the amortized cost (Note 2)	2,309,322	2,537,109	2,879,831

Note 1: The balance amount includes cash and cash equivalents, financial assets measured at the amortized cost, notes receivable, net accounts receivable, accounts receivable-related parties, other receivables, other receivables-related parties, refundable deposit and other financial assets, and financial assets that are measured at the amortized cost.

Note 2: The balance amount includes short-term loans, notes payable, accounts payable, accounts payable-related parties, other payable, other payable-related parties, long-term loans due within one year and long-term loans, and other financial liabilities that are measured at the amortized cost.

(3) Financial risk management objectives and policies

The main financial instruments of the merged company include cash and cash equivalents, equity instrument investment, accounts receivable, accounts payable, loans, and lease liabilities. The financial management department of the merged company provides services to all business units, plans and coordinates entering the domestic and international financial markets, and supervises and manages the financial risks related to the merged company's operations through internal risk reporting that analyzes critical risk exposures according to the degree and breath of risk. Such risks include market risk (including exchange rate risk, interest rate risk, and other price risk), credit risk, and liquidity risk.

1. Market risk

The main financial risks from the operating activities of the merged company are the risk of changes in foreign currency exchange rates (see (1) below) and the risk of changes in interest rates (see (2) below).

The merged company's market risk exposure related to financial instrument and the management and measurement of such risk exposure remain unchanged.

(1) Exchange rate risk

The exchange rate risk management of the merged company is mainly for the purpose of hedging risks, and it does not conduct financial instrument transactions for speculative purposes. The exchange rate risk management strategy is to regularly review the net positions of assets and liabilities in various currencies, and conduct risk management on the net positions.

Please refer to Note 37 for the book value of monetary assets and monetary liabilities denominated in non-functional currencies of the merged company on the balance sheet date (including monetary items denominated in non-functional currencies that have been offset in the consolidated financial statements).

Sensitivity Analysis

The merged company is mainly affected by fluctuations in the exchange rate of the US dollar, EUR, and JPY.

The merged company's exchange rate risk of monetary items mainly comes from the foreign currency-denominated bank deposits, receivable and payable, other receivable and payable, and bank loans that are outstanding on the balance sheet date and have not been hedged for cash flow with foreign currency exchange gains and losses resulted in conversion. The sensitivity ratio applied when reporting exchange rate risk to the management within the merged company refers to 1% exchange rate appreciation or depreciation, which is the reasonably possible range of changes in foreign currency exchange rates estimated by the management. When the NT dollar appreciated by 1% against foreign currencies in January 1 to September 30, 2024 and 2023, and all other factors remained unchanged, the net income before tax or equity decreased by NT\$8,656 thousand and NT\$8,683 thousand, respectively. On the contrary, when the NT dollar depreciates by 1% against foreign currencies, its impact on net income before tax or equity would be for the same negative amount. The analysis of the two periods is performed on the same basis.

The management believes that a sensitivity analysis cannot represent the inherent risk of exchange rates, because foreign currency risk exposure on the balance sheet date cannot reflect the mid-term risk exposure.

(2) Interest rate risk

The merged company borrows funds at fixed interest rate and floating interest rates at the same time with interest rate risk exposure resulted.

The book amount of the merged company's financial assets and financial liabilities with interest rate risk exposure on the balance sheet date is as follows:

	9/30/2024	12/31/2023	9/30/2023
Contained fair value interest rate risk			
— Financial assets	\$ 100,000	\$ 166,500	\$ 272,324
— Financial liabilities	1,026,087	1,640,734	1,437,355
Contained cash flow interest rate risk			
— Financial assets	317,218	338,302	592,253
— Financial liabilities	1,045,130	678,740	1,470,000

Sensitivity analysis

The following sensitivity analyses are based on the interest rate risk exposure of the non-derivative instruments on the balance sheet date. For assets and liabilities with floating interest rates, the analysis is based on the assumption that the outstanding amount of assets and liabilities on the balance sheet date remained outstanding throughout the reporting period. The floating interest rate ratio at the time of reporting interest rate to the management of the merged company internally is an increase or decrease by 100 points, which represents the management's evaluation of the reasonably possible range of changes in interest rates.

If the interest rate increased by 100 points and all other variables remained unchanged, the merged company's net income before tax would decrease by NT\$5,459 thousand and NT\$6,583 thousand on January 1 to September 30, 2024 and 2023, respectively; on the contrary, if the interest rate

decreased by 100 points, its impact on net income before tax would be for the same negative amount, mainly due to the net position of the merged company's deposits and loans with a variable interest rate.

(3) Other price risk

The merged company suffers equity price risk exposure due to equity securities investment. Such equity securities investment is not held for trading, but a strategic investment. The merged company did not actively trade these investments, but assigned relevant personnel to monitor price risks and evaluate when to increase the hedging positions.

Sensitivity analysis

The following sensitivity analyses are based on the equity price risk exposure on the balance sheet date.

If the equity price increased/decreased by 1%, the profit or loss before tax on January 1-September 30, 2024 and 2023 would increase/decrease by NT\$855 thousand and NT\$2,110 thousand, respectively, due to the increase/decrease in the fair value of financial assets measured at fair value through profit or loss. The other comprehensive profit or loss before tax on January 1-September 30, 2024 and 2023 would increase/decrease by NT\$24,821 thousand and NT\$12,195 thousand, respectively, due to the increase/decrease in the fair value of financial assets measured at fair value through other comprehensive profit or loss.

2. Credit risk

Credit risk refers to the risk that the counterparty of the transaction defaults on contractual obligations and causes financial losses to the merged company. As of the balance sheet date, the maximum credit risk exposure of the merged company that may cause financial losses due to the counterparty's failure to perform its obligations is mainly derived from the book amount of financial assets recognized in the consolidated balance sheet.

The accounts receivable is to be collected from many customers, different industries, and broad geographic regions. The merged company continues to evaluate the financial status of customers for accounts receivable.

In addition, since the counterparties of current funds and derivative financial instruments are financial institutions and corporate organizations with good credit ratings, the credit risk is limited.

3. Liquidity risk

The merged company manages and maintains sufficient cash to support the merged company's operations and reduce the impact of cash flow fluctuations. The management of the merged company supervises the use of bank loan commitments and ensures compliance with the loan contract terms.

Bank loans are an important source of liquidity for the merged company. Please refer to the description of (2) loan commitments below for the loan commitments available to the merged company as of September 30, 2024, December 31, 2023, and September 30, 2023.

(1) Non-derivative financial liabilities liquidity and interest rate risk list

The agreed payment period for the remaining non-derivative financial liabilities of the merged company is analyzed as follows. It is based on the earliest possible repayment date of the merged company and the undiscounted cash flow of financial liabilities, including the cash flow from the interest and principal.

The bank loans of the merged company that may be requested to be repaid immediately are those with the earliest repayment date in the Appendix below, regardless of the probability of the bank's immediately enforcing the right. The maturity analysis of other non-derivative financial liabilities is compiled in accordance with the agreed repayment date.

For interest cash flows paid at floating interest rates, the undiscounted amount of interest is derived from the yield curve on the balance sheet date.

9/30/2024

	P a y o n demand or paying within 1 y e a r	1 - 2 y e a r s	2 - 5 y e a r s	Over 5 years
<u>Non-derivative</u> <u>financial</u> <u>liabilities</u>				
Non-interest-bearin g liabilities	\$ 1,054,192	\$ -	\$ -	\$ -
Lease liabilities	93,662	94,174	261,105	625,627
Floating interest rate instrument	897,310	11,808	34,256	144,970
Fixed interest rate instrument	210,895	-	-	-
	<u>\$ 2,256,059</u>	<u>\$ 105,982</u>	<u>\$ 295,361</u>	<u>\$ 770,597</u>

12/31/2023

	P a y o n demand or paying within 1 y e a r	1 - 2 y e a r s	2 - 5 y e a r s	Over 5 years
<u>Non-derivative</u> <u>financial</u> <u>liabilities</u>				
Non-interest-bearin g liabilities	\$ 1,010,265	\$ -	\$ -	\$ -
Lease liabilities	91,246	83,005	249,165	607,763
Floating interest rate instrument	680,177	-	-	-
Fixed interest rate instrument	849,073	-	-	-
	<u>\$ 2,630,761</u>	<u>\$ 83,005</u>	<u>\$ 249,165</u>	<u>\$ 607,763</u>

9/30/2023

	P a y o n demand or paying within 1 y e a r	1 - 2 y e a r s	2 - 5 y e a r s	Over 5 years
<u>Non-derivative</u> <u>financial</u> <u>liabilities</u>				
Non-interest-bearin g liabilities	\$ 774,414	\$ -	\$ -	\$ -
Lease liabilities	83,606	83,113	249,223	628,456
Floating interest rate instrument	1,475,714	-	-	-
Fixed interest rate instrument	636,335	-	-	-
	<u>\$ 2,970,069</u>	<u>\$ 83,113</u>	<u>\$ 249,223</u>	<u>\$ 628,456</u>

(2) Loan commitments

	9/30/2024	12/31/2023	9/30/2023
Unguaranteed bank loan commitments			
— Loan commitments applied	\$ 1,064,427	\$ 1,417,844	\$ 1,996,417
— Loan commitments not yet applied	<u>3,597,639</u>	<u>3,630,491</u>	<u>2,741,918</u>
	<u>\$ 4,662,066</u>	<u>\$ 5,048,335</u>	<u>\$ 4,738,335</u>
Guaranteed bank loan commitments			
— Loan commitments applied	\$ 190,703	\$ 109,000	\$ 109,000
— Loan commitments not yet applied	<u>205,000</u>	<u>140,000</u>	<u>290,000</u>
	<u>\$ 395,703</u>	<u>\$ 249,000</u>	<u>\$ 399,000</u>

32. Related party transactions

The transactions, account balances, income, expenses, and losses between the merged company and related party are all written-off at the time of merger; therefore, they are not disclosed in this note. The transactions between the merged company and other related parties are as follows.

(1) Name and relationship of related parties

<u>Name of related party</u>	<u>Relationship with the merged company</u>
Defia Co., Ltd. (Defia)	Associate
Pei Ting Energy Ltd. (Pei Ting Energy)	Associate
Chang Chun FUCC (Chang Chun)	Joint venture
Shin Ben Industrial Co., Ltd. (Shin Ben)	Other related party (the chairman of the company serves as a director of Shin Ben)
Hsin-Chuang Sportwear Corp. (Hsin-Chuang)	Other related persons (the chairman of the company serves as the chairman of Hsin-Chuang)
Mei Lun Investment Co., Ltd. (Mei Lun)	Other related persons (the chairman of the company serves as the supervisor of Mei Lun)

(2) Operating income

A c c o u n t	Classification of related party	7/1 – 9/30, 2024	7/1 – 9/30, 2023	1/1 – 9/30, 2024	1/1 – 9/30, 2023
Sales income	Joint venture	<u>\$ 40,385</u>	<u>\$ -</u>	<u>\$ 80,771</u>	<u>\$ 143,990</u>
Processing income	Associate	<u>\$ 750</u>	<u>\$ 750</u>	<u>\$ 2,250</u>	<u>\$ 750</u>

The price and collection term for the transactions conducted with the related party are equivalent to those for other non-related parties, except for the 1~2 months credit term.

(3) Purchase

A c c o u n t	Classification of related party	7/1 – 9/30, 2024	7/1 – 9/30, 2023	1/1 – 9/30, 2024	1/1 – 9/30, 2023
Purchase	Joint venture	<u>\$ 12,039</u>	<u>\$ 19,720</u>	<u>\$ 38,568</u>	<u>\$ 19,720</u>

The price and payment term for the transactions conducted with the related party are equivalent to those for other non-related parties, except for the 1-month credit term.

(4) Receivables from related parties

A c c o u n t	Classification / name of related party	9/30/2024	12/31/2023	9/30/2023
Accounts receivable – related party	Joint venture / Chang Chun FUCC	<u>\$ 40,056</u>	<u>\$ -</u>	<u>\$ -</u>
	Associate / Defia Co., Ltd.	<u>262</u>	<u>259</u>	<u>262</u>
		<u>\$ 40,318</u>	<u>\$ 259</u>	<u>\$ 262</u>
Other receivable – related party	Associate / Defia Co., Ltd.	<u>\$ 2</u>	<u>\$ 3</u>	<u>\$ 1,410</u>

No guarantee is received for the outstanding accounts receivable from related parties. The receivables from related parties on September 30, 2024, December 31, 2023, and September 30, 2023 were without any allowance for loss appropriated.

(5) Payable to related parties (excluding borrowing from related parties)

A c c o u n t	Classification / name of related party	9/30/2024	12/31/2023	9/30/2023
Accounts payable – related party	Joint venture / Chang Chun FUCC	<u>\$ 10,087</u>	<u>\$ -</u>	<u>\$ 9,960</u>
Other payable – related party	Associate / Defia Co., Ltd.	\$ 599	\$ 240	\$ 1,429
	Associate / Pei Ting Energy Ltd.	<u>393</u>	<u>335</u>	<u>280</u>
		<u>\$ 992</u>	<u>\$ 575</u>	<u>\$ 1,709</u>

No guarantee is provided for the outstanding payable to related parties

(6) Prepaid building and land (booked in the “prepaid equipment” account)

Classification / name of related party	9/30/2024	12/31/2023	9/30/2023
Other related party / Shin Ben Industrial Co., Ltd.	<u>\$ -</u>	<u>\$ 50,155</u>	<u>\$ 50,155</u>

A contract for the trade of land and buildings in Wanhua District, Taipei City was signed with the other related party, Shin Ben Industrial Co., Ltd., in 2020 at a price that was determined in accordance with the valuation in the appraisal report and the negotiation between the two parties; also, the payment was made according to the contract terms and the progress of the construction, which was booked in the “property, plant and equipment” account in September 2024.

(7) Acquisition of property, plant and equipment

Classification / name of related party	A c q u i s i t i o n p r i c e	
	1/1 – 9/30, 2024	1/1 – 9/30, 2023
Associate	\$ 108	\$ -
Other related party / Shin Ben	<u>305,880</u>	<u>-</u>
	<u>\$305,988</u>	<u>\$ -</u>

United Performance Materials Corporation (UPM), Hershey Environmental Technology Co., Ltd., and Great Victory Chemical Industry Co., Ltd., the subsidiaries of the merged company, acquired land and buildings in Wanhua District, Taipei City from Shin Ben Industrial Co., Ltd. for an amount of NT\$101,063 thousand, NT\$106,999 thousand, and NT\$97,818 thousand, respectively; also, the property

ownership transfer and registration was completed in July 2024 and the final payment was made in September 2024 accordingly.

(8) Rental agreement

Classification/name of related party	1/1 – 9/30, 2024	1/1 – 9/30, 2023
<u>Acquisition of right-of-use assets</u>		
Other related party / Shin Ben Industrial Co., Ltd.	\$ 21,506	\$ -
Other related party / Hsin-Chuang Sportswear Corp.	14,409	-
Other related party / Mei Lun Investment Co., Ltd.	<u>14,360</u>	<u>-</u>
	<u>\$ 50,275</u>	<u>\$ -</u>

A c c o u n t	Classification of related party	9/30/2024	12/31/2023	9/30/2023
Lease liability - current	Other related party	<u>\$ 7,464</u>	<u>\$ -</u>	<u>\$ -</u>
Lease liability - noncurrent	Other related party	<u>\$ 41,276</u>	<u>\$ -</u>	<u>\$ -</u>

A c c o u n t	Classification of related party	7/1 – 9/30, 2024	7/1 – 9/30, 2023	1/1 – 9/30, 2024	1/1 – 9/30, 2023
Interest expense	Other related party	<u>\$ 221</u>	<u>\$ -</u>	<u>\$ 221</u>	<u>\$ -</u>

The merged company has leased offices on Liuzhou Street, Wanhua District, Taipei City from Shin Ben Industrial Co., Ltd., Hsin-Chuang Sportswear Corp., and Mei Lun Investment Co., Ltd. in July 2024, respectively, for a lease term of 6 years. The rent of the said lease is negotiated by both parties with reference to market conditions and is paid quarterly according to the lease contract.

(9) Lease agreement

Operating lease

The total amount of lease income is summarized as follows:

Classification of related party	7/1 – 9/30, 2024	7/1 – 9/30, 2023	1/1 – 9/30, 2024	1/1 – 9/30, 2023
Associate	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ -</u>	<u>\$ 80</u>

(10) Other income

Account	Classification of related party	7/1 – 9/30, 2024	7/1 – 9/30, 2023	1/1 – 9/30, 2024	1/1 – 9/30, 2023
Other income	Associate	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57</u>

(11) Endorsements and guarantees

Please refer to Note 34(2) for details.

(12) Remunerations to the management

	7/1 – 9/30, 2024	7/1 – 9/30, 2023	1/1 – 9/30, 2024	1/1 – 9/30, 2023
Short-term employee benefits	\$ 23,971	\$ 20,204	\$ 68,359	\$ 59,614
Retirement benefits	<u>583</u>	<u>592</u>	<u>1,727</u>	<u>1,820</u>
	<u>\$ 24,554</u>	<u>\$ 20,796</u>	<u>\$ 70,086</u>	<u>\$ 61,434</u>

The remuneration to directors and other key management personnel is determined in accordance with personal performance evaluation and market trends.

33. Pledged assets

The following assets of the merged company have been provided as collateral for the bid bonds of procurement, financings, and loan commitments:

	9/30/2024	12/31/2023	9/30/2023
Property, plant and equipment			
Proprietary land	\$ 885,794	\$ 825,787	\$ 825,787
House and building	752,221	676,974	682,420
Investment property			
Proprietary land	983	983	983
Other noncurrent assets -			
Pledged time deposit	<u>27,000</u>	<u>27,000</u>	<u>27,000</u>
	<u>\$ 1,665,998</u>	<u>\$ 1,530,744</u>	<u>\$ 1,536,190</u>

34. Material contingent liabilities and unrecognized contractual commitments

The material commitments and contingencies of the merged company on the balance sheet date are as follows:

- (1) The merged company issued a letter of credit for material procurement with an outstanding balance of NT\$497,000 thousand, NT\$236,000 thousand, and NT\$272,000 thousand, and US\$4,993 thousand, US\$2,764 thousand, and US\$2,246 thousand, and JPY 0, JPY 66,942 thousand, and JPY 0, and EUR 1,219 thousand, EUR 0, and EUR 0 as of September 30, 2024, December 31, 2023, and September 30, 2023, respectively.

(2) Making of endorsement and guarantee for bills:

1. The company made endorsements/guarantees with a bill issued for an amount of NT\$0, NT\$69,000 thousand, and NT\$69,000 thousand for Fusugar Industry Corp. as of September 30, 2024, December 31, 2023, and September 30, 2023, respectively, which were approved by the board of directors of the company, and the actual amount implemented was NT\$0, NT\$69,000 thousand, and NT\$69,000 thousand, respectively.
2. Hershey Environmental Technology Co., Ltd. made endorsements/guarantees for the company with a bill issued for an amount of NT\$3,950 thousand as of September 30, 2024, December 31, 2023, and September 30, 2023, respectively, which were resolved and approved by the board of directors of Hershey Environmental Technology Co., Ltd., and the actual amount implemented was NT\$3,950 thousand, respectively.

(3) The contract for the property, plant and equipment signed without the payment made by the merged company amounted to NT\$0, NT\$289,291 thousand, and NT\$289,291 thousand as of September 30, 2024, December 31, 2023, and September 30, 2023, respectively. Please refer to Note 32 (6) for details.

35. Material post event

None

36. Other matters

The President announced amendments to the Climate Change Response Act with the regulations for the collection of carbon fees added on February 15, 2023. The Ministry of Environment announced the “Regulations Governing the Collection of Carbon Fees,” “Regulations for Administration of Voluntary Reduction Plans,” and “Designated Greenhouse Gas Reduction Goal for Entities Subject to Carbon Fees” subsequently on August 29, 2024. The Ministry of Environment also announced the carbon fee rate on October 21, 2024, which will take effect on January 1, 2025. According to the emission evaluation as of September 30, 2024, the merged company will be subject to the carbon fee charge. Therefore, relevant liability provisions will be estimated based on actual

emissions in 2025, as well as the carbon fee expected to be paid in May 2026.

37. Information on material and influential assets and liabilities in foreign currency

The following information is summarized and expressed in foreign currencies other than the functional currencies of each business entity of the merged company. The disclosed exchange rates refer to the exchange rates for the conversion of foreign currencies into functional currencies. The material and influential assets and liabilities in foreign currency are as follows:

9/30/2024

	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Book amount</u>
<u>Asset in foreign c u r r e n c y</u>			
<u>Monetary items</u>			
USD	\$ 38,207	31.6000 (USD : NTD)	\$ 1,207,369
JPY	100,000	0.2203 (JPY : NTD)	22,030
<u>Non-monetary items</u>			
Financial assets measured at fair value through other comprehensive profit or loss - noncurrent			
RMB	38,289	4.5230 (RMB : NTD)	173,181
USD	825	31.8850 (USD : NTD)	26,305
Associate and joint venture under the equity method			
VND	159,189,818	0.0013 (VND : NTD)	206,946
RMB	79,154	4.5167 (RMB : NTD)	357,513
<u>Liabilities in foreign currency</u>			
<u>Monetary items</u>			
USD	9,021	31.7000 (USD : NTD)	285,962
JPY	7,340	0.2243 (JPY : NTD)	1,646

12/31/2023

	<u>F o r e i g n</u>	<u>E x c h a n g e</u>	<u>r a t e</u>	<u>Book amount</u>
<u>Assets in foreign</u>	<u>c u r r e n c y</u>			
<u>Monetary items</u>				
USD	\$	30,560	30.6550 (USD : NTD)	\$ 936,832
JPY		89,352	0.2152 (JPY : NTD)	19,229
<u>Non-monetary</u>				
<u>items</u>				
Financial assets				
measured at fair				
value through				
other				
comprehensive				
profit or loss -				
noncurrent				
RMB		33,392	4.3270 (RMB : NTD)	144,487
Associate and				
joint venture				
under the				
equity method				
VND		132,317,477	0.0015 (VND : NTD)	196,885
RMB		126,765	4.3352 (RMB : NTD)	549,552
<u>Liabilities in</u>				
<u>foreign currency</u>				
<u>Monetary items</u>				
USD		12,429	30.7550 (USD : NTD)	382,252
EUR		399	34.1800 (EUR : NTD)	13,653

9/30/2023

	<u>Foreign currency</u>	<u>E x c h a n g e</u>	<u>r a t e</u>	<u>Book amount</u>
<u>Assets in foreign</u>				
<u>c u r r e n c y</u>				
<u>Monetary items</u>				
USD	\$	34,055	32.2200 (USD : NTD)	\$ 1,097,265

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	<u>Foreign currency</u>	<u>E x c h a n g e r a t e</u>	<u>Book amount</u>
<u>Non-monetary items</u>			
Financial assets measured at fair value through other comprehensive profit or loss - noncurrent			
RMB	\$ 33,932	4.4150 (RMB : NTD)	\$ 149,810
Associate and joint venture under the equity method			
VND	152,418,777	0.0013 (VND : NTD)	198,144
RMB	128,736	4.4946 (RMB : NTD)	578,617
<u>Liabilities in foreign currency</u>			
<u>Monetary items</u>			
USD	6,835	32.3200 (USD : NTD)	220,892
JPY	36,858	0.2182 (JPY : NTD)	8,042

The merged company mainly bears the exchange rate risk of New Taiwan Dollar. The following information is summarized and expressed in the functional currencies of each business entity holding foreign currencies. The disclosed exchange rates refer to the exchange rates for the conversion of the functional currencies into the expressing currency. The material and influential foreign exchange gains and losses (realized and unrealized) are as follows:

Functional currency	<u>7/1 – 9/30, 2024</u>		<u>7/1 – 9/30, 2023</u>	
	Functional currency converted to expressing currency	Net exchange loss	Functional currency converted to expressing currency	Net exchange profit
NTD	1 (NTD : NTD)	<u>(\$ 17,867)</u>	1 (NTD : NTD)	<u>\$ 29,487</u>

Functional currency	<u>1/1 – 9/30, 2024</u>		<u>1/1 – 9/30, 2023</u>	
	Functional currency converted to expressing currency	Net exchange profit	Functional currency converted to expressing currency	Net exchange profit
NTD	1 (NTD : NTD)	<u>\$ 34,152</u>	1 (NTD : NTD)	<u>\$ 45,919</u>

38. Supplementary disclosures

(1) Information on material transactions:

1. Loaning of funds (Appendix 1)
2. Making of endorsements/guarantees (Appendix 2)
3. The marketable securities held at yearend (excluding investment in the equity of the subsidiaries, associates, and joint venture) (Appendix 3)
4. The cumulative amount of buying or selling one security exceeding NT\$300 million or 20% of the paid-in capital (None)
5. The amount of property acquired exceeding NT\$300 million or 20% of the paid-in capital (None)
6. The amount of property disposed exceeding NT\$300 million or 20% of the paid-in capital (None)
7. The amount of goods purchased from and sold to the related party exceeding NT\$100 million or 20% of the paid-in capital (Appendix 4)
8. The amount of receivables from the related party exceeding NT\$100 million or 20% of the paid-in capital (None)
9. Engaged in derivatives transactions (None)
10. Others: Business relationships and important transactions and transaction amount conducted between the parent company and subsidiaries and among the subsidiaries (Appendix 5)

(2) Investment related information: (Appendix 6)

(3) Information on investment in Mainland China:

1. The name of the invested company, main business operations, paid-in capital, investment methods, capital remittances inwards and outwards, shareholding ratio, investment profit or loss, yearend investment book amount, investment profit or loss remitted inward, and limits of investment in Mainland China (Appendix 7)
2. The following material transactions, prices, payment terms, and unrealized profit or loss occurred directly or indirectly with the invested company in Mainland China through the third region: (Note 32)

- (1) The purchase amount and percentage and the yearend balance amount and percentage of related payable;

- (2) The sales amount and percentage and the yearend balance amount and percentage of related receivables;
 - (3) The amount of property transactions and the amount of profit or loss resulted;
 - (4) The endorsement/guarantee of the bill or the yearend balance amount of the collateral provided and its purpose;
 - (5) The maximum balance amount, yearend balance amount, interest rate range, and total current interest amount of the loans;
 - (6) Other transactions that have a material impact on the current profit or loss or financial status, such as, the labor service provided or received, etc.;
- (4) Major shareholders information: The name, shareholding amount, and shareholding ratio of the shareholders with 5% or more shareholding (Appendix 8)

39. Department information

Information is provided to the main business decision makers for allocating resources and evaluating departmental performance with a focus on each type of product or service delivered or provided. The operations of the Alkylation Manufacturing Department and the Petroleum Resin Manufacturing Department of the merged company must be reported. The Alkylation Manufacturing Department mainly produces alkylbenzene and nonylphenol. The Petroleum Resin Manufacturing Department mainly produces petroleum resin products. The company has other departments that have not reached the quantitative threshold, which are mainly engaged in the production and sales of pesticides, the processing and manufacturing of petrochemical engineering, etc.

Departmental income and operating results

The income and operating results of the merged company should be analyzed according to the reporting department as follows:

January 1-September 30, 2024

	Alkylation	Petroleum r e s i n	O t h e r s	T o t a l
Income from external customers	\$ 6,516,243	\$ 1,122,627	\$ 459,948	\$ 8,098,818
Inter-department income	<u>347,665</u>	<u>51,735</u>	<u>14,645</u>	<u>414,045</u>
Departmental income	<u>\$ 6,863,908</u>	<u>\$ 1,174,362</u>	<u>\$ 474,593</u>	8,512,863
Internal write-off				(<u>414,045</u>)
Consolidated income				<u>\$ 8,098,818</u>
Departmental profit or loss	<u>\$ 785,112</u>	(<u>\$ 38,783</u>)	<u>\$ 20,724</u>	\$ 767,053
Amount of profit or loss from associates and joint venture under the equity method				<u>2,396</u>
Net income before tax				<u>\$ 769,449</u>

January 1-September 30, 2023

	Alkylation	Petroleum r e s i n	O t h e r s	T o t a l
Income from external customers	\$ 5,613,479	\$ 1,121,153	\$ 466,327	\$ 7,200,959
Inter-department income	<u>236,527</u>	<u>205,039</u>	<u>12,354</u>	<u>453,920</u>
Departmental income	<u>\$ 5,850,006</u>	<u>\$ 1,326,192</u>	<u>\$ 478,681</u>	7,654,879
Internal write-off				(<u>453,920</u>)
Consolidated income				<u>\$ 7,200,959</u>
Departmental profit or loss	<u>\$ 519,213</u>	(<u>\$ 65,197</u>)	<u>\$ 6,353</u>	\$ 460,369
Amount of profit or loss from associates and joint venture under the equity method				(<u>3,997</u>)
Net income before tax				<u>\$ 456,372</u>

Appendix 1

No.	Lending company	Borrower	Account	A related party or not	Maximum balance - current	Ending balance	Actual loan amount	Interest rate range	Natu
1	United Performance Materials Corporation	Fusugar Industry Corp.	Other receivable – related party	Yes	\$ 90,000	\$ 90,000	\$ -	Note 7	Need sho loa
2	Great Victory Chemical Industry Co., Ltd.	Fusugar Industry Corp.	Other receivable – related party	Yes	90,000	90,000	-	Note 7	Need sho loa
2	Great Victory Chemical Industry Co., Ltd.	Hershey Environmental Technology Co., Ltd.	Other receivable – related party	Yes	80,000	-	-	Note 7	Need sho loa
3	Hershey Environmental Technology Co., Ltd.	Fusugar Industry Corp.	Other receivable – related party	Yes	40,000	-	-	Note 7	Need sho loa

Note 1: The loaning of fund to individual borrower is limited to 10% of the net value of United Performance

Note 2: The total loaning of fund is limited to 20% of the net value of United Performance Materials Corpor

Note 3: The loaning of fund to individual borrower is limit to 10% of the net value of Great Victory Chemic

Note 4: The total loaning of fund is limit to 20% of the net value of Great Victory Chemical Industry Co., L

Note 5: The loaning of fund to individual borrower is limit to 10% of the net value of Hershey Environmenta

Note 6: The total loaning of fund is limit to 20% of the net value of Hershey Environmental Technology Co.

Note 7: The calculation is based on the benchmark interest rate of the Bank of Taiwan on the loan implemen

Formosan Union Chemical Corporation and Subsidiaries
Making of Endorsements/Guarantees
January 1 – September 30, 2024

Appendix 2

Unit: NT\$ Thousand

No.	Endorsing / guaranteeing company	Endorsed/guaranteed party		Single endorsement / guarantee limit	Maximum endorsement / guarantee balance of the year	Endorsement / guarantee balance - ending	Actual endorsement / guarantee amount	Endorsement / guarantee secured with property provided as collateral	Ratio of the cumulative endorsement / guarantee amount to the net worth in the latest financial report (%)	Maximum endorsement / guarantee limit	Making of endorsement / guarantee by parent company for subsidiary	Making of endorsement / guarantee by subsidiary for parent company	Endorsement / guarantee made in Mainland China	Remarks
		Company name	Relation											
0	Formosan Union Chemical Corporation	Fusugar Industry Corp.	2	\$ 1,869,543 (Note 2)	\$ 69,000	\$ -	\$ -	\$ -	-%	\$ 4,673,859 (Note 3)	Yes	No	No	
1	Hershey Environmental Technology Co., Ltd.	Formosan Union Chemical Corporation	3	113,080 (Note 4)	3,950	3,950	3,950	3,950	0.70%	282,699 (Note 5)	No	Yes	No	

Note 1: There are 7 types of relationship between the endorsing/guaranteeing company and the endorsed/guaranteed company. Please indicate the type of relationship:

- (1) A company with which it does business;
- (2) A company in which the company directly or indirectly holds more than 50% of the voting shares;
- (3) A company that directly and indirectly holds more than 50% of the voting shares of the company;
- (4) A company with more than 90% of the voting shares held by the company directly or indirectly;
- (5) Where a company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project;
- (6) Where all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages;
- (7) Where companies in the same industry provide among themselves joint and several guarantee for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other;

Note 2: The making of endorsement/guarantee amount for one single enterprise is limited to 20% of the company's net worth, that is, NT\$9,347,717×20% = \$1,869,543.

Note 3: The total endorsement/guarantee amount is limited to 50% of the company's net worth, that is, NT\$9,347,717×50% = \$4,673,859.

Note 4: The making of endorsement/guarantee amount for one single enterprise is limited to 20% of the net worth of Hershey Environmental Technology Co., Ltd., that is, NT\$565,398×20% = \$113,080.

Note 5: The maximum endorsement/guarantee amount is limited to 50% of the net worth of Hershey Environmental Technology Co., Ltd., that is, NT\$565,398×50% = NT\$282,699.

Formosan Union Chemical Corporation and Subsidiaries
Marketable Securities Held at Yearend
September 30, 2024

Appendix 3

Unit: NT\$ Thousand

Holding company	Type and name of marketable securities	Relationship with security issuer	A c c o u n t	Y e a r e n d				R e m a r k s
				Shares / Units	Book amount	Shareholding ratio (%)	Market price	
Formosan Union Chemical Corporation	Kenwell Industrial Pte Ltd. / Stock	—	Financial assets measured at fair value through other comprehensive profit or loss - noncurrent	4,927,717.00	\$ 173,181	19.74%	\$ 173,181	
Formosan Union Chemical Corporation	TXOne Networks Inc. / Stock	—	Financial assets measured at fair value through other comprehensive profit or loss - noncurrent	150,000.00	26,305	0.20%	26,305	
Formosan Union Chemical Corporation	J&V Energy Technology Co., Ltd. / Stock	—	Financial assets measured at fair value through other comprehensive profit or loss - noncurrent	8,335,318.00	2,000,476	6.29%	2,000,476	
Formosan Union Chemical Corporation	Seetel New Energy Co., Ltd. / Stock	—	Financial assets measured at fair value through other comprehensive profit or loss - noncurrent	700,000.00	42,126	1.40%	42,126	
Formosan Union Chemical Corporation	Skymizer Taiwan Inc. / Stock	—	Financial assets measured at fair value through other comprehensive profit or loss - noncurrent	82,500.00	32,340	2.05%	32,340	
Formosan Union Chemical Corporation	Forte Chemical Co., Ltd. / Stock	—	Financial assets measured at fair value through other comprehensive profit or loss - noncurrent	1,400,000.00	-	3.14%	-	
Formosan Union Chemical Corporation	Kolyn Technology Corporation / Stock	—	Financial assets measured at fair value through other comprehensive profit or loss - noncurrent	70,000.00	-	1.06%	-	
United Performance Materials Corporation	Union Money Market Fund / beneficiary certificate	—	Financial assets measured at fair value through profit or loss - current	1,472,205.81	20,191	-	20,191	Note 1
Great Victory Chemical Co., Ltd.	Sino-Japan Chemical Co., Ltd. / Stock	—	Financial assets measured at fair value through other comprehensive profit or loss - noncurrent	88,345.00	185,171	6.10%	185,171	
Great Victory Chemical Co., Ltd.	Global Cooperation Development Corp. / Stock	—	Financial assets measured at fair value through other comprehensive profit or loss - noncurrent	500,000.00	5,000	21.74%	5,000	
Great Victory Chemical Co., Ltd.	InnoRs Biotechnology Co., Ltd. / Stock	—	Financial assets measured at fair value through other comprehensive profit or loss - noncurrent	1,168,000.00	17,520	14.78%	17,520	
Great Victory Chemical Co., Ltd.	Capital Money Market Fund / beneficiary certificate	—	Financial assets measured at fair value through profit or loss - current	3,898,147.70	65,323	-	65,323	Note 1

Note 1: The market price of fund beneficiary certificates is estimated according to the net value of fund asset on September 30, 2024.

Note 2: Please refer to Appendix 6 and 7 for the information on the investment in subsidiaries, associates, and joint ventures.

Formosan Union Chemical Corporation and Subsidiaries

The amount of goods purchased from and sold to the related party exceeding NT\$100 million or 20% of the paid-in capital

January 1 – September 30, 2024

Appendix 4

Unit: NT\$ Thousand

Buying (selling) company	Counterparty	Relationship	Transaction				Circumstances and reasons why transaction conditions are different from general transactions		Notes and accounts receivable (payable)		Remarks
			Buying (selling)	Amount	Ratio to total purchases (sales)	Credit term	Unit price	Credit term	Balance amount	Ratio to total notes and accounts receivable (payable)	
Formosan Union Chemical Corporation	United Performance Materials Corporation	Subsidiary	Sales	\$ 189,572 (Note 1)	3.33%	1~2 months	Contract price / Equivalent to general trade term	1~2 months	\$ 25,200	2.47%	Note 5
United Performance Materials Corporation	Formosan Union Chemical Corporation	Parent company	Purchase	189,572 (Note 2)	19.71%	1~2 months	Contract price / Equivalent to general trade term	1~2 months	(25,200)	40.95%	Note 5
Formosan Union Chemical Corporation	Hershey Environmental Technology Co., Ltd.	Subsidiary	Purchase	123,535 (Note 3)	2.61%	1~2 months	Contract price / Equivalent to general trade term	1~2 months	(18,803)	3.58%	Note 5
Hershey Environmental Technology Co., Ltd.	Formosan Union Chemical Corporation	Parent company	Sales	123,535 (Note 4)	9.24%	1~2 months	Contract price / Equivalent to general trade term	1~2 months	18,803	7.98%	Note 5

Note 1: It includes processing income of NT\$167,990 thousand and sales income of NT\$21,582 thousand.

Note 2: It includes processing fee of NT\$167,990 thousand and purchase of NT\$21,582 thousand.

Note 3: It includes processing fee of NT\$88,321 thousand and purchase of NT\$35,214 thousand.

Note 4: It includes processing income of NT\$88,321 thousand and sales income of NT\$35,214 thousand.

Note 5: It has been written off at the time of preparing the consolidated financial statements.

Formosan Union Chemical Corporation and Subsidiaries
Business relationship and important transactions between the parent company and subsidiaries and among the subsidiaries
January 1 – September 30, 2024

Appendix 5

Unit: NT\$ Thousand

No. (Note 1)	Name of trader	Counterparty	Relationship with the trader (Note 2)	Transactions			
				Account	Amount	Trade term	Ratio to consolidated total income or total assets (%)
0	Formosan Union Chemical Corporation	United Performance Materials Corporation	1	Accounts receivable	\$ 25,200	Equivalent to general trade term	-
0	Formosan Union Chemical Corporation	United Performance Materials Corporation	1	Accounts payable	2,007	Equivalent to general trade term	-
0	Formosan Union Chemical Corporation	United Performance Materials Corporation	1	Sales	21,582	Equivalent to general trade term	-
0	Formosan Union Chemical Corporation	United Performance Materials Corporation	1	Purchase	49,674	Equivalent to general trade term	1%
0	Formosan Union Chemical Corporation	United Performance Materials Corporation	1	Processing income	167,990	Contract price	2%
0	Formosan Union Chemical Corporation	Hershey Environmental Technology Co., Ltd.	1	Accounts receivable	5,198	Equivalent to general trade term	-
0	Formosan Union Chemical Corporation	Hershey Environmental Technology Co., Ltd.	1	Accounts payable	18,803	Equivalent to general trade term	-
0	Formosan Union Chemical Corporation	Hershey Environmental Technology Co., Ltd.	1	Other payable	5,556	Equivalent to general trade term	-
0	Formosan Union Chemical Corporation	Hershey Environmental Technology Co., Ltd.	1	Sales	19,867	Equivalent to general trade term	-
0	Formosan Union Chemical Corporation	Hershey Environmental Technology Co., Ltd.	1	Purchase	35,214	Equivalent to general trade term	-
0	Formosan Union Chemical Corporation	Hershey Environmental Technology Co., Ltd.	1	Processing expense	88,321	Contract price	1%
0	Formosan Union Chemical Corporation	Hershey Environmental Technology Co., Ltd.	1	Rent income	9,135	Contract price	-
0	Formosan Union Chemical Corporation	Hershey Environmental Technology Co., Ltd.	1	Rent expense	29,098	Contract price	-
0	Formosan Union Chemical Corporation	Hershey Environmental Technology Co., Ltd.	1	Other expenses	7,812	Equivalent to general trade term	-
0	Formosan Union Chemical Corporation	Great Victory Chemical Industry Co., Ltd.	1	Other income	3,874	Equivalent to general trade term	-
1	United Performance Materials Corporation	Hershey Environmental Technology Co., Ltd.	3	Sales	2,061	Equivalent to general trade term	-
1	United Performance Materials Corporation	Hershey Environmental Technology Co., Ltd.	3	Purchase	1,441	Equivalent to general trade term	-
1	United Performance Materials Corporation	Hershey Environmental Technology Co., Ltd.	3	Rent expense	6,623	Contract price	-
2	Hershey Environmental Technology Co., Ltd.	Great Victory Chemical Industry Co., Ltd.	3	Sales	5,550	Equivalent to general trade term	-
3	TANQUES DEL PACIFIO, S.A.	Formosan Union Chemical Corporation	2	Rent income	14,645	Contract price	-

Note 1: The business transaction information between the parent company and its subsidiaries should be indicated in the respective column. The manner of filling in the respective column is as follows:

(1) Fill in “0” to stand for the parent company.

(2) Subsidiaries are numbered sequentially starting from Arabic numeral “1” in an orderly fashion.

Note 2: “1” indicates the parent company to the subsidiary, “2” indicates the subsidiary to the parent company, and “3” indicates the subsidiary to the subsidiary.

Note 3: All the aforementioned transactions have been written off at the time of preparing the consolidated financial statements.

Formosan Union Chemical Corporation and Subsidiaries
Invested company information, location, and other related information
January 1 – September 30, 2024

Appendix 6

Unit: NT\$ Thousand

Investing company	Invested company	Location	Main business operations	Original investment amount		Held at Yearend			Investment profit (loss) of the invested company in current year	Investment profit (loss) recognized in current year	Remarks
				End of this year	End of last year	Shares	Ratio (%)	Book amount			
Formosan Union Chemical Corporation	United Performance Materials Corporation	Taipei City	Manufacturing, processing, and trading of petroleum resins, polyester resins, Melamine resins, plaque resins, urea resins, alkyd resins, acetate resins, butyl acrylate resins, and aromatic hydrocarbon fluxes.	\$ 603,812	\$ 603,812	72,202,200	80.25%	\$ 967,056	(\$ 6,923)	(\$ 5,483)	Note 1
Formosan Union Chemical Corporation	Hershey Environmental Technology Co., Ltd.	Taipei City	Planning and design of petrochemical engineering, installation, trading of machinery equipment, distribution of domestic liquefied petroleum gas, and repair and maintenance and inspection of steel cylinders.	510,211	510,211	50,000,000	100.00%	624,816	58,796	57,692	Note 2
Formosan Union Chemical Corporation	Fusugar Industry Corp.	Taichung City	Petrochemical raw materials, synthetic resins, rubber and plastics, other chemical products manufacturing and wholesale, and sugar manufacturing.	2,016,555	1,816,555	97,395,974	90.52%	899,747	(50,531)	(44,778)	Note 1
Formosan Union Chemical Corporation	Great Victory Chemical Industry Co., Ltd.	Taipei City	Manufacturing and sales of pesticides.	401,364	401,364	19,800,000	100.00%	1,063,521	53,388	53,388	Note 2
Formosan Union Chemical Corporation	TANQUES DEL PACIFIO, S.A.	Guatemala	Warehouse silo lease	28,513	28,513	900	100.00%	33,707	3,065	1,631	Note 2
Formosan Union Chemical Corporation	Defia Co., Ltd.	Taipei City	Engaged in food trading and bakery.	3,000	3,000	300,000	20.00%	14,698	17,837	3,613	Note 2
Formosan Union Chemical Corporation	Sheng Hua Development Co., Ltd.	Taoyuan City	Engaged in the trade of residential and commercial property and land development.	36,000	30,000	36,000	10.00%	35,779	(326)	(96)	Note 2 and Note 4
Formosan Union Chemical Corporation	Pei Ting Energy Ltd.	Taichung City	Solar photovoltaic system construction, maintenance, and operation, and agent of Huawei products.	3,500	3,500	350,000	35.00%	12,952	8,354	2,912	Note 2
Formosan Union Chemical Corporation	DUN-QIAN Intelligent Technology Co., Ltd.	Taichung City	Hotel operation and real estate property management, combined with automated machinery equipment, and the development of online booking platforms.	5,000	-	200,000	0.06%	3,730	(130,444)	(1,270)	Note 2 and Note 5
Formosan Union Chemical Corporation	Chang Chun FUCC (Changshu)	Changshu	Engaged in the production, processing, and sales of nonylphenol, dinonylphenol and olefin fuel oil products; also, provided technical and consulting services related to self-produced products; engaged in the wholesale, warehousing and commission agency of general chemicals (Except auctions), and import and export business.	429,031	620,562	-	50.00%	357,513	(26,184)	(13,092)	Note 2

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(Continuing from front page)

Investing company	Invested company	Location	Main business operation	Original investment amount		Held at Yearend			Investment profit (loss) of the invested company in current year	Investment profit (loss) recognized in current year	Remarks
				End of this year	End of last year	Shares	Ratio (%)	Book amount			
Formosan Union Chemical Corporation	Soft Industry Corp.	Vietnam	Engaged in the manufacturing, processing, and trading of alkylbenzene and sulfonic acid.	\$ 192,414	\$ 192,414	-	46.20%	\$ 206,946	\$ 22,900	\$ 10,329	Note 2
United Performance Materials Corporation	Fusugar Industry Corp.	Taichung City	Manufacturing and wholesale of petrochemical raw materials, synthetic resins, rubber and plastics, and other chemical products, and sugar manufacturing.	29,913	29,913	1,076,872	1.00%	9,948	(50,531)	(607)	Note 1
Hershey Environmental Technology Co., Ltd.	United Performance Materials Corporation	Taipei City	Manufacturing, processing, and trading of petroleum resins, polyester resins, Melamine resins, plaque resins, urea resins, alkyd resins, acetate resins, butyl acrylate resins, and aromatic hydrocarbon fluxes	23,858	23,858	1,216,088	1.35%	20,049	(6,923)	(89)	Note 1
Hershey Environmental Technology Co., Ltd.	Yongyao Energy Co., Ltd.	Taipei City	Manufacturing of batteries, electronic components, power generation, transmission, and power distribution machinery, and electronic materials trading (energy technology service).	68,400	68,400	6,840,000	100.00%	74,919	3,436	3,436	Note 2
Hershey Environmental Technology Co., Ltd.	Yongji Energy Co., Ltd.	Taipei City	Thermal energy supply industry, cleaning products wholesale industry, and installation and wholesale industry of electrical appliances, machinery, etc.	3,878	3,878	387,840	50.00%	6,773	846	423	Note 2
Great Victory Chemical Industry Co., Ltd.	United Performance Materials Corporation	Taipei City	Manufacturing, processing, and trading of petroleum resins, polyester resins, Melamine resins, plaque resins, urea resins, alkyd resins, acetate resins, butyl acrylate resins, and aromatic hydrocarbon fluxes.	8,472	8,472	436,800	0.49%	5,358	(6,923)	(34)	Note 1
Great Victory Chemical Industry Co., Ltd.	Fusugar Industry Corp.	Taichung City	Manufacturing and wholesale of petrochemical raw materials, synthetic resins, rubber and plastics, and other chemical products, and sugar manufacturing.	94,287	94,287	3,394,332	3.15%	31,357	(50,531)	(1,914)	Note 1
Great Victory Chemical Industry Co., Ltd.	Yung Sheng Green Power Co., Ltd.	Taipei City	Manufacturing of batteries, electronic components, power generation, transmission, and power distribution machinery, and electronic materials trading (energy technology service).	3,100	3,100	310,000	50.00%	6,331	571	285	Note 2
Great Victory Chemical Industry Co., Ltd.	Tecnica Cientifica De Guatemala S. A.	Guatemala	The trade of pesticides	9,043	9,043	2,360	73.75%	1,834	-	-	Note 2

Note 1: It is calculated based on the financial statements for the same period of the invested company that have been reviewed by CPAs and the company's shareholding ratio, and takes into account the ratio of old and new shareholdings recognized in investment profit or loss, the amortization of discounts and premiums, etc.

Note 2: It is calculated based on the financial statements for the same period of the invested company that have not been reviewed by CPAs and the company's shareholding ratio, and takes into account the amortization of discount and premium, unrealized gains and losses from inter-company transactions, the impact of gains and losses on right-of-use assets, etc.

Note 3: Except for Delphia, Shenghua Development, Peiting Energy, Dunqian International, Chang Chun FUCC, and SIC, gains and losses from re-investments and the net equity value from the invested company under the equity method have all been written off.

Note 4: Since the company is a corporate director of Shenghua Development Co., Ltd., accounted for 25% of Sheng Hua's director seats, the company also participates in operating decisions with material influence on Shenghua; therefore, Shenghua is an associate of the company, and it is booked as an investment under the equity method.

Note 5: The company has a significant influence on the operational decisions of Dunqian International. Dunqian International is an associate of the company; therefore, it is booked as an investment under the equity method.

Note 6: Please refer to Appendix 7 for information of the invested companies in Mainland China.

Formosan Union Chemical Corporation and Subsidiaries
Information on Investment in Mainland China
January 1 – September 30, 2024

Appendix 7

Unit: NT\$ Thousand, unless otherwise provided

Name of the invested company in Mainland China	Main business operations	Paid-in capital (Note 2)	Investment method	Cumulative investment amount remitted outward from Taiwan at the beginning of the year (Note 2)	Investment amount remitted inward or outward in current year		Cumulative investment amount remitted outward from Taiwan at yearend (Note 2)	Profit (loss) of the invested company in current year	Direct or indirect investment ratio of the company	Investment profit (loss) recognized in current year	Book value of investment at yearend	Investment profit or loss remitted inward at yearend	Remarks
					Remittance outward	Remittance inward							
Zhangjiagang Trans-Ocean Enterprise Co., Ltd.	The loading, unloading, storage, re-packaging, transfer, and sales of chemical oil esters and other products, and other related businesses.	\$ 776,058 (US\$24,520 thousand)	Invest in the companies in Mainland China through the company setup in the third region	\$ 63,648 (US\$2,011 thousand)	\$ -	\$ -	\$ 63,648 (US\$2,011 thousand)	\$ 53,234 (RMB 11,982 thousand)	10.86%	\$ -	\$ 173,181	\$ 141,158	Note 3
Chang Chun FUCC (Changshu)	Engaged in the production, processing, and sales of nonylphenol, dinonylphenol and olefin fuel oil products; also, providing technical and consulting services related to self-produced products; engaged in the wholesale, warehousing and commission agency of general chemicals (except auctions), and import and export business.	886,200 (US\$28,000 thousand)	Directly invest in Mainland China	640,913 (US\$20,250 thousand)	-	197,813 (US\$6,250 thousand)	443,100 (US\$14,000 thousand)	(26,184)	50.00%	(13,092) (Note 1)	357,513	-	

Cumulative investment amount remitted outward from Taiwan to Mainland China at the end of current period	Investment amount approved by the Investment Commission MOEA	Limits on the investment in Mainland China according to the Investment Commission MOEA
\$ 506,748 (US\$16,011 thousand)	\$ 743,807 (US\$23,501 thousand)	\$ 5,608,630

Note 1: It is calculated according to the financial statements for the same period not reviewed by CPAs.

Note 2: Except for the investment profit or loss recognized in the current year calculated at the average exchange rate from January 1 to September 30, 2024, the rest is calculated at the spot exchange rate at the end of September 2024.

Note 3: Since the investment in Zhangjiagang Trans-Ocean Enterprise Co., Ltd. is arranged through Kenwell Industrial Pte Ltd.; also, Kenwell Industrial Pte Ltd. is a financial asset measured at fair value through other comprehensive profit or loss; therefore, there is not any profit or loss amount and other comprehensive profit or loss amount received from the associates and joint ventures under the equity method.

Formosan Union Chemical Corporation

Major shareholders information

September 30, 2024

Appendix 8

Name of major shareholders	Shareholdings	
	Shareholding (shares)	Shareholding ratio (%)
Ho Tung Chemical Corp.	29,234,040	6.12%
Chi-Tong Investment Co., Ltd.	28,924,000	6.06%

Note 1: The main shareholder information in this table is prepared by Taiwan Depository & Clearing Corporation by calculating the company's common stock shares and preferred stock shares in a dematerialized form that have been completed with the registration and book-entry operation (including treasury shares) held by shareholders for more than 5% on the last business day of the quarter. The capital stock recorded in the company's consolidated financial report and the actual number of shares in dematerialized form with registration and book-entry operation completed may be different due to the difference in calculation bases.

Note 2: If the information in the preceding paragraph is related to the shares put into trust by the shareholders, it is disclosed in the personal trust account of the trustor who is entrusted by the trustee. As for the shareholding declaration of the insiders who have more than 10% shareholding in accordance with the Securities and Exchange Act, the shareholding includes personal shares, the shares in trust, and the right to use the trust property. Please refer to the Market Observation Post System (MOPS) for the information on insider's equity declaration.