

**China Steel Chemical Corporation and  
Subsidiaries**

**Consolidated Financial Statements for the  
Nine Months Ended September 30, 2022 and 2021 and  
Independent Auditors' Review Report**

## **INDEPENDENT AUDITORS' REVIEW REPORT**

The Board of Directors and Shareholders  
China Steel Chemical Corporation

### **Introduction**

We have reviewed the accompanying consolidated balance sheets of China Steel Chemical Corporation (the Corporation) and its subsidiaries as of September 30, 2022 and 2021, the consolidated statements of comprehensive income for the three months and nine months ended September 30, 2022 and 2021, and the consolidated statements of changes in equity and cash flows for the nine months ended September 30, 2022 and 2021, and related notes, including a summary of significant accounting policies (collectively referred to as the consolidated financial statements). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### **Scope of Review**

We conducted our reviews in accordance with Statement of Auditing Standards No. 65 "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the financial position of the Corporation and its subsidiaries as of September 30, 2022 and 2021, its consolidated financial performance for the three months and nine months ended September 30, 2022 and 2021, and its consolidated cash flows for nine months ended September 30, 2022 and 2021 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the FSC.

The engagement partners on the reviews result in this independent auditor's review report are Chao Chun Wang and Hung Ju Liao.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

November 1, 2022

Notice to Readers

*The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally applied in the Republic of China.*

*The English version of independent auditors' review report and consolidated financial statements are not reviewed nor audited by independent auditors.*

*For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and consolidated financial statements shall prevail.*

# CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	September 30, 2022 (Reviewed)		December 31, 2021 (Audited)		September 30, 2021 (Reviewed)	
ASSETS	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 1,432,093	12	\$ 621,616	5	\$ 653,555	6
Financial assets at fair value through profit or loss - current (Note 7)	344,722	3	688,875	6	794,254	7
Financial assets at fair value through other comprehensive income - current (Note 8)	206,386	2	266,455	2	273,324	2
Notes receivable (Note 10)	132,443	1	83,569	1	63,815	1
Accounts receivable, net (Note 10)	437,830	4	449,238	4	377,554	3
Accounts receivable - related parties (Notes 10 and 29)	153,831	1	161,090	1	160,028	1
Other receivables (Note 29)	278,334	2	301,238	3	240,002	2
Current tax asset	789	-	544	-	544	-
Inventories (Note 11)	1,007,301	9	977,930	8	1,041,909	9
Other financial assets - current (Note 12)	10,608	-	97,886	1	130,472	1
Other current assets	<u>133,637</u>	<u>1</u>	<u>44,679</u>	<u>-</u>	<u>37,186</u>	<u>-</u>
Total current assets	<u>4,137,974</u>	<u>35</u>	<u>3,693,120</u>	<u>31</u>	<u>3,772,643</u>	<u>32</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Note 7)	84,679	1	81,202	-	78,913	1
Financial assets amortized at cost - non-current (Note 8)	82,592	-	81,400	-	-	-
Investments accounted for using equity method (Note 14)	1,916,517	16	2,068,967	18	2,073,075	17
Property, plant and equipment (Notes 3, 4, 15 and 29)	3,849,372	32	3,937,319	34	3,960,750	33
Right-of-use assets (Notes 16 and 29)	632,568	5	646,878	6	655,323	6
Investment properties (Note 17)	552,988	5	552,988	5	552,988	5
Deferred tax assets	90,004	1	90,004	1	85,121	1
Prepaid equipment	17,289	-	21,636	-	41,444	-
Refundable deposits	4,491	-	4,451	-	4,451	-
Other non-current assets (Notes 13 and 18)	<u>626,708</u>	<u>5</u>	<u>554,904</u>	<u>5</u>	<u>550,372</u>	<u>5</u>
Total non-current assets	<u>7,857,208</u>	<u>65</u>	<u>8,039,749</u>	<u>69</u>	<u>8,002,437</u>	<u>68</u>
TOTAL	<u>\$ 11,995,182</u>	<u>100</u>	<u>\$ 11,732,869</u>	<u>100</u>	<u>\$ 11,775,080</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 19)	\$ 1,024,923	9	\$ 901,641	8	\$ 994,434	9
Short-term bills payable (Note 19)	-	-	-	-	160,000	1
Contract liabilities - current (Note 23)	94,745	1	49,541	-	58,338	1
Accounts payable	108,642	1	50,763	-	30,523	-
Accounts payable - related parties (Note 29)	286,126	2	264,401	2	274,670	2
Other payables (Notes 13, 20 and 29)	996,111	8	795,676	7	787,745	7
Current tax liabilities	292,223	2	152,264	1	113,591	1
Lease liabilities - current (Notes 16 and 29)	28,763	-	29,251	-	30,565	-
Other current liabilities	<u>8,408</u>	<u>-</u>	<u>6,632</u>	<u>-</u>	<u>7,623</u>	<u>-</u>
Total current liabilities	<u>2,839,941</u>	<u>23</u>	<u>2,250,169</u>	<u>18</u>	<u>2,457,489</u>	<u>21</u>
NON-CURRENT LIABILITIES						
Long-term borrowings (Note 19)	590,000	5	1,100,000	10	1,150,000	10
Deferred tax liabilities	5,058	-	5,058	-	1,545	-
Lease liabilities - non-current (Notes 16 and 29)	592,537	5	606,284	5	606,989	5
Net defined benefit liabilities (Note 4)	147,944	1	149,971	1	143,059	1
Guarantee deposit received	<u>3,509</u>	<u>-</u>	<u>3,480</u>	<u>-</u>	<u>3,530</u>	<u>-</u>
Total non-current liabilities	<u>1,339,048</u>	<u>11</u>	<u>1,864,793</u>	<u>16</u>	<u>1,905,123</u>	<u>16</u>
Total liabilities	<u>4,178,989</u>	<u>34</u>	<u>4,114,962</u>	<u>34</u>	<u>4,362,612</u>	<u>37</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Note 22)						
Ordinary shares capital	<u>2,369,044</u>	<u>20</u>	<u>2,369,044</u>	<u>20</u>	<u>2,369,044</u>	<u>20</u>
Capital surplus	<u>902,804</u>	<u>8</u>	<u>883,789</u>	<u>8</u>	<u>883,789</u>	<u>7</u>
Retained earnings						
Legal reserve	2,775,710	23	2,666,240	23	2,666,240	23
Special reserve	193,150	2	193,150	2	193,150	2
Unappropriated earnings	<u>1,472,109</u>	<u>12</u>	<u>1,178,254</u>	<u>10</u>	<u>941,235</u>	<u>8</u>
Total retained earnings	<u>4,440,969</u>	<u>37</u>	<u>4,037,644</u>	<u>35</u>	<u>3,800,625</u>	<u>33</u>
Other equity	<u>(85,322)</u>	<u>(1)</u>	<u>178,330</u>	<u>2</u>	<u>208,203</u>	<u>2</u>
Treasury shares	<u>(117,638)</u>	<u>(1)</u>	<u>(117,638)</u>	<u>(1)</u>	<u>(117,638)</u>	<u>(1)</u>
Total equity attributable to owners of the Corporation	7,509,857	63	7,351,169	64	7,144,023	61
NON-CONTROLLING INTERESTS (Note 22)	<u>306,336</u>	<u>3</u>	<u>266,738</u>	<u>2</u>	<u>268,445</u>	<u>2</u>
Total equity	<u>7,816,193</u>	<u>66</u>	<u>7,617,907</u>	<u>66</u>	<u>7,412,468</u>	<u>63</u>
TOTAL	<u>\$ 11,995,182</u>	<u>100</u>	<u>\$ 11,732,869</u>	<u>100</u>	<u>\$ 11,775,080</u>	<u>100</u>

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

# CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

(Reviewed, Not Audited)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUES (Notes 23 and 29)	\$ 2,608,663	100	\$ 2,295,800	100	\$ 8,223,703	100	\$ 5,916,541	100
OPERATING COSTS (Notes 11, 24 and 29)	<u>2,039,248</u>	<u>78</u>	<u>1,812,253</u>	<u>79</u>	<u>6,361,075</u>	<u>77</u>	<u>4,668,691</u>	<u>79</u>
GROSS PROFIT	<u>569,415</u>	<u>22</u>	<u>483,547</u>	<u>21</u>	<u>1,862,628</u>	<u>23</u>	<u>1,247,850</u>	<u>21</u>
OPERATING EXPENSES (Notes 24 and 29)								
Selling and marketing expenses	49,564	2	39,754	2	150,504	2	115,940	2
General and administrative expenses	45,643	2	25,798	1	127,509	2	74,181	1
Research and development expenses	<u>60,945</u>	<u>2</u>	<u>46,912</u>	<u>2</u>	<u>174,072</u>	<u>2</u>	<u>118,496</u>	<u>2</u>
Total operating expenses	<u>156,152</u>	<u>6</u>	<u>112,464</u>	<u>5</u>	<u>452,085</u>	<u>6</u>	<u>308,617</u>	<u>5</u>
PROFIT FROM OPERATIONS	<u>413,263</u>	<u>16</u>	<u>371,083</u>	<u>16</u>	<u>1,410,543</u>	<u>17</u>	<u>939,233</u>	<u>16</u>
NON-OPERATING INCOME AND EXPENSES (Notes 24 and 29)								
Interest income	2,510	-	1,914	-	5,012	-	4,998	-
Other income	33,538	1	24,301	1	77,892	1	60,264	1
Other gains and losses	(15,066)	(1)	(5,984)	-	5,133	-	(31,623)	(1)
Share of the profit of associates	118,488	5	19,959	1	155,461	2	80,278	1
Interest expense	<u>(7,233)</u>	<u>-</u>	<u>(7,179)</u>	<u>-</u>	<u>(20,070)</u>	<u>-</u>	<u>(22,805)</u>	<u>-</u>
Total non-operating income and expenses	<u>132,237</u>	<u>5</u>	<u>33,011</u>	<u>2</u>	<u>223,428</u>	<u>3</u>	<u>91,112</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	545,500	21	404,094	18	1,633,971	20	1,030,345	17
INCOME TAX (Notes 4 and 25)	<u>97,091</u>	<u>4</u>	<u>74,660</u>	<u>3</u>	<u>283,632</u>	<u>3</u>	<u>177,524</u>	<u>3</u>
NET PROFIT FOR THE PERIOD	<u>448,409</u>	<u>17</u>	<u>329,434</u>	<u>15</u>	<u>1,350,339</u>	<u>17</u>	<u>852,821</u>	<u>14</u>

(Continued)

# CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

(Reviewed, Not Audited)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (Note 22)								
Items that will not be reclassified subsequently to profit or loss								
Unrealized gains (losses) on financial assets at fair value through other comprehensive income	\$ (7,670)	-	\$ (22,292)	(1)	\$ (58,742)	(1)	\$ 78,575	1
Shares of the other comprehensive income of associates	(52,527)	(2)	(96,573)	(4)	(253,237)	(3)	332,093	6
Items that may be reclassified subsequently to profit or loss								
Exchange differences on translating foreign operations	40,572	-	(372)	-	83,510	1	(14,741)	-
Unrealized gains (losses) on financial assets in debt instruments at fair value through other comprehensive income	65	-	857	-	(135)	-	(70)	-
Share of the other comprehensive income of associates	<u>2,310</u>	-	<u>370</u>	-	<u>5,174</u>	-	<u>2,545</u>	-
Other comprehensive income (loss) for the period, net of income tax	<u>(17,250)</u>	-	<u>(118,010)</u>	(5)	<u>(223,430)</u>	(3)	<u>398,402</u>	7
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 431,159</u>	<u>17</u>	<u>\$ 211,424</u>	<u>10</u>	<u>\$ 1,126,909</u>	<u>14</u>	<u>\$ 1,251,223</u>	<u>21</u>
NET PROFIT								
ATTRIBUTABLE TO:								
Owners of the Corporation	\$ 448,195		\$ 329,985		\$ 1,349,991		\$ 854,536	
Non-controlling interests	<u>214</u>		<u>(551)</u>		<u>348</u>		<u>(1,715)</u>	
	<u>\$ 448,409</u>		<u>\$ 329,434</u>		<u>\$ 1,350,339</u>		<u>\$ 852,821</u>	
TOTAL COMPREHENSIVE INCOME								
ATTRIBUTABLE TO:								
Owners of the Corporation	\$ 411,359		\$ 212,071		\$ 1,087,311		\$ 1,259,035	
Non-controlling interests	<u>19,800</u>		<u>(647)</u>		<u>39,598</u>		<u>(7,812)</u>	
	<u>\$ 431,159</u>		<u>\$ 211,424</u>		<u>\$ 1,126,909</u>		<u>\$ 1,251,223</u>	
EARNINGS PER SHARE (Note 26)								
Basic	<u>\$ 1.93</u>		<u>\$ 1.42</u>		<u>\$ 5.82</u>		<u>\$ 3.68</u>	
Diluted	<u>\$ 1.93</u>		<u>\$ 1.42</u>		<u>\$ 5.80</u>		<u>\$ 3.67</u>	

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

(Concluded)

CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
(In Thousands of New Taiwan Dollars)  
(Reviewed, Not Audited)

	Equity Attributable to Owners of the Corporation							Other Equity						
	Ordinary Shares Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated earnings	Total Retained Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain/(Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Gain/(Loss) on Hedging Instruments	Total Other Equity	Treasury stock	Total Equity Attributable to Owners of the Corporation	Non-controlling interests	Total Equity
BALANCE AT JANUARY 1, 2022	\$ 2,369,044	\$ 883,789	\$ 2,666,240	\$ 193,150	\$ 1,178,254	\$ 4,037,644	\$ (91,078)	\$ 269,420	\$ (12)	\$ 178,330	\$ (117,638)	\$ 7,351,169	\$ 266,738	\$ 7,617,907
Appropriation of 2021 earnings (Note 23)														
Legal reserve	-	-	109,470	-	(109,470)	-	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(947,618)	(947,618)	-	-	-	-	-	(947,618)	-	(947,618)
	-	-	109,470	-	(1,057,088)	(947,618)	-	-	-	-	-	(947,618)	-	(947,618)
Net profit for the nine months ended September 30, 2022	-	-	-	-	1,349,991	1,349,991	-	-	-	-	-	1,349,991	348	1,350,339
Other comprehensive income (loss) for the nine months ended September 30, 2022, net of income tax	-	-	-	-	(11)	(11)	49,401	(312,103)	33	(262,669)	-	(262,680)	39,250	(223,430)
Total comprehensive income for the nine months ended September 30, 2022	-	-	-	-	1,349,980	1,349,980	49,401	(312,103)	33	(262,669)	-	1,087,311	39,598	1,126,909
Changes in capital surplus from investments in associates accounted for using the equity method	-	1	-	-	-	-	-	-	-	-	-	1	-	1
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	983	983	-	(983)	-	(983)	-	-	-	-
Adjustment to capital surplus arising from dividends paid to subsidiaries	-	19,014	-	-	-	-	-	-	-	-	-	19,014	-	19,014
Other	-	-	-	-	(20)	(20)	-	-	-	-	-	(20)	-	(20)
BALANCE AT SEPTEMBER 30, 2022	\$ 2,369,044	\$ 902,804	\$ 2,775,710	\$ 193,150	\$ 1,472,109	\$ 4,440,969	\$ (41,677)	\$ (43,666)	\$ 21	\$ (85,322)	\$ (117,638)	\$ 7,509,857	\$ 306,336	\$ 7,816,193
BALANCE AT JANUARY 1, 2021	\$ 2,369,044	\$ 869,637	\$ 2,641,723	\$ 176,833	\$ 787,720	\$ 3,606,276	\$ (84,747)	\$ (108,407)	\$ 4	\$ (193,150)	\$ (117,638)	\$ 6,534,169	\$ 276,257	\$ 6,810,426
Appropriation of 2020 earnings (Note 23)														
Legal reserve	-	-	71,898	-	(71,898)	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	16,317	(16,317)	-	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(615,952)	(615,952)	-	-	-	-	-	(615,952)	-	(615,952)
Cash dividends paid from the legal reserve	-	-	(47,381)	-	-	(47,381)	-	-	-	-	-	(47,381)	-	(47,381)
	-	-	24,517	16,317	(704,167)	(663,333)	-	-	-	-	-	(663,333)	-	(663,333)
Net profit for the nine months ended September 30, 2021	-	-	-	-	854,536	854,536	-	-	-	-	-	854,536	(1,715)	852,821
Other comprehensive income (loss) for the nine months ended September 30, 2021, net of income tax	-	-	-	-	(18)	(18)	(6,082)	410,616	(17)	404,517	-	404,499	(6,097)	398,402
Total comprehensive income (loss) for the nine months ended September 30, 2021	-	-	-	-	854,518	854,518	(6,082)	410,616	(17)	404,517	-	1,259,035	(7,812)	1,251,223
Changes in capital surplus from investments in associates accounted for using the equity method	-	842	-	-	-	-	-	-	-	-	-	842	-	842
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	3,164	3,164	-	(3,164)	-	(3,164)	-	-	-	-
Adjustment to capital surplus arising from dividends paid to subsidiaries	-	13,310	-	-	-	-	-	-	-	-	-	13,310	-	13,310
BALANCE AT SEPTEMBER 30, 2021	\$ 2,369,044	\$ 883,789	\$ 2,666,240	\$ 193,150	\$ 941,235	\$ 3,800,625	\$ (90,829)	\$ 299,045	\$ (13)	\$ 208,203	\$ (117,638)	\$ 7,144,023	\$ 268,445	\$ 7,412,468

The accompanying notes are an integral part of the financial statements.

# CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 1,633,971	\$ 1,030,345
Adjustments for:		
Depreciation expense	334,207	350,764
Amortization expense	7,266	6,854
Net loss (gain) on fair value change of financial assets at fair value through profit or loss	93,658	(38,321)
Interest expense	20,070	22,805
Interest income	(5,012)	(4,998)
Dividend income	(29,471)	(6,444)
Share of the profit of associates	(173,557)	(90,228)
Loss on disposal of property, plant and equipment	1,384	71
Impairment loss on financial assets	-	3,878
Write-down of inventories	-	42,756
Reversal of impairment loss on non-financial assets	(55,851)	-
Loss from disasters	-	10,349
Changes in operating assets and liabilities		
Financial instruments mandatorily classified as at fair value through profit or loss	158,981	(7,597)
Notes receivable	(48,874)	(3,386)
Accounts receivable	11,408	(105,689)
Accounts receivable - related parties	7,259	(46,143)
Other receivables	(36,870)	5,561
Inventories	26,356	(113,889)
Other current assets	(88,958)	463
Contract liabilities	45,204	46,250
Accounts payable	57,879	1,348
Accounts payable - related parties	21,725	116,626
Other payables	170,379	15,845
Other current liabilities	1,776	785
Net defined benefit liabilities	(2,027)	(8,809)
Cash generated from operations	2,150,903	1,229,196
Income taxes paid	(143,948)	(218,896)
Net cash generated from operating activities	<u>2,006,955</u>	<u>1,010,300</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of financial assets at fair value through other comprehensive income	-	(8,169)
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	22,803
Acquisition of financial assets at fair value through profit or loss	(55,014)	(435,457)
Proceeds from disposal of financial assets at fair value through profit or loss	203,720	363,333

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# CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2022	2021
Acquisition of investments accounted for using equity method	\$ (21,428)	\$ (60,000)
Proceeds from the capital reduction on investments accounted for using equity method	6,750	847
Acquisition of property, plant and equipment	(183,061)	(138,344)
Proceeds from disposal of property, plant and equipment	202	773
Increase in refundable deposits	(40)	-
Decrease in refundable deposits	-	599
Decrease in other financial assets	87,278	98,213
Increase in other non-current assets	(3,211)	-
Decrease in other non-current assets	-	21,807
Interest received	4,117	5,293
Dividends received from associates	93,648	74,553
Dividend received	<u>29,471</u>	<u>6,326</u>
Net cash generated from (used in) investing activities	<u>162,432</u>	<u>(47,423)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	4,492,207	2,767,238
Repayments of short-term borrowings	(4,438,976)	(2,866,055)
Increase in short-term bills payable	80,000	300,000
Decrease in short-term bills payable	(80,000)	(140,000)
Increase in long-term borrowings	600,000	950,000
Repayments of long-term borrowings	(1,040,000)	(1,600,000)
Increase in guarantee deposit received	29	-
Decrease in guarantee deposit received	-	(1,327)
Repayment of principal of lease liabilities	(29,643)	(29,741)
Cash dividends paid	(928,604)	(650,023)
Interest paid	<u>(20,369)</u>	<u>(24,096)</u>
Net cash used in financing activities	<u>(1,365,356)</u>	<u>(1,294,004)</u>
<b>EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES</b>		
	<u>6,446</u>	<u>(9,639)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>810,477</u>	<u>(340,766)</u>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<u>621,616</u>	<u>994,321</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u>\$ 1,432,093</u>	<u>\$ 653,555</u>

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

(Concluded)

# CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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### 1. GENERAL INFORMATION

China Steel Chemical Corporation (the Corporation) was incorporated by China Steel Corporation (CSC) and other shareholders in February 1989. The Corporation started operations in May 1993, and CSC is the parent company that has substantive control over the Corporation. As of September 30, 2022 and 2021, CSC owned 29.04% of the Corporation's voting shares. The Corporation mainly engages in the production, processing and sales of coal tar distillation products, Naphtha products and coke products; in addition, it also trades related upstream and downstream products.

The shares of the Corporation have been listed and traded on the Taiwan Stock Exchange since November 1998.

The consolidated financial statements are presented in the Corporation's function currency, New Taiwan dollars.

### 2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were reported to the Corporation's board of directors for issue on November 1, 2022.

### 3. APPLICATION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

Except for the following, the initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Corporation and its subsidiaries' accounting policies.

#### Amendments to IAS 16 "Property, Plant and Equipment: Proceeds before Intended Use"

The Corporation and its subsidiary applied the amendments to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021. The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The cost of those items is measured in accordance with IAS 2 "Inventories". Any proceeds from selling those items and the cost of those items are recognized in profit or loss in accordance with applicable standards. Refer to Note 4 for information relating to the relevant accounting policies.

- b. The IFRSs endorsed by the FSC for application starting from 2023

<b>New IFRSs</b>	<b>Effective Date Announced by IASB</b>
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 1)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 2)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 3)

Note 1: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

As of the date the consolidated financial statements were reported to the board of directors for issue, the Corporation and its subsidiaries are in the process of assessing the impact of the impending initial application of the aforementioned and other standards and the amendments to interpretations on their financial position and results of operations. Disclosures will be provided after a detailed review of the impact has been completed.

- c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

<b>New IFRSs</b>	<b>Effective Date Announced by IASB (Note 1)</b>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture”	To be determined by IASB
Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

As of the date the consolidated financial statements were reported to the board of directors for issue, the Corporation and its subsidiaries are in the process of assessing the impact of the impending initial application of the aforementioned and other standards and the amendments to interpretations on their financial position and results of operations. Disclosures will be provided after a detailed review of the impact has been completed.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. The consolidated financial statements do not present full disclosures required for a complete set of IFRSs annual financial statements.

##### b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

##### c. Basis of consolidation

Refer to Note 13, Table 6 and Table 7 for the detail information of subsidiaries (including the percentage of ownership and main business).

##### d. Other significant accounting policies

Except for the following, refer to the summary of significant accounting policy and basis of preparation in the consolidated financial statements for the year ended December 31, 2021.

##### 1) Property, plant and equipment

Property, plant and equipment in the course of construction are measured at cost. Cost includes professional fees and borrowing cost eligible for capitalization. Samples produced when testing whether an item of property, plant and equipment is functioning properly before that asset reaches its intended use are measured at the lower of cost or net realizable value, and any proceeds from selling those samples and the cost of those samples are recognized in profit or loss. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

##### 2) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

### 3) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated on an interim period's pre-tax income by applying to the tax rate that would be applicable to expected total annual earnings.

## 5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The same critical accounting judgments and key sources of estimation uncertainty of consolidated financial statements have been followed in these consolidated financial statements as those applied in the preparation of the consolidated financial statements for the year ended December 31, 2021.

## 6. CASH AND CASH EQUIVALENTS

	September 30, 2022	December 31, 2021	September 30, 2021
Cash on hand	\$ 500	\$ 500	\$ 500
Checking accounts and demand deposits	843,794	442,004	464,430
Cash equivalents (investment with original maturities less than three months)			
Time deposits	415,925	123,752	132,925
Short-term bills	<u>171,874</u>	<u>55,360</u>	<u>55,700</u>
	<u>\$ 1,432,093</u>	<u>\$ 621,616</u>	<u>\$ 653,555</u>

## 7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

### Financial assets at FVTPL - current

	September 30, 2022	December 31, 2021	September 30, 2021
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Mutual funds	\$ 263,236	\$ 546,669	\$ 601,689
Domestic listed shares	52,215	89,908	86,077
Financial bonds	<u>29,271</u>	<u>52,298</u>	<u>106,488</u>
	<u>\$ 344,722</u>	<u>\$ 688,875</u>	<u>\$ 794,254</u>

Financial assets at FVTPL - non-current

	September 30, 2022	December 31, 2021	September 30, 2021
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Emerging market shares	\$ 27,508	\$ 27,131	\$ 25,890
Domestic unlisted shares	<u>57,171</u>	<u>54,071</u>	<u>53,023</u>
	<u>\$ 84,679</u>	<u>\$ 81,202</u>	<u>\$ 78,913</u>

**8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

Current

	September 30, 2022	December 31, 2021	September 30, 2021
Foreign investments in debt instrument			
Financial bonds	\$ 14,627	\$ 14,762	\$ 15,187
Domestic investments in equity instrument - listed shares			
Ordinary shares	181,110	239,785	246,229
Preference shares	<u>10,649</u>	<u>11,908</u>	<u>11,908</u>
	<u>\$ 206,386</u>	<u>\$ 266,455</u>	<u>\$ 273,324</u>

Non-Current

	September 30, 2022	December 31, 2021	September 30, 2021
Domestic equity instruments - listed shares			
Emerging market shares	\$ 51,592	\$ 50,400	\$ -
Domestic unlisted shares	<u>31,000</u>	<u>31,000</u>	<u>-</u>
	<u>\$ 82,592</u>	<u>\$ 81,400</u>	<u>\$ -</u>

These investments in equity instruments are held by the Corporation and its subsidiaries' strategy and are not for the purposes of trading and for short-term profit. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI.

**9. FINANCIAL ASSETS AT AMORTIZED COST - NON-CURRENT**

	September 30, 2022	December 31, 2021	September 30, 2021
Corporate Bonds	\$ 4,026	\$ 3,906	\$ 3,875
Less: Allowance for impairment loss	<u>(4,026)</u>	<u>(3,906)</u>	<u>(3,875)</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Impairment loss has been recognized fully since the Corporation and its subsidiaries are unable to reliably measure the recoverable amount of the corporate bonds.

# 10. NOTES AND ACCOUNTS RECEIVABLE (INCLUDING RELATED PARTIES)

	September 30, 2022	December 31, 2021	September 30, 2021
Notes receivable (Operating)			
At amortized cost			
Gross carrying amount	<u>\$ 132,443</u>	<u>\$ 83,569</u>	<u>\$ 63,815</u>
Accounts receivable (including related parties)			
At amortized cost			
Gross carrying amount	<u>\$ 591,661</u>	<u>\$ 610,328</u>	<u>\$ 537,582</u>

The average credit period of sales of goods was 30-90 days. No interest was charged on accounts receivables. The Corporation and its subsidiaries adopted a policy of only dealing with entities that are rated the equivalent of investment grade or higher and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. In order to minimize credit risk, management of the Corporation and its subsidiaries has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Corporation and its subsidiaries reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes that the Corporation and its subsidiaries' credit risk was significantly reduced.

The expected credit losses on notes and accounts receivable are estimated using a provision matrix by reference to past default experience of the customer's and an analysis of the customer's current financial position, adjusted for general economic conditions of the industry in which the customers operates, as well as an assessment of industry outlook at the reporting date. As the Corporation and its subsidiaries' historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Corporation and its subsidiaries' different customer base. As of September 30, 2022, December 31, 2021 and September 30, 2021, the Corporation and its subsidiaries' have no allowance for impairment.

The following table details the loss allowance of notes and accounts receivables based on the Corporation and its subsidiaries' provision matrix.

## September 30, 2022

	Not Past Due	1 to 30 Days	31 to 60 Days	61 to 180 Days	181 to 365 Days	Over 365 Days	Total
Expected credit loss rate (%)	-	-	-	-	-	-	
Gross carrying amount	\$ 659,218	\$ 46,171	\$ 14,960	\$ 3,755	\$ -	\$ -	\$ 724,104
Loss allowance (Lifetime ECL)	-	-	-	-	-	-	-
Amortized cost	<u>\$ 659,218</u>	<u>\$ 46,171</u>	<u>\$ 14,960</u>	<u>\$ 3,755</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 724,104</u>

## December 31, 2021

	Not Past Due	1 to 30 Days	31 to 60 Days	61 to 180 Days	181 to 365 Days	Over 365 Days	Total
Expected credit loss rate (%)	-	-	-	-	-	-	
Gross carrying amount	\$ 653,902	\$ 39,995	\$ -	\$ -	\$ -	\$ -	\$ 693,897
Loss allowance (Lifetime ECL)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 653,902</u>	<u>\$ 39,995</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 693,897</u>

## September 30, 2021

	Not Past Due	1 to 30 Days	31 to 60 Days	61 to 180 Days	181 to 365 Days	Over 365 Days	Total
Expected credit loss rate (%)	-	-	-	-	-	-	
Gross carrying amount	\$ 589,644	\$ 10,075	\$ 1,538	\$ -	\$ -	\$ 140	\$ 601,397
Loss allowance (Lifetime ECL)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 589,644</u>	<u>\$ 10,075</u>	<u>\$ 1,538</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 140</u>	<u>\$ 601,397</u>

There were no movements of the loss allowance of notes and accounts receivable for the nine months ended September 30, 2022 and 2021.

## 11. INVENTORIES

	September 30, 2022	December 31, 2021	September 30, 2021
Finished goods	\$ 468,245	\$ 634,503	\$ 690,019
Work in progress	209,767	137,037	110,633
Raw materials	171,496	90,102	129,330
Supplies	<u>157,793</u>	<u>116,288</u>	<u>111,927</u>
	<u>\$ 1,007,301</u>	<u>\$ 977,930</u>	<u>\$ 1,041,909</u>

The cost of inventories recognized as cost of goods sold for the three months and nine months ended September 30, 2022 and 2021 was NT\$2,025,652 thousand, NT\$1,795,534 thousand, NT\$6,311,967 thousand and NT\$4,620,023 thousand, respectively. The cost of goods sold included inventory write-downs and reversal of gain NT\$12,709 thousand, loss NT\$7,666 thousand, gain NT\$55,851 thousand and loss NT\$42,756 thousand, respectively.

## 12. OTHER FINANCIAL ASSETS

	September 30, 2022	December 31, 2021	September 30, 2021
Restricted deposits	<u>\$ 10,608</u>	<u>\$ 97,886</u>	<u>\$ 130,472</u>

Since the Corporation applied The Management, Utilization, and Taxation of Repatriated Offshore Funds Act, the earnings remitted from overseas subsidiary were recognized as restricted deposits and determined whether they were current or non-current based on the expected time of use of funds.



### 13. SUBSIDIARIES

The consolidated entities were as follows:

Investor	Investee	Main Businesses	Percentage of Ownership (%)		
			September 30, 2022	December 31, 2021	September 30, 2021
China Steel Chemical Corporation (CSCC)	Ever Wealthy International Corporation (EWI)	General investment	100	100	100
	Formosa Ha Tinh CSCC (Cayman) International Limited (CSCCC)	International trading and investment	50	50	50
Ever Wealthy International Corporation	Changzhou China Steel New Materials Technology Co., Ltd. (CCSNM)	Processing and trading of asphalt mesocarbon microbeads product sorting	100	100	100

In October 2015, the Corporation entered into a joint venture and collaboration agreement with Formosa Ha Tinh (Cayman) and Formosa Ha Tinh Steel Corporation (Formosa Ha Tinh). According to the agreement, CSCCC was to be established through a joint investment from the Corporation and Formosa Ha Tinh (Cayman) in which the Corporation would own 50% of the equity. CSCCC mainly engages in the processing and sale of the by-products produced by Formosa Ha Tinh such as coal tar products, naphtha products and coke. CSCCC was established in January 2016 with a paid-in capital of USD10,000 thousand from the Corporation. As of September 30, 2022, USD3,000 thousand has been paid to this account.

According to the joint venture and collaboration agreement, CSCCC should pay USD18,580 thousand to Formosa Ha Tinh to acquire the underwriting premium from Formosa Ha Tinh for its produced coal tar products, naphtha products and coke (listed under other noncurrent assets). As of September 30, 2022, this account has not been paid and is listed under other payables.

Due to restriction on external laws affecting the execution of the aforementioned joint venture and collaboration agreement, the Corporation and its subsidiary, CSCCC concluded a supplementary agreement to suspend capital injection and the royalties payable for underwriting premium. Both parties will evaluate the future development and direction of corporation before deciding on follow-up matters (until December 31, 2022). The resolution was reported and approved by the board of directors on August 3, 2021.

### 14. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

The Corporation and its subsidiaries' investments accounted for using equity method were as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Material associates			
CHC Resources Corporation (CHC)	\$ 344,675	\$ 347,996	\$ 338,568
Transglory Investment Corporation (TIC)	716,357	861,237	885,214
CSC Solar Corporation (CSCSC)	<u>283,793</u>	<u>285,818</u>	<u>283,014</u>
	1,344,825	1,495,051	1,506,796
Associates that are not individually material	<u>571,692</u>	<u>573,916</u>	<u>566,279</u>
	<u>\$ 1,916,517</u>	<u>\$ 2,068,967</u>	<u>\$ 2,073,075</u>

a. Material associates

Name of Associate	Proportion of Ownership and Voting Rights (%)		
	September 30, 2022	December 31, 2021	September 30, 2021
CHC	6	6	6
TIC	9	9	9
CSCSC	15	15	15

Refer to Table 6 “Information on Investees” for the nature of activities, principal places of business and countries of incorporation on the above associates.

Fair values (Level 1) of investments in associates with available published price quotation are summarized as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
CHC	<u>\$ 678,874</u>	<u>\$ 681,127</u>	<u>\$ 674,368</u>

The summarized financial information below represents amounts shown in the associates’ financial statements prepared in accordance with IFRSs adjusted by the Corporation and its subsidiaries for equity accounting purposes.

CHC

	September 30, 2022	December 31, 2021	September 30, 2021
Current assets	\$ 2,261,345	\$ 2,798,678	\$ 3,018,359
Non-current assets	10,119,957	10,329,853	10,410,866
Current liabilities	(2,136,014)	(2,762,857)	(3,039,599)
Non-current liabilities	<u>(4,316,589)</u>	<u>(4,380,828)</u>	<u>(4,566,042)</u>
Equity	5,928,699	5,984,846	5,823,584
Non-controlling interests	<u>(222,156)</u>	<u>(223,329)</u>	<u>(217,912)</u>
	<u>\$ 5,706,543</u>	<u>\$ 5,761,517</u>	<u>\$ 5,605,672</u>
Proportion of the Corporation and its subsidiaries’ ownership (%)	6	6	6
Equity attributable to the Corporation and its subsidiaries	<u>\$ 344,675</u>	<u>\$ 347,996</u>	<u>\$ 338,568</u>
Carrying amount	<u>\$ 344,675</u>	<u>\$ 347,996</u>	<u>\$ 338,568</u>

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Operating revenue	\$ 2,961,829	\$ 2,719,517	\$ 8,753,400	\$ 8,007,201
Net profit for the period	\$ 213,602	\$ 165,065	\$ 615,293	\$ 537,810
Other comprehensive income (loss)	12,649	(35,546)	(37,269)	207,049
Total comprehensive income	\$ 226,251	\$ 129,519	\$ 578,024	\$ 744,859

#### TIC

	September 30, 2022	December 31, 2021	September 30, 2021
Current assets	\$ 564,535	\$ 1,052	\$ 8,669
Non-current assets	7,222,110	9,470,285	9,728,249
Current liabilities	(157)	(110,059)	(115,020)
Equity	\$ 7,786,488	\$ 9,361,278	\$ 9,621,898
Proportion of the Corporation and its subsidiaries' ownership (%)	9	9	9
Equity attributable to the Corporation and its subsidiaries	\$ 716,357	\$ 861,237	\$ 885,214
Carrying amount	\$ 716,357	\$ 861,237	\$ 885,214

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Operating Revenue	\$ 839,532	\$ 80,247	\$ 839,790	\$ 80,247
Net profit for the period	\$ 838,342	\$ 78,311	\$ 833,084	\$ 72,557
Other comprehensive loss	(474,456)	(894,729)	(2,345,252)	3,131,600
Total comprehensive income (loss)	\$ 363,886	\$ (816,418)	\$ (1,512,168)	\$ 3,204,157

#### CSCSC

	September 30, 2022	December 31, 2021	September 30, 2021
Current assets	\$ 163,420	\$ 98,219	\$ 130,742
Non-current assets	4,065,534	3,920,985	3,938,978
Current liabilities	(1,349,744)	(692,403)	(627,691)
Non-current liabilities	(987,254)	(1,421,350)	(1,555,269)
Equity	\$ 1,891,956	\$ 1,905,451	\$ 1,886,760

(Continued)

	September 30, 2022	December 31, 2021	September 30, 2021
Proportion of the Corporation and its subsidiaries' ownership (%)	15	15	15
Equity attributable to the Corporation and its subsidiaries	<u>\$ 283,793</u>	<u>\$ 285,818</u>	<u>\$ 283,014</u>
Carrying amount	<u>\$ 283,793</u>	<u>\$ 285,818</u>	<u>\$ 283,014</u> (Concluded)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Operating Revenue	<u>\$ 144,702</u>	<u>\$ 118,397</u>	<u>\$ 374,600</u>	<u>\$ 357,349</u>
Net profit for the period	\$ 48,083	\$ 33,337	\$ 104,321	\$ 111,221
Other comprehensive income (loss)	<u>564</u>	<u>(1,324)</u>	<u>(2,702)</u>	<u>(1,516)</u>
Total comprehensive income	<u>\$ 48,647</u>	<u>\$ 32,013</u>	<u>\$ 101,619</u>	<u>\$ 109,705</u>

b. Aggregate information of associates that are not individually material

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
The Corporation and its subsidiaries' share of				
Net profit for the period	\$ 29,469	\$ 2,699	\$ 44,127	\$ 34,834
Other comprehensive income (loss)	<u>(6,994)</u>	<u>(11,653)</u>	<u>(28,985)</u>	<u>34,559</u>
Total comprehensive income (loss)	<u>\$ 22,475</u>	<u>\$ (8,954)</u>	<u>\$ 15,142</u>	<u>\$ 69,393</u>

Except for the investments in some companies, investments accounted for using equity method as of September 30, 2022 and 2021 and the related share of the comprehensive income for the three months and nine months ended September 30, 2022 and 2021, were calculated based on the reviewed financial statements. The Corporation and its subsidiaries' management considered the use of unreviewed financial statements as acceptable and will not have material impact on the equity method investments and income.

The Corporation and its subsidiaries held more than 20% of the shares with CSC and fellow subsidiaries and accounted for using the equity method.

## 15. PROPERTY, PLANT AND EQUIPMENT

### For the Nine months Ended September 30, 2022

	Land	Buildings	Machinery and Equipment	Transportation Equipment	Other Equipment	Construction in Progress	Total
<u>Cost</u>							
Balance at January 1, 2022	\$ 1,145,237	\$ 1,555,291	\$ 5,591,413	\$ 162,171	\$ 196,053	\$ 128,944	\$ 8,779,109
Additions	-	20,407	125,445	3,071	3,581	64,214	216,718
Disposals	-	-	(50,080)	(1,708)	(1,109)	-	(52,897)
Effect of foreign currency exchange differences	-	-	1,059	127	659	-	1,845
Balance at September 30, 2022	<u>\$ 1,145,237</u>	<u>\$ 1,575,698</u>	<u>\$ 5,667,837</u>	<u>\$ 163,661</u>	<u>\$ 199,184</u>	<u>\$ 193,158</u>	<u>\$ 8,944,775</u>
<u>Accumulated depreciation</u>							
Balance at January 1, 2022	\$ -	\$ 519,209	\$ 4,059,111	\$ 122,489	\$ 140,981	\$ -	\$ 4,841,790
Depreciation expense	-	56,581	225,193	11,584	10,518	-	303,876
Disposals	-	-	(48,609)	(1,595)	(1,107)	-	(51,311)
Effect of foreign currency exchange differences	-	-	402	95	551	-	1,048
Balance at September 30, 2022	<u>\$ -</u>	<u>\$ 575,790</u>	<u>\$ 4,236,097</u>	<u>\$ 132,573</u>	<u>\$ 150,943</u>	<u>\$ -</u>	<u>\$ 5,095,403</u>
Carrying amount at December 31, 2021	<u>\$ 1,145,237</u>	<u>\$ 1,036,082</u>	<u>\$ 1,532,302</u>	<u>\$ 39,682</u>	<u>\$ 55,072</u>	<u>\$ 128,944</u>	<u>\$ 3,937,319</u>
Carrying amount at September 30, 2022	<u>\$ 1,145,237</u>	<u>\$ 999,908</u>	<u>\$ 1,431,740</u>	<u>\$ 31,088</u>	<u>\$ 48,241</u>	<u>\$ 193,158</u>	<u>\$ 3,849,372</u>

### For the Nine months Ended September 30, 2021

	Land	Buildings	Machinery and Equipment	Transportation Equipment	Other Equipment	Construction in Progress	Total
<u>Cost</u>							
Balance at January 1, 2021	\$ 1,145,237	\$ 1,541,464	\$ 5,421,564	\$ 159,595	\$ 195,089	\$ 159,210	\$ 8,622,159
Additions	-	21,942	208,097	2,627	1,773	(80,630)	153,809
Disposals	-	-	(22,874)	(871)	(428)	-	(24,173)
Effect of foreign currency exchange differences	-	(8,115)	(8,710)	(71)	(362)	-	(17,258)
Balance at September 30, 2021	<u>\$ 1,145,237</u>	<u>\$ 1,555,291</u>	<u>\$ 5,598,077</u>	<u>\$ 161,280</u>	<u>\$ 196,072</u>	<u>\$ 78,580</u>	<u>\$ 8,734,537</u>
<u>Accumulated depreciation</u>							
Balance at January 1, 2021	\$ -	\$ 444,322	\$ 3,794,584	\$ 107,044	\$ 128,184	\$ -	\$ 4,474,134
Depreciation expense	-	56,170	244,029	12,441	10,873	-	323,513
Disposals	-	-	(22,154)	(750)	(425)	-	(23,329)
Effect of foreign currency exchange differences	-	-	(192)	(52)	(287)	-	(531)
Balance at September 30, 2021	<u>\$ -</u>	<u>\$ 500,492</u>	<u>\$ 4,016,267</u>	<u>\$ 118,683</u>	<u>\$ 138,345</u>	<u>\$ -</u>	<u>\$ 4,773,787</u>
Carrying amount at September 30, 2021	<u>\$ 1,145,237</u>	<u>\$ 1,054,799</u>	<u>\$ 1,581,810</u>	<u>\$ 42,597</u>	<u>\$ 57,727</u>	<u>\$ 78,580</u>	<u>\$ 3,960,750</u>

The above items of property, plant and equipment are depreciated on a straight-line basis over the following useful lives:

Buildings	
Main structure	2-50 years
Facility	5-25 years
Machinery and equipment	
Power equipment	3-20 years
Examination equipment	3-10 years
Computer equipment	3-10 years
Transportation equipment	
Transportation equipment	3-10 years
Telecommunication equipment	3-10 years
Other equipment	
Extinguishment equipment	5-10 years
Air condition and utilities equipment	3-10 years
Monitoring, office and other equipment	3-10 years

## 16. LEASE AGREEMENT

### a. Right-of-use assets

	September 30, 2022		December 31, 2021	September 30, 2021
Carrying amounts				
Land	\$	322,676	\$	333,474
Machinery		224,469		231,082
Buildings		<u>85,423</u>		<u>82,322</u>
		<u>\$ 632,568</u>		<u>\$ 655,323</u>
	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2022	2021	2022	2021
Additions to right-of-use assets			\$ 13,944	\$ 6,932
Depreciation charge for right-of-use assets				
Land	\$ 3,796	\$ 3,789	\$ 11,388	\$ 11,368
Machinery	2,652	2,637	7,948	7,903
Buildings	<u>5,632</u>	<u>2,659</u>	<u>10,995</u>	<u>7,980</u>
	<u>\$ 12,080</u>	<u>\$ 9,085</u>	<u>\$ 30,331</u>	<u>\$ 27,251</u>

### b. Lease liabilities

	September 30, 2022		December 31, 2021	September 30, 2021
Carrying amounts				
Current	\$	<u>28,763</u>	\$	<u>29,251</u>
Non-current		<u>\$ 592,537</u>		<u>\$ 606,284</u>
				<u>\$ 606,989</u>

Ranges of discount rate (%) for lease liabilities were as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Land	1.4703	1.4703	1.4703
Machinery	1.4703	1.4703	1.4703
Buildings	0.6253-3.0000	0.6972-3.0000	0.6972-3.0000

### c. Material lease activities and terms

The Corporation and its subsidiaries lease machineries for manufacturing. The contracts were signed for periods of 23 to 25 years. These arrangements do not contain renewal or purchase options. Some lease arrangements were adjusted according to Consumer Price Index every year.

The Corporation and its subsidiaries lease land and buildings use of factories. The contracts were signed for periods of 3 to 40 years. The rents were calculated according to 3% of the announced total present value. The Corporation and its subsidiaries do not have bargain purchase option to the right-of-use

assets. The Corporation and its subsidiaries will not transfer all or parts of the lease premises or sublet it without lessors' approval.

d. Other lease information

	<b>For the Three Months Ended September 30</b>		<b>For the Nine months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Expenses relating to short-term leases	<u>\$ 1,432</u>	<u>\$ 1,061</u>	<u>\$ 3,462</u>	<u>\$ 3,166</u>
Total cash outflow for all lease agreements (including short-term lease agreements)			<u>\$ (40,570)</u>	<u>\$ (40,550)</u>

Refer to Note 17 for the Corporation and its subsidiaries leasing their own investment properties in operating leases.

## 17. INVESTMENT PROPERTIES

For the Nine months Ended September 30, 2022 and 2021

	<b>Land</b>	<b>Buildings</b>	<b>Total</b>
<u>Cost</u>			
Balance at January 1 and September 30, 2022 and 2021	<u>\$ 561,813</u>	<u>\$ 47,665</u>	<u>\$ 609,478</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1 and September 30, 2022 and 2021	<u>\$ 8,825</u>	<u>\$ 47,665</u>	<u>\$ 56,490</u>
Carrying amount at January 1 and September 30, 2022 and 2021	<u>\$ 552,988</u>	<u>\$ -</u>	<u>\$ 552,988</u>

The lease term of investment properties is 3 years. The rent was calculated according to 3% of the announced total present value. The leases not have renewal or purchase option at the end of the lease period.

The total lease payment charged in the future in leasing investment properties in operating lease as follows:

	<b>September 30, 2022</b>	<b>December 31, 2021</b>	<b>September 30, 2021</b>
Total lease payment charged in the future	<u>\$ 45,720</u>	<u>\$ 56,911</u>	<u>\$ 60,641</u>

The Corporation's investment properties of buildings are depreciated in 50 years by straight-line depreciation method.

As of September 30, 2022, December 31, 2021 and September 30, 2021, the fair value of investment properties was NT\$926,715 thousand, NT\$926,715 thousand and NT\$895,837 thousand. The fair value was based on the Corporation's management have adopted the evaluation model used by market participants using Level 3 inputs and with reference to comparison of the similar transaction price in the market. The

significant and unobservable inputs included the rate of capitalization of return and related fee rates.

All of the Corporation's investment properties are held under freehold interests.

Refer to Note 29 for the lease transactions conducted with related party.

## 18. OTHER NONCURRENT ASSETS

	September 30, 2022	December 31, 2021	September 30, 2021
Current			
Product underwriting premium (Note 13)	\$ 589,915	\$ 514,294	\$ 517,453
Deferred charges	<u>36,793</u>	<u>40,610</u>	<u>32,919</u>
	<u>\$ 626,708</u>	<u>\$ 554,904</u>	<u>\$ 550,372</u>

## 19. BORROWINGS

### a. Short-term borrowings

	September 30, 2022	December 31, 2021	September 30, 2021
Bank loans	\$ 940,000	\$ 884,000	\$ 984,000
Letters of credit borrowings	79,877	17,641	10,434
Secured loans (Note 28)	<u>5,046</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,024,923</u>	<u>\$ 901,641</u>	<u>\$ 994,434</u>
Rate of interest rate (%)	0.75-3.15	0.72-1.02	0.72-1.02

### b. Short-term bills payable

	September 30, 2022	December 31, 2021	September 30, 2021
Commercial papers	\$ -	\$ -	\$ 160,000
Less: Unamortized discounts on bills payable	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 160,000</u>
Rate of interest rate (%)	-	-	0.838

The above commercial papers were secured by Mega Bills Finance Corporation and China Bills Finance Corporation.



c. Long-term bank borrowings

	September 30, 2022	December 31, 2021	September 30, 2021
Unsecured loans			
Due on various dates through September, 2024	<u>\$ 590,000</u>	<u>\$ 1,100,000</u>	<u>\$ 1,150,000</u>
Rate of interest rate (%)	1.194-1.2980	0.79-0.9416	0.75-0.9382

In May 2018, the Corporation entered into a credit facility agreement with KGI Bank for a NT\$500,000 thousand credit line. The Corporation applied for the extension of the agreement period to 2023 in June 2020. Under the agreement, based on the Corporation's quarterly reviewed consolidated financial statements and audited annual consolidated financial statements, which shall be verified quarterly the consolidated profit from operations of the Corporation shall not be negative for two consecutive quarters. Otherwise, the credit line shall be cancelled until the quarter profit from operation becomes positive. The Corporation and its subsidiaries did not violate the provision.

## 20. OTHER PAYABLES

	September 30, 2022	December 31, 2021	September 30, 2021
Royalties (Note 13)	\$ 587,787	\$ 512,439	\$ 515,586
Salaries and incentive bonus	116,970	116,528	96,545
Soil remediation expense	74,420	22,239	24,172
Employees' compensation and remuneration of directors	71,976	58,634	45,838
Outsourced repair and construction	54,428	42,258	61,281
Purchase of equipment	29,820	510	6,493
Others (freight, commission and insurance)	<u>60,710</u>	<u>43,068</u>	<u>37,830</u>
	<u>\$ 996,111</u>	<u>\$ 795,676</u>	<u>\$ 787,745</u>

## 21. RETIREMENT BENEFIT PLANS

For the three months and nine months ended September 30, 2022 and 2021, the pension expenses of defined benefit plans were NT\$1,257 thousand, NT\$1,744 thousand, NT\$3,772 thousand and NT\$5,232 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2021 and 2020, respectively.

## 22. EQUITY

a. Ordinary share capital

	September 30, 2022	December 31, 2021	September 30, 2021
Number of shares authorized (in thousands)	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
Shares authorized	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>

(Continued)

	September 30, 2022	December 31, 2021	September 30, 2021
Number of shares issued and fully paid (in thousands)	<u>236,904</u>	<u>236,904</u>	<u>236,904</u>
Shares issued	<u>\$ 2,369,044</u>	<u>\$ 2,369,044</u>	<u>\$ 2,369,044</u>
			(Concluded)

Fully paid ordinary shares, which have a par value of NT\$10, carry one vote per share and the right to dividends.

b. Capital surplus

	September 30, 2022	December 31, 2021	September 30, 2021
May be used to offset deficits, distribute cash or transfer to share capital (see note below)			
Additional paid-in capital	\$ 218	\$ 218	\$ 218
Treasury share transactions	900,448	881,434	881,434
May be used to offset deficits only			
Share of change in equity of associates	<u>2,138</u>	<u>2,137</u>	<u>2,137</u>
	<u>\$ 902,804</u>	<u>\$ 883,789</u>	<u>\$ 883,789</u>

Note: Such capital surplus may be used to offset a deficit; in addition, when the Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Corporation's capital surplus and once a year).

c. Retained earnings and dividend policy

Under the dividend policy, where the Corporation made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Corporation's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders.

The Corporation is currently in a growing industry environment and the Corporation intends to take advantage of the economic environment to seek for a sustainable operation. The Corporation's dividend policy is to focus on dividend stability and growth by referring to future operating conditions; also, the Corporation should distribute not less than 50% of distributable earnings, and cash dividend may not be less than 50% of the amount distributed.

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Corporation's paid-in capital. Legal reserve may be used to offset deficit. If the Corporation has no deficit and the legal reserve has exceeded 25% of the Corporation's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriation of earnings for 2021 and 2020 had been approved in the shareholder's meeting in June 2022 and July 2021, respectively. The appropriations and dividends per share were as follows:

	<b>Appropriation of Earnings</b>		<b>Dividend Per Share</b>	
	<b>For the Year Ended</b>		<b>(NT\$)</b>	
	<b>December 31</b>		<b>For the Year Ended</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Legal reserve	\$ 109,470	\$ 71,898		
Special reserve	-	16,317		
Cash dividends	947,618	615,952	\$ 4	\$ 2.6

In addition, the Corporation's board of directors resolved to distribute cash from legal reserve of NT\$47,381 thousand, NT\$0.2 per share, total NT\$2.8 per share in 2020.

d. Other equity items

1) Exchange differences on the translation of the financial statement of foreign operations

	<b>For the Nine months Ended</b>	
	<b>September 30</b>	
	<b>2022</b>	<b>2021</b>
Balance, beginning of period	\$ (91,078)	\$ (84,747)
Recognized during the period		
Exchange differences arising on translation of foreign operations	44,260	(8,644)
Share of exchange difference of associates accounted for using the equity method	<u>5,141</u>	<u>2,562</u>
Balance, end of period	<u>\$ (41,677)</u>	<u>\$ (90,829)</u>

2) Unrealized gains and losses on financial assets at FVTOCI

	<b>For the Nine months Ended</b>	
	<b>September 30</b>	
	<b>2022</b>	<b>2021</b>
Balance, beginning of period	\$ 269,420	\$ (108,407)
Recognized during the period		
Unrealized gain and loss		
Debt instruments	(135)	(70)
Equity instruments	(58,742)	78,575
Share from associates accounted for using the equity method	<u>(253,226)</u>	<u>332,111</u>
Other comprehensive income (loss) recognized in the period	<u>(312,103)</u>	<u>410,616</u>
Cumulative unrealized gains and losses of equity instruments transferred to retained earnings due to disposal	<u>(983)</u>	<u>(3,164)</u>
Balance, end of period	<u>\$ (43,666)</u>	<u>\$ 299,045</u>

3) Gains and losses on hedging instruments (cash flow hedges)

	<b>For the Nine months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>
Balance, beginning of period	\$ (12)	\$ 4
Recognized during the period		
Share of fair value changes of hedging instruments of associates accounted for using the equity method	<u>33</u>	<u>(17)</u>
Balance, end of period	<u>\$ 21</u>	<u>\$ (13)</u>

e. Non-controlling interests

	<b>For the Nine months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>
Balance, beginning of period	\$ 266,738	\$ 276,257
Net profit (loss) for the period	348	(1,715)
Other comprehensive income (loss) recognized in the period		
Exchange difference arising from translating foreign operations	<u>39,250</u>	<u>(6,097)</u>
Balance, end of period	<u>\$ 306,336</u>	<u>\$ 268,445</u>

f. Treasury shares

The Corporation's shares acquired and held by subsidiary - EWI for the purpose of investment accounted for as treasury shares were as follows (number of shares in thousands):

For the Nine months Ended September 30, 2022

<b>Beginning of period</b>		<b>Decrease during the period</b>			<b>End of period</b>		
<b>Number of Shares Held</b>	<b>Carrying Amount</b>	<b>Number of Shares Held</b>	<b>Carrying Amount</b>	<b>Selling Price</b>	<b>Number of Shares Held</b>	<b>Carrying Amount</b>	<b>Market Price</b>
4,754	<u>\$ 117,638</u>	-	<u>\$ -</u>	<u>\$ -</u>	4,754	<u>\$ 117,638</u>	<u>\$ 506,252</u>

For the Nine months Ended September 30, 2021

<b>Beginning of period</b>		<b>Decrease during the period</b>			<b>End of period</b>		
<b>Number of Shares Held</b>	<b>Carrying Amount</b>	<b>Number of Shares Held</b>	<b>Carrying Amount</b>	<b>Selling Price</b>	<b>Number of Shares Held</b>	<b>Carrying Amount</b>	<b>Market Price</b>
4,754	<u>\$ 117,638</u>	-	<u>\$ -</u>	<u>\$ -</u>	4,754	<u>\$ 117,638</u>	<u>\$ 556,164</u>

The Corporation's shares held by the subsidiaries are accounted for as treasury shares with all shareholders' rights, except the rights to participate in the Corporation's capital increase in cash and right to vote.

## 23. OPERATING REVENUES

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2022	2021	2022	2021
Revenue from contracts with customers				
Revenue from chemical product production and sale	\$ 2,225,033	\$ 1,974,246	\$ 7,049,852	\$ 4,982,306
Revenue from trading	345,360	315,624	1,148,788	797,081
Revenue from the rendering of services	<u>13,952</u>	<u>24,402</u>	<u>53,896</u>	<u>75,899</u>
	<u>2,584,345</u>	<u>2,314,272</u>	<u>8,252,536</u>	<u>5,855,286</u>
Revenue from investment				
Gain (loss) on fair value change of financial assets at FVTPL	(4,565)	(28,559)	(67,764)	49,827
Impairment loss on financial assets	-	-	-	(3,878)
Share of the profit of associates	8,268	4,731	18,096	9,950
Dividend income	<u>20,615</u>	<u>5,356</u>	<u>20,835</u>	<u>5,356</u>
	<u>24,318</u>	<u>(18,472)</u>	<u>(28,833)</u>	<u>61,255</u>
	<u>\$ 2,608,663</u>	<u>\$ 2,295,800</u>	<u>\$ 8,223,703</u>	<u>\$ 5,916,541</u>

### a. Contract balances

	September 30, 2022	December 31, 2021	September 30, 2021	January 1, 2021
Notes and accounts receivables (including related parties)	<u>\$ 724,104</u>	<u>\$ 693,897</u>	<u>\$ 601,397</u>	<u>\$ 446,179</u>
Contract liabilities				
Sale of goods	<u>\$ 94,745</u>	<u>\$ 49,541</u>	<u>\$ 58,338</u>	<u>\$ 12,088</u>

The changes in the contract liability balances primarily result from the timing difference between the Corporation and its subsidiaries' satisfaction performance of obligation and the respective customer's payment.

Revenue in the current year recognized from the balance at the beginning of the year contract liability was summarized as follows:

	For the Nine months Ended September 30	
	2022	2021
From contract liabilities at the beginning of the year		
Sale of goods	<u>\$ 49,505</u>	<u>\$ 12,079</u>

b. Disaggregation of revenue

For the nine months ended September 30, 2022

	<b>Chemicals Product - Production and Sales</b>	<b>Chemicals Product - Trading</b>	<b>Investment Product</b>	<b>Total</b>
Type of goods or services				
Sale of goods	\$ 7,049,852	\$ 1,148,788	\$ -	\$ 8,198,640
Rendering of services	53,896	-	-	53,896
Others	<u>-</u>	<u>-</u>	<u>(28,833)</u>	<u>(28,833)</u>
	<u>\$ 7,103,748</u>	<u>\$ 1,148,788</u>	<u>\$ (28,833)</u>	<u>\$ 8,223,703</u>

For the nine months ended September 30, 2021

	<b>Chemicals Product - Production and Sales</b>	<b>Chemicals Product - Trading</b>	<b>Investment Product</b>	<b>Total</b>
Type of goods or services				
Sale of goods	\$ 4,982,306	\$ 797,081	\$ -	\$ 5,779,387
Rendering of services	75,899	-	-	75,899
Others	<u>-</u>	<u>-</u>	<u>61,255</u>	<u>61,255</u>
	<u>\$ 5,058,205</u>	<u>\$ 797,081</u>	<u>\$ 61,255</u>	<u>\$ 5,916,541</u>

## 24. PROFIT BEFORE INCOME TAX

Profit before income tax consisted of following items:

a. Interest income

	<b>For the Three Months Ended September 30</b>		<b>For the Nine months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Bank deposits	\$ 1,183	\$ 322	\$ 1,363	\$ 1,444
Financial assets at amortized cost	274	595	1,872	1,987
Investment in debt instruments at FVTOCI	323	855	623	901
Others	<u>730</u>	<u>142</u>	<u>1,154</u>	<u>666</u>
	<u>\$ 2,510</u>	<u>\$ 1,914</u>	<u>\$ 5,012</u>	<u>\$ 4,998</u>

b. Other income

	<b>For the Three Months Ended September 30</b>		<b>For the Nine months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Income from sale of product trials	\$ 9,623	\$ 5,607	\$ 33,909	\$ 15,220
Rental income (Note 29)	4,043	3,966	12,371	12,315
Export rebate	9,080	-	9,080	-
Dividend income	8,636	1,088	8,636	1,088
Government grants income	-	4,627	-	14,945
Others	<u>2,156</u>	<u>9,013</u>	<u>13,896</u>	<u>16,696</u>
	<u>\$ 33,538</u>	<u>\$ 24,301</u>	<u>\$ 77,892</u>	<u>\$ 60,264</u>

c. Other gains and losses

	<b>For the Three Months Ended September 30</b>		<b>For the Nine months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Net foreign exchange gain (loss)	\$ 47,718	\$ 2,531	\$ 95,416	\$ (9,331)
Soil remediation expense	(61,893)	-	(61,893)	-
Net gain (loss) on fair value change of financial assets mandatorily at FVTPL	(591)	(7,854)	(25,894)	(11,506)
Loss on disposal of property, plant and equipment	(110)	(264)	(1,384)	(71)
Loss from disasters	-	(252)	-	(10,349)
Others	<u>(190)</u>	<u>(145)</u>	<u>(1,112)</u>	<u>(366)</u>
	<u>\$ (15,066)</u>	<u>\$ (5,984)</u>	<u>\$ 5,133</u>	<u>\$ (31,623)</u>

The components of net foreign exchange gain (loss) were as follows:

	<b>For the Three Months Ended September 30</b>		<b>For the Nine months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Foreign exchange gain	\$ 61,645	\$ 5,456	\$ 122,049	\$ 18,338
Foreign exchange loss	<u>(13,927)</u>	<u>(2,925)</u>	<u>(26,633)</u>	<u>(27,669)</u>
Net foreign exchange gain (loss)	<u>\$ 47,718</u>	<u>\$ 2,531</u>	<u>\$ 95,416</u>	<u>\$ (9,331)</u>

d. Interest expenses

	<b>For the Three Months Ended September 30</b>		<b>For the Nine months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Interest on bank loans	\$ 4,770	\$ 4,663	\$ 12,605	\$ 16,109
Interest on lease liabilities	<u>2,463</u>	<u>2,516</u>	<u>7,465</u>	<u>7,643</u>
	7,233	7,179	20,070	23,752
Less: Amounts included in the cost of qualifying assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>947</u>
	<u>\$ 7,233</u>	<u>\$ 7,179</u>	<u>\$ 20,070</u>	<u>\$ 22,805</u>

Information about capitalized interest was as follows:

	<b>For the Three Months Ended September 30</b>		<b>For the Nine months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Capitalized interest	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 947</u>
Capitalization rate (%)	-	-	-	1.1955

e. Depreciation and amortization

	<b>For the Three Months Ended September 30</b>		<b>For the Nine months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Property, plant and equipment	\$ 101,814	\$ 108,598	\$ 303,876	\$ 323,513
Right-of-use assets	12,080	9,085	30,331	27,251
Other non-current assets	<u>2,334</u>	<u>2,283</u>	<u>7,266</u>	<u>6,854</u>
	<u>\$ 116,228</u>	<u>\$ 119,966</u>	<u>\$ 341,473</u>	<u>\$ 357,618</u>
An analysis of depreciation by function				
Operating costs	\$ 97,048	\$ 104,364	\$ 292,500	\$ 310,553
Operating expenses	<u>16,846</u>	<u>13,319</u>	<u>41,707</u>	<u>40,211</u>
	<u>\$ 113,894</u>	<u>\$ 117,683</u>	<u>\$ 334,207</u>	<u>\$ 350,764</u>
An analysis of amortization by function				
Operating costs	<u>\$ 2,334</u>	<u>\$ 2,283</u>	<u>\$ 7,266</u>	<u>\$ 6,854</u>



f. Employee benefits expense

	<b>For the Three Months Ended September 30</b>		<b>For the Nine months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Short-term employee benefits	\$ 121,491	\$ 121,898	\$ 414,864	\$ 352,649
Salaries	8,243	7,054	22,672	20,347
Labor and health insurance	<u>8,520</u>	<u>5,267</u>	<u>23,320</u>	<u>15,265</u>
Others	<u>138,254</u>	<u>134,219</u>	<u>460,856</u>	<u>388,261</u>
Post-employment benefits				
Defined contribution plans	2,366	2,210	6,886	6,533
Defined benefit plans (Note 21)	<u>1,257</u>	<u>1,744</u>	<u>3,772</u>	<u>5,232</u>
	<u>3,623</u>	<u>3,954</u>	<u>10,658</u>	<u>11,765</u>
	<u>\$ 141,877</u>	<u>\$ 138,173</u>	<u>\$ 471,514</u>	<u>\$ 400,026</u>
An analysis by function				
Operating costs	\$ 93,147	\$ 92,742	\$ 302,485	\$ 271,174
Operating expenses	<u>48,730</u>	<u>45,431</u>	<u>169,029</u>	<u>128,852</u>
	<u>\$ 141,877</u>	<u>\$ 138,173</u>	<u>\$ 471,514</u>	<u>\$ 400,026</u>

g. Employees' compensation and remuneration of directors

The Articles of Incorporation of the Corporation stipulated the Corporation to distribute employees' compensation and remuneration of directors at the rates no less than 0.1% and no higher than 1%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors.

The employees' compensation and remuneration of directors for the three months and nine months ended September 30, 2022 and 2021 were as follows:

	<b>For the Three Months Ended September 30</b>		<b>For the Nine months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Employees' compensation	\$ 22,140	\$ 15,438	\$ 60,230	\$ 38,198
Remuneration of directors	4,128	3,089	11,746	7,640

If there is a change in the proposed amounts after the annual consolidated financial statements were authorized for issue, the differences are recorded as a change in accounting estimate and recognized in the next year.

The appropriations of employees' compensation and remuneration of directors (all in cash) for 2021 and 2020 which have been approved the board of directors in February 2022 and 2021, respectively, were as follows:

	For the Year Ended December 31, 2021		For the Year Ended December 31, 2020	
	Employees' Compensation	Remuneration of Directors	Employees' Compensation	Remuneration of Directors
Amounts approved in the board of directors' meeting	\$ 49,446	\$ 9,889	\$ 33,803	\$ 6,761
Amounts recognized in the consolidated financial statements	\$ 48,862	\$ 9,772	\$ 31,518	\$ 6,304

The difference amounts above were recognized in profit and loss for the nine months ended September 30, 2022 and 2021.

Information on employees' compensation and remuneration of directors resolved by the Corporation's board of directors is available on the Market Observation Post System website of the Taiwan Stock Exchange.

## 25. INCOME TAX

### a. Income tax recognized in profit or loss

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2022	2021	2022	2021
Current tax				
In respect of the current period	\$ 98,243	\$ 73,309	\$ 293,066	\$ 186,163
Adjustments for prior year	-	-	(9,434)	(11,898)
Adjustments under the Alternative Minimum Tax Act	(1,152)	1,351	-	3,259
	<u>\$ 97,091</u>	<u>\$ 74,660</u>	<u>\$ 283,632</u>	<u>\$ 177,524</u>

### b. Income tax assessments

The Corporation and EWI's income tax returns through 2020 have been assessed by the tax authorities.

## 26. EARNINGS PER SHARE

The net profit and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

### Net profit for the period

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2022	2021	2022	2021
Net profit attributable to owners of the Corporation	<u>\$ 448,195</u>	<u>\$ 329,985</u>	<u>\$1,349,991</u>	<u>\$ 854,536</u>

Weighted average number of ordinary shares outstanding (in thousand shares)

	<b>For the Three Months Ended September 30</b>		<b>For the Nine months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Weighted average number of ordinary shares outstanding	236,904	236,904	236,904	236,904
Less: Number of treasury shares acquired by subsidiaries	<u>4,754</u>	<u>4,754</u>	<u>4,754</u>	<u>4,754</u>
Weighted average number of ordinary shares used in computation of basic earnings per share	232,150	232,150	232,150	232,150
Plus: Effect of dilutive potential ordinary shares - employees' compensation	<u>566</u>	<u>326</u>	<u>647</u>	<u>389</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>232,716</u>	<u>232,476</u>	<u>232,797</u>	<u>232,539</u>

Since the Corporation is allowed to settle compensation paid to employees by cash or shares, the Corporation assumed that the entire amount of the compensation will be settled in shares and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the shares have a dilutive effect. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

## **27. CAPITAL MANAGEMENT**

The capital management of the Corporation and its subsidiaries is aimed at ensuring effective use of capital and ensuring a smooth operation and ensuring optimized debt and equity balance. The overall strategies of the Corporation and its subsidiaries have not significantly changed for the nine months ended September 30, 2022. The capital structure of the Corporation and its subsidiaries consist of net liabilities and equity. Except for the description of Note 19, without any need for complying with other external capital requirements. The Corporation and its subsidiaries review capital structure on a quarterly basis, including the consideration of capital costs and related risks. Currently, the equity in the capital structure is greater than liabilities and it will be used to pay for dividends or debts; also, the Corporation and its subsidiaries have invested in financial instruments as part of capital and fund management.

## 28. FINANCIAL INSTRUMENTS

### a. Fair value of financial instruments that are measured at fair value on a recurring basis

#### 1) Fair value hierarchy

	Level 1	Level 2	Level 3	Total
<u>September 30, 2022</u>				
Financial assets at FVTPL				
Mutual funds	\$ 263,236	\$ -	\$ -	\$ 263,236
Domestic listed shares	52,215	-	-	52,215
Emerging market shares	-	-	27,508	27,508
Domestic unlisted shares	-	-	57,171	57,171
Financial bonds	<u>29,271</u>	<u>-</u>	<u>-</u>	<u>29,271</u>
	<u>\$ 344,722</u>	<u>\$ -</u>	<u>\$ 84,679</u>	<u>\$ 429,401</u>
Financial assets at FVTOCI				
Domestic listed shares	\$ 191,759	\$ -	\$ -	\$ 191,759
Emerging market shares	-	-	51,592	51,592
Domestic unlisted shares	-	-	31,000	31,000
Financial bonds	<u>14,627</u>	<u>-</u>	<u>-</u>	<u>14,627</u>
	<u>\$ 206,386</u>	<u>\$ -</u>	<u>\$ 82,592</u>	<u>\$ 288,978</u>
<u>December 31, 2021</u>				
Financial assets at FVTPL				
Mutual funds	\$ 546,669	\$ -	\$ -	\$ 546,669
Domestic listed shares	89,908	-	-	89,908
Emerging market share	-	-	27,131	27,131
Domestic unlisted shares	-	-	54,071	54,071
Financial bonds	<u>52,298</u>	<u>-</u>	<u>-</u>	<u>52,298</u>
	<u>\$ 688,875</u>	<u>\$ -</u>	<u>\$ 81,202</u>	<u>\$ 770,077</u>
Financial assets at FVTOCI				
Domestic listed shares	\$ 251,693	\$ -	\$ -	\$ 251,693
Emerging market shares	-	-	50,400	50,400
Domestic unlisted shares	-	-	31,000	31,000
Financial bonds	<u>14,762</u>	<u>-</u>	<u>-</u>	<u>14,762</u>
	<u>\$ 266,455</u>	<u>\$ -</u>	<u>\$ 81,400</u>	<u>\$ 347,855</u>
<u>September 30, 2021</u>				
Financial assets at FVTPL				
Mutual funds	\$ 601,689	\$ -	\$ -	\$ 601,689
Domestic listed shares	86,077	-	-	86,077
Emerging market shares	-	-	25,890	25,890

(Continued)

	Level 1	Level 2	Level 3	Total
Domestic unlisted shares	\$ -	\$ -	\$ 53,023	\$ 53,023
Financial bonds	<u>106,488</u>	<u>-</u>	<u>-</u>	<u>106,488</u>
	<u>\$ 794,254</u>	<u>\$ -</u>	<u>\$ 78,913</u>	<u>\$ 873,167</u>
Financial assets at FVTOCI				
Domestic listed shares	\$ 258,137	\$ -	\$ -	\$ 258,137
Financial bonds	<u>15,187</u>	<u>-</u>	<u>-</u>	<u>15,187</u>
	<u>\$ 273,324</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 273,324</u>

(Concluded)

There were no transfers between Level 1 and Level 2 for the nine months ended September 30, 2022 and 2021.

2) Reconciliation of Level 3 fair value measurements of financial assets

For the nine months ended September 30, 2022

	Equity Instrument		
	Financial Assets at FVTPL	Financial Assets at FVTOCI	Total
Balance, beginning of period	\$ 81,202	\$ 81,400	\$ 162,602
Recognized in profit or loss	2,415	-	2,415
Recognized in other comprehensive income	-	1,192	1,192
Purchase	1,278	-	1,278
Settlements	<u>(216)</u>	<u>-</u>	<u>(216)</u>
Balance, end of period	<u>\$ 84,679</u>	<u>\$ 82,592</u>	<u>\$ 167,271</u>

For the nine months ended September 30, 2021

	Equity Instrument		
	Financial Assets at FVTPL	Financial Assets at FVTOCI	Total
Balance, beginning of period	\$ 76,042	\$ -	\$ 76,042
Recognized in profit or loss	1,736	-	1,736
Purchase	<u>1,135</u>	<u>-</u>	<u>1,135</u>
Balance, end of period	<u>\$ 78,913</u>	<u>\$ -</u>	<u>\$ 78,913</u>

3) Valuation techniques and inputs applied for the purpose of measuring Level 3 fair value measurement

- a) The fair value of emerging market shares was based on the closing price adjusted for liquidity risk premium.
- b) The fair value of unlisted shares was based on the current net value or trading price.

b. Categories of financial instruments

	September 30, 2022	December 31, 2021	September 30, 2021
<hr/> Financial assets <hr/>			
Financial assets at FVTPL			
Mandatorily classified as at FVTPL (including non-current)	\$ 429,401	\$ 770,077	\$ 873,167
Financial assets at FVTOCI			
Investments in equity instruments	274,351	333,093	258,137
Investments in debt instruments	14,627	14,762	15,187
Financial assets at amortized cost 1)	2,449,630	1,719,088	1,629,877
<hr/> Financial liabilities <hr/>			
Measured at amortized cost 2)	3,002,488	3,109,138	3,394,079

- 1) The balances included financial assets measured at amortized cost, which comprise cash and cash equivalents, notes and accounts receivable (including related parties), other receivables, other financial assets, and refundable deposits.
- 2) The balances included financial liabilities measured at amortized cost, which comprise short-term borrowings, short-term bills payable, accounts payable (including related parties), other payables, long-term borrowings and guarantee deposit received.

c. Financial risk management objectives and policies

The Corporation and its subsidiaries' major financial instruments include equity and debt investments, accounts receivable, accounts payable, short-term and long-term borrowings and short-term bills payable. The Corporation and its subsidiaries' treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Corporation and its subsidiaries through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Corporation and its subsidiaries sought to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives was governed by the Corporation and its subsidiaries' policies approved by the board of directors, which provided written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits was reviewed by the internal auditors on a continuous basis. The Corporation and its subsidiaries did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

The Corporation and its subsidiaries' activities exposed them primarily to the financial risks of changes in foreign currency exchange rates and interest rates. There had been no change to the Corporation and its subsidiaries' exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Corporation and its subsidiaries had sales in foreign currencies, which were exposed to foreign currency risk. Exchange rate exposures were managed within approved policy parameters utilizing forward foreign exchange contracts or were mitigated by future receivables and payables denominated in the same foreign currency.

The carrying amounts of the Corporation and its subsidiaries foreign currency denominated monetary assets and monetary liabilities at the balance sheet date are set out in Note 31.

Sensitivity analysis

The Corporation and its subsidiaries were mainly exposed to the currencies USD and RMB. The following table details the Corporation and its subsidiaries' sensitivity to a 3% increase and decrease in the functional currency against the relevant foreign currencies. The sensitivity rate of 3% represents management's assessment of the reasonably possible change in foreign exchange rates.

The sensitivity analysis includes only the outstanding foreign monetary items at each balance sheet date. Scenario 1 in the following table indicates the profit and loss of the Corporation and its subsidiaries when the functional currency against the USD or RMB appreciated by 3%. Scenario 2 in the following table indicates the profit and loss of the Corporation and its subsidiaries when the functional currency against the USD or RMB depreciated by 3%.

	<b>USD (Note)</b>		<b>RMB (Note)</b>	
	<b>For the Nine months Ended September 30</b>		<b>For the Nine months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Profit or loss in				
Scenario 1	\$ (21,773)	\$ (2,322)	\$ (7,167)	\$ (1,171)
Profit or loss in				
Scenario 2	21,773	2,322	7,167	1,171

Note: It was mainly derived from the cash and cash equivalents, receivables, other financial assets, payables, and other payables denominated in foreign currency without cash flow hedging arranged at each balance sheet date by the Corporation and its subsidiaries.

Changes in the exchange rate sensitivity of the Corporation and its subsidiaries for the nine months ended September 30, 2022 and 2021 were mainly due to the decrease of USD and RMB assets. The management believes that the sensitivity analysis is not representative of the inherent risk of exchange rate since the foreign currency risk exposure at balance sheet date does not reflect the interim risk exposure; also, the sales denominated in USD and RMB will be affected by customer orders and shipping schedule.

b) Interest rate risk

The carrying amounts of the Corporation and its subsidiaries financial assets and financial liabilities with exposure to interest rates at the balance sheet date were as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Fair value interest rate risk			
Financial liabilities	\$ 1,261,300	\$ 635,535	\$ 997,554
Cash flow interest rate risk			
Financial assets	745,327	386,965	371,531
Financial liabilities	590,000	1,100,000	950,000

Because of held financial liabilities, if interest rates had been 1% higher/lower and all other variables were constant, the Corporation and its subsidiaries' pre-tax profit for the nine months ended September 30, 2022 and 2021 would have decreased/increased by NT\$4,425 thousand and NT\$7,125 thousand, respectively.

c) Other price risk

The Corporation and its subsidiaries are exposed to equity price risk through their investments in listed shares and mutual funds. The risk is managed by maintaining a portfolio of investments with different risks. The equity price risk of the Corporation and its subsidiaries was primarily concentrated on the share and fund market in Taiwan and it was evaluated by the closing price of the equity securities and net value of the mutual funds on a monthly basis.

Sensitivity analysis

The sensitivity analysis measures the exposure to equity price risk at the balance sheet date. Considering the market price fluctuation of the Corporation and its subsidiaries' main investment targets, the fluctuation of 6% was used for the sensitivity analysis of equity securities.

If equity prices had been 6% higher/lower for the nine months ended September 30, 2022 and 2021, respectively, the pre-tax profit for the nine months ended September 30, 2022 and 2021 would have been higher/lower by NT\$18,927 thousand and NT\$41,266 thousand, respectively, as a result of the fair value changes of financial assets at FVTPL, and the pre-tax other comprehensive income for the nine months ended September 30, 2022 and 2021 would have been higher/lower by NT\$11,506 thousand and NT\$15,488 thousand, respectively, as a result of the changes in fair value of FVTOCI.

2) Credit risk

Credit risk refers to the risk that counterparty will default resulting in financial loss to the Corporation and its subsidiaries. The Corporation and its subsidiaries' maximum exposure to credit risk is the carrying amount of accounts receivables from customers could not be recovered. The main customers of the Corporation and its subsidiaries were creditworthy and continuously to evaluate the customers' financial condition. If necessary, the customers will be requested to provide collaterals or to pay cash for each transaction. The business department also understands the credit status of customers through industry reports. The credit risk was immaterial to the Corporation and its subsidiaries.

The Corporation and its subsidiaries' concentrations of credit risk in total of notes and accounts receivable were as follows:



	September 30, 2022	December 31, 2021	September 30, 2021
Customer A	\$ 113,821	\$ 127,344	\$ 129,898
Customer B	48,673	78,171	62,654
Customer C	<u>41,474</u>	<u>50,557</u>	<u>51,498</u>
	<u>\$ 203,968</u>	<u>\$ 256,072</u>	<u>\$ 244,050</u>

### 3) Liquidity risk

The Corporation and its subsidiaries have supported business operation through management and by maintaining sufficient cash and cash equivalents or easily realizable financial instruments. In addition, the Corporation and its subsidiaries signed line of credit contracts with financial institutions for a ready source of funds to support the business operation of the Corporation and its subsidiaries.

The Corporation and its subsidiaries rely on bank borrowings as a significant source of liquidity. As of September 30, 2022, December 31, 2021 and September 30, 2021, the Corporation and its subsidiaries had available unutilized short-term bank loan facilities in the amounts of NT\$5 billion, NT\$5 billion and NT\$4.8 billion, respectively.

#### Liquidity and interest rate risk table for non-derivative financial liabilities

The following table details the Corporation and its subsidiaries remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Corporation and its subsidiaries can be required to pay. The table included both interest and principal cash flows. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

#### September 30, 2022

	1 Year	1-5 Years	5+ Years	Total
Non-interest bearing liabilities	\$ 1,390,035	\$ 3,509	\$ -	\$ 1,393,544
Lease liabilities	37,683	140,934	560,187	738,804
Variable interest rate liabilities	394,462	592,684	-	987,146
Fixed interest rate liabilities	<u>641,287</u>	<u>-</u>	<u>-</u>	<u>641,287</u>
	<u>\$ 2,463,467</u>	<u>\$ 737,127</u>	<u>\$ 560,187</u>	<u>\$ 3,760,781</u>

#### December 31, 2021

	1 Year	1-5 Years	5+ Years	Total
Non-interest bearing liabilities	\$ 1,109,697	\$ 3,480	\$ -	\$ 1,113,177
Lease liabilities	38,803	134,676	582,778	756,257
Variable interest rate liabilities	<u>911,512</u>	<u>1,108,649</u>	<u>-</u>	<u>2,020,161</u>
	<u>\$ 2,060,012</u>	<u>\$ 1,246,805</u>	<u>\$ 582,778</u>	<u>\$ 3,889,595</u>

September 30, 2021

	<b>1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>	<b>Total</b>
Non-interest bearing liabilities	\$ 1,092,309	\$ 3,530	\$ -	\$ 1,095,839
Lease liabilities	40,234	135,186	590,381	765,801
Variable interest rate liabilities	1,005,454	956,634	-	1,962,088
Fixed interest rate liabilities	<u>161,600</u>	<u>202,095</u>	<u>-</u>	<u>363,695</u>
	<u>\$ 2,299,597</u>	<u>\$ 1,297,445</u>	<u>\$ 590,381</u>	<u>\$ 4,187,423</u>

d. Transfers of financial assets

During the nine months ended September 30, 2022, CCSNM transferred a portion of its commercial acceptance bills with an aggregate carrying amount of NT\$115,280 thousand. According to the contract, if these commercial acceptance bills are not recoverable at maturity, banks have the right to request CCSNM pay the unsettled balance. As CCSNM has not transferred the significant risks and rewards relating to these commercial acceptance bills, it continues to recognize the full carrying amounts of these commercial acceptance bills and treats these commercial acceptance bills that have been transferred to banks as collateral for borrowings (see Note 19).

As of September 30, 2022, the carrying amount of these commercial acceptance bills that have been transferred but not derecognized was NT\$5,046 thousand, and the carrying amount of the related liabilities was NT\$5,046thousand.

## 29. TRANSACTIONS WITH RELATED PARTIES

<b>Related Party Name</b>	<b>Relationship with the Corporation</b>
China Steel Corporation (CSC)	The parent entity of the Corporation
International CSRC Investment Holding Co., Ltd.	The Corporation as key management personnel of other related parties
Linyuan Advanced Materials Technology Co., Ltd. (Linyuan Advanced)	The Corporation as key management personnel of subsidiary
E-One Moli Energy Corporation	The Corporation as key management personnel of subsidiary
China Steel Structure Corporation	Fellow subsidiary
Dragon Steel Corporation (DSC)	Fellow subsidiary
Chung Hung Steel Corporation (CHS)	Fellow subsidiary
CHC Resources Corporation	Fellow subsidiary
Himag Magnetic Corporation	Fellow subsidiary
China Steel Global Trading Corporation	Fellow subsidiary
Steel Castle Technology Corporation	Fellow subsidiary
China Steel Security Corporation	Fellow subsidiary
Thintech Materials Technology Co., Ltd.	Fellow subsidiary
China Steel Precision Materials Corporation (CSPM)	Fellow subsidiary
China Ecotek Corporation	Fellow subsidiary
Betacera Inc.	Fellow subsidiary
CSC Solar Corporation	Fellow subsidiary
Pro-Ascentek Investment Corporation	Fellow subsidiary

(Continued)

<b>Related Party Name</b>	<b>Relationship with the Corporation</b>
Eminent Venture Capital Corporation	Fellow subsidiary
Formosa Ha Tinh (Cayman) Limited (Formosa Ha Tinh (Cayman))	Other related party
Formosa Ha Tinh Steel Corporation (Formosa Ha Tinh)	Other related party
Eminent III Venture Capital Corporation	Associate

(Concluded)

Details of transactions between the Corporation and its subsidiaries and related parties were as follows:

a. Operating revenues

Account Items	Related Parties Category/Name	For the Three Months Ended September 30		For the Nine months Ended September 30	
		2022	2021	2022	2021
Revenue from sales of goods	The Corporation as key management personnel of subsidiaries				
	Linyuan Advanced	\$ 342,197	\$ 367,846	\$ 1,070,162	\$ 884,756
	Others	<u>32,129</u>	<u>24,978</u>	<u>99,788</u>	<u>67,848</u>
		374,326	392,824	1,169,950	952,604
	Parent entity	4,211	2,854	11,950	11,021
	Fellow subsidiaries	<u>4,482</u>	<u>2,926</u>	<u>12,482</u>	<u>9,268</u>
		<u>\$ 383,019</u>	<u>\$ 398,604</u>	<u>\$ 1,194,382</u>	<u>\$ 972,893</u>
Revenue from the rendering of services	Parent entity	\$ 12,162	\$ 22,571	\$ 47,984	\$ 71,650
	Fellow subsidiaries	<u>1,791</u>	<u>1,728</u>	<u>5,857</u>	<u>4,007</u>
		<u>\$ 13,953</u>	<u>\$ 24,299</u>	<u>\$ 53,841</u>	<u>\$ 75,657</u>

Part of sales to the parent entity and fellow subsidiaries were charged at the cost plus additional percentage; sales to others were charged in accordance with the agreed pricing formula. Sales referred to above except for revenue from rendering of services from the parent entity, did not have similar transactions for comparison; but not significantly different from regular trading.

b. Purchase of goods

Related Parties Category/Name	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2022	2021	2022	2021
Parent entity				
CSC	<u>\$ 752,782</u>	<u>\$ 637,467</u>	<u>\$ 2,281,274</u>	<u>\$ 1,728,079</u>
Fellow subsidiaries				
DSC	362,385	226,719	978,448	654,176
Others	<u>1,094</u>	<u>590</u>	<u>2,352</u>	<u>1,642</u>
	<u>363,479</u>	<u>227,309</u>	<u>980,800</u>	<u>655,818</u>
Other related party				
Formosa Ha Tinh	<u>416,082</u>	<u>378,403</u>	<u>1,392,212</u>	<u>955,953</u>
	<u>\$ 1,532,343</u>	<u>\$ 1,243,179</u>	<u>\$ 4,654,286</u>	<u>\$ 3,339,850</u>

The Corporation entered into agreements for purchase of light oil products and coal tar with the parent entity in March 2013 and July 2010, respectively. Besides, the Corporation entered into agreements for purchase of light oil products and coal tar with DSC in May 2008. The terms of agreements were 5 years and the agreements would be extended automatically for 5 years each time upon maturity if there was no objection raised by either party. Prices were negotiated between both sides and paid with letters of credit at sight. If any price adjustments occurred due to market volatilities, it shall be settled separately.

In addition, the Corporation entered into agreement for fine coke processing with the parent company for 5 years in January 2008; the agreement would be extended automatically for 5 years each time upon maturity if there was no objection raised by either party.

The Corporation and its subsidiaries entered into agreements for purchase of light oil products and coal tar (including coal tar (refined)) with Formosa Ha Tinh. The agreement would be extended automatically according to the negotiation. Prices were negotiated between both sides and paid 10 days after shipment. If any price adjustments occurred due to market volatilities, it shall be settled separately.

c. Receivables from related parties

Account Items	Related Parties Category/Name	September 30, 2022	December 31, 2021	September 30, 2021
Accounts receivable - related parties	Parent entity	\$ 7,904	\$ 11,529	\$ 12,629
	Fellow subsidiaries	1,275	757	712
	The Corporation as key management personnel of subsidiaries			
	Linyuan Advanced	113,821	127,344	129,898
	Others	<u>30,831</u>	<u>21,460</u>	<u>16,789</u>
		<u>\$ 153,831</u>	<u>\$ 161,090</u>	<u>\$ 160,028</u>
Other receivables	Parent entity			
	CSC	\$ 30,969	\$ 22,310	\$ 14,979
	Fellow subsidiaries	1,071	1,352	940
	Other related parties			
	Formosa Ha Tinh (Cayman)	<u>222,250</u>	<u>193,760</u>	<u>197,776</u>
		<u>\$ 254,290</u>	<u>\$ 217,422</u>	<u>\$ 213,695</u>

No guarantee had been received for receivables from related parties. For the nine months ended September 30, 2022 and 2021, no impairment loss was recognized on receivables from related parties.

d. Payables to related parties

Account Items	Related Parties Category/Name	September 30, 2022	December 31, 2021	September 30, 2021
Accounts payable - related parties	Parent entity			
	CSC	\$ 233,028	\$ 264,391	\$ 242,440
	Fellow subsidiaries	304	10	198
	Other related parties			
	Formosa Ha Tinh	<u>52,794</u>	<u>-</u>	<u>32,032</u>
		<u>\$ 286,126</u>	<u>\$ 264,401</u>	<u>\$ 274,670</u>
Other payables	Parent entity	\$ 7,876	\$ 9,854	\$ 5,095
	Fellow subsidiaries	150	321	305
	The Corporation as key management personnel of other related parties	3,915	3,257	2,547

(Continued)

Account Items	Related Parties Category/Name	September 30, 2022	December 31, 2021	September 30, 2021
	Other related parties			
	Formosa Ha Tinh	\$ 587,787	\$ 512,439	\$ 515,586
		<u>\$ 599,728</u>	<u>\$ 525,871</u>	<u>\$ 523,533</u>
				(Concluded)

The outstanding accounts payable to related parties were unsecured.

e. Acquisitions of property, plant and equipment

Related Parties Category/Name	Purchase Price	
	For the Nine months Ended September 30	
	2022	2021
Parent entity	\$ 16,200	\$ -
Fellow subsidiaries	<u>3,010</u>	<u>580</u>
	<u>\$ 19,210</u>	<u>\$ 580</u>

f. Lease agreement

Related Parties Category/Name	For the Nine months Ended September 30	
	2022	2021
Acquisition of right-of-use assets		
Fellow subsidiary - CHS	<u>\$ -</u>	<u>\$ 6,932</u>

Account Items	Related Parties Category/Name	September 30, 2022	December 31, 2021	September 30, 2021
Lease liabilities	Parent entity - CSC	\$ 557,229	\$ 580,090	\$ 582,153
	Fellow subsidiaries			
	CSPM	50,163	49,665	48,853
	CHS	<u>4,057</u>	<u>5,780</u>	<u>6,352</u>
		<u>54,220</u>	<u>55,445</u>	<u>55,205</u>
		<u>\$ 611,449</u>	<u>\$ 635,535</u>	<u>\$ 637,358</u>

Related Parties Category/Name	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2022	2021	2022	2021
Interest expense				
Parent entity - CSC	<u>\$ 2,063</u>	<u>\$ 2,148</u>	<u>\$ 6,263</u>	<u>\$ 6,518</u>
Fellow subsidiaries				
CSPM	376	366	1,129	1,106
CHS	<u>8</u>	<u>-</u>	<u>27</u>	<u>5</u>
	<u>384</u>	<u>366</u>	<u>1,156</u>	<u>1,111</u>
	<u>\$ 2,447</u>	<u>\$ 2,514</u>	<u>\$ 7,419</u>	<u>\$ 7,629</u>

#### Leases of land and plants

The Corporation leased land and plants from its parent entity with total of 3 arrangements. The lease term of the contracts was all 5 years, which was ended December, 2025 and 2026, respectively. The rental was paid every half year.

The Corporation also leased the coke plant from its parent entity. The lease term of the contract was 5 year, which was ended December, 2026. The rental was paid every half year.

The Corporation and its subsidiaries leased land and plants from its fellow subsidiary. The lease term will end in December, 2058. The rental was paid annually or quarterly according to the contract.

Leases from related parties were without similar transactions with other non-related parties.

#### Leased of office building

The Corporation leased office buildings from its parent entity. The lease term of the contract will end in December, 2022. The rental was paid quarterly. Prices were negotiated between both sides and rental was paid according to the contract. Prices were same as local rental and there was no material difference in the term of contract between related parties and non-related parties.

#### g. Lease agreements

As described in Note 17, the Corporation leased out land, which was located in the Xiaogang District, Kaohsiung City to its parent entity. The rental was calculated by an annual rate of 3% based on the current land value. The rental was paid every half year. The lease term of the contract will end in December, 2025. As of September 30, 2022, December 31, 2021 and September 30, 2021, the gross lease payments to be received were NT\$40,030 thousand, NT\$49,268 thousand and NT\$52,347 thousand, respectively. The amounts of lease income recognized for the three months and nine months ended September 30, 2022 and 2021 were both NT\$3,080 thousand and NT\$9,238 thousand.

#### h. Other related party transactions

##### 1) Public fluid

The Corporation's factory was located inside the parent entity's plant; the primary energy needed for production was supplied by the parent entity. The Corporation paid on a monthly basis for expense on public, including electricity, wastewater treatment, waste gas treatment, consumption of steam, and coke ovens, based on market price or cost plus percentage. The expense mentioned above amounted to NT\$110,067 thousand, NT\$95,865 thousand, NT\$282,543 thousand and NT\$239,947 thousand for the three months and nine months ended September 30, 2022 and 2021, respectively. The Corporation and other non-related parties had no similar transactions available for comparison.

##### 2) Technical service fees

The Corporation commissioned the parent entity to provide technical services, including activated carbon like Isotropic graphite block material analysis and the applied technological development in graphitizing mass production. The fees for technical services amounted to NT\$4,120 thousand, NT\$0 thousand, NT\$4,120 thousand and NT\$3,180 thousand for the three months and nine months ended September 30, 2022 and 2021, respectively.

3) Compensation of key management personnel

	<b>For the Three Months Ended September 30</b>		<b>For the Nine months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Short-term employee benefits	\$ 11,229	\$ 10,075	\$ 32,686	\$ 28,155
Post-employment benefits	<u>161</u>	<u>223</u>	<u>629</u>	<u>692</u>
	<u>\$ 11,390</u>	<u>\$ 10,298</u>	<u>\$ 33,315</u>	<u>\$ 28,847</u>

The compensation of the directors and the other management was determined by the Remuneration Committee in accordance with the personal performance evaluation and market trends.

### 30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACTUAL COMMITMENTS

The Corporation and its subsidiaries' significant commitments and contingencies as of September 30, 2022 were as follow:

- Guarantee notes for NT\$176,793 thousand were provided to owners for purchase and agreements.
- Unused balance of the letter of credit issued by the Corporation for the purchase of raw materials and commodities in the amount of NT\$1,351,981 thousand.
- Property, plant and equipment construction contract signed for total amount of NT\$49,660 thousand, within which about NT\$7,389 thousand were not yet completed.

### 31. SIGNIFICANT FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currencies of the Corporation and its subsidiaries and the exchange rate between foreign currencies and respective functional currencies were disclosed.

The significant financial assets and liabilities denominated in foreign currencies were as follows:

(In thousands of New Taiwan Dollars)

	<b>Foreign Currencies (In Thousands)</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>September 30, 2022</u>			
Financial assets			
Monetary items			
USD	\$ 36,614	31.75 (USD:NTD)	\$1,162,505
USD	925	7.098 (USD:RMB)	29,378
RMB	59,187	4.473 (RMB:NTD)	264,744
JPY	54,928	0.2201 (JPY:NTD)	12,090

(Continued)

	Foreign Currencies (In Thousands)	Exchange Rate		Carrying Amount
Non-monetary items				
Financial assets mandatorily designated as FVTPL				
USD	\$ 1,278	31.75	(USD:NTD)	\$ 40,573
Financial assets mandatorily designated as FVTOCI				
USD	461	31.75	(USD:NTD)	14,627
Financial liabilities				
Monetary items				
USD	12,158	31.75	(USD:NTD)	386,012
USD	2,523	7.098	(USD:RMB)	80,096
RMB	5,774	4.473	(RMB:NTD)	25,828
<hr/> December 31, 2021 <hr/>				
Financial assets				
Monetary items				
USD	15,791	27.68	(USD:NTD)	437,098
RMB	27,317	4.344	(RMB:NTD)	118,665
JPY	49,329	0.2405	(JPY:NTD)	11,864
Non-monetary items				
Financial assets mandatorily designated as FVTPL				
USD	7,996	27.68	(USD:NTD)	221,339
Financial assets mandatorily designated as FVTOCI				
USD	533	27.68	(USD:NTD)	14,762
Financial liabilities				
Monetary items				
USD	7,991	27.68	(USD:NTD)	221,202
USD	2,504	6.372	(USD:RMB)	69,311
<hr/> September 30, 2021 <hr/>				
Financial assets				
Monetary items				
USD	15,165	27.85	(USD:NTD)	422,349
RMB	9,067	4.305	(RMB:NTD)	39,034
Non-monetary items				
Financial assets mandatorily designated as FVTPL				
USD	11,622	27.85	(USD:NTD)	323,683
Financial assets mandatorily designated as FVTOCI				
USD	545	27.85	(USD:NTD)	15,187
Financial liabilities				
Monetary items				
USD	8,538	27.85	(USD:NTD)	237,785
USD	3,848	6.469	(USD:RMB)	107,172
				(Concluded)



For the three months and nine months ended September 30, 2022 and 2021, realized and unrealized net foreign exchange gains and losses were gains of NT\$47,718 thousand, gains of NT\$2,531 thousand, gains of NT\$95,416 thousand and losses of NT\$9,331 thousand, respectively. It is impractical to disclose net foreign exchange gains or losses by each significant foreign currency due to the variety of the foreign currency transaction and functional currencies of the Corporation and its subsidiaries.

## 32. SEPARATELY DISCLOSED ITEMS

### a. Information about significant transactions and b. investees:

- 1) Financing provided to others (Table 1)
- 2) Endorsements/guarantees provided (None)
- 3) Marketable securities held (excluding investments in subsidiaries and associates) (Table 2)
- 4) Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital (None)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (None)
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital (None)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 3)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 4)
- 9) Trading in derivative instruments (None)
- 10) Intercompany relationships and significant intercompany transactions (Table 5)
- 11) Information on investees (Table 6)

### b. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income (loss) of investees, investment gain (loss), carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 7)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices and payment terms:
  - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period (None)
  - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period (Table 5)
  - c) The amount of property transactions and the amount of the resultant gains or losses (None)

- d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes (None)
  - e) The highest balance, the end of period balance and the interest rate range with respect to financing of funds (Table 1)
  - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services (None)
- c. Information of major shareholders (Table 8)

### 33. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Reported segments of the Corporation and its subsidiaries were as follows:

- a. CSCC/CCSNM - Production and marketing of chemical products.
- b. CSCCC - Trade of chemical products.
- c. EWI - Investments.
- d. The Corporation and its subsidiaries have the reporting segments analyzed as follows:

	CSCC/CCSNM	CSCCC	EWI	Adjustment and write-off	Consolidated
For the nine months ended September 30, 2022					
Revenue from external customers	\$ 8,252,536	\$ -	\$ (28,833)	\$ -	\$ 8,223,703
Inter segment revenue	<u>274,897</u>	<u>-</u>	<u>35,036</u>	<u>(309,933)</u>	<u>-</u>
Segment revenue	<u>\$ 8,527,433</u>	<u>\$ -</u>	<u>\$ 6,203</u>	<u>\$ (309,933)</u>	<u>\$ 8,223,703</u>
Segment income (loss)	\$ 1,438,266	\$ (79)	\$ (2,236)	\$ (25,408)	\$ 1,410,543
Interest income	4,233	775	565	(561)	5,012
Share of profits of associates	149,069	-	-	6,392	155,461
Other income	84,273	-	3,247	(9,628)	77,892
Interest expense	(20,593)	-	(38)	561	(20,070)
Other gains and losses	<u>(5,627)</u>	<u>-</u>	<u>10,760</u>	<u>-</u>	<u>5,133</u>
Profit before income tax	1,649,621	696	12,298	(28,644)	1,633,971
Income tax expense	<u>283,608</u>	<u>-</u>	<u>24</u>	<u>-</u>	<u>283,632</u>
Net profit for the period	<u>\$ 1,366,013</u>	<u>\$ 696</u>	<u>\$ 12,274</u>	<u>\$ (28,644)</u>	<u>\$ 1,350,339</u>
For the nine months ended September 30, 2021					
Revenue from external customers	\$ 5,855,286	\$ -	\$ 61,255	\$ -	\$ 5,916,541
Inter segment revenue	<u>70,134</u>	<u>-</u>	<u>17,693</u>	<u>(87,827)</u>	<u>-</u>
Segment revenue	<u>\$ 5,925,420</u>	<u>\$ -</u>	<u>\$ 78,948</u>	<u>\$ (87,827)</u>	<u>\$ 5,916,541</u>
Segment income (loss)	\$ 854,788	\$ (3,624)	\$ 78,380	\$ 9,689	\$ 939,233
Interest income	4,799	194	884	(879)	4,998
Share of profits of associates	145,573	-	-	(65,295)	80,278
Other income	79,557	-	8,089	(27,382)	60,264
Interest expense	(23,677)	-	(7)	879	(22,805)
Other gains and losses	<u>(28,735)</u>	<u>-</u>	<u>(2,888)</u>	<u>-</u>	<u>(31,623)</u>
Profit (loss) before income tax	1,032,305	(3,430)	84,458	(82,988)	1,030,345
Income tax expense	<u>173,387</u>	<u>-</u>	<u>4,137</u>	<u>-</u>	<u>177,524</u>
Net profit (loss) for the period	<u>\$ 858,918</u>	<u>\$ (3,430)</u>	<u>\$ 80,321</u>	<u>\$ (82,988)</u>	<u>\$ 852,821</u>

Department interests refers to the profits earned by each department, excluding the administrative cost of the headquarters to be amortized and remuneration of directors, rent revenue, interest income, gain (loss) from disposal of property, plant, and equipment, net foreign currency exchange gains and losses, financial instruments valuation gains and losses, interest expense, income tax expense, etc. These measurements and amount are provided to the chief operating decision-maker for allocating resources to each segment and for assessing their performance.

e. Segment total assets and liabilities

	September 30, 2022	December 31, 2021	September 30, 2021
<hr/> Segment assets <hr/>			
Chemicals segment			
Production and sales	\$ 11,867,152	\$ 11,476,575	\$ 11,513,269
Trading	1,200,459	1,045,915	1,052,475
Investment segment	1,671,560	1,877,041	1,830,430
Adjustment and write-off	<u>(2,743,989)</u>	<u>(2,666,662)</u>	<u>(2,621,094)</u>
	<u>\$ 11,995,182</u>	<u>\$ 11,732,869</u>	<u>\$ 11,775,080</u>
<hr/> Segment liabilities <hr/>			
Chemicals segment			
Production and sales	\$ 4,173,096	\$ 3,962,241	\$ 4,214,584
Trading	587,787	512,439	515,586
Investment segment	1,045	4,636	4,077
Adjustment and write-off	<u>(582,939)</u>	<u>(364,354)</u>	<u>(371,635)</u>
	<u>\$ 4,178,989</u>	<u>\$ 4,114,962</u>	<u>\$ 4,362,612</u>

TABLE 1

## CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

## FINANCING PROVIDED TO OTHERS

FOR THE PERIOD ENDED SEPTEMBER 30, 2022

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Financing Company	Counter-party	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn (Note 3)	Interest Rate	Nature for Financing	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company	Financing Company's Total Financing Amount Limits	Note
													Item	Value			
1	Ever Wealthy International Corporation	Changzhou China Steel New Materials Technology Co., Ltd.	Other receivables	Yes	\$ 163,288	\$ 163,288	\$ 163,288	1%-2.4%	Note 1	\$ -	Operating capital	\$ -	-	\$ -	\$ 334,102	\$ 501,154	Note 2

Note 1: The need for short-term financing.

Note 2: According to “The Process of Financing Others” established by Ever Wealthy International Corporation, the total available amount for lending to others and the total amount for lending to a company shall not exceed 30% and 20% of the net worth of Ever Wealthy International Corporation, respectively; the financing limit amount for parent company shall not exceed 30% of the net worth of the company.

Note 3: The transaction had been eliminated when preparing consolidated financial statements.

TABLE 2

## CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

## MARKETABLE SECURITIES HELD

SEPTEMBER 30, 2022

(Amounts in Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	SEPTEMBER 30, 2022				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
China Steel Chemical Corporation	Mutual fund	Cathay US ESG Fund TWD	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	751,399	\$ 6,860	-	\$ 6,860	
China Steel Chemical Corporation	Mutual fund	SinoPac TWD Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	1,419,719	20,005	-	20,005	
China Steel Chemical Corporation	Mutual fund	Taishin US Enhanced High Yield Bond Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	42,951	11,302	-	11,302	
China Steel Chemical Corporation	Mutual fund	Prudential Financial Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	626,975	10,053	-	10,053	
China Steel Chemical Corporation	Mutual fund	UPAMC James Bond Money Market	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	592,315	10,020	-	10,020	
China Steel Chemical Corporation	Mutual fund	Taishin North American Income Trust Fund TWD A	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	333,333	8,403	-	8,403	
China Steel Chemical Corporation	Financial bond	STANLN 4.3 PERP	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	-	10,356	-	10,356	
China Steel Chemical Corporation	Financial bond	INTNED 4 1/4 PERP	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	-	9,677	-	9,677	
China Steel Chemical Corporation	Financial bond	MEX 3 3/4 04/19/71	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	-	9,238	-	9,238	
China Steel Chemical Corporation	Financial bond	STANLN 4.3 02/19/27	No relation	Financial assets at fair value through other comprehensive income - current	-	14,627	-	14,627	
China Steel Chemical Corporation	Preferred stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income - current	229,000	10,649	-	10,649	
China Steel Chemical Corporation	Common stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income - current	2,556,915	68,270	-	68,270	
Ever Wealthy International Corporation	Mutual fund	Cathay High Dividend Taiwan Equity Fund A	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	1,000,000	15,570	-	15,570	
Ever Wealthy International Corporation	Mutual fund	Taishin 2000 High Technology Equity Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	86,881	3,798	-	3,798	

(Continued)

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	SEPTEMBER 30, 2022				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Ever Wealthy International Corporation	Mutual fund	Jih Sun Taiwan Sustainable Growth and Dividend Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	500,000	\$ 4,170	-	\$ 4,170	
Ever Wealthy International Corporation	Mutual fund	Taishin ESG Global Environmental Growth Equity Fund-TWD-A	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	1,260,124	9,703	-	9,703	
Ever Wealthy International Corporation	Mutual fund	Jih Sun Global Smart Car Fund (TWD A)	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	321,750	4,057	-	4,057	
Ever Wealthy International Corporation	Mutual fund	FSITC Global Utilities and Infrastructure Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	1,135,072	14,450	-	14,450	
Ever Wealthy International Corporation	Mutual fund	Jih Sun Vietnam Opportunity Fund (NTD)	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	1,000,000	8,060	-	8,060	
Ever Wealthy International Corporation	Mutual fund	UPAMC Global AIoT Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	500,947	7,619	-	7,619	
Ever Wealthy International Corporation	Mutual fund	FSITC Global AI Robotics and Smart Auto TWD	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	254,842	3,703	-	3,703	
Ever Wealthy International Corporation	Mutual fund	Yuanta Global Agribusiness Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	142,857	3,009	-	3,009	
Ever Wealthy International Corporation	Mutual fund	Taishin High Dividend Yield Balanced Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	199,089	8,792	-	8,792	
Ever Wealthy International Corporation	Mutual fund	Prudential Financial Balanced Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	70,755	2,791	-	2,791	
Ever Wealthy International Corporation	Mutual fund	KGI Taiwan Premium Assets Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	2,373,084	26,589	-	26,589	
Ever Wealthy International Corporation	Mutual fund	KGI Next Generation Multi-Asset Fund -TWD A	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	500,000	4,375	-	4,375	
Ever Wealthy International Corporation	Mutual fund	Taishin North American Income Trust Fund TWD A	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	930,080	23,447	-	23,447	
Ever Wealthy International Corporation	Mutual fund	Jih Sun Long-Term Care REITS Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	500,000	4,110	-	4,110	
Ever Wealthy International Corporation	Mutual fund	Yuanta De- Bao Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	3,889,862	47,339	-	47,339	
Ever Wealthy International Corporation	Mutual fund	Jih Sun Rising Dragon Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	500,000	5,011	-	5,011	
Ever Wealthy International Corporation	Common stock	TA CHEN STAINLESS PIPE CO., LTD.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	404,057	15,273	-	15,273	

(Continued)

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	SEPTEMBER 30, 2022				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Ever Wealthy International Corporation	Common stock	Mega Financial Holding Co., Ltd.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	263,425	\$ 8,206	-	\$ 8,206	
Ever Wealthy International Corporation	Common stock	CATHAY FINANCIAL HOLDING CO., LTD.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	95,748	3,825	-	3,825	
Ever Wealthy International Corporation	Common stock	TAISHIN FINANCIAL HOLDING CO., LTD.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	230,387	3,156	-	3,156	
Ever Wealthy International Corporation	Common stock	Nishoku Technology Inc.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	18,400	1,519	-	1,519	
Ever Wealthy International Corporation	Common stock	TAICHUNG COMMERCIAL BANK CO., LTD.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	119,663	1,574	-	1,574	
Ever Wealthy International Corporation	Preferred stock	TAISHIN FINANCIAL HOLDING CO., LTD. Class E Preferred Shares II	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	164,139	7,952	-	7,952	
Ever Wealthy International Corporation	Preferred stock	Fubon Financial Holding Co., Ltd. Ltd. Preferred Shares C	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	175,000	9,975	-	9,975	
Ever Wealthy International Corporation	Preferred stock	Cathay Financial Holding Co., Ltd.(B)	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	12,540	735	-	735	
Ever Wealthy International Corporation	Common stock	YEONG LONG TECHNOLOGIES CO., LTD.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - non-current (including measurement)	1,540,000	51,863	4	51,863	Note1
Ever Wealthy International Corporation	Common stock	National Kaohsiung First University of Science and Technology Investment Corporation	No relation	Financial assets mandatorily classified as at fair value through profit or loss - non-current (including measurement)	300,000	2,230	9	2,230	Note1
Ever Wealthy International Corporation	Common stock	TCC RECYCLE ENERGY TECHNOLOGY COMPANY	No relation	Financial assets mandatorily classified as at fair value through profit or loss - non-current (including measurement)	322,484	3,057	-	3,057	Note1
Ever Wealthy International Corporation	Common stock	Harbinger Venture III Capital Corp.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - non-current (including measurement)	1,000	21	1	21	Note1
Ever Wealthy International Corporation	Common stock	Asia Hepato Gene CO.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - non-current (including measurement)	133,300	-	2	-	Impairment loss has been recognized fully
Ever Wealthy International Corporation	Common stock	JU-KAO ENGINEERING CO., LTD	No relation	Financial assets mandatorily classified as at fair value through profit or loss - non-current (including measurement)	1,961,493	27,508	7	27,508	Note1
Ever Wealthy International Corporation	Common stock	China Steel Chemical Corporation	Parent company	Financial assets at fair value through other comprehensive income - current	4,753,537	506,252		506,252	Note2

(Continued)

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	SEPTEMBER 30, 2022				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Ever Wealthy International Corporation	Common stock	China Steel Corporation	The ultimate parent company	Financial assets at fair value through other comprehensive income - current	4,226,265	\$ 112,840		\$ 112,840	
Ever Wealthy International Corporation	Common stock	JIH SUN International Leasing & Finance Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income - non-current	1,000,000	31,000	1	31,000	
Ever Wealthy International Corporation	Common stock	EVERGREEN AVIATION TECHNOLOGIES CORPORATION	No relation	Financial assets at fair value through other comprehensive income - non-current	800,000	51,592	-	51,592	
Ever Wealthy International Corporation	Financial bond	CNH Bond Offering by ITNL Offshore Pte Limited	No relation	Financial assets at amortized cost - non-current	-	-		-	Impairment loss has been recognized fully

(Concluded)

Note 1: The basis of fair value is net assets value which had not been audited by independent accountants.

Note 2: Listed as treasury shares when preparing consolidated financial statement.



TABLE 3

## CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE PERIOD ENDED SEPTEMBER 30, 2022  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Buyer	Related Party	Relationship	Relationship				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
China Steel Chemical Corporation	Linyuan Advanced Materials Technology Co., Ltd.	Subsidiary of director of the board	Sales	\$ (1,070,162 )	(13 )	Receivables are collected as the end of every month of when invoice is issued	Note 1	Note 1	\$ 113,821	16	
China Steel Chemical Corporation	Changzhou China Steel New Materials Technology Co., Ltd.	Subsidiary	Sales	(234,991 )	(3 )	Receivables were collected within 150 days after shipment date	Note 2	Note 2	165,348	23	Note 3
China Steel Chemical Corporation	China Steel Corporation	Parent company	Purchases	2,281,274	47	Letter of credit at sight	Note 1	Note 1	(233,028 )	(55 )	
China Steel Chemical Corporation	Formosa Ha Tinh Steel Corporation	Other related parties	Purchases	1,392,212	29	Payment within 10 days after shipment date	Note 1	Note 1	(52,794 )	(12 )	
China Steel Chemical Corporation	Dragon Steel Corporation	The same parent company	Purchases	978,448	20	Letter of credit at sight	Note 1	Note 1	-	-	
Changzhou China Steel New Materials Technology Co., Ltd.	China Steel Chemical Corporation	Parent company	Purchases	248,163	89	Payment within 150 days after shipment date	Note 2	Note 2	(165,348 )	(100 )	Note 3

Note 1: Refer to Note 29.

Note 2: Sales to subsidiaries are priced on a cost-plus basis, and there is no significant difference in terms of payment except that the credit period for Changzhou China Steel New Materials Technology Co., Ltd is 150 days.

Note 3: The transactions had been eliminates when preparing consolidated financial statements.

**TABLE 4****CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES**

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL**  
**SEPTEMBER 30, 2022**  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
China Steel Chemical Corporation	Linyuan Advanced Materials Technology Co., Ltd.	Subsidiary of director of the board	\$ 113,821	11.83	\$ -	-	\$ -	\$ -
China Steel Chemical Corporation	Changzhou China Steel New Materials Technology Co., Ltd.	Subsidiary	165,348 (Note 3)	2.36	-	-	-	-
Formosa Ha Tinh CSCC (Cayman) International Limited	China Steel Chemical Corporation	Parent company	225,250 (Notes 1 and 3)	Note1	-	-	-	-
Formosa Ha Tinh CSCC (Cayman) International Limited	Formosa Ha Tinh (Cayman) Limited	Other related parties	222,250 (Note 1)	Note1	-	-	-	-
Ever Wealthy International Corporation	Changzhou China Steel New Materials Technology Co., Ltd.	Subsidiary	164,009 (Notes 2 and 3)	Note2	-	-	-	-

Note 1: Dividends receivables.

Note 2: Including financing provided to others and interest receivable, so the turnover rate is not applicable.

Note 3: The transactions had been eliminated when preparing consolidated financial statements.

TABLE 5

## CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
FOR THE PERIOD ENDED SEPTEMBER 30, 2022  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Investee Company	Counterparty	Relationship	Transaction Details			% of Total Operating Revenues or Assets
				Financial Statement Accounts	Amount	Payment Terms	
0	China Steel Chemical Corporation	Changzhou China Steel New Materials Technology Co., Ltd.	Parent to subsidiaries	Sales	\$ 248,163 (Note)	Charged at the cost plus additional percentage, receivables were collected within 150 days after shipment date.	3.00
0	China Steel Chemical Corporation	Changzhou China Steel New Materials Technology Co., Ltd.	Parent to subsidiaries	Accounts receivable	165,348		1.00
0	China Steel Chemical Corporation	Formosa Ha Tinh CSCC (Cayman) International Limited	Parent to subsidiaries	Other payables	222,250		2.00
1	Ever Wealthy International Corporation	Changzhou China Steel New Materials Technology Co., Ltd.	Subsidiaries to subsidiaries	Other receivables	164,009		1.00

Note: Sales amount includes sales of trial product NT\$7,816 thousand and sale of supplies NT\$5,356 thousand, the Corporation recognizes them as other income and manufacturing expense deduction, respectively.

TABLE 6

## CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

## INFORMATION ON INVESTEEES

FOR THE PERIOD ENDED SEPTEMBER 30, 2022

(Amounts in Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of SEPTEMBER 30, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				SEPTEMBER 30, 2022	DECEMBER 31, 2021	Number of Shares	%	Carrying Amount			
China Steel Chemical Corporation	CHC Resources Corporation	Republic of China	Manufacture and sale of Ground-Granulated Blast-Furnace Slag and Blast-Furnace Slag Cement, Air-cooled Blast Furnace Slag and Basic Oxygen Furnace Slag, reutilization of resources	\$ 91,338	\$ 91,338	15,019,341	6.00	\$ 344,675	\$ 614,533	\$ 37,137	
China Steel Chemical Corporation	China Steel Structure Co., Ltd.	Republic of China	Manufacture and sale of products of steel structure	13,675	13,675	600,069	-	15,070	358,485	1,075	
China Steel Chemical Corporation	Ever Wealthy International Corporation	Republic of China	General investment	300,083	300,083	104,574,982	100.00	1,281,901	12,274	(6,740)	Subsidiary (Note) Subsidiary (Note)
China Steel Chemical Corporation	Formosa Ha Tinh CSCC (Cayman) International Limited	Cayman Island	General investment	100,320	100,320	10,000,000	50.00	306,336	696	348	
China Steel Chemical Corporation	Transglory Investment Corporation	Republic of China	General investment	450,000	450,000	69,000,960	9.00	716,357	833,084	76,645	
China Steel Chemical Corporation	CSC Solar Corporation	Republic of China	Solar energy generation	261,600	261,600	26,160,000	15.00	283,793	104,321	15,648	
China Steel Chemical Corporation	Eminent III Venture Capital Corporation	Republic of China	General investment	160,000	160,000	16,000,000	9.00	122,820	(23,637)	(2,714)	
China Steel Chemical Corporation	Pro-Ascentek Investment Corporation	Republic of China	General investment	60,000	60,000	6,000,000	5.00	56,749	38,441	1,922	
China Steel Chemical Corporation	HIMAG Magnetic Corporation	Republic of China	Production and sale of industrial magnetic, chemical, and iron oxides	47,950	47,950	2,161,203	8.00	54,429	91,699	7,179	
China Steel Chemical Corporation	United Steel International Development Corporation	British Virgin Islands	Holding and investment	68,839	68,839	2,450,000	5.00	39,313	236,493	11,825	
China Steel Chemical Corporation	Gau Ruei Investment Corporation	Republic of China	General investment	15,070	15,070	1,196,000	40.00	31,311	8,372	3,349	
China Steel Chemical Corporation	Li-Ching-Long Investment Corporation	Republic of China	General investment	7,000	7,000	700,000	35.00	16,635	4,968	1,739	
China Steel Chemical Corporation	Eminent Venture Capital Corporation	Republic of China	General Investment	6,750	13,500	675,000	5.00	6,978	18,928	946	
China Steel Chemical Corporation	TaiAn Technologies Corporation	Republic of China	Bio-Tech consultants and management	2,295	2,295	499,998	5.00	6,970	14,208	710	
Ever Wealthy International Corporation	China Steel Structure Co., Ltd.	Republic of China	Manufacture and sale of products of steel structure	22,474	-	408,000	-	22,264	358,485	132	
Ever Wealthy International Corporation	Thintech Materials Technology Co., Ltd.	Republic of China	Sputtering target manufacturing and sales	45,987	45,987	6,119,748	8.00	98,871	72,821	6,064	
Ever Wealthy International Corporation	HIMAG Magnetic Corporation	Republic of China	Production and sale of industrial magnetic, chemical, and iron oxides	33,015	33,015	1,584,731	6.00	39,900	91,699	5,264	
Ever Wealthy International Corporation	Hung-Chuan Investment Corporation	Republic of China	General investment	9,000	9,000	900,000	45.00	21,389	4,968	2,236	
Ever Wealthy International Corporation	Sheng Lih Dar Investment Corporation	Republic of China	General investment	8,400	8,400	840,000	35.00	20,159	6,054	2,119	
Ever Wealthy International Corporation	Ding Da Investment Corporation	Republic of China	General investment	10,495	10,495	897,000	30.00	18,834	7,604	2,281	

Note : The transaction had been eliminated when preparing consolidated financial statement.

TABLE 7

# CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

## INFORMATION ON INVESTMENT IN MAINLAND CHINA FOR THE PERIOD ENDED SEPTEMBER 30, 2022

(Amounts In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021 (Note 1)	Remittance of Funds (Note 1)		Accumulated Outward Remittance for Investment from Taiwan as of SEPTEMBER 30, 2022 (Note 1)	Net Income of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Note 2)	Carrying Amount as of SEPTEMBER 30, 2022	Accumulated Repatriation of Investment Income as of SEPTEMBER 30, 2022	Note
					Outward	Inward							
Ningbo Huayang Aluminium-Tech Co., Ltd.	Production of aluminum products	\$ 1,555,750	Investments through a holding company registered in a third region	\$ 77,788	\$ -	\$ -	\$ 77,788	\$ 236,565	5	\$ 11,828	\$ 38,860	\$ 5,439	Note 4
Changzhou China Steel New Materials Technology Co., Ltd.	Mesophase sales and trading	178,696	Direct investment	206,566	-	-	206,566	16,022	100	16,022	184,199	-	

Investee Company	Accumulated Outward Remittance for Investment in Mainland China as of SEPTEMBER 30, 2022 (Note 1)	Investment Amount Authorized by Investment Commission, MOEA (Note 1)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 3)
China Steel Chemical Corporation	\$ 284,354	\$ 284,354	\$ 4,505,914

Note 1: The amounts were calculated based on the foreign exchange rate as of SEPTEMBER 30, 2022.

Note 2: The basis for recognition of investment income (loss) is bases on the financial statements reviewed and attested by R.O.C. parent company's CPA.

Note 3: The limit on investment in Mainland China pursuant to "Principle of investment or Technical Cooperation in Mainland China" is applicable; investments shall not exceed 60% of their net worth.

Note 4: The transaction had been eliminated when preparing consolidated financial statement.

**TABLE 8**

## CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

## INFORMATION OF MAJOR SHAREHOLDERS

**SEPTEMBER 30, 2022**[illegible]

Note 1: Major shareholders in the Table above are shareholders owning 5% or more of the Corporation's common stocks (including treasury stocks) based on calculations performed by the Taiwan Depository & Clearing Corporation using data as of the last business date at the end of each quarter. The amount of capital in the financial statements may differ from the Corporation's actual number of stocks that have completed dematerialized registration and delivery due to different calculation bases.

Note 2: Where the stocks are entrusted by shareholders, information is disclosed by the individual account of settlor who has segregated trust accounts opened by trustees. As for shareholders filing shareholdings of insiders with 10% or more of the Corporation's stocks pursuant to the securities and exchange laws and regulations, the number of stocks owned shall be ones owned by the persons plus ones entrusted where the shareholders have the power to decide how to utilize the trust property. Please access the Market Observation Post System website for information on insiders' shareholding filings.