Formosan Union Chemical Corporation and Subsidiaries

Consolidated Financial Statements and Independent Auditor's Report

2024 and 2023

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

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Statement on the Related Party Consolidated Financial Statements

The companies to be included in the Company's 2024 (from January 1, 2024 to December 31, 2024) related party consolidated financial statements in accordance with the "Regulations Governing the Preparation of Consolidated Business Reports, Consolidated Financial Statements, and Relation Reports" and the companies to be included in the parent-subsidiary consolidated financial statements in accordance with IFRS 10 are the same; also, the information that should be disclosed in the related party consolidated financial statements has already been disclosed in the aforementioned parent-subsidiary consolidated financial statements; therefore, the related party consolidated financial statements will not be prepared separately.

Sincerely yours,

Company: Formosan Union Chemical Corporation

Responsible person: Shen-Chai Huang

March 13, 2025

Independent Auditor's Report

To: Formosan Union Chemical Corporation:

Independent Auditor's opinion

We have audited the accompanying balance sheet of Formosan Union Chemical Corporation and subsidiaries as of December 31, 2024 and 2023 and the related statements of income, retained earnings, cash flows and notes (including the summary of major accounting policies) to the consolidated financial statements for the years then ended.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Formosan Union Chemical Corporation and subsidiaries as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in conformity with the "Regulations Governing the Preparation of Financial Reports by Securities Firms," International Financial Reporting Standards (IFRSs) that was recognized by the Financial Supervisory Commission, International Accounting Standards (IAS), Interpretations, and Notices (IFRS), Interpretation (IFRIC) and Interpretative Announcement (SIC).

Basis of an audit opinion

We conducted our audit in accordance with the "Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants" and generally accepted auditing standards. The responsibilities of the independent auditors under these standards will be further explained in the audit performed on the consolidated financial statements. The personnel of the CPA Firm subject to the independence requirement have acted independently from the business operations of Formosan Union Chemical Corporation and subsidiaries in accordance with the Code of Ethics and have performed other responsibilities of the Code of Ethics. We believe that our audit provides a reasonable basis for our opinion.

Key Audit Matters

The key audit matters refer to the most important matters in auditing the 2024 consolidated financial statements of Formosan Union Chemical Corporation and subsidiaries in accordance with the professional judgment of the independent auditors. These matters have been handled during the process of reviewing the consolidated financial statements as a whole with audit opinions formed. We do not express an independent opinion on these matters.

The independent auditor determined that the key audit matters of Formosan Union Chemical Corporation and subsidiaries to be communicated in the 2024 consolidated financial statements are as follows:

The sales income generated from export customers

Formosan Union Chemical Corporation and subsidiaries generate income mainly from the sales of alkylbenzene (dodecylbenzene), normal olefins, petroleum resins, and alkanols (nonylphenol), of which, the trading conditions agreed with the export customers are to recognize income when the products are loaded on board and the bill of lading is delivered to the customer. The income from the said export sales had grown materially in 2024. The occurrence of the said export sales had a material impact on the 2024 consolidated financial statements; therefore, the independent accountant had it classified as a key audit matter in 2024. Please refer to Notes 4 and 26 for the accounting policies and information on income recognition.

The independent auditor considers the income recognition policy and trade conditions for such important matter of the consolidated company with the main auditing procedures implemented as follows:

1. Understand and test the effectiveness of internal control design and implementation related to this type of sales income.
2. Randomly sample from the sales income transactions conducted with export customers to check the basic customer information sheet of such export customers against relevant external documents in order to understand whether there is any material nonconformity in their transaction counterparties.
3. Randomly sample from the sales income transactions conducted with export customers to check the “Bill of Lading,” “Invoice,” and related shipping documents.
4. Check whether there is a major sales return or discount occurred afterwards by this type of customers as of the inspection report date.

Other matters

Formosan Union Chemical Corporation has prepared stand-alone financial reports for the years of 2024 and 2023. The independent auditors have issued an unqualified opinion on the financial reports for reference.

The responsibility of the management and governance unit for the consolidated financial statements

The responsibility of the management is to have the consolidated financial statements presented fairly, in all material respects, in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Firms," International Financial Reporting Standards (IFRS) that was recognized and effectively announced by the Financial Supervisory Commission, International Accounting Standards, Interpretations, and Notices (IFRS), Interpretation (IFRIC) and Interpretative Announcement (SIC). Also, maintain the necessary internal controls related to the consolidated financial statements to ensure that the consolidated financial statements are free of any material misstatement arising from frauds or errors.

The management's responsibility while preparing the consolidated financial statements also includes assessing the continuing operation of Formosan Union Chemical Corporation and subsidiaries, the disclosure of the relevant matters, and the adoption of the continuing operation accounting base, unless the management intends to liquidate Formosan Union Chemical Corporation and subsidiaries or cease the business operation, or there is lack of any option except for liquidation or suspension.

The governance unit (including the Audit Committee) of Formosan Union Chemical Corporation and subsidiaries is responsible for supervising the financial reporting process.

The independent auditor's responsibility for auditing the consolidated financial statements

The purpose of the independent auditor's auditing the consolidated financial statements is to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement arising from frauds or errors and with an audit report issued. Reasonable assurance means high assurance. However, the audit conducted in accordance with generally accepted auditing standards does not guarantee having any material misstatements in the consolidated financial statements detected. Material misstatement could be arising from frauds or errors. If the misstated amount or aggregated amount is reasonably expected to affect the economic decisions made by the readers of the consolidated financial statements, it is considered significant.

The independent auditors when conducting the audit in accordance with generally accepted auditing standards shall exercise professional judgment and maintain professional suspicion. The independent auditors also perform the following tasks:

1. Identify and evaluate the risk of material misstatement arising from frauds or errors of the consolidated financial statements; design and implement proper responsive measures for the assessed risks; also, obtain sufficient and adequate audit evidence for forming an audit

opinion. Frauds may involve conspiracy, forgery, deliberate omission, false declaration, or violation of internal control; therefore, the risk of material misstatement arising from frauds is higher than that caused by errors.

2. Obtain necessary understanding of the internal control related to the audit in order to design appropriate audit procedures under the circumstance, but the purpose is not to express an opinion on the effectiveness of the internal control of Formosan Union Chemical Corporation and subsidiaries.
3. Assess the appropriateness of the accounting policies adopted by the management; also, the reasonableness of the accounting estimates and related disclosures made.
4. Based on the audit evidence obtained, make conclusions on the suitability of the continuing operation accounting base adopted by the management and whether or not the events or circumstances causing material doubts to the continuing operation ability of Formosan Union Chemical Corporation and subsidiaries are with material uncertainties. If the independent auditors believe that such events or circumstances are with significant uncertainties, it is necessary to remind the readers of the consolidated financial statements in the audit report to pay attention to the relevant disclosure or to revise the audit opinion when such disclosures are inappropriate. The conclusion of the independent auditors is based on the audit evidence obtained as of the audit report date. However, future events or circumstances may result in the inability of Formosan Union Chemical Corporation and subsidiaries to operate continuously.
5. Evaluate the overall presentation, structure, and content of the consolidated financial statements (including the relevant notes) and whether or not the relevant transactions and events in the consolidated financial statements are presented fairly.
6. Obtain sufficient and appropriate audit evidence on the financial information of the individual business entity within Formosan Union Chemical Corporation and subsidiaries in order to express an opinion on the consolidated financial statements. The independent auditors are responsible for guiding, supervising, and implementing the auditing process of the Group; also, they are responsible for forming an opinion on the audit of the Group.

The matters communicated by the independent auditors to the governance unit include the scope and timing of the planned audit, and the material findings (including the major nonconformities of internal controls identified in the auditing process).

The independent auditors have provided to the governance unit the declaration of independence of the CPA Firm personnel subject to the Code of Ethics; also, they have communicated with the governance unit regarding the relationship and other matters (including the relevant protection measures) that may affect the independence of the independent auditors.

The independent auditors have based on the communications with the governance unit to determine the key audit matters to be performed on the 2024 consolidated financial statements of Formosan Union Chemical Corporation and subsidiaries. The independent auditors shall state the key audit matters in the audit report except for the specific matters prohibited from being disclosed by law and regulations, or, in rare cases; the independent auditors decide not to have specific matters communicated in the audit report since the negative effect of such disclosure can be reasonably expected to be greater than the increase of public interest.

Deloitte & Touche

CPA Wen-Yuan Chuang	CPA Tza-Li Gung
Certificate issued by the Financial Supervisory Commission Jin-Guan-Zheng-Shen-Zi No. 1090347472	Certificate issued by the Financial Supervisory Commission Jin-Guan-Zheng-Shen-Zi No. 1000028068

March 17, 2025

Formosan Union Chemical Corporation and Subsidiaries

Consolidated Balance Sheet

December 31, 2024 and 2023

Unit: NT$ Thousand

		12/31/2024		12/31/2023	
Code	Assets	Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Note 4 & 6)	$ 449,634	3	$ 488,048	4
1120	Financial assets measured at fair value through profit or loss – current (Note 4 & 7)	78,531	1	170,323	1
1136	Financial assets measured at the amortized cost – current (Note 4 & 9)	73,000	1	66,000	1
1150	Notes receivable (Note 4, 10, & 26)	166,310	1	185,032	2
1170	Accounts receivable – net (Note 4, 10, & 26)	1,149,928	9	1,091,236	9
1180	Accounts receivable – related party (Note 4, 10, 26, & 33)	262	-	259	-
1200	Other receivable (Note 4 & 10)	49,701	-	45,394	-
1210	Other receivable – related party (Note 4, 10, & 33)	71	-	3	-
1220	Income tax assets – current (Note 4 & 28)	131	-	33	-
130X	Inventory – net (Note 4, 5, & 11)	2,968,364	23	3,156,521	26
1410	Prepayment (Note 19)	246,245	2	80,603	1
1470	Other current assets	4,367	-	4,760	-
11XX	Total current assets	5,186,544	40	5,288,212	44
	Noncurrent assets				
1517	Financial assets measured at fair value through other comprehensive profit or loss – noncurrent (Note 4 & 8)	1,887,418	15	1,150,575	9
1550	Investment under the equity method (Note 4 & 13)	627,160	5	800,687	7
1600	Property, plant, and equipment (Note 4, 14, 33, & 34)	3,804,195	30	3,607,069	30
1755	Right-of-use assets (Note 4, 15, & 33)	842,086	7	767,444	6
1760	Investment property – net (Note 4, 16, & 34)	42,457	-	9,067	-
1805	Goodwill (Note 4 & 17)	91,897	1	91,897	1
1821	Intangible assets (Note 4 & 18)	5,873	-	1,598	-
1840	Deferred income tax assets (Note 4 & 28)	137,811	1	222,741	2
1915	Prepaid equipment (Note 19 & 33)	54,383	-	91,825	1
1920	Refundable deposit (Note 4 & 19)	6,444	-	4,618	-
1975	Net defined benefit assets – Noncurrent (Note 4 & 24)	17,808	-	10,715	-
1990	Other noncurrent assets (Note 19 & 34)	75,997	1	44,693	-
15XX	Total noncurrent assets	7,593,529	60	6,802,929	56
1XXX	Total assets	$ 12,780,073	100	$ 12,091,141	100
Code	Liabilities and Shareholders' equity				
	Current liabilities				
2100	Short-term loans (Note 20 & 34)	$ 875,758	7	$ 1,526,740	13
2150	Notes payable (Note 21)	944	-	11,203	-
2170	Accounts payable (Note 21)	410,699	3	629,875	5
2219	Other payables (Note 22)	551,906	4	368,612	3
2220	Other payables – related party (Note 22 & 33)	2,190	-	575	-
2230	Income tax liabilities – current (Note 4 & 28)	18,100	-	95,123	1
2250	Liability reserve – current (Note 4 & 23)	25,802	-	25,013	-
2280	Lease liability – current (Note 4, 15, & 33)	99,209	1	76,043	1
2320	Long-term loans due within 1 year (Note 20 & 34)	2,049	-	104	-
2399	Other current liabilities (Note 22 & 26)	43,831	-	33,931	-
21XX	Total current liabilities	2,030,488	15	2,767,219	23
	Noncurrent liabilities				
2540	Long-term loans (Note 20 & 34)	153,654	1	-	-
2570	Deferred income tax liabilities (Note 4 & 28)	476,585	4	335,290	3
2580	Lease liabilities – noncurrent (Note 4, 15, & 33)	773,785	6	716,587	6
2640	Net defined benefit liabilities – noncurrent (Note 4 & 24)	2,970	-	15,072	-
2670	Other noncurrent liabilities	2,798	-	2,144	-
25XX	Total noncurrent liabilities	1,409,792	11	1,069,093	9
2XXX	Total liabilities	3,440,280	26	3,836,312	32
	Equity attributable to the company's shareholders				
3110	Common stock capital	4,770,163	37	4,770,163	39
3200	Additional paid-in capital	76,139	1	77,090	1
	Retained earnings				
3310	Legal reserve	1,223,857	10	1,182,361	10
3320	Special reserve	251,175	2	251,175	2
3350	Unappropriated earnings	1,466,391	12	940,225	8
3300	Total retained earnings	2,941,423	24	2,373,761	20
	Other equities				
3410	Exchange difference from the conversion of financial statements of foreign operation institution	10,960	-	(6,158)	-
3420	Unrealized profit or loss in valuation of financial assets measured at fair value through other comprehensive profit or loss	1,271,953	10	770,316	6
3400	Total other equities	1,282,913	10	764,158	6
31XX	Total shareholders'' equity	9,070,638	72	7,985,172	66
36XX	Non-controlling interest	269,155	2	269,657	2
3XXX	Total equity	9,339,793	74	8,254,829	68
	Total Liabilities and Shareholders' equity	$ 12,780,073	100	$ 12,091,141	100

The Notes enclosed are an integral part of the Consolidated Financial Statements.

Chairman: CEO: CFO: Accountant:

Formosan Union Chemical Corporation and Subsidiaries

Consolidated Income Statement

January 1 – December 31, 2024 and 2023

Unit: NT$ Thousand; except for earnings per share in NT$

Code		2024 Amount	2024 %	2023 Amount	2023 %
4100	Operating income – net (Note 4, 26, & 33)	$ 10,304,487	100	$ 9,432,293	100
5110	Operating cost (Note 4, 11, 27, & 33)	8,832,873	86	8,276,596	88
5900	Gross profit	1,471,614	14	1,155,697	12
5910	Unrealized sales profit	(1,883)	-	-	-
5920	Realized sales profit	-	-	256	-
5950	Realized gross profit	1,469,731	14	1,155,953	12
	Operating expense (Note 10 & 27)				
6100	Marketing expense	534,074	5	464,266	5
6200	Managerial expense	244,122	2	196,434	2
6300	R&D expense	71,409	1	61,600	-
6450	Expected credit impairment reversed profit	-	-	(42)	-
6000	Total operating expense	849,605	8	722,258	7
6900	Net operating income	620,126	6	433,695	5
	Non-operating income and expense				
7100	Interest income (Note 27)	5,235	-	11,929	-
7010	Other income (Note 27 & 33)	119,553	1	64,574	1
7020	Other profit and loss (Note 27 & 33)	193,509	2	34,909	-
7060	Profit or loss ratio from associates and joint venture under the equity method (Note 13)	(5,249)	-	(2,416)	-
7050	Financial cost (Note 27 & 33)	(45,247)	-	(47,241)	(1)
7000	Total non-operating income and expense	267,801	3	61,755	-
7900	Net income before tax	887,927	9	495,450	5
7950	Income tax expense (Note 4 & 28)	155,222	2	83,727	1
8200	Net income	732,705	7	411,723	4

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Code		2024 Amount	2024 %	2023 Amount	2023 %
	Other comprehensive profit or loss				
8310	Items not-reclassified to profit or loss:				
8311	Defined benefit plan re-measurement amount (Note 24)	$ 15,899	-	($ 31)	-
8316	Unrealized profit or loss in valuation of equity instrument investment measured at fair value through other comprehensive profit or loss (Note 8 & 25)	732,516	7	166,660	2
8320	Other comprehensive profit or loss ratio from associates and joint venture under the equity method (Note 13)	(258)	-	(99)	-
8349	Income tax related to non-reclassified items (Note 28)	125,827	1	31,509	-
		622,330	6	135,021	2
8360	Items could be reclassified to profit or loss subsequently:				
8361	Exchange difference from conversion of financial statements of foreign operating institution (Note 25)	21,429	-	(13,821)	-
8399	Income tax related to items could be reclassified to profit or loss (Note 28)	4,287	-	(2,764)	-
		17,142	-	(11,057)	-
8300	Total other comprehensive profit or loss	639,472	6	123,964	2
8500	Total comprehensive profit or loss – current	$ 1,372,177	13	$ 535,687	6
	Net income (loss) attributable to:				
8610	The company’s shareholders	$ 733,576	7	$ 418,188	4
8620	Non-controlling interest	(871)	-	(6,465)	-
8600		$ 732,705	7	$ 411,723	4
	Comprehensive profit or loss attributable to:				
8710	The company’s shareholders	$ 1,372,651	13	$ 542,134	6
8720	Non-controlling interest	(474)	-	(6,447)	-
8700		$ 1,372,177	13	$ 535,687	6

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Code		2024 Amount	2024 %	2023 Amount	2023 %
	Earnings per share (Note 29)				
9710	Basic	$ 1.54		$ 0.88	
9810	Diluted	$ 1.53		$ 0.88	

The Notes enclosed are an integral part of the Consolidated Financial Statements.

Chairman: CEO: CFO: Accountant:

Formosan Union Chemical Corporation and Subsidiaries

Consolidated Statement of Retained Earnings

January 1 – December 31, 2024 and 2023

Unit: NT$ Thousand

		Equity attributable to the company's shareholders												
		Capital stock (Note 25)			Retained earnings (Note 8 & 25)				Other equities (Note 8 & 25)					
Code		Shares (Thousand)	Amount	Additional paid-in capital (Note 25 & 30)	Legal reserve	Special reserve	Unappropriated earnings	Total	Exchange difference from the conversion of financial instruments of foreign operating institution	Unrealized profit or loss in valuation of financial assets measured at fair value through other comprehensive profit or loss	Subtotal	Total	Non-controlling interest (Note 12, 25, & 30)	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	Legal reserve	-	-	-	107,851	-	(107,851)	-	-	-	-	-	-	-
B5	Cash dividend	-	-	-	-	-	(858,629)	(858,629)	-	-	-	(858,629)	-	(858,629)
		-	-	-	107,851	-	(966,480)	(858,629)	-	-	-	(858,629)	-	(858,629)
D1	Net income (loss) - 2023	-	-	-	-	-	418,188	418,188	-	-	-	418,188	(6,465)	411,723
D3	Other comprehensive profit or loss after tax – 2023	-	-	-	-	-	(43)	(43)	(11,057)	135,046	123,989	123,946	18	123,964
D5	Total comprehensive profit or loss – 2023	-	-	-	-	-	418,145	418,145	(11,057)	135,046	123,989	542,134	(6,447)	535,687
O1	Changes in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(388)	(388)
Q1	Disposal of equity instrument measured at fair value through other comprehensive profit or loss	-	-	-	-	-	(1,692)	(1,692)	-	1,692	1,692	-	-	-
T1	Others	-	-	-	-	-	(1,494)	(1,494)	29,969	-	29,969	28,475	-	28,475
Z1	Balance – 12/31/2023	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	Legal reserve	-	-	-	41,496	-	(41,496)	-	-	-	-	-	-	-
B5	Cash dividend	-	-	-	-	-	(286,210)	(286,210)	-	-	-	(286,210)	-	(286,210)
		-	-	-	41,496	-	(327,706)	(286,210)	-	-	-	(286,210)	-	(286,210)
C7	Changes in associates and joint venture under the equity method	-	-	3	-	-	-	-	-	-	-	3	-	3
D1	Net income (loss) - 2024	-	-	-	-	-	733,576	733,576	-	-	-	733,576	(871)	732,705
D3	Other after tax profit or loss - 2024	-	-	-	-	-	12,322	12,322	17,142	609,611	626,753	639,075	397	639,472
D5	Total comprehensive profit or loss – 2024	-	-	-	-	-	745,898	745,898	17,142	609,611	626,753	1,372,651	(474)	1,372,177
M3	Disposal of subsidiaries	-	-	-	-	-	-	-	(24)	-	(24)	(24)	(633)	(657)
M7	Changes in the equity of the subsidiary owned by the company	-	-	(954)	-	-	-	-	-	-	-	(954)	954	-
O1	Changes in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(349)	(349)
Q1	Disposal of equity instrument measured at fair value through other comprehensive profit or loss	-	-	-	-	-	107,974	107,974	-	(107,974)	(107,974)	-	-	-
Z1	Balance – 12/31/2024	477,016	$ 4,770,163	$ 76,139	$ 1,223,857	$ 251,175	$ 1,466,391	$ 2,941,423	$ 10,960	$ 1,271,953	$ 1,282,913	$ 9,070,638	$ 269,155	$ 9,339,793

The Notes enclosed are an integral part of the Consolidated Financial Statements.

Chairman: CEO: CFO: Accountant:

Formosan Union Chemical Corporation and Subsidiaries

Consolidated Statement of Cash Flows

January 1 – December 31, 2024 and 2023

Unit: NT$ Thousand

Code		2024	2023
	Cash flow from operating activities		
A00010	Net income before tax	$ 887,927	$ 495,450
A20010	Income, expense, and losses		
A20100	Depreciation expense	256,833	253,466
A20200	Amortization expense	2,399	1,178
A20300	Expected credit impairment reversed profit	-	(42)
A20400	Net profit of financial assets measured at fair value through profit or loss	(137,764)	(31,543)
A20900	Financial cost	45,247	47,241
A21200	Interest income	(5,235)	(11,929)
A21300	Dividend income	(74,848)	(42,081)
A22300	Profit ratio from associates and joint venture under the equity method	5,249	2,416
A22500	Profit from the disposal of property, plant, and equipment	(211)	(185)
A23800	Loss from the valuation of inventory	18,629	2,033
A23900	Unrealized sales profit with joint venture	1,883	-
A24000	Realized sales profit with joint venture	-	(256)
A24100	Unrealized foreign exchange loss (profit) – net	(10,873)	18,337
A29900	Loss from the disposal of subsidiaries	1,752	-
A29900	Profit from lease betterment	(19)	-
A30000	Changes in operating assets and liabilities – net		
A31115	Financial assets measured at fair value through profit or loss mandatorily	229,556	92,110
A31130	Notes receivable	18,722	(14,389)
A31150	Accounts receivable	(47,052)	(205,216)
A31160	Accounts receivable – related party	(3)	(259)
A31180	Other receivable	(6,187)	16,236
A31190	Other receivable – related party	(68)	3,249
A31200	Inventories	202,070	741,479
A31230	Prepayment	(165,642)	58,908
A31240	Other current assets	227	2,359
A31990	Defined benefit assets – net	(7,093)	(3,082)
A32130	Notes payable	(10,259)	1,347
A32150	Accounts payable	(219,858)	(141,023)

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Code		2024	2023
A32180	Other accounts payable	$ 171,995	($ 277,573)
A32190	Accounts payable – related party	1,615	(1,007)
A32200	Liability reserve	789	(1,247)
A32230	Other current liabilities	7,173	6,952
A32240	Defined benefit liabilities – net	3,797	(7,023)
A33000	Cash from operating activities	1,170,751	1,005,906
A33100	Interest collected	5,232	13,917
A33200	Dividend collected	74,848	42,081
A33300	Interest paid	(45,543)	(47,518)
A33500	Income tax paid	(136,232)	(218,047)
AAAA	Net cash inflow from operating activities	1,069,056	796,339
	Cash flow from investing activities		
B00010	Acquisition of financial assets measured at fair value through comprehensive profit or loss	(100,771)	-
B00020	Disposal of financial assets measured at fair value through comprehensive profit or loss	113,964	-
B00030	Refund of capital reduction of financial assets measured at fair value through other comprehensive profit or loss	-	3,556
B00040	Acquisition of financial assets measured at the amortized cost	(73,000)	-
B00050	Disposal of financial assets measured at the amortized cost	66,000	66,660
B01800	Acquisition of investment under the equity method	(11,000)	-
B02000	Increase in prepaid investment	(48,353)	(17,520)
B02400	Refund of capital reduction of invested companies under the equity method	191,531	-
B02700	Acquisition of property, plant, and equipment	(335,763)	(46,076)
B02800	Disposal of property, plant, and equipment	2,027	530
B03700	Decrease (increase) in refundable deposit	(1,643)	5,302
B04500	Acquisition of intangible assets	(6,674)	(897)
B06700	Decrease (increase) in other noncurrent assets	(471)	13,948
B07100	Increase in prepaid equipment	(47,070)	(12,302)
B07600	Dividend collected from associates and joint venture	5,923	2,110
BBBB	Net cash inflow (outflow) from investing activities	(245,300)	15,311
	Cash flow from financing activities		
C00200	Decrease in short-term loans	(650,982)	(614,260)
C01600	Long-term loans	155,703	-
C01700	Liquidated long-term loans	(104)	(4,146)
C03100	Increase in deposits received	3,381	304

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Code		2024	2023
C04020	Liquidated lease liability principal	($ 84,394)	($ 49,837)
C04500	Distribution of cash dividend	(286,210)	(858,629)
C05800	Changes in non-controlling interest	(349)	(388)
CCCC	Net cash outflow from financing activities	(862,955)	(1,526,956)
DDDD	Effect of changes in exchange rate on cash and cash equivalents	785	88
EEEE	Net decrease in cash and cash equivalents	(38,414)	(715,218)
E00100	Balance of cash and cash equivalents – beginning	488,048	1,203,266
E00200	Balance of cash and cash equivalents – ending	$ 449,634	$ 488,048

The Notes enclosed are an integral part of the Consolidated Financial Statements.

Chairman: CEO: CFO: Accountant:

Formosan Union Chemical Corporation and Subsidiaries

Notes to the Consolidated Financial Statements

January 1 – December 31, 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 (nonphenol), 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 statements

The consolidated financial statements were approved by the board of directors on March 13, 2025.

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

(1) The company has adopted International Financial Reporting Standards (IFRSs) that was recognized and effectively announced by the Financial Supervisory Commission, International Accounting Standards (IAS), Interpretations, and Notices (IFRS), Interpretation (IFRIC) and Interpretative Announcement (SIC) for the first time.

The company has started applying the amended "International Financial Reporting Standards (IFRSs)" that was recognized 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) Applicable IFRSs recognized by the Financial Supervisory Commission in 2025

Newly announced/revised/amended regulations and interpretations	Effective date for the announcement of the IASB
Amendments to IAS 21 to deal with "Lack of Exchangeability"	January 1, 2025 (Note 1)
Amendments to IFRS 9 and IFRS 7 to deal with "amendments to the classification and measurement requirements of financial instruments" related to the amendments to the application guidance on classification of financial assets	January 1, 2026 (Note 2)

Note 1: It is applicable to the annual reporting periods beginning after January 1, 2025. When the amendments are applicable for the first time, the financial statements may not be reprepared in the comparative periods and the effect shall be recognized in the retained earnings or foreign exchange differences in equity of the foreign operations (as appropriate), and in the related assets and liabilities affected on the date of initial application.

Note 2: It is applicable in the annual reporting periods after January 1, 2026. Enterprises may also choose to apply it ahead of schedule on January 1, 2025. When the amendment is applicable for the first time, it should be applied retrospectively without having the financial statements reprepared in the comparative periods; also, the effect of the initial application should be recognized on the date of initial application. However, if an enterprise is able to have the financial statements reprepared without the benefit of hindsight, it may choose to have the financial statements reprepared in the comparative period.

As of the approval and release date of this consolidated financial report, the merged company has evaluated and concluded that the amendments to the aforementioned standards and interpretations will not have a material impact on the financial status and financial performance.

(3) IFRSs announced by IASB but not yet recognized 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 standard improvement - Volume 11"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 to deal with "amendments to the classification and measurement requirements of financial instruments" related to the amendments to the application guidance on financial liabilities delisting	January 1, 2026
Amendments to IFRS 9 and IFRS 7 to deal with "contracts that reference nature-dependent electricity"	January 1, 2026
Amendments to IFRS 10 and IAS 28 to deal with the "sale or contribution of assets between an investor and its associate or joint venture"	To be determined
IFRS 17 "Insurance contract"	January 1, 2023
Amendments to IFRS 17	January 1, 2023

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Newly announced/revised/amended regulations and interpretations	Effective date for the announcement of the IASB (Note 1)
Amendments to IFRS 17 to deal with "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: Disclosures"	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 from the respective date.

IFRS 18 "Presentation and disclosure in financial statements"

IFRS 18 will replace IAS 1 "Presentation of Financial Statements." Major changes to the standard include:

- The income and expense items in the income statement should be classified into the accounts of operating, investing, financing, income tax, and discontinued operations.
- The operating profit and loss, net income before tax before financing activity, and the subtotals and total of profit and loss should be presented in the income statement.
- Provide guidance to enhance aggregation and segmentation requirements: The merged company is required to identify assets, liabilities, equity, income, losses, and cash flows arising from individual transactions or other events, and to have them classified and aggregated on the basis of common characteristics so that each entry presented in the principal financial statements has at least one similar characteristic. Items with non-similar characteristics should be detailed in the principal financial statements and notes. The merged company will only have such items booked as "other" when a more informative classification is not available.
- Increase disclosure of performance evaluation defined by management: When the merged company communicates outside the financial statements and management's views on a certain aspect of the merged company's overall financial performance to users of the financial statements, it should disclose relevant information on performance evaluation defined by management

individually in the financial statements, including a description of the performance evaluation, how it is calculated, its reconciliation with the subtotals or totals specified in IFRS accounting standards, and the income tax and non-controlling interest effects of the related reconciliations made.

In addition to the aforementioned effects, the merged company has been continuously evaluating the impact of the aforementioned amendments to regulations and interpretations on the financial status and financial performance as of the date the consolidated financial statements were passed and announced; also, the said impact will be disclosed upon the completion of the evaluation.

4. Summary of material accounting policies

(1) Statement of compliance

The consolidated financial statements are prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Firms" and the IFRSs recognized and effectively announced by the Financial Supervisory Commission.

(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 directly (that is, price) or indirectly (that is, derived 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) 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 months after the reporting period; 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 (even a long-term refinancing or rescheduling payment agreement that is completed after the balance sheet date and before the financial report issued is also classified as a “current liability”), and
3. Liabilities without substantive right to have 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.

(4) Consolidation basis

This consolidated financial report includes the financial statements of the company and the entities (subsidiaries) controlled by the company. The consolidated income statement has included the operating profit or loss of the acquired or disposed subsidiaries in the current period from the date of acquisition or till the date of disposal. 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, and expenses between business entities have been written off at the time of preparing the consolidated financial report. The total comprehensive profit or loss of 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 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 control of the subsidiary, the disposal profit or loss is the difference between the following two items: (1) the sum of the fair value of the consideration received and the fair value of the retained investment in the former subsidiary at the date of losing control of the former subsidiary, and (2) the sum of the book amount of the assets (including goodwill) and liabilities and non-controlling interest of the subsidiary on the day losing control of the former subsidiary. The basis of accounting treatment for all the amounts previously recognized in other comprehensive profit or loss related to the subsidiary is same as the mandatory basis for the relevant assets or liabilities directly disposed by the merged company.

Please refer to Note 12 and Table 7 for the subsidiaries, shareholding ratio, and business items in detail.

(5) Foreign currency

The business entity that has financial reports prepared in a currency (foreign currency) other than its functional currency shall have it converted into functional currency at the exchange rate on the trade day.

Foreign currency transactions are converted in accordance with the closing exchange rate on the balance sheet date. The exchange difference amount arising from the settlement or exchange transaction should be recognized as profit or loss.

Non-monetary items in foreign currency measured at the fair value are converted at the exchange rate on the day when the fair value is determined, and the resulted exchange difference is recognized as profit or loss. However, if the change in fair value is recognized in other comprehensive profit or loss, the resulted exchange difference is recognized in the other comprehensive profit or loss.

Non-monetary items in foreign currency measured at the historical cost are converted at the exchange rate on the trade day and will not be converted again.

The assets and liabilities of a foreign operating institution (including the subsidiaries, associates, or joint ventures operate in a different country or use different currencies) are converted into New Taiwan Dollar in accordance with the exchange rate on the balance sheet date when a consolidated financial report is prepared. Profits and losses are converted at the current average exchange rate, and the resulted exchange difference is recognized in the other comprehensive profit or loss.

When the merged company has disposed all equities of the foreign operating institutions, or, disposed part of the equity in the subsidiary of the foreign operating institutions with the loss of control, the relevant accumulated exchange differences of the foreign operating institutions will be fully reclassified as profit or loss.

(6) Inventory

Inventories include raw materials, work-in-process products, and finished products. Inventory is measured at the lower of cost or net realizable value. The comparison of the cost and net realizable value, except for same type of inventories, is itemized. Net realizable value refers to the estimated selling price under normal circumstances minus the estimated cost required to complete the project and the estimated cost required to complete the sale. The weighted average method is adopted for the calculation of inventory cost.

(7) Investment in the associates and joint ventures

An associate refers to an enterprise that is materially influenced by the merged company, but it is not a subsidiary or joint venture. A joint venture refers to a joint agreement between the merged company and another company that has joint control and rights to net assets.

The merged company adopts the equity method for investments in the associates and joint ventures.

Under the equity method, investments in the associates and joint ventures are initially recognized at cost; also, the book amount after the acquisition date increases or decreases along with the merged company’s share of profits or losses in the associates and joint ventures and other comprehensive profit or loss. In addition, changes in the equity of the associates and joint ventures are recognized proportionally to the shareholding ratio.

The amount of the acquisition cost exceeding the share of the net fair value of the identifiable assets and liabilities of the associates and the joint venture that the merged company owns on the acquisition date is classified as goodwill, which is included in the book value of the investment and cannot be amortized. The share of the net fair value of the identifiable assets and liabilities of the associates and the joint venture that the merged company owns on the acquisition date exceeding the amount of the acquisition cost is recognized as profit or loss.

If the merged company does not subscribe the new shares issued by the associates and joint ventures proportionally to the shareholding ratio that causes changes in the shareholding ratio and the net equity value of the investment, the amount of increase or decrease is adjusted to the additional paid-in capital – equity method with the changes in the net equity of the associates and joint venture and the investment under the equity method recognized. However, if the equity in the associates and joint venture is decreased due to not subscribing the new shares issued by the associates and joint ventures proportionally to the shareholding ratio, the amount related to the associates and joint venture recognized in the other comprehensive profit or loss should be reclassified proportionally to the decreased amount. Its accounting treatment basis is the same as the way an associate or joint venture directly handles the disposal of related assets or liabilities. If the aforementioned adjustment is debited to additional paid-in capital, when there is insufficient additional paid-in capital resulted from the investment under the equity method, the difference amount should be debited to the retained earnings.

When the merged company's share of losses in the associates and joint ventures equals to or exceeds its equity in the associates and joint ventures (including the book value of the investment in the associates and joint ventures under the equity method, and other long-term equity of the net investment of the merged company in the associates and joint ventures), the recognition of further losses will be ceased. The merged company only recognizes additional losses and liabilities within the scope of incurred legal obligations, deduced obligations, or payments made on behalf of the associates and joint ventures.

The merged company at the time of assessing impairment regards the overall book value (including goodwill) of the investment as a single asset and conducts impairment test by comparing it to the recoverable amount. The recognized impairment loss is an integral part of the investment book amount. Any reversal of the impairment loss shall be recognized within the scope of the subsequent increase in the recoverable amount of the investment.

The merged company ceases the adoption of the equity method on the day when the invested entity ceases to be an associate or a joint venture; also, its retained equity of the former associates and joint venture is measured at fair value. The difference between the fair value and the disposal price of the book amount of the investment on the day the equity method is stopped is recognized as profit or loss. In addition, for the amount related to the associates and joint venture recognized in the other comprehensive profit or loss, its accounting treatment basis is the same as the way an associate or joint venture directly handles the disposal of related assets or liabilities. If an investment in an associate becomes an investment in a joint venture, or an investment in a joint venture becomes an investment in an associate, the merged company will continue to adopt the equity method without re-measuring the retained equity.

The profits or losses arising from the clockwise, counterclockwise, and side-stream transactions between the merged company and the associates and the joint venture are recognized in the consolidated financial report to the extent that it has nothing to do with the merged company's equity in the associates and the joint venture.

(8) Property, plant and equipment

Property, plant and equipment are recognized at the cost first and subsequently measured at the cost net of accumulated depreciation and accumulated impairment loss.

Property, plant and equipment are depreciated on a straight-line basis within the service life for each material part separately. The merged company shall review the estimated service life, residual value, and depreciation method at least once at the end of each year and defer the effect of changes in the applicable accounting estimates.

The difference between the net disposal amount of the property, plant and equipment and the book amount is recognized as profit or loss at the time of having them delisted.

(9) Investment property

Investment property refers to property held for earning rent or capital appreciation, or both.

Investment property is initially measured at cost (including transaction costs), and subsequently measured at the cost net of the accumulated depreciation and accumulated impairment losses. The depreciation of investment property is calculated on a straight-line basis.

The difference between the net disposal amount of the investment property and the book amount is recognized as profit or loss at the time of having it delisted.

(10) Goodwill

The cost of the goodwill obtained in a business merger is based on the amount of goodwill recognized on the acquisition date, and it is subsequently measured at the cost net of the accumulated impairment loss.

For the purpose of impairment testing, goodwill is amortized to each cash-generating unit or group (referred to as “cash-generating unit”) that the merged company expects to benefit from the synergy of the merger.

The cash-generating unit that received the amortized goodwill has performed impairment test by comparing the book value of the cash-generating unit containing goodwill with its recoverable amount annually (and when there are indications that the unit may have been impaired). If the goodwill amortized to each cash-generating unit is obtained from a business merger in the current year, the impairment test of the cash-generating unit should be performed before the end of the current year. If the recoverable amount of the cash-generating unit with amortized goodwill is lower than its book value, the impairment loss is to first reduce the book amount of the cash-generating unit’s amortized goodwill, and then reduce the book value of the other assets of the cash-generating unit proportionally. The impairment loss, if any, is directly recognized as the current loss. The impairment loss of goodwill shall not be reversed in the subsequent period.

(11) Intangible assets

1. Acquired separately

Intangible assets with limited useful life acquired separately are initially measured at cost, and subsequently measured at the cost net of accumulated amortization and accumulated impairment losses. Intangible assets are amortized on a straight-line basis during the useful life. The merged company shall review the estimated service life, residual value, and amortization method at least once at the end of each year, and defer the effect of changes in the applicable accounting estimates.

2. Delisting

The difference between the net disposal price and the book value of the asset is recognized in profit or loss at the time of having intangible assets delisted.

(12) Impairment of property, plant and equipment, right-of-use assets, investment property, and intangible assets (except goodwill)

The merged company assesses on each balance sheet date whether there is any sign indicating that property, plant and equipment, right-of-use assets, investment property, and intangible assets (except goodwill) may have been impaired. If there is any sign of impairment, the recoverable amount of the asset should be estimated. If the recoverable amount of an individual asset cannot be estimated, the merged company should estimate the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of the fair value net of the cost of sale or its value in use. If the recoverable amount of an individual asset or a cash-generating unit is lower than its book value, the book value of the asset or the cash-generating unit should be reduced to its recoverable amount, and the impairment loss is recognized in profit or loss.

When the impairment loss is subsequently reversed, the book value of the asset or the cash-generating unit is adjusted up to the revised recoverable amount; however, the increased book value may not exceed the book value (net of amortization or depreciation) without any impairment loss of the assets or cash-generating unit recognized in previous years. The reversal of the impairment loss is recognized in the profit or loss.

(13) Financial instruments

Financial assets and financial liabilities are recognized on the consolidated balance sheet when the merged company becomes a party to the instrument contract.

In the initial recognition of financial assets and financial liabilities, if financial assets or financial liabilities are not measured at fair value through profit or loss, they are measured at fair value plus transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities. Transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities measured at fair value through profit or loss are immediately recognized in profit or loss.

1. Financial assets

Conventional transactions of financial assets are recognized and delisted in accordance with the trade day accounting.

(1) Type of measurement

The types of financial assets held by the merged company are financial assets measured at fair value through profit or loss, financial assets measured at the amortized cost, and equity instrument investment measured at fair value through other comprehensive profit or loss.

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

Financial assets measured at fair value through profit or loss are financial assets measured at fair value through profit or loss mandatorily. Financial assets measured at fair value through profit or loss mandatorily include equity instrument investments that are not designated by the merged company to be measured at fair value through other comprehensive profit or loss, and debt instrument investments that are not classified as to be measured at the amortized cost or measured at fair value through other comprehensive profit or loss.

Financial assets measured at fair value through profit or loss are measured at fair value, and the profit or loss resulting from the re-measurement is recognized in profit or loss. Please refer to Note 32 for the fair value determination method.

B. Financial assets measured at the amortized cost

If the financial assets invested by the merged company meet the following two conditions, they are classified as financial assets measured at the amortized cost:

a. It is held under a certain business model for the purpose of holding the financial assets in exchange for contractual cash flows; and
b. Cash flow is generated in a specific date according to the contract signed; also, such cash flows are intended to pay for the principal and the interest of the outstanding principal.

Financial assets measured at the amortized cost (including cash and cash equivalents, notes receivable, accounts receivable, other receivable, refundable deposits, and other financial assets) after initial recognition are subsequently measured at the amortized cost (the book value that is determined according to the effective interest approach – impairment loss). The foreign exchange profit or loss is recognized in profit or loss.

Except for the following two circumstances, interest income is calculated by having the effective interest rate multiplied by the total book value of the financial assets:

a. For the purchased or originated credit-impaired financial assets, interest income is calculated by having the effective interest rate after credit adjustment multiplied by the amortized cost of the financial asset.

b. For financial assets not with purchase or original credit impairment, but subsequently become credit-impaired financial assets, interest income should be calculated by having the effective interest rate multiplied by the amortized cost of the financial asset from the next reporting period after the credit impairment.

Credit-impaired financial assets refer to the issuer or debtor who has experienced material financial difficulties, defaulted, the debtor who is likely to apply for bankruptcy or other financial reorganization, or the active market for financial assets disappeared due to financial difficulties.

C. Equity instruments investment measured at fair value through other comprehensive profit or loss;

The merged company at the time of initial recognition can make an irrevocable choice to have the equity instrument investment that is not held-for-trade and not recognized through a business merger and acquisition or with considerations paid measured at fair value through other comprehensive profit or loss.

Equity instrument investment is measured at fair value through other comprehensive profit or loss; subsequent changes in fair value are reported in other comprehensive profit or loss and accumulated in other equity. At the time of disposing of the investment, the accumulated profit or loss is directly transferred to retained earnings and is not reclassified as profit or loss.

Dividends from equity instrument investment measured at fair value through other comprehensive profit or loss are recognized in the profit or loss when the company’s right to receive payments is established, unless the dividends clearly represent part of the investment cost recovered.

(2) Impairment of financial assets

The merged company evaluates the impairment loss of financial assets (including accounts receivable) measured at the amortized cost according to the expected credit loss on each balance sheet date.

Allowance for loss is recognized for accounts receivable according to the expected credit loss throughout the duration. For other financial assets, evaluate whether there is a significant increase in credit risk after the initial recognition, if there is no significant increase, the allowance for loss is recognized according to the 12-month expected credit loss; however, if there is a significant increase in credit risk, the allowance for loss is recognized according to the expected credit loss throughout the duration.

Expected credit loss is the weighted average credit loss based on the risk of default. The 12-month expected credit loss refers to the expected credit loss caused by the possible default event of the financial instrument within 12 months after the reporting date, and the expected credit loss throughout the duration refers to the expected credit loss caused by all possible default events throughout the duration of the financial instrument.

The impairment loss of all financial assets is with the book amount adjusted down through the allowance account; however, the allowance for loss of debt instrument investment measured at fair value through other comprehensive profit or loss is recognized in other comprehensive profit or loss without causing a decrease in the book amount.

(3) Delisting of financial assets

The merged company will have the financial assets delisted only when the contractual right from the cash flow of the financial asset is terminated, or, the financial asset has been transferred and almost all the risks and rewards related to the ownership of the asset have been transferred to other companies.

When a financial asset measured at the amortized cost is delisted entirely, the difference between the book value and the consideration received is recognized in the profit or loss. When the debt instrument investment measured at fair value through other comprehensive profit or loss is delisted entirely, the difference between the book value and the consideration received plus the accumulated profit or loss that has been recognized in other comprehensive profit or loss is recognized in profit or loss. When the equity instrument investments measured at fair value through other comprehensive profit or loss are delisted entirely, the accumulated profit or loss is directly transferred to retained earnings without having it reclassified as profit or loss.

2. Equity instruments

The debt and equity instruments issued by the merged company are classified as financial liabilities or equity according to the real contractual agreement and the definition of financial liabilities and equity instruments.

The equity instruments issued by the merged company are recognized at the acquisition amount net of the direct issuance cost.

The company's equity instruments repurchased are recognized and deducted in the "equity" account, and the book value is calculated based on the weighted average of the stock types. The purchase, sale, issuance, or cancellation of the company's equity instruments are not recognized in profit or loss.

3. Financial liabilities

(1) Subsequent measurement

Except for the financial liabilities that are measured at fair value through profit or loss, all financial liabilities are measured at the amortized cost in accordance with the effective interest approach.

(2) Delisting of financial liabilities

When financial liabilities are de-listed, the difference between the book value and the total consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(14) Liability reserve

The recognized liability reserve amount is the best estimated expenditure needed for liquidating obligations on the balance sheet date under the consideration of the risk and uncertainty of obligation. The liability reserve is measured at the discounted value of the estimated cash flows needed for liquidating the current obligation.

(15) Income recognition

The merged company after identifying the performance obligations in the contract will have the transaction price distributed to each performance obligation, and will recognize income when each performance obligation is fulfilled.

1. Commodity sales income

   Commodity sales income is generated from the sales of chemical products. Since the customer has the right to use the product when the product is shipped and has to bear the risk of obsolescence and outdated of the product, the company recognizes income and accounts receivable at the said point of time. The advances received for products are recognized as contract liabilities before the products are shipped.

2. Labor service income

   Labor service income is generated from product processing and power supply service, which is recognized when labor service is provided.

(16) Lease

The merged company evaluates whether it is (or includes) a lease contract on the contract date.

1. The merged company is the lessor

   When the lease clause is to transfer almost all the risks and rewards attached to the ownership of the asset to the lessee, it is classified as a financial lease. All other leases are classified as operating leases.

   Lease payments for operating leases are recognized as income on a straight-line basis during the relevant lease period. The original direct costs arising from operating leases are added to the book value of the assets and recognized as expenses on a straight-line basis during the lease period.

2. The merged company is the lessee

   Except for the lease payments of low-value underlying asset leases and short-term leases that are subject to the applicable recognition exemption are recognized as expenses on a straight-line basis during the lease period, other leases are recognized as right-of-use assets and lease liabilities on the lease starting date.

   The right-of-use asset is originally measured at cost (including the original measurement amount of the lease liability, the lease payment paid before the lease starting date minus the lease incentives received, and the original direct cost and the estimated cost of restored underlying asset), and is subsequently measured at the cost net of the accumulated depreciation and accumulated impairment loss; also, adjust the remeasurement amount of the lease liability. The right-of-use assets are separately expressed on the consolidated balance sheet.

Right-of-use assets are depreciated on a straight-line basis from the lease starting date to the expiration of the service life or the expiration of the lease period, whichever is earlier.

The lease liability was originally measured at the present value of the lease payment. If the implicit interest rate of the lease is easy to determine, the lease payment is discounted at such interest rate. If the interest rate is not easy to determine, the lessee's incremental loan interest rate is applied.

Subsequently, the lease liability is measured at the amortized cost in accordance with the effective interest approach, and the interest expense is amortized during the lease period. If there are changes occurred in the lease period, the merged company will re-measure the lease liability and relatively adjust the right-of-use asset. However, if the book value of the right-of-use asset is reduced to zero, the remaining remeasurement amount is recognized in the profit or loss. For lease betterment that is not treated as separate leases, the remeasurement of the lease liability due to the reduction in the scope of the lease is applied to reduce the right-of-use asset; also, the profit or loss arising from the partial or full termination of the lease is recognized. The remeasurement of the lease liability due to other betterment is applied to adjust the right-of-use asset. Lease liabilities are separately expressed in the consolidated balance sheet.

(17) Loan cost

The loan cost directly attributable to the acquisition, construction, or production of a qualified asset is an integral part of the asset cost until almost all necessary activities for the asset to reach its intended use or sale status have been completed.

If specific loans are applied to invest temporarily for earning investment income before being applied for capital expenditures that meet the requirements, such loans are deducted from the loan costs that meet the conditions of capitalization.

Except for the aforementioned practice, all other loan costs are recognized as profit or loss in the current period.

(18) Employee Benefits

1. Short-term employee benefits

Short-term employee benefit-related liabilities are measured by the expected non-discounted amount of cash to be paid in exchange for employee services.

2. Retirement benefits

The pension of the defined contribution plan is recognized as expense for an amount equivalent to the retirement fund appropriated for the employee's service period.

The defined benefit cost (including service cost, net interest, and remeasurement) of the definite benefit plan is calculated according to the estimated unit benefit actuarial method. Net interests of service costs (including current service costs) and net defined benefit liabilities (assets) are recognized as employee benefit expenses upon occurrence. The remeasurement amount (including actuarial profit or loss and return on planned assets net of interest) is recognized in other comprehensive profit or loss upon occurrence and included in retained earnings, which will not be reclassified to profit or loss in subsequent periods.

The net defined benefit liabilities (assets) are the appropriation shortage (surplus) of the defined benefit plan. The net defined benefit assets shall not exceed the present value of the refunded appropriation of the plan or the reduceable appropriation in the future.

(19) Income tax

Income tax expense is the sum of current income tax and deferred income tax.

1. Current income tax

The merged company determines the current income in accordance with the law and regulations established by each income tax agency in order to calculate the income tax payable accordingly.

The income tax to be levied additionally on the undistributed earnings that are calculated in accordance with the Income Tax Act of the Republic of China is to be recognized in the year it is resolved in the shareholders meeting.

Adjustments of income tax payable of previous years are included in current income tax.

2. Deferred income tax

Deferred income tax is calculated according to the temporary difference between the book value of assets and liabilities and the tax basis for calculating taxable income.

If the original recognition of assets and liabilities does not affect taxable income or accounting profits at the time, the temporary differences arising therefrom are not recognized as deferred income tax assets and liabilities.

Deferred income tax liabilities are generally recognized for all taxable temporary differences, while deferred income tax assets are recognized when there is likely having income tax credit derived from taxable income available for deducting temporary differences and loss credit.

Taxable temporary differences related to investment in subsidiaries, associates, and joint agreements are recognized as deferred income tax liabilities, unless otherwise provided that the merged company can control the timing of the reversion of the temporary differences; and the temporary differences are unlikely to be reversed in the foreseeable future. The deductible temporary differences related to this type of investment will be recognized as deferred income tax assets only if it is likely to have sufficient taxable income to realize the temporary differences, and within the scope expected to be reversed in the foreseeable future.

The book amount of deferred income tax assets is reviewed on each balance sheet date, and the book amount is reduced for those that are no longer likely to have sufficient taxable income to recover all or part of the assets. Those that have not been recognized as deferred income tax assets will also be reviewed on each balance sheet date, and the book amount is increased for those that are likely to generate taxable income in the future for the recovery of all or part of the assets.

Deferred income tax assets and liabilities are measured at the tax rate of the period when the liability is expected to be settled or the asset is expected to be realized. The said tax rate is based on the tax rate that has been legislated or substantively legislated on the balance sheet date and the tax law. The measurement of the deferred income tax liabilities and assets reflects the tax consequences arising from the manner in which the merged company expects to recover or settle the book amount of the assets and liabilities on the balance sheet date.

3. Current and deferred income tax

Current and deferred income taxes are recognized in profit or loss; however, current and deferred income taxes related to items recognized in other comprehensive profit or loss or directly included in equity are recognized in other comprehensive profit or loss or directly included in equity, respectively.

5. Main sources of uncertainty in significant accounting judgments, estimates, and assumptions

When the merged company adopts accounting policies, for those that cannot easily obtain relevant information from other sources, the management must make relevant judgments, estimations, and assumptions based on historical experience and other relevant factors. Actual results may differ from estimates.

The merged company takes into account the possible impact of climate change and related government policies and regulations, inflation, market interest rates, and fluctuations in the financial market and foreign exchange market while developing material accounting estimates, such as, cash flow projections, growth rates, discount rates, profitability, etc. Management will continue to review estimates and basic assumptions.

Main sources of uncertainty in estimates and assumptions

Impairment of inventories

Net realizable value of inventory refers to the estimated selling price in the normal course of business minus the estimated cost required to complete the project and the sale. These estimates are based on current market conditions and historical sales records of similar products. Such estimates could be affected significantly by changes in market conditions. In addition, the prices of raw materials, freight, and estimated selling prices of products fluctuate greatly due to the uncertainty of the subsequent development of climate change and related government policies and regulations, inflation and market interest rate fluctuations, and financial market and foreign exchange market fluctuations, as a result, the estimation of net realizable value becomes highly uncertain.

6. Cash and cash equivalents

	12/31/2024	12/31/2023
Cash on hand and petty cash	$ 773	$ 997
Bank checking deposit and demand deposit	448,861	406,051
Cash equivalents		
Time deposit with original maturity date within 3 months	-	81,000
	$ 449,634	$ 488,048

The interest rate range of bank deposits on the balance sheet date is as follows:

	12/31/2024	12/31/2023
Bank checking deposit and demand deposits	0.002%~0.80%	0.001%~1.45%
Bank time deposits	-	1.16%

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

	12/31/2024	12/31/2023
Financial assets – current		
Measured at fair value through profit or loss mandatorily		
Non-derivative financial assets		
— Taiwan Innovation Board listed stock	$ -	$ 145,116
— Domestic non-TWSE/TPEx listing stock	-	1,000
— Fund beneficiary certificate	78,531	24,207
	$ 78,531	$ 170,323

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

	12/31/2024	12/31/2023
Noncurrent		
Domestic investment		
TWSE/TPEx listing stock	$ 1,383,492	$ -
Taiwan Innovation Board listed stock	-	794,008
Emerging Stocks	42,000	-
Non-TWSE/TPEx listing stock	273,248	212,080
Subtotal	1,698,740	1,006,088
Foreign investment		
Non-listing stock	188,678	144,487
	$ 1,887,418	$ 1,150,575

The merged company is based on the mid-term and long-term strategic purpose to invest in the stocks and expects 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 Company adjusted the investment positions to diversify risks in 2024 and sold part of the common stock shares of J&V Energy Technology Co., Ltd. at a fair value of NT$113,964 thousand; also, the unrealized valuation gain of NT$107,974 thousand of the related other interests - financial assets measured at fair value through other comprehensive profit or loss was transferred to retained earnings. A refund of NT$3,556 thousand was received from the capital reduction of Daiwa Green Energy No. 7 GK in August 2023; also, the related other equity – unrealized profit or loss in evaluation of financial assets measured at fair value through other comprehensive profit or loss was NT$1,692 thousand, which was transferred to retained earnings.

9. Financial assets measured at the amortized cost

	12/31/2024	12/31/2023
Current		
Domestic investment		
Time deposits with original maturity date for more than 3 months	$ 73,000	$ 66,000

As of December 31, 2024 and 2023, the interest rate range of time deposits with an original maturity for more than 3 months was 1.58%～1.71% and 0.54%～1.58% per annum, respectively.

10. Notes receivable, accounts receivable, and other receivable

	12/31/2024	12/31/2023
Notes receivable		
Measured at the amortized cost		
Total book amount – non-related party	$ 166,310	$ 185,032

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	12/31/2024	12/31/2023
Accounts receivable		
Measured at the amortized cost		
Total book amount – non-related party	$ 1,149,928	$ 1,091,236
Total book amount – related party	262	259
	$ 1,150,190	$ 1,091,495
Other receivable		
Non-related party	$ 49,701	$ 45,394
Related party	71	3
	$ 49,772	$ 45,397

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

Before accepting a new customer, the merged company will base on the customer's basic information and pay the customer a visit to collect data in order to determine the adequate credit line.

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, which considers the customer's default record and current financial situation, and the 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 expect 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 (including accounts receivable – related party) according to the provision matrix as follows:

12/31/2024

	Not overdue	Overdue 1～30 days	Overdue 31～180 days	Overdue 181～364 days	Overdue more than 365 days	Total
Expected credit loss rate	0%	0%	0%	-%	-%	
Total book amount	$ 1,077,851	$ 238,640	$ 9	$ -	$ -	$ 1,316,500
Allowance for loss (expected credit loss during the duration)	-	-	-	-	-	-
Amortized cost	$ 1,077,851	$ 238,640	$ 9	$ -	$ -	$ 1,316,500

12/31/2023

	Not overdue	Overdue 1～30 days	Overdue 31～180 days	Overdue 181～364 days	Overdue more than 365 days	Total
Expected credit loss rate	0%	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	$ 1,178,789	$ 96,599	$ 1,139	$ -	$ -	$ 1,276,527

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

	2024	2023
Balance - beginning	$ -	$ 42
Minus: Impairment losses reversed for current year	-	(42)
Balance - ending	$ -	$ -

11. Inventory - net

	12/31/2024	12/31/2023
Raw material	$ 1,107,669	$ 1,216,673
Supplies	337,784	325,291
Work-in-process goods	149,489	117,082
Finished goods	1,355,481	1,489,359
Commodities	17,941	8,116
	$ 2,968,364	$ 3,156,521

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

	2024	2023
Cost of inventory sold	$ 8,793,600	$ 8,255,782
Loss in valuation of inventory	18,629	2,033
	$ 8,812,229	$ 8,257,815

12. <u>Subsidiaries</u>

(1) Subsidiaries included in the consolidated financial report

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

			Shareholder's equity ratio		
Investing company	Name of subsidiary	Nature of business	12/31/2024	12/31/2023	Remarks
Formosan Union Chemical Corporation (FUCC)	Hershey Environmental Technology Co., Ltd. (HEC)	Planning and design of petrochemical engineering, mechanical equipment installation and trading, household liquefied petroleum gas distribution, petrochemical raw materials, and products processing and manufacturing business.	100.00%	100.00%	
FUCC	United Performance Materials Corporation (UPM)	Manufacturing, processing, and trading of petroleum resins and polyester resins.	80.25%	80.25%	
Hershey Environmental Technology Co., Ltd.			1.35%	1.35%	
Great Victory Chemical Industry Co., Ltd. (Great Victory)			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%	
FUCC	Fusugar Industry Corp. (Fusugar)	Sugar and seasonings manufacturing	90.52%	88.35%	3
Great Victory Chemical Industry Co., Ltd.			3.15%	3.87%	3
United Performance Materials Corporation (UPM)			1.00%	1.23%	3
FUCC	TANQUES DEL PACIFIO, S.A. (Tanques)	Operating warehousing business and liquid oil tanks leasing business	100.00%	100.00%	
Great Victory Chemical Industry 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%	1
Great Victory Chemical Industry Co., Ltd.	Tecnica Cientifica De Guatemala S. A. （TCDG）	Mainly engaged in the sales of pesticides and fertilizers.	-	73.75%	4
Hershey Environmental Technology Co., Ltd.	Yongji Energy Co., Ltd. (Yongji)	Thermal energy supply business, cleaning supplies wholesale business, electrical and mechanical installation, wholesale business, etc.	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%	

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. made a capital decrease in June 2024, and the company had cancelled 58,400 thousand shares for an amount of NT$584,000 thousand, representing a capital decrease of 40%; also, Fusugar Industry Coro. made a cash capital increase in August 2024, and the company had subscribed 20,000 thousand shares for an amount of NT$200,000 thousand and, representing a shareholding ratio of 90.52%. In addition, Great Victory Chemical Industry Co., Ltd. and United Performance Materials Corporation did not subscribe the new shares issued by Fusugar Industry Corp. for the aforementioned cash capital increase proportionally to the shareholding ratio. Therefore, their shareholding ratio was decreased to 3.15% and 1.00% after the capital increase on December 31, 2024.
4. Tecnica Cientifica De Guatemala S. A.（TCDG）was resolved in December 2024.

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

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

		Ratio of equity and voting rights held by non-controlling interests	
Name of subsidiary	Main business place	12/31/2024	12/31/2023
United Performance Materials Corporation	Taiwan Pingtung	17.91%	17.91%
Fusugar Industry Corp.	Taiwan Taichung	5.51%	6.77%

Name of subsidiary	Profit or loss distributed to non-controlling interest 2024	2023	Non-controlling interests 12/31/2024	12/31/2023
United Performance Materials Corporation	$ 2,097	($ 2,356)	$ 203,535	$ 201,010
Fusugar Industry Corp.	(3,757)	(5,098)	52,435	55,270
Total	($ 1,660)	($ 7,454)	$ 255,970	$ 256,280

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

United Performance Materials Corporation

	12/31/2024	12/31/2023
Current assets	$ 719,883	$ 629,388
Noncurrent assets	780,195	710,936
Current liabilities	(296,676)	(228,779)
Noncurrent liabilities	(78,910)	(1,153)
Equity	$ 1,124,492	$ 1,110,392
Equity attributable to:		
The company's shareholders	$ 920,957	$ 909,382
Non-controlling interest	203,535	201,010
	$ 1,124,492	$ 1,110,392

	2024	2023
Operating income	$ 1,344,104	$ 1,539,563
Net income (loss)	$ 11,711	($ 13,155)
Total comprehensive profit or loss	$ 13,927	($ 13,054)
Net income attributable to:		
The company's shareholders	$ 9,614	($ 10,799)
Non-controlling interest	2,097	(2,356)
	$ 11,711	($ 13,155)
Total comprehensive profit or loss attributable to:		
The company's shareholders	$ 11,433	($ 10,716)
Non-controlling interest	2,494	(2,338)
	$ 13,927	($ 13,054)

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	2024	2023
Cash flow		
Operating activities	($ 7,471)	$ 333,968
Investing activities	(104,110)	(15,928)
Financing activities	94,512	(460,825)
Net cash outflow	($ 17,069)	($ 142,785)
Dividend paid to non-controlling interest	$ -	$ -

Fusugar Industry Corp.

	12/31/2024	12/31/2023
Current assets	$ 29,582	$ 27,886
Noncurrent assets	1,379,311	1,397,797
Current liabilities	(23,688)	(201,624)
Noncurrent liabilities	(401,045)	(379,516)
Equity	$ 984,160	$ 844,543
Equity attributable to:		
The company's shareholders	$ 931,725	$ 789,273
Non-controlling interest	52,435	55,270
	$ 984,160	$ 844,543

	2024	2023
Operating income	$ 3,000	$ 1,500
Net loss	($ 60,384)	($ 77,903)
Total comprehensive profit or loss	($ 60,384)	($ 77,903)
Net loss attributable to:		
The company's shareholders	($ 56,627)	($ 72,805)
Non-controlling interest	(3,757)	(5,098)
	($ 60,384)	($ 77,903)
Total comprehensive profit or loss attributable to:		
The company's shareholders	($ 56,627)	($ 72,805)
Non-controlling interest	(3,757)	(5,098)
	($ 60,384)	($ 77,903)
Cash flow		
Operating activities	($ 22,974)	($ 35,629)
Investing activities	394	12,042
Financing activities	23,677	(11,393)
Net cash inflow (outflow)	$ 1,097	($ 34,980)
Dividend paid to non-controlling interest	$ -	$ -

13. Investment under the equity method

	12/31/2024	12/31/2023
Investment in associates	$ 67,893	$ 54,250
Investment in joint venture	559,267	746,437
	$ 627,160	$ 800,687

(1) Investment in associates

	12/31/2024	12/31/2023
Individual insignificant associate	$ 67,893	$ 54,250

Information summary of individual insignificant associate

	2024	2023
Profit ratio attributable to the merged company		
Net income and total comprehensive profit or loss	$ 5,890	$ 10,983

(2) Investment in joint venture

	12/31/2024	12/31/2023
Individual insignificant joint ventures	$ 559,267	$ 746,437

Information summary of individual insignificant joint venture

	2024	2023
Profit ratio attributable to the merged company		
Net income and total comprehensive profit or loss	($ 11,397)	($ 13,498)

Please refer to Table 7 “Invested Company Information, Place... and other Related Information” and Table 8 “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.

14. Property, plant and equipment

	12/31/2024	12/31/2023
Proprietary use	$ 3,804,195	$ 3,607,069

	Proprietary land	House and building	Machinery equipment	Transportation equipment	Lease betterment	Other equipment	Construction in progress & equipment to be tested	Total
Cost								
Balance – 1/1/2023	$ 898,339	$ 1,194,263	$ 6,562,421	$ 76,781	$ -	$ 485,790	$ 10,629	$ 9,228,223
Addition	-	1,313	18,198	1,518	-	7,326	9,473	37,828
Disposition	-	-	(11,071)	(2,729)	-	(355)	-	(14,155)
Reclassification	-	-	27,496	-	-	8,323	(17,990)	17,829
Net exchange difference	-	-	82	(4)	-	-	-	78
Balance – 12/31/2023	$ 898,339	$ 1,195,576	$ 6,597,126	$ 75,566	$ -	$ 501,084	$ 2,112	$ 9,269,803
Accumulated depreciation and impairment								
Balance – 1/1/2023	$ -	$ 422,065	$ 4,644,838	$ 63,835	$ -	$ 332,178	$ -	$ 5,462,916
Depreciation expense	-	24,828	164,012	2,174	-	22,565	-	213,579
Disposition	-	-	(10,786)	(2,705)	-	(319)	-	(13,810)
Net exchange difference	-	-	44	5	-	-	-	49
Balance – 12/31/2023	$ -	$ 446,893	$ 4,798,108	$ 63,309	$ -	$ 354,424	$ -	$ 5,662,734
Balance – 12/31/2023	$ 898,339	$ 748,683	$ 1,799,018	$ 12,257	$ -	$ 146,660	$ 2,112	$ 3,607,069
Cost								
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	14,216	-	9,705	45,985	17,651	343,910
Disposition	-	(3,798)	(8,316)	(5,281)	-	(7,013)	-	(24,408)
Reclassification	9,012	(12,306)	7,680	-	3,912	34,290	-	42,588
Net exchange difference	-	-	2,337	80	-	-	-	2,417
Balance – 12/31/2024	$ 1,049,509	$ 1,293,667	$ 6,613,043	$ 70,365	$ 13,617	$ 574,346	$ 19,763	$ 9,634,310
Accumulated depreciation and impairment								
Balance – 1/1/2024	$ -	$ 446,893	$ 4,798,108	$ 63,309	$ -	$ 354,424	$ -	$ 5,662,734
Depreciation expense	-	25,317	155,816	1,824	114	24,597	-	207,668
Disposition	-	(3,725)	(7,473)	(4,801)	-	(6,593)	-	(22,592)
Reclassification	-	(19,782)	-	-	-	-	-	(19,782)
Net exchange difference	-	-	2,065	22	-	-	-	2,087
Balance – 12/31/2024	$ -	$ 448,703	$ 4,948,516	$ 60,354	$ 114	$ 372,428	$ -	$ 5,830,115
Net amount – 12/31/2024	$ 1,049,509	$ 844,964	$ 1,664,527	$ 10,011	$ 13,503	$ 201,918	$ 19,763	$ 3,804,195

The merged company has the recoverable amount of property and equipment determined based on the fair value net of the disposal cost, and the relevant fair value is determined by the cost method. The main assumptions of property include estimated replacement cost (construction price plus expenses and profit margin) and physical reduction, which is a Level 3 fair value measurement. The main assumptions of equipment include estimated replacement (manufacturing) cost, physical reduction, and economic reduction, which is a Level 3 fair value measurement.

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

House and building	
Factory main building	2 ~ 55 years
Pipeline equipment	5 ~ 50 years
Partition and fences/walls	5 ~ 50 years
Machinery equipment	2 ~ 50 years
Transportation equipment	2 ~30 years
Lease betterment	10 years
Other equipment	2 ~ 30 years

Please refer to Note 34 for the property, plant and equipment that are pledged as collateral for loans.

15. Lease agreement

(1) Right-of-use assets

	12/31/2024	12/31/2023
Book amount of right-of-use assets		
Land	$ 473,235	$ 463,160
Buildings	51,392	6,034
Machinery equipment	307,081	291,551
Transportation equipment	10,378	6,699
	$ 842,086	$ 767,444

	2024	2023
Addition of right-of-use assets	$ 166,290	$ 332,302
Depreciation expense of right-of-use assets		
Land	$ 17,918	$ 17,324
Buildings	4,918	1,808
Machinery equipment	22,657	17,343
Transportation equipment	3,394	3,259
	$ 48,887	$ 39,734

(2) Lease liabilities

	12/31/2024	12/31/2023
Book amount of lease liabilities		
Current	$ 99,209	$ 76,043
Noncurrent	$ 773,785	$ 716,587

The discount rate ranges for lease liabilities are as follows:

	12/31/2024	12/31/2023
Land	0.85%~2.61%	0.85%~2.48%
Buildings	1.20%~1.77%	1.20%~2.29%
Machinery equipment	1.76%~1.82%	1.60%~1.76%
Transportation equipment	1.40%~2.29%	0.85%~2.29%

(3) Other lease information

	2024	2023
Short-term lease expense	$ 8,071	$ 14,286
Low value assets lease expense	$ 342	$ 329
Variable lease expense excluding from the measurement of lease liability	$ 1,923	$ 8,253
Total lease cash (outflow)	($111,762)	($ 86,894)

The merged company chose to apply the recognition exemption for assets that qualify for short-term leases and those that qualify for low-value asset leases, and did not recognize related right-of-use assets and lease liabilities for such leases.

16. Investment property

	Land	Building	Total
Cost			
Balance – 1/1/2023	$ 5,318	$ 4,897	$ 10,215
Balance – 12/31/2023	$ 5,318	$ 4,897	$ 10,215
Accumulated depreciation and impairment			
Balance – 1/1/2023	$ -	$ 995	$ 995
Depreciation expense	-	153	153
Balance – 12/31/2023	$ -	$ 1,148	$ 1,148
Net amount - Balance – 12/31/2023	$ 5,318	$ 3,749	$ 9,067
Cost			
Balance – 1/1/2024	$ 5,318	$ 4,897	$ 10,215
Reclassification	23,212	30,238	53,450
Balance – 12/31/2024	$ 28,530	$ 35,135	$ 63,665
Accumulated depreciation and impairment			
Balance - 1/1/2024	$ -	$ 1,148	$ 1,148
Depreciation expense	-	278	278
Reclassification	-	19,782	19,782
Balance - 12/31/2024	$ -	$ 21,208	$ 21,208
Net amount - 12/31/2024	$ 28,530	$ 13,927	$ 42,457

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

Buildings	
Factory main building	3 ~ 60 years

The total rent income to be received in the future for the operating lease of investment property is as follows:

	12/31/2024	12/31/2023
The 1st year	$ 5,872	$ 325
The 2nd year	5,527	297
The 3rd year	5,618	-
The 4th year	4,667	-
The 5th year	4,667	-
The 6th year	3,111	-
	$ 29,462	$ 622

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

	12/31/2024	12/31/2023
Proprietary land and buildings	$ 247,087	$ 24,808

All investment property of the merged company is a proprietary equity.

Please refer to Note 34 for the investment property that is pledged as collateral for loans.

17. Goodwill

	2024	2023
Cost		
Balance – Beginning and ending	$ 94,799	$ 94,799
Accumulated impairment loss		
Balance – Beginning and ending	$ 2,902	$ 2,902
Net amount - ending	$ 91,897	$ 91,897

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

	12/31/2024	112/31/2023
Petroleum Resin Department	$ 91,897	$ 91,897

(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 Petroleum Resin Department of the merged company exceeds the book value, there is no impairment of goodwill occurred. The recoverable amounts of other departments are estimated to be less than the book amount; therefore, a cumulative goodwill loss of NT$2,902 thousand was recognized at the end of 2024 and 2023, respectively.

18. Intangible assets

	Computer software	Others	Total
Cost			
Balance – 1/1/2023	$ 5,863	$ 3,267	$ 9,130
Acquired separately	897	-	897
Disposition	(1,531)	(2,513)	(4,044)
Balance – 12/31/2023	$ 5,229	$ 754	$ 5,983

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	Computer software	Others	Total
Accumulated amortization			
Balance – 1/1/2023	$ 4,353	$ 2,898	$ 7,251
Amortization expense	809	369	1,178
Disposition	(1,531)	(2,513)	(4,044)
Balance – 12/31/2023	$ 3,631	$ 754	$ 4,385
Net amount – 12/31/2023	$ 1,598	$ -	$ 1,598
Cost			
Balance – 1/1/2024	$ 5,229	$ 754	$ 5,983
Acquired separately	960	5,714	6,674
Disposition	(408)	(754)	(1,162)
Balance – 12/31/2024	$ 5,781	$ 5,714	$ 11,495
Accumulated amortization			
Balance – 1/1/2024	$ 3,631	$ 754	$ 4,385
Amortization expense	1,256	1,143	2,399
Disposition	(408)	(754)	(1,162)
Balance – 12/31/2024	$ 4,479	$ 1,143	$ 5,622
Net amount – 12/31/2024	$ 1,302	$ 4,571	$ 5,873

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

19. Other assets

	12/31/2024	12/31/2023
Current		
Prepayment		
Prepaid purchase	$ 191,709	$ 32,327
Others	54,536	48,276
	$ 246,245	$ 80,603
Noncurrent		
Prepaid equipment	$ 54,383	$ 91,825
Refundable deposits	$ 6,444	$ 4,618
Pledged time deposits (Note 34)	$ 27,000	$ 27,000
Others	48,997	17,693
	$ 75,997	$ 44,693

20. Loans

(1) Short-term loans

	12/31/2024	12/31/2023
Guaranteed loans		
Bank loan (1)	$ 35,000	$ 109,000
Unguaranteed loans		
Bank loan (1)	840,758	1,417,740
	$ 875,758	$ 1,526,740

The aforementioned guaranteed loans are guaranteed by the collateral of the merged company's buildings (see Note 34).

1. The interest rates of bank revolving loans were 0.50%~2.40% and 0.50%~3.10% on December 31, 2024 and 2023, respectively.

(2) Long-term loans

	12/31/2024	12/31/2023
Guaranteed loans		
Bank loan (1)	$ 155,703	$ -
Unguaranteed loans		
Bank loan (2)	-	104
	155,703	104
Minus: Long-term loan amount due in 1 year	(2,049)	(104)
	$ 153,654	$ -
Effective annual interest rate	2.38%~2.41%	2.40%

1. The merged company used the funds of the guarantee bank loan in 2024 that should be repaid monthly over 20 years. The first 12 months of the guarantee loan are a grace period during which only interest is paid. The said guarantee loan is applied to purchase land and buildings, and it is secured with the collateral of the land and buildings owned by the merged company (see Note 34).
2. The non-guarantee bank loan is with a fixed interest rate, which matured in January 2024.

21. Notes payable and accounts payable

	12/31/2024	12/31/2023
Notes payable		
Derived from operating activities	$ 944	$ 11,203
Accounts payable		
Non-related party	$ 410,699	$ 629,875

22. Other liabilities

	12/31/2024	12/31/2023
Current		
Other payable		
Salary payable	$ 294,436	$ 172,169
Director and supervisor remuneration payable	29,251	17,758

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	12/31/2024	12/31/2023
Employee remuneration payable	$ 33,455	$ 20,555
Interest payable	860	1,156
Labor service expense payable	3,714	3,083
Other expenses payable	154,615	129,623
Equipment payable	27,360	15,764
Other	8,215	8,504
	$ 551,906	$ 368,612
Other payable – related party	$ 2,190	$ 575
Other liabilities		
Contract liability	$ 31,492	$ 25,443
Refund liability	4,293	2,378
Temporary credit	222	6
Others	7,824	6,104
	$ 43,831	$ 33,931

23. Liability reserve

	12/31/2024	12/31/2023
Employee benefits	$ 25,802	$ 25,013

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

24. Retirement benefits plan

(1) Defined contribution plan

The company and the domestic subsidiaries have established defined retirement plan in accordance with the "Labor Pension Act" that is applicable to the employees with a nationality of Taiwan, R.O.C. For the labor pension system adopted by the employees of the company and the domestic subsidiaries in accordance with the "Labor Pension Act," it is the defined contribution plan managed by the government. An amount equivalent to 6% of the monthly salary is appropriated and deposited into the personal account with the Bureau of Labor Insurance.

(2) Defined benefit plan

The merged company's pension system subject to the "Labor Standards Act" of Taiwan R.O.C. is a defined benefit plan governed by the government. The pension payment to employees is calculated according to the seniority and the 6-month average salary prior to the retirement date. The merged company appropriates an amount equivalent to 2%~15% of the monthly salary as pension fund and has it deposited into the accounts with Bank of Taiwan and Hua Nan Bank in the name of the "Supervisory Committee of Business Entities' Labor Retirement Reserve." Before the end of the fiscal year, if the account balance is insufficient to pay the workers who are expected to meet the retirement conditions in the next year, the difference will be paid in a lump sum before the end of March of the next year. This account is managed by the "Bureau of Labor Funds, Ministry of Labor," and the merged company has no right to affect the investment management strategy.

The amount of the defined benefit plan included in the consolidated balance sheet is as follows:

	12/31/2024	12/31/2023
Present value of the defined benefit obligation	$ 59,100	$ 79,335
Fair value of the planned assets	(73,938)	(74,978)
Net defined benefit liabilities (assets)	($ 14,838)	$ 4,357
Defined benefit assets	($ 17,808)	($ 10,715)
Defined benefit liabilities	2,970	15,072
Net defined benefit liabilities (assets)	($ 14,838)	$ 4,357

The changes in net defined benefit liabilities are as follows:

	Present value of the defined benefit obligation	Fair value of the planned assets	Net defined benefit liability
Balance – 1/1/2023	$ 82,574	($ 68,143)	$ 14,431
Service cost			
Current service cost	1,063	-	1,063
Interest expense (income)	983	(815)	168
Recognized in profit or loss	2,046	(815)	1,231
Re-measurement amount			
Return on planned assets (except for the amount included in net interest)	-	(644)	(644)

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	Present value of the defined benefit obligation	Fair value of the planned assets	Net defined benefit liability
Actuarial profit or loss – changes in financial assumption	$ 241	$ -	$ 241
Actuarial profit or loss – adjustment by experience	434	-	434
Recognized in other comprehensive profit or loss	675	(644)	31
Appropriation of employer	-	(11,336)	(11,336)
Liquidation	(5,960)	5,960	-
Balance – 12/31/2023	79,335	(74,978)	4,357
Service cost			
Current service cost	872	-	872
Interest expense (income)	852	(812)	40
Recognized in profit or loss	1,724	(812)	912
Re-measurement amount			
Return on planned assets (except for the amount included in net interest)	-	(6,421)	(6,421)
Actuarial profit or loss – changes in financial assumption	(1,752)	-	(1,752)
Actuarial profit or loss – adjustment by experience	(7,726)	-	(7,726)
Recognized in other comprehensive profit or loss	(9,478)	(6,421)	(15,899)
Appropriation of employer	-	(4,208)	(4,208)
Benefit paid	(12,481)	12,481	-
Balance – 12/31/2024	$ 59,100	($ 73,938)	($ 14,838)

The merged company is exposed to the following risks due to the pension system of the “Labor Standards Act:”

1. Investment risk: The “Bureau of Labor Funds, Ministry of Labor” invests in domestic (foreign) equity securities, debt securities, and bank deposits through its own operation and entrusted management services. However, the distributable amount of the merged company’s planned assets is an amount not

less than the income generated from a 2-year time deposit interest rate of the local bank.

2. Interest rate risk: The decline in the interest rate of government bonds will cause the present value of the defined benefit obligations to go up; however, the debt investment returns of the planned assets will also go up, and the impact of the two on the net defined benefit liabilities will partially offset each other.
3. Salary risk: The calculation of the present value of the defined benefit obligation is by referring to the future salary of the members of the plan. Therefore, the increase in the salary of the members of the plan will cause the present value of the defined benefit obligation to go up.

The present value of the defined benefit obligation of the merged company is actuarially calculated by a qualified actuary. The material assumptions made on the measurement date are as follows:

	12/31/2024	12/31/2023
Discount rate	1.40%~1.65%	1.10%~1.20%
Future salary increase rate	2.80%~3.00%	2.70%~3.00%

If the material actuarial assumptions experience reasonably possible changes, with all other assumptions remaining unchanged, the amount of increase (decrease) in the defined benefit obligation is as follows:

	12/31/2024	12/31/2023
Discount rate		
Increased by 0.25%	($ 1,001)	($ 1,188)
Decreased by 0.25%	$ 1,030	$ 1,225
Future salary increase rate		
Increased by 0.25%	$ 1,014	$ 1,200
Decreased by 0.25%	($ 990)	($ 1,170)

Since actuarial assumptions may be correlated, it is unlikely that there is only one single assumption changed, so the aforementioned sensitivity analysis could be unable to reflect the actual changes in the present value of the defined benefit obligations.

	12/31/2024	12/31/2023
Amount expected to be appropriated within 1 year	$ 2,432	$ 2,453
Average due date of defined benefit obligation	1~9 years	2~8 years

25. Equity

(1) Common stock capital

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

(2) Additional paid-in capital

	12/31/2024	12/31/2023
Applicable for making up for losses, distributing cash, or capitalization (1)		
Stock premium	$ 50,085	$ 50,085
Treasury stock trading	8,625	8,625
Difference between consideration and book amount of subsidiary's stock shares acquired or disposed	12,076	12,076
Donated assets	124	124
Applicable only for making up for losses (2)		
Recognition of changes in the equity of the subsidiary owned by the company	$ 5,226	$ 6,180
Changes in net equity in associates and joint ventures under the equity method	3	-
	$ 76,139	$ 77,090

1. Such additional paid-in capital can be applied to make up for losses, and can also be applied to distribute cash or 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 adjustment to the additional paid-in capital of the subsidiary under the equity method.

(3) Retained earnings and dividend policy

The amendments to the company's Articles of Association were resolved in the shareholders' meeting on June 16, 2023, stipulating that the company's surplus earnings distribution or loss off-setting proposal is to be implemented at the end of each half-fiscal year.

According to the earnings distribution policy of the company's amended Articles of Incorporation, the company may have surplus earning distribution or loss off-setting proposal implemented at the end of each half-fiscal year. If there is a surplus in the final accounts of each half-fiscal year, the accumulated losses shall be made up first, an amount equivalent to the tax payable and employee and director remuneration shall be estimated and retained, and 10% legal reserve shall be set aside. However, this restriction shall not apply when the legal reserve equals the total capital of the company; also, special reserve should be appropriated or reversed in accordance with the laws and regulations or the requirements of the competent authorities. The balance of the earnings, if any, should be added to the accumulated unappropriated surplus of the first half of the fiscal year, and the board of directors shall prepare an earnings distribution proposal. The distribution of earnings in the form of issuing new shares should be presented in the shareholders' meeting for resolution; also, the distribution of earnings in the form of cash should be resolved by the board of directors.

The company's annual earnings, if any, should be applied to pay taxes first and make up for cumulative losses lawfully, and then appropriate 10% legal reserve. However, this restriction shall not apply when the legal reserve equals to the total capital; also, special reserve should be appropriated or reversed lawfully; also, such amount should be added to the undistributed surplus at the beginning of the same period and be regarded as the accumulated distributable surplus to shareholders. The shareholder's dividends should be appropriated for an amount not less than 1% of the distributable amount. When the surplus distribution proposed by the board of directors is to be paid in the form of issuing new shares, it must be presented in the shareholders' meeting for resolution before distribution.

The company authorizes the Board of Directors to distribute dividends and bonuses or the legal reserve and additional paid-in capital in part or in whole as prescribed in Article 241 of the Company Act in the form of cash in accordance with the provision of Article 240 of the Company Act, with a resolution passed by a majority of the directors present at a meeting attended by more than two-thirds of the directors, and then reports it to the shareholders' meeting.

According to the earnings distribution policy of the company's unamended Articles of Incorporation, the company's annual earnings, if any, should be applied to pay taxes first and make up for cumulative losses lawfully, and then appropriate 10% legal reserve. However, this restriction shall not apply when the legal reserve equals to the total capital; also, special reserve should be appropriated or reversed lawfully; also, such amount should be added to the undistributed surplus at the beginning of the same period and be regarded as the accumulated distributable surplus to shareholders. The shareholder's dividends should be appropriated for an amount not less than 1% of the distributable amount. The surplus distribution plan proposed by the board of directors must be presented in the shareholders' meeting for resolution before distribution.

Please refer to Note 27 (7) "remuneration to employees and directors" 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 in order to retain the needed funds, and the balance will be distributed in the form of cash dividends. If there is no major capital budget plan for the year or a working capital replenishment plan, 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 equals 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-up capital can be capitalized or applied for the distribution of cash.

For the adoption of the IFRSs for the first time, 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 the unrealized revaluation gains and accumulated conversion adjustments (benefits) under the shareholder's equity account that were transferred to retained earnings for the same amount. When the relevant assets are subsequently used, disposed of, or reclassified, 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 the 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 debit amount to the “other equity” is reversed subsequently, the special reserve can be reserved for the same amount for earnings distribution.

The company’s 2024 and 2023 half-fiscal-year earnings distribution is proposed as follows:

	2024		2023	
	The 2nd half fiscal year	The 1st half fiscal year	The 2nd half fiscal year	The 1st half fiscal year
Board resolution date	3/13/2025	11/8/2024	3/13/2024	11/10/2023
Legal reserve	$ 85,387	$ -	$ 41,496	$ -
Cash dividend	$ 381,613	$ -	$ 286,210	$ -
Cash dividend per share (NTD)	$ 0.80	$ -	$ 0.60	$ -

The board of directors has the aforementioned cash dividends resolved. The remaining profit distribution items for the year of 2024 are subject to the resolution of the regular shareholders’ meeting that is scheduled to be held on June 16, 2025. The profit distribution proposal for the year of 2023 was resolved in the regular shareholders’ meeting on June 13, 2024.

The company’s 2022 earnings distribution is proposed as follows:

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

The 2022 earnings distribution proposal was resolved in the regular shareholders' meeting on June 16, 2023.

(4) Other equities

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

	2024	2023
Balance – beginning	($ 6,158)	($ 25,070)
Incurred in the current year		
Exchange difference from the conversion of foreign operations	21,429	(13,821)
Income tax effect	(4,287)	2,764
Other comprehensive profit or loss of the year	17,142	(11,057)
Disposal of subsidiaries	(24)	-
Others	-	29,969
Balance - ending	$ 10,960	($ 6,158)

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

	2024	2023
Balance – beginning	$ 770,316	$ 633,578
Incurred in the current year		
Unrealized profit or loss		
Equity instrument	732,516	166,660
Profit or loss ratio from associates under the equity method	(258)	(99)
Income tax effect	(122,647)	(31,515)
Other comprehensive profit or loss of the year	609,611	135,046
Accumulated profit or loss from the disposal of equity instrument transferred to retained earnings	(107,974)	1,692
Balance - ending	$1,271,953	$ 770,316

(5) Non-controlling interests

	2024	2023
Balance – beginning	$ 269,657	$ 276,492
Net loss	(871)	(6,465)
Other comprehensive profit or loss of the year		
Remeasurement amount of defined benefit plan	397	18
Disposal of subsidiaries	(633)	-

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	2024	2023
Changes in the equity of the subsidiary owned by the company	$ 954	$ -
Cash dividend distributed to non-controlling interests by subsidiary	(349)	(388)
Balance – ending	$ 269,155	$ 269,657

26. Income

	2024	2023
Income from customer contract		
Commodity sales income	$ 10,275,356	$ 9,405,692
Labor service income	9,593	6,763
Power income	19,538	19,838
	$ 10,304,487	$ 9,432,293

(1) Contract balance

	12/31/2024	12/31/2023	1/1/2023
Notes receivable (Note 10)	$ 166,310	$ 185,032	$ 170,643
Total accounts receivable (Note 10)	$1,149,928	$1,091,236	$ 913,548
Accounts receivable – related party (Note 10)	$ 262	$ 259	$ -
Contract liability (Note 22)			
Commodity sales	$ 31,492	$ 25,443	$ 18,574

(2) Classification of income from customer contracts

Please refer to Note 40 for the classification of income in detail.

27. Net income

(1) Interest income

	2024	2023
Bank deposits	$ 5,200	$ 11,899
Others	35	30
	$ 5,235	$ 11,929

(2) Other income

	2024	2023
Rent income		
Operating lease	$ 21,423	$ 5,283
Dividend income		
Financial assets measured at fair value through profit or loss	1,444	3,442
Equity instrument investment measured at fair value through other comprehensive profit or loss	73,404	38,639
Others	23,282	17,210
	$ 119,553	$ 64,574

(3) Other profit and loss

	2024	2023
Financial assets profit or loss		
Financial assets measured at fair value through profit or loss mandatorily	$ 137,764	$ 31,543
Profit from the disposal of property, plant, and equipment	211	185
Net exchange profit	68,508	16,254
Others	(12,974)	(13,073)
	$ 193,509	$ 34,909

(4) Financial cost

	2024	2023
Interest expense		
Loans	$ 28,128	$ 33,020
Lease liability	17,032	14,189
Others	87	32
	$ 45,247	$ 47,241

(5) Depreciation and amortization

	2024	2023
Depreciation expense summarized by functions		
Operating cost	$ 204,379	$ 217,714
Operating expense	52,454	35,752
	$ 256,833	$ 253,466

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	2024	2023
Amortization expense summarized by functions		
Operating cost	$ 745	$ 931
Operating expense	1,654	247
	$ 2,399	$ 1,178

(6) Employee benefit expense

	2024	2023
Retirement benefits		
Defined contribution plan	$ 18,713	$ 19,466
Defined benefit plan (Note 24)	912	1,231
Other employee welfares	783,384	665,483
Total	$ 803,009	$ 686,180
Summarized by functions		
Operation cost	$ 528,392	$ 458,994
Operation expense	274,617	227,186
	$ 803,009	$ 686,180

(7) Remuneration to employees and directors

The company has remuneration to employees and directors appropriated for an amount equivalent to 2.5% and not higher than 2.5% 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 year of 2024 and 2023 was resolved by the board of directors on March 13, 2025 and 2024, respectively, as follows:

Estimation ratio

	2024	2023
Remuneration to employees	2.50%	2.50%
Remuneration to directors	2.38%	2.50%

Amount

	2024	2023
	Cash	Cash
Remuneration to employees	$ 22,607	$ 12,807
Remuneration to directors	21,531	12,807

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.

There is no difference between the actual remuneration amount to employee 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

	2024	2023
Total foreign exchange profit	$ 117,702	$ 95,569
Total foreign exchange loss	(49,194)	(79,315)
Net profit	$ 68,508	$ 16,254

28. Income tax

(1) Income tax recognized in profit or loss

The main components of income tax expenses are as follows:

	2024	2023
Current income tax		
Incurred in the current year	$ 43,179	$ 100,518
Additionally levied on unappropriated earnings	7,467	9,223
Adjustment of prior periods	(8,029)	(1,513)
Investment credit	(4,373)	(2,910)
The difference between the basic tax and the general income tax	20,867	-
	59,111	105,318
Deferred income tax		
Incurrent in the current year	96,111	(21,591)
Income tax expense recognized in profit or loss	$ 155,222	$ 83,727

The adjustment of accounting income and income tax expenses is as follows:

	2024	2023
Net income before tax	$ 887,927	$ 495,450

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	2024	2023
Income tax expense calculated according to statutory tax rate for net income before tax	$ 195,300	$ 99,244
Tax-free income	(40,523)	(17,647)
Amount under the equity method	(30,340)	(18,288)
Expense and loss not tax deductible	38	37
Additionally levied on unappropriated earnings	7,467	9,223
Investment credit	(4,373)	(2,910)
Loss credit available	14,815	15,581
Current income tax expense of previous periods adjusted in current year	(8,029)	(1,513)
The difference between the basic tax and the general income tax	20,867	-
Income tax expense recognized in profit or loss	$ 155,222	$ 83,727

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

	2024	2023
Deferred income tax		
Incurred in the current year		
— Conversion of foreign operations	$ 4,287	$ 2,764
— Unrealized profit or loss of financial assets measured at fair value through other comprehensive profit or loss	122,647	(31,515)
— Re-measurement amount of defined benefit plan	3,180	6
Income tax recognized in other comprehensive profit or loss	$ 130,114	($ 28,745)

(3) Current income tax assets and liabilities

	12/31/2024	12/31/2023
Current income tax asset		
Tax refund receivable	$ 131	$ 33
Current income tax liabilities		
Income tax payable	$ 18,100	$ 95,123

(4) Deferred income tax assets and liabilities

The changes in deferred income tax assets and liabilities are as follows:

2024

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive profit or loss	Ending balance
Deferred income tax assets				
Temporary difference				
Early recognition of sales income for tax purpose	$ 5,652	$ 20,448	$ -	$ 26,100
Unrealized exchange loss	5,564	(5,300)	-	264
Unrealized cost of goods sold	16,153	(1,177)	-	14,976
Unrealized loss in valuation of inventory	6,059	3,726	-	9,785
Unrealized vacation benefit payable	4,981	159	-	5,140
Investment loss under the equity method	120,589	(93,641)	-	26,948
Profit from the disposal of overseas investment	5,027	-	-	5,027
Unrealized gross loss of sales	21	377	-	398
Impairment loss of Investment under the equity method	580	-	-	580
Loss credit	7,362	(2,080)	-	5,282
Exchange loss from the conversion of financial statements of foreign operations	12,422	-	(4,287)	8,135
Defined benefit plan	38,331	-	(3,180)	35,151
Unrealized loss in valuation of financial assets valued at fair value through other comprehensive profit or loss	-	-	25	25
	$ 222,741	($ 77,488)	($ 7,442)	$ 137,811
Deferred income tax liabilities				
Temporary difference				
Early recognition of cost of goods sold for tax purpose	$ 4,293	$ 16,172	$ -	$ 20,465
Unrealized exchange profit	1,855	500	-	2,355
Investment profit under the equity method	3,092	1,955	-	5,047
Unrealized gain in valuation of financial assets valued at fair value through other comprehensive profit or loss	153,617	-	122,672	276,289
Exchange gains from converting financial statements of foreign operations	4	(4)	-	-
Land value increment in valuation	172,429	-	-	172,429
	$ 335,290	$ 18,623	$ 122,672	$ 476,585

2023

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive profit or loss	Ending balance
Deferred income tax assets				
Temporary difference				
Early recognition of sales income for tax purpose	$ 24,089	($ 18,437)	$ -	$ 5,652
Unrealized exchange loss	6,622	(1,058)	-	5,564
Unrealized cost of goods sold	21,990	(5,837)	-	16,153
Unrealized loss in valuation of inventory	5,652	407	-	6,059
Unrealized vacation benefit payable	5,234	(253)	-	4,981
Investment loss under the equity method	102,347	18,242	-	120,589
Profit from the disposal of overseas investment	5,027	-	-	5,027
Unrealized gross loss of sales	72	(51)	-	21
Impairment loss of investment under the equity method	580	-	-	580
Loss credit	5,030	2,332	-	7,362
Exchange loss from the conversion of financial statements of foreign operating institution	9,654	-	2,768	12,422
Defined benefit plan	38,325	-	6	38,331
Unrealized loss in valuation of financial assets valued at fair value through other comprehensive profit or loss	116	-	(116)	-
	$ 224,738	($ 4,655)	$ 2,658	$ 222,741
Deferred income tax liabilities				
Temporary difference				
Early recognition of cost of goods sold for tax purpose	$ 21,025	($ 16,732)	$ -	$ 4,293
Unrealized exchange profit	393	1,462	-	1,855
Investment profit under the equity method	14,068	(10,976)	-	3,092
Unrealized gain in valuation of financial assets valued at fair value through other comprehensive profit or loss	122,218	-	31,399	153,617
Exchange gain from the conversion of financial statements of foreign operations	-	-	4	4
Land value increment in valuation	172,429	-	-	172,429
	$ 330,133	($ 26,246)	$ 31,403	$ 335,290

(5) Deductible temporary differences that are not recognized as deferred income tax assets

	12/31/2024	12/31/2023
Loss credit	$ 906,899	$ 940,081

(6) Information on available loss credit

Information on the loss credit as of December 31, 2024 is as follows:

Balance of loss credit	Final year for credit deduction
$ 21,044	2025
30,242	2026
55,169	2027
94,367	2028
170,484	2029
206,833	2030
131,270	2031
94,978	2032
90,435	2033
12,077	2034
$ 906,899	

(7) Income tax audit

The tax collection agency has the income tax returns of the company, 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., Yung Sheng Green Power Co., Ltd., audited up to the year before 2022.

TANQUES DEL PACIFIO, S.A. had completed the 2024 income tax return filing before the deadline stipulated by the local tax collection agency.

29. Earnings per share

Unit: NT$/share

	2024	2023
Basic earnings per share	$ 1.54	$ 0.88
Diluted earnings per share	$ 1.53	$ 0.88

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

Net income

	2024	2023
Net income attributable to the company’s shareholders	$ 733,576	$ 418,188

Shares

Unit: Thousand shares

	2024	2023
Weighted average number of common stock shares for the calculation of basic earnings per share	477,016	477,016
The impact of potential diluted common stock shares:		
Remuneration to employees	1,231	897
Weighted average number of common stock shares for the calculation of diluted earnings per share	478,247	477,913

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 potential diluted 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. Equity transactions with non-controlling interests

The merged company did not acquire the cash capital increase equity of Fusugar Industry Corp. proportionally to the shareholding ratio in August 2024, resulting in the shareholding ratio to rise from 93.23% to 94.49%.

Since the aforementioned transactions did not change the control of the merged company over the subsidiary, the merged company had it treated as an equity transaction.

2024

	Fusugar Industry Corp.
Subsidiary's net assets book amount transferred to (transferred in) the non-controlling interest according to the changes in correlative equity	($ 954)

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	Fusugar Industry Corp.
Equity trade difference adjustments	
Additional paid-in capital – Recognized changes in the equity of the subsidiary owned by the company	($ 954)

31. Capital risk management

The merged company initiates 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 and stabilize business performance, and to maximize the return of shareholders' equity.

32. Financial instruments

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

1. Fair value level

12/31/2024

	Level 1	Level 2	Level 3	Total
Financial assets valued at fair value through profit or loss				
－Fund beneficiary certificate	$ 78,531	$ -	$ -	$ 78,531
Financial assets valued at fair value through other comprehensive profit or loss				
Equity instrument investment				
－Domestic TWSE/TPEx listing stock	$ 1,383,492	$ -	$ -	$ 1,383,492
－Domestic emerging stock	-	42,000	-	42,000
－Domestic non-TWSE/TPEx listing stock	-	32,340	240,908	273,248
－Foreign non-listed (OTC) stock	-	27,048	161,630	188,678
Total	$ 1,383,492	$ 101,388	$ 402,538	$ 1,887,418

12/31/2023

	Level 1	Level 2	Level 3	Total
Financial assets valued at fair value through profit or loss				
－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
Financial assets measured at fair value through other comprehensive profit or loss				
Equity instrument investment				
－Taiwan Innovation Board listed stock	$ -	$ 794,008	$ -	$ 794,008
－Domestic non-TWSE/TPEx listing stock	-	-	212,080	212,080
－Foreign non-listed (OTC) stock	-	-	144,487	144,487
Total	$ -	$ 794,008	$ 356,567	$ 1,150,575

J&V Energy Technology Co., Ltd. was reclassified from Taiwan Innovation Board listed stock to general listed stock on June 19, 2024; also, its fair value measurement was reclassified from Level 2 to Level 1. There was no reclassification between Level 1 and Level 2 fair value measurements in 2023.

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

The fair values of Taiwan Innovation Board listed stocks, domestic emerging stock, and domestic and foreign unlisted (OTC) stocks are assessed in accordance with the market approach.

3. Adjustment of financial instruments measured at Level 3 fair value

2024

Financial assets	Financial assets measured at fair value through other comprehensive profit or loss Equity instrument
Balance - beginning	$ 356,567
Purchasing	17,520
Recognized in other comprehensive profit or loss (unrealized profit or loss of financial assets measured at fair value through other comprehensive profit or loss)	28,451
Balance - ending	$ 402,538

2023

Financial assets	Financial assets measured at fair value through other comprehensive profit or loss Equity
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)	10,902
Balance - ending	$ 356,567

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/TEPx 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.

	12/31/2024	12/31/2023
Weighted average capital cost rate	10.30%	9.75%
Terminal value growth rate	2.00%	2.00%
Discount adjustment	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:

	12/31/2024	12/31/2023
Weighted average capital cost rate		
Increased by 1%	($ 18,111)	($ 17,846)
Decreased by 1%	$ 23,146	$ 23,146
Terminal value growth rate		
Increased by 1%	$ 18,994	$ 18,552
Decreased by 1%	($ 14,754)	($ 14,224)

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	12/31/2024	12/31/2023
Discount adjustment		
Increased by 1%	($ 3,092)	($ 3,004)
Decreased by 1%	$ 3,180	$ 2,915

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

	12/31/2024	12/31/2023
Long-term income growth rate	2.00%	2.00%
Weighted average capital cost rate	7.98%	8.66%
Liquidity discount rate	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:

	12/31/2024	12/31/2023
Long-term income growth rate		
Increased by 1%	$ 22,054	$ 17,291
Decreased by 1%	($ 15,735)	($ 12,776)
Weighted average capital cost rate		
Increased by 1%	($ 15,656)	($ 12,679)
Decreased by 1%	$ 21,935	$ 17,152
Liquidity discount rate		
Increased by 1%	($ 2,309)	($ 2,064)
Decreased by 1%	$ 2,309	$ 2,064

(2) Types of financial instruments

	12/31/2024	12/31/2023
Financial assets		
Measured at fair value through profit or loss		
Measured at fair value through profit or loss mandatorily	$ 78,531	$ 170,323
Measured at the amortized cost (Note 1)	1,923,314	1,908,720
Measured at fair value through other comprehensive profit or loss		
Equity instrument investment	1,887,418	1,150,575
Financial liabilities		
Measured at the amortized cost (Note 2)	1,997,200	2,537,109

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 receivable, other receivable-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, 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 operations of the merged company with the internal risk report on the risk exposure analyzed in accordance with the degree and breadth of risk. These 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 38 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 exchange rate risk of monetary items of the merged company mainly comes from the foreign currency-denominated bank deposits, receivable and payable, other receivable and payable, and bank loans that are still in circulation 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 2024 and 2023, and all other factors remained unchanged, the net income before tax or equity decreased by NT$8,829 thousand and NT$5,602 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 rates and floating interest rates at the same time, resulting in interest rate risk exposure.

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

	12/31/2024	12/31/2023
Contained fair value interest rate risk		
－Financial assets	$ 86,500	$ 166,500
－Financial liabilities	992,994	1,640,734
Contained cash flow interest rate risk		
－Financial assets	398,608	338,302
－Financial liabilities	911,461	678,740

Sensitivity analysis

The sensitivity analysis below is based on the interest rate risk exposure of the non-derivative instruments on the balance sheet date. For floating rate assets and liabilities, the analysis is based on the assumption that the amount of assets and liabilities that were in circulation on the balance sheet date were in circulation throughout the reporting period. The interest rate change ratio at the time of reporting interest rates internally to the management of the merged company 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 2024 and 2023 net income before tax would decrease/increase by NT$5,129 thousand and NT$3,404 thousand, 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 merged company's variable interest rate deposits and net position of loans with variable interest rate.

(3) Other price risk

The merged company suffers equity price risk exposure due to equity securities investment. The equity securities investment is not held for trading and it is 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 sensitivity analysis below is 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 in 2024 and 2023 would increase/decrease by NT$785 thousand and NT$1,703 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 in 2024 and 2023 would increase/decrease by NT$18,874 thousand and NT$11,506 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 in performing 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 the compliance with the loan contract terms.

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

12/31/2024

	Immediate payment or paying within 1 year	1-2 years	2-5 years	Over 5 years
Non-derivative financial liabilities				
Non-interest-bearing liabilities	$ 965,739	$ -	$ -	$ -
Lease liabilities	116,444	109,360	287,790	616,787
Floating interest rate instrument	764,240	11,783	34,173	142,336
Fixed interest rate instrument	120,149	-	-	-
	$ 1,966,572	$ 121,143	$ 321,963	$ 759,123

12/31/2023

	Immediate payment or paying within 1 year	1-2 years	2-5 years	Over 5 years
Non-derivative financial liabilities				
Non-interest-bearing 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	-	-	-
	$ 2,630,761	$ 83,005	$ 249,165	$ 607,763

(2) Loan commitments

	12/31/2024	12/31/2023
Unguaranteed bank loan commitments		
－Loan commitments applied	$ 840,758	$ 1,417,844
－Loan commitments not yet applied	3,809,242	3,630,491
	$ 4,650,000	$ 5,048,335
Guaranteed bank loan commitments		
－Loan commitments applied	$ 190,703	$ 109,000
－Loan commitments not yet applied	205,000	140,000
	$ 395,703	$ 249,000

33. Related party transactions

The transactions, account balances, and income and expenses 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 of and relationship with the related parties

Name of related party	Relationship with the merged company
Defia Co., Ltd.	Associate
Pei Ting Energy Ltd. (Pei Ting Energy)	Associate
Chang Chun FUCC (Changshu)	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 Sportsware Corp.	Other related party (the chairman of the company serves as the chairman of Hsin-Chuang)
Mei-Lun Investment Co., Ltd.	Other related party (the chairman of the company serves as the supervisor of Mei-Lun)

(2) Operating income

Account	Classification of related party	2024	2023
Sales income	Joint venture	$ 119,358	$ 171,588
Processing income	Associate	$ 3,000	$ 1,500

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

Account	Classification of related party	2024	2023
Purchase	Joint venture	$ 38,568	$ 19,720

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

Account	Classification/name of related party	12/31/2024	12/31/2023
Accounts receivable – related party	Associate / Defia Co., Ltd.	$ 262	$ 259
Other receivable – related party	Associate / Defia Co., Ltd.	$ 71	$ 3

No guarantee is received for the outstanding accounts receivable from related parties. The 2024 and 2023 receivables from related party are without any allowance for losses appropriated.

(5) Payable to related parties (excluding the loans from related parties)

Account	Classification/name of related party	12/31/2024	12/31/2023
Other payable – related party	Associate / Defia Co., Ltd.	$ 1,542	$ 240
	Associate / Pei Ting Energy Ltd.	648	335
		$ 2,190	$ 575

No guarantee is provided for the outstanding payable to related parties.

(6) Prepaid land (booked in the "prepaid equipment" account)

Classification/name of related party	12/31/2024	12/31/2023
Other related party / Shin Ben Industrial Co., Ltd.	$ -	$ 50,155

A contract for the trade of land and buildings in Wanhua District, Taipei City was signed with other related party, Shin Ben Industrial Co., Ltd., in 2020 with the payment made according to the contract terms and the progress of the construction; also, the price was determined by reference to the appraisal report and negotiation between the two parties. The said transaction was booked in the "property, plant and equipment" account in September 2024.

(7) Acquisition of property, plant and equipment

	Acquisition price	
Classification/name of related party	2024	2023
Associate	$ 108	$ -
Other related party / Shin Ben Industrial Co., Ltd.	305,880	-
	$305,988	$ -

The merged company's subsidiaries, United Performance Materials Corporation, Hershey Environmental Technology Co., Ltd., and Great Victory Chemical Industry Co., Ltd. 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 with the property transfer registration and unpaid balance settlement completed in July and September 2024, respectively.

(8) Disposal of property, plant and equipment

	Disposal price		Disposal profit (loss)	
Classification of related party	2024	2023	2024	2023
Associate	$ 50	$ -	$ 1	$ -

(9) Lease agreement

Classification / name of related party	2024	2023
Acquisition of right-of-use assets		
Other related party	$ 28,769	$ -
Other related party / Shin Ben	21,506	-
	$ 50,275	$ -

Account	Classification of related party	12/31/2024	12/31/2023
Lease liability - current	Other related party	$ 7,497	$ -
Lease liability - noncurrent	Other related party	$ 39,389	$ -

Classification of related party	2024	2023
Interest expense		
Other related party	$ 433	$ -

The merged company leased offices on Liuzhou Street, Wanhua District, Taipei City from Shin Ben, Hsin-Chuang Sportsware Corp., and Mei-Lun Investment Co., Ltd., respectively, for a lease term of 6 years. The rent was agreed upon by both parties based on market conditions, and fixed rent amount is paid quarterly in accordance with the lease agreement.

(10) Lease agreement

Operating lease

The merged company leased out the right-of-use of the office on Liuzhou Street, Wanhua District, Taipei City to the associates under the operating lease with a remaining lease period of 6 years.

The total amount of lease payment to be collected in the future is summarized as follows:

Classification of related party	2024	2023
Associate	$ 5,117	$ -

The rental income is summarized as follows:

Classification of related party	2024	2023
Associate	$ 67	$ 80

(11) Manufacturing expense

Account	Classification of related party	2024	2023
Manufacturing expense – other expense	Associate	$ 811	$ 52

(12) Other income

Account	Classification of related party	2024	2023
Other income	Associate	$ 150	$ 56

(13) Endorsements and guarantees

Please refer to Note 35(2) for details.

(14) Remunerations to the management

	2024	2023
Short-term employee benefits	$ 130,826	$ 96,858
Retirement benefits	2,320	2,414
	$ 133,146	$ 99,272

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

34. Pledged assets

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

	12/31/2024	12/31/2023
Property, plant and equipment		
Proprietary land	$ 886,777	$ 825,787
House and building	747,740	676,974
Investment property		
Proprietary land	983	983
Other noncurrent assets – pledged time deposit	27,000	27,000
	$ 1,662,500	$ 1,530,744

35. 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$282,000 thousand and NT$236,000 thousand, US$250 thousand and US$2,764 thousand, JPY 0 and JPY 66,942 thousand, and EUR 1,291 thousand and EUR 0 as of December 31, 2024 and 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 and NT$69,000 thousand for Fusugar Industry Corp. as of December 31, 2024 and 2023, respectively, which were approved by the board of directors of the company, and the actual amount implemented was NT$0 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 December 31, 2024 and 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.

36. Other matters

None

37. Material post-event

None

38. 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 in the merged companies. The disclosed exchange rates refer to the exchange rates for the conversion of the foreign currencies into functional currencies. The material and influential assets and liabilities in foreign currency are as follows:

12/31/2024

	Foreign currency	Exchange rate	Book amount
Assets in foreign currency			
Monetary items			
USD	$ 30,873	32.7350 （USD：NTD）	$ 1,010,612
JPY	79,812	0.2079 （JPY：NTD）	16,593
Non-monetary items			
Financial assets measured at fair value through other comprehensive profit or loss - noncurrent			
RMB	36,094	4.4780 （RMB：NTD）	161,630
USD	825	32.7850 （USD：NTD）	27,048
Associate and joint venture under the equity method			
VND	157,661,102	0.0013 （VND：NTD）	204,959
RMB	77,686	4.5608 （RMB：NTD）	354,308
Liabilities in foreign currency			
Monetary items			
USD	4,395	32.8350 （USD：NTD）	144,313

12/31/2023

	Foreign currency	Exchange rat	Book amount
Assets in foreign currency			
Monetary items			
USD	$ 30,560	30.6550 （USD：NTD）	$ 936,832
JPY	89,352	0.2152 （JPY：NTD）	19,229

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	Foreign currency	Exchange rat		Book amount
Non-monetary items				
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
Liabilities in foreign currency				
Monetary items				
USD	12,429	30.7550	（USD：NTD）	382,252
EUR	399	34.1800	（EUR：NTD）	13,653

The merged company mainly bears the exchange rate risk of the 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:

	2024		2023	
Functional currency	Functional currency converted to expressing currency	Net exchange profit	Functional currency converted to expressing currency	Net exchange profit
NTD	1（NTD : NTD）	$ 68,508	1（NTD : NTD）	$ 16,254

39. Supplementary disclosures

(1) Information on material transactions:

1. Loaning of funds (Table 1)
2. Making of endorsements/guarantees (Table 2)

3. The marketable securities held at year end (excluding investment in the equity of the subsidiaries, associates, and joint venture) (Table 3)
4. The cumulative amount of buying or selling one security exceeding NT$300 million or 20% of the paid-in capital (Table 4)
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 (Table 5)
8. The amounts 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 amounts conducted between the parent company and subsidiaries and among the subsidiaries (Table 6)

(2) Investment related information: (Table 7)

(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, year-end investment book amount, investment profit or loss remitted inward, and limits of investment in Mainland China (Table 8)
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: (Table 5)
   (1) The purchase amount and percentage and the year-end balance and percentage of related payable;
   (2) The sales amount and percentage and the year-end balance and percentage of related receivable;
   (3) The amount of property transactions and the amount of profit or loss resulted;
   (4) The endorsement/guarantee of the bill or the year-end amount of the collateral provided and its purpose;

(5) The maximum balance, year-end balance, interest rate range, and total current interest 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 (Table 9)

40. Department information

Information is provided to the business decision makers for allocating resources and evaluating departmental performance with a focus on each type of product or service delivered or provided. The Alkylation Manufacturing Department and the Petroleum Resin Manufacturing Department of the merged company must be presented. The Alkylation Manufacturing Department mainly produces alkylbenzene and nonanol. 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 manufacturing and sales of pesticides, the processing and manufacturing of petrochemical engineering, etc.

(1) Departmental income and operating results

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

2024

	Alkylation	Petroleum resin	Others	Total
Income from external customers	$ 8,465,662	$ 1,274,252	$ 564,573	$10,304,487
Inter-department income	263,412	321,660	19,527	604,599
Departmental income	$ 8,729,074	$ 1,595,912	$ 584,100	10,909,086
Internal written-off				(604,599)
Consolidated income				$10,304,487
Departmental profit or loss	$ 909,653	($ 34,055)	$ 17,578	$ 893,176
Percentage of profit or loss from associates and joint venture under the equity method				(5,249)
Net income before tax				$ 887,927

2023

	Alkylation	Petroleum resin	Others	Total
Income from external customers	$ 7,355,600	$ 1,479,711	$ 596,982	$ 9,432,293
Inter-department income	353,091	239,607	17,133	609,831
Departmental income	$ 7,708,691	$ 1,719,318	$ 614,115	10,042,124
Internal written-off				(609,831)
Consolidated income				$ 9,432,293
Departmental profit or loss	$ 596,025	($ 97,716)	($ 443)	$ 497,866
Percentage of profit or loss from associates and joint venture under the equity method				(2,416)
Net income before tax				$ 495,450

(2) Total departmental assets

Departmental assets	12/31/2024	12/31/2023
Business departments		
Alkylation Department	$ 7,925,854	$ 7,474,393
Petroleum Resin Department	2,146,861	1,975,647
Other departments	2,707,358	2,641,101
Total consolidated assets	$ 12,780,073	$ 12,091,141

(3) Income from main products

The income from the main products of the parent company and its subsidiaries is analyzed as follows:

	2024	2023
Alkylation	$ 8,465,662	$ 7,355,600
Petroleum resin	1,274,252	1,479,711
Other	564,573	596,982
	$ 10,304,487	$ 9,432,293

(4) Regional information

The operating income of the merged company from external customers is classified by the country where the customers are located as follows:

	Income generated from external customers	
	2024	2023
Taiwan	$ 1,949,893	$ 1,995,457
China	2,221,049	1,709,046
Guatemala	1,700,444	1,571,795
Philippines	792,193	658,043
Vietnam	534,670	603,552
USA	662,343	592,037
Others	2,443,895	2,302,363
	$ 10,304,487	$ 9,432,293

(5) Major customer information

The direct sales income amounted to NT$10,304,487 thousand and NT$9,432,293 thousand in 2024 and 2023, respectively, of which, NT$1,700,444 thousand and NT$1,571,795 thousand were generated from the largest customers of the merged company.

Formosan Union Chemical Corporation and Subsidiaries

Loaning of Funds

January 1 – December 31, 2024

Table 1

Unit: NT$ Thousand

No.	Lending company	Borrower	Account	A related party or not	Maximum balance - current	Ending balance	Actual loan amount	Interest rate range	Nature of loaning of fund	Transaction amount	Reason for short-term loaning of funds	Appropriation of allowance for bad debt	Collateral		Individual loaning of fund limit	Total loaning of fund limit	Remarks
													Name	Value			
1	United Performance Materials Corporation	Fusugar Industry Corp.	Other receivable – related party	es	$ 90,000	$ -	$ -	Note 7	Needs for short-term loans	$ -	Working capital	$ -	-	$ -	$ 112,449 (Note 1)	$ 224,898 (Note 2)	
2	Great Victory Chemical Industry Co., Ltd.	Fusugar Industry Corp.	Other receivable – related party	Yes	90,000	-	-	Note 7	Needs for short-term loans	-	Working capital	-	-	-	110,193 (Note 3)	220,387 (Note 4)	
2	Great Victory Chemical Industry Co., Ltd.	Hershey Environmental Technology Co., Ltd.	Other receivable – related party	Yes	80,000	-	-	Note 7	Needs for short-term loans	-	Working capital	-	-	-	110,193 (Note 3)	220,387 (Note 4)	
3	Hershey Environmental Technology Co., Ltd.	Fusugar Industry Corp.	Other receivable – related party	Yes	40,000	-	-	Note 7	Needs for short-term loans	-	Working capital	-	-	-	63,870 (Note 5)	127,740 (Note 6)	

Note 1: The loaning of funds to individual borrowers is limited to 10% of the net value of United Performance Materials Corporation, that is, NT$1,124,492×10%＝NT$112,449.

Note 2: The total loaning of funds is limited to 20% of the net value of United Performance Materials Corporation, that is, NT$1,124,492×20%＝NT$224,898.

Note 3: The loaning of funds to individual borrowers is limited to 10% of the net value of Great Victory Chemical Industry Co., Ltd., that is, NT$1,101,933×10%＝NT$110,193.

Note 4: The total loaning of funds is limited to 20% of the net value of Great Victory Chemical Industry Co., Ltd., that is, NT$1,101,933×20%＝NT$220,387.

Note 5: The loaning of funds to individual borrowers is limited to 10% of the net value of Hershey Environmental Technology Co., Ltd., that is, NT$638,699×10%＝NT$63,870.

Note 6: The total loaning of funds is limited to 20% of the net value of Hershey Environmental Technology Co., Ltd., that is, NT$638,699×20%＝NT$127,740.

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

Formosan Union Chemical Corporation and Subsidiaries

Making of Endorsements/Guarantees

January 1 – December 31, 2024

Table 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 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 (Note 1)											
0	Formosan Union Chemical Corporation	Formosan Union Chemical Corporation	2	$ 1,814,128 (Note 2)	$ 69,000	$ -	$ -	$ -	-%	$ 4,535,319 (Note 3)	Yes	No	No	
1	Hershey Environmental Technology Co., Ltd.	Formosan Union Chemical Corporation	3	127,740 (Note 4)	3,950	3,950	3,950	3,950	0.62%	319,350 (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) The business associates of the company;

(2) A company with more than 50% of the voting shares held by the company directly or indirectly;

(3) A company holds more than 50% of the voting shares of the company directly or indirectly;

(4) A company with more than 90% of the voting shares held by the company directly or indirectly;

(5) Companies in the same industry or co-builders provide mutual guarantees in accordance with the contract signed for the needs of undertaking construction projects.

(6) A company that is endorsed and guaranteed by all shareholders proportionally to their shareholding ratio due to a joint investment relationship;

(7) The companies in this industry engage in the performance bond solidarity for the property pre-sale contract in accordance with the Consumer Protection Act.

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$9,070,638×20%＝NT$1,814,128.

Note 3: The maximum endorsement/guarantee amount is limited to 50% of the company’s net worth, that is, NT$9,070,638×50%＝NT$4,535,319.

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$638,699×20%＝NT$127,740.

Note 5: The total endorsement/guarantee amount is limited to 50% of the net worth of Hershey Environmental Technology Co., Ltd., that is, NT$638,699×50%＝NT$319,350.

Formosan Union Chemical Corporation and Subsidiaries

Marketable Securities Held at Year End

December 31, 2024

Table 3

Unit: NT$ Thousand

Holding company	Type and name of marketable securities	Relationship with security issuer	Accounts	Year end				Remarks
				Shares/Units	Book amount	Shareholding ratio (%)	Market price	
Formosan Union Chemical Corporation	Kenwell Industrial Pte Ltd. / Stocks	—	Financial assets measured at fair value through other comprehensive profit or loss - noncurrent	4,927,717.00	$ 161,630	19.74%	$ 161,630	
Formosan Union Chemical Corporation	TXOne Networks Inc.／stocks	—	Financial assets measured at fair value through other comprehensive profit or loss - noncurrent	150,000.00	27,048	0.20%	27,048	
Formosan Union Chemical Corporation	J&V Energy Technology Co., Ltd. / stocks	—	Financial assets measured at fair value through other comprehensive profit or loss - noncurrent	7,794,318.00	1,383,492	5.66%	1,383,492	
Formosan Union Chemical Corporation	Seetel New Energy Co., Ltd. / stocks	—	Financial assets measured at fair value through other comprehensive profit or loss - noncurrent	700,000.00	42,000	1.40%	42,000	
Formosan Union Chemical Corporation	SKYMIZER TAIWAN INC. / Stocks	—	Financial assets measured at fair value through other comprehensive profit or loss - noncurrent	82,500.00	32,340	2.14%	32,340	
Great Victory Chemical Industry Co., Ltd.	Sino-Japan Chemical Co., Ltd. / stocks	—	Financial assets measured at fair value through other comprehensive profit or loss - noncurrent	88,345.00	218,388	6.10%	218,388	
Great Victory Chemical Industry Co., Ltd.	Global Cooperation Development Corp. / Stocks	—	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 Industry Co., Ltd.	InnoRs Biotechnology Co., Ltd. / stocks	—	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 Industry Co., Ltd.	Capital Money Market Fund / beneficiary certificate	—	Financial assets measured at fair value through profit or loss - current	4,668,833.00	78,531	-	78,531	Note 1

Note 1: The market price of fund beneficiary certificates is estimated according to the net value of fund asset on December 31, 2024.

Note 2: Please refer to Table 7 and 8 for the information of investment in subsidiaries, associates, and joint ventures.

Formosan Union Chemical Corporation and Subsidiaries

The cumulative amount of buying or selling one security exceeding NT$300 million or 20% of the paid-in capital

January 1 – December 31, 2024

Table 4

Unit: NT$ Thousand, unless otherwise stated

Buying (selling) company	Type and name of marketable securities	Accounts	Name of counterparty	Relation	Beginning		Buying		Selling				Ending	
					Shares	Amount	Shares	Amount	Shares	Selling price	Book cost	Disposal gain or loss	Shares	Amount
Formosan Union Chemical Corporation	J&V Energy Technology Co., Ltd. / stocks	Financial assets measured at fair value through profit or loss - current	—	—	1,534,000.00	$ 145,116	-	$ -	1,534,000.00	$ 281,222	$ 30,680	$ 250,542	-	$ -
		Financial assets measured at fair value through other comprehensive profit or loss - noncurrent	—	—	8,393,318.00	794,008	-	-	599,000.00	113,964	5,990	107,974	7,794,318.00	1,383,491

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 – December 31, 2024

Table 5

Unit: NT$ Thousand

Buying (selling) company	Name of counterparty	Relation	Transactions				Different from general trading conditions and the reasons		Notes and accounts receivable (payable)		Remarks
			Purchase (sale)	Amount	Ratio to total purchase (sale)	Credit period	Unit price	Credit period	Balance amount	Ratio to total notes and accounts receivable (payable)	
Formosan Union Chemical Corporation	United Performance Materials Corporation	Subsidiary	Sales	$ 276,469 (Note 1)	3.75%	1～2 months	Contract price / Equivalent to general trading conditions	1～2 months	$ 40,668	4.87%	Note 5
United Performance Materials Corporation	Formosan Union Chemical Corporation	Parent company	Purchase	276,469 (Note 2)	21.89%	1～2 months	Contract price / Equivalent to general trading conditions	1～2 months	(40,668)	49.03%	Note 5
Formosan Union Chemical Corporation	Hershey Environmental Technology Co., Ltd.	Subsidiary	Purchase	208,092 (Note 3)	3.34%	1～2 months	Contract price / Equivalent to general trading conditions	1～2 months	(27,866)	7.59%	Note 5
Hershey Environmental Technology Co., Ltd.	Formosan Union Chemical Corporation	Parent company	Sales	208,092 (Note 4)	12.89%	1～2 months	Contract price / Equivalent to general trading conditions	1～2 months	27,866	14.88%	Note 5
Formosan Union Chemical Corporation	Chang Chun FUCC	Joint venture	Sales	119,358	1.62%	1 month	Equivalent to general trading conditions	1 month	-	-%	

Note 1. It includes processing income for NT$251,808 thousand and sales income for NT$24,661 thousand.

Note 2. It includes processing expense for NT$251,808 thousand and purchase for NT$24,661 thousand.

Note 3. It includes processing expense for NT$125,551 thousand and purchase for NT$82,541 thousand.

Note 4. It includes processing income for NT$125,551 thousand and sales income for NT$82,541 thousand.

Note 5. All the aforementioned transactions have 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 subsidiaries

January 1 – December 31, 2024

Table 6

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	$ 40,668	Equivalent to general trade term	-
0	Formosan Union Chemical Corporation	United Performance Materials Corporation	1	Accounts payable	5,807	Equivalent to general trade term	-
0	Formosan Union Chemical Corporation	United Performance Materials Corporation	1	Sales	24,661	Equivalent to general trade term	-
0	Formosan Union Chemical Corporation	United Performance Materials Corporation	1	Purchase	66,766	Equivalent to general trade term	1%
0	Formosan Union Chemical Corporation	United Performance Materials Corporation	1	Processing income	251,808	Contract price	2%
0	Formosan Union Chemical Corporation	Hershey Environmental Technology Co., Ltd.	1	Accounts receivable	3,104	Equivalent to general trade term	-
0	Formosan Union Chemical Corporation	Hershey Environmental Technology Co., Ltd.	1	Accounts payable	27,866	Equivalent to general trade term	-
0	Formosan Union Chemical Corporation	Hershey Environmental Technology Co., Ltd.	1	Other payable	8,860	Equivalent to general trade term	-
0	Formosan Union Chemical Corporation	Hershey Environmental Technology Co., Ltd.	1	Sales	22,823	Equivalent to general trade term	-
0	Formosan Union Chemical Corporation	Hershey Environmental Technology Co., Ltd.	1	Purchase	82,541	Equivalent to general trade term	1%
0	Formosan Union Chemical Corporation	Hershey Environmental Technology Co., Ltd.	1	Processing expense	125,551	Contract price	1%
0	Formosan Union Chemical Corporation	Hershey Environmental Technology Co., Ltd.	1	Rent income	12,160	Contract price	-
0	Formosan Union Chemical Corporation	Hershey Environmental Technology Co., Ltd.	1	Rent expense	38,414	Contract price	-
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	Other payable	1,157	Equivalent to general trade term	-
1	United Performance Materials Corporation	Hershey Environmental Technology Co., Ltd.	3	Sales	3,085	Equivalent to general trade term	-
1	United Performance Materials Corporation	Hershey Environmental Technology Co., Ltd.	3	Purchase	2,286	Equivalent to general trade term	-
1	United Performance Materials Corporation	Hershey Environmental Technology Co., Ltd.	3	Rent expense	8,823	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	19,527	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" standing 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 – December 31, 2024

Table 7

Unit: NT$ Thousand

Investing company	Invested company	Location	Main business operation	Original investment amount		Held at Year end			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%	$ 983,814	$ 11,711	$ 9,496	Note 1
Formosan Union Chemical Corporation	Hershey Environmental Technology Co., Ltd.	Taipei City	Planning and design of petrochemical engineering, installation and trading of mechanical equipment, distribution of domestic liquefied petroleum gas, repair and maintenance and inspection of steel cylinders.	510,211	510,211	50,000,000	100.00%	638,944	73,268	71,790	Note 1
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%	890,829	(60,384)	(53,696)	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%	1,101,931	57,308	57,308	Note 1
Formosan Union Chemical Corporation	TANQUES DEL PACIFIO, S.A.	Guatemala	Warehouse & silo lease	28,513	28,513	900	100.00%	34,525	3,795	1,845	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%	15,500	22,075	4,415	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%	35,796	(791)	(79)	Note 2 & 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%	13,241	9,882	3,459	Note 1
Formosan Union Chemical Corporation	DUN-QIAN Intelligent Technology Co., Ltd.	Taichung City	Hotel operation and real estate property management, combined with automated machinery and equipment, and the development of an online booking platform.	5,000	-	200,000	0.06%	3,356	(90,661)	(1,647)	Note 2 & Note 5
Formosan Union Chemical Corporation	Chang Chun FUCC	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%	354,308	(38,660)	(19,330)	Note 1

(Continuing to next page)

(Continuing from front page)

Investing company	Invested company	Location	Main business operation	Original investment amount		Held at Year end			Investment profit (loss) of the invested company in current year	Investment profit (loss) recognized in current year	Remarks
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%	$ 204,959	$ 20,355	$ 7,933	Note 1
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%	9,850	(60,384)	(706)	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%	20,332	11,711	164	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%	75,704	4,221	4,221	Note 1
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%	6,835	971	485	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%	5,459	11,711	57	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%	31,046	(60,384)	(2,225)	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%	6,349	607	304	Note 2
Great Victory Chemical Industry Co., Ltd.	Tecnica Cientifica De Guatemala S. A. （TCDG）	Guatemala	The trade of pesticides	-	9,043	-	-%	-	-	-	Note 6

Note 1: It is calculated according to the invested company’s financial statements audited by independent auditors during the same period and the company’s shareholding ratio. It also takes into account the recognition of investment profit or loss proportionally to the new and old shareholding ratio, amortization of discounts and premiums, the effect of right-of-use asset profit or loss, etc.

Note 2: It is calculated according to the invested company’s financial statements not audited by independent auditors during the same period and the company’s shareholding ratio. It also takes into account the amortization of discounts and premiums.

Note 3: Investment gains and losses, net equity value between the investing companies and the invested companies under the equity method, except for Defia Co., Ltd., Sheng Hua Development Co., Ltd., Pei Ting Energy Ltd., DUN-QIAN Intelligent Technology Co., Ltd., Chang Chun FUCC, and SIC, have been fully 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 is booked as an investment under the equity method.

Note 5: The Company has significant influence on the operating decisions of DUN-QIAN Intelligent Technology Co., Ltd., which is an associated enterprise; therefore, it is accounted for as an investment under the equity method.

Note 6: Tecnica Cientifica De Guatemala S. A.（TCDG）was resolved in December 2024.

Note 7: Please refer to Table 8 for information of the invested companies in Mainland China.

Formosan Union Chemical Corporation and Subsidiaries

Information on Investment in Mainland China

January 1 – December 31, 2024

Table 8

Unit: NT$ Thousand, unless otherwise stated

Invested company in Mainland China	Main business operation	Paid-in capital (Note 2)	Investment	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 year end (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 year end	Investment profit or loss remitted inward at year end	Remarks
					Remitted outward	Remitted 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.	$ 803,888 (US$24,520 thousand)	Invest in the companies in Mainland China through the company setup in the third region	$ 65,931 (US$2,011 thousand)	$ -	$ -	$ 65,931 (US$2,011 thousand)	$ 71,549 (RMB 16,063 thousand)	10.86%	$ -	$ 161,630	$ 150,942	Note 3
Chang Chun FUCC	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.	917,980 (US$28,000 thousand)	Directly invest in Mainland China.	663,896 (US$20,250 thousand)	-	204,906 (US$6,250 thousand)	458,990 (US$14,000 thousand)	(38,660	50.00%	(19,330) (Note 1)	354,308	-	

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
$ 524,921（US$16,011 thousand）	$ 770,480（US$23,501 thousand）	$ 5,442,383

Note 1: It is calculated according to the financial statements audited by independent auditors during the same period.

Note 2: Except for the investment profit or loss recognized in the current year is calculated at the average exchange rate from January 1 to December 31, 2024, the rest is calculated at the spot exchange rate at the end of December 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 shareholding in the associates and joint ventures under the equity method nor is there any shareholding in other comprehensive profit or loss.

Formosan Union Chemical Corporation

Major shareholders information

December 31, 2024

Table 9

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 at the end of the quarter. The capital stock recorded in the company's consolidated financial report and the actual number of shares in dematerialized form completed with registration and book-entry operation 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 that is opened by the trustee. As for the shareholder's declaring insider's more than 10% shareholding in accordance with the Securities and Exchange Act, his/her shareholding includes principal's shareholding, 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.