STOCK CODE:1722

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
WITH REVIEW REPORT OF INDEPENDENT ACCOUNTANTS

FOR THE NINE MONTHS ENDED
SEPTEMBER 30, 2024 AND 2023

Address: 17F., No. 170, Jingmao 1st Rd., Nangang Dist., Taipei City 115018, Taiwan(R.O.C)
Telephone: 886-2-2542-2231

The reader is advised that these consolidated financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

Table of contents

Independent Auditor's Report

English Translation of a Report Originally Issued in Chinese

To the Board of Directors of TAIWAN FERTILIZER CO., LTD.:

Introduction

We have reviewed the accompanying consolidated balance sheets of TAIWAN FERTILIZER CO., LTD. (the "Company") and its subsidiaries as of September 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2024 and 2023, as well as the changes in equity and cash flows for the nine months ended September 30, 2024 and 2023, and notes to the consolidated financial statements, including the summary of material accounting policies (together "the consolidated financial statements"). Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Accounting Standards No.34, Interim Financial Reporting endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. 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 conducted in accordance with auditing standards generally accepted in the Republic of China 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.

Basis for Qualified Conclusion

As stated in the Note 4(b) to consolidated financial report, the financial statements of the insignificant subsidiaries included in the consolidated financial statements were not reviewed by independent accountants. Those statements reflect total assets of NT$3,252,792 thousand and NT$3,144,385 thousand, constituting 3.98% and 3.85% of the consolidated total assets, and total liabilities of NT$371,647 thousand and NT$336,993 thousand, constituting1.39% and 1.25% of the consolidated total liabilities as of September 30, 2024 and 2023, respectively; and total comprehensive incomes of NT$29,408 thousand, NT$44,130 thousand, NT105,240 thousand and NT$97,200 thousand, constituting 2.19%, 4.75%, 3.75% and 2.38% of the consolidated total comprehensive income for the three months and nine months ended September 30, 2024 and 2023, respectively.

In addition to the matters mentioned above, as stated in the Note 6(g) to consolidated financial report, the investment using equity method of TAIWAN FERTILIZER CO., LTD. and subsidiaries amounted to NT$9,493,711 thousand and NT$9,504,164 thousand as of September 30, 2024 and 2023, respectively; and the share of profits and losses of related companies and joint ventures recognized using the equity method amounted to NT$198,998 thousand, NT$406,529 thousand, NT$783,315 thousand and NT$1,303,836 thousand for the three months and nine months ended September 30, 2024 and 2023, respectively. The information related to above investee companies was not reviewed by independent accountants.

Qualified Conclusion

Based on our reviews, except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain insignificant investee companies been reviewed by independent accountants described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of September 30, 2024 and 2023, and their consolidated financial performance for the three months and nine months ended September 30, 2024 and 2023, and their consolidated cash flows for the nine months ended September 30, 2024 and 2023, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard No.34, “Interim Financial Reporting” as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Chung-Che Chen
Hsin-Ting Huang

KPMG, Taiwan

Nov 7, 2024

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, results of operations 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 accepted and applied in the Republic of China.

The independent auditors' review report and the accompanying consolidated financial statements are English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditor's review report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

September 30, 2024, December 31, 2023 and September 30, 2023

(Expressed in Thousands of New Taiwan Dollars)

		September 30, 2024		December 31, 2023		September 30, 2023	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current assets:						
1100	Cash and cash equivalents (Notes 6(a) and (t))	$ 3,631,350	4	4,328,814	5	4,607,948	6
1110	Current financial assets at fair value through profit or loss (Notes 6(b) and (t))	415,169	1	80,025	-	80,066	-
1120	Current financial assets at fair value through other comprehensive income (Notes 6(c) and (t))	91,502	-	94,401	-	90,633	-
1150	Notes receivable, net (Notes 6(d), (q) and (t))	65,921	-	79,193	-	95,676	-
1170	Accounts receivable, net (Notes 6(d), (q), (t) and 7)	1,144,867	1	756,677	1	971,593	1
1200	Other receivables (Notes 6(e), (t) and 7)	411,855	1	782,738	1	1,339,752	2
1220	Current tax assets	-	-	5	-	-	-
130X	Inventories (Note 6(f))	2,733,353	3	2,584,714	3	2,313,150	3
1410	Prepayments	291,474	-	530,694	1	198,499	-
1476	Other current financial assets (Notes 6(a), (t) and 8)	610,098	1	573,119	1	738,534	1
1479	Other current assets, others	45,228	-	16,381	-	30,736	-
	Total current assets	9,440,817	11	9,826,761	12	10,466,587	13
	Non-current assets:						
1517	Non-current financial assets at fair value through other comprehensive income (Notes 6(c) and (t))	4,241,316	5	3,191,342	4	2,977,694	4
1550	Investments accounted for using the equity method (Notes 6(g) and (t))	9,493,711	12	9,371,077	11	9,504,164	11
1600	Property, plant and equipment (Note 6(h))	13,033,596	16	12,661,514	16	13,084,515	16
1755	Right-of-use assets (Note 6(i))	778,855	1	854,191	1	881,972	1
1760	Investment property, net (Notes 6(j) and (l))	43,822,712	55	44,463,889	55	43,745,898	54
1780	Intangible assets (Note 6(k))	116,243	-	118,417	-	119,261	-
1840	Deferred tax assets	394,899	-	347,962	-	247,879	-
1930	Long-term notes and accounts receivable, net (Notes 6(e) and (t))	23,916	-	57,220	-	59,306	-
1980	Other non-current financial assets (Notes 6(a), (t) and 8)	364,368	-	609,572	1	609,572	1
1990	Other non-current assets, others (Note 6(t))	60,024	-	23,803	-	30,100	-
	Total non-current assets	72,329,640	89	71,698,987	88	71,260,361	87
	Total assets	**$ 81,770,457**	**100**	**81,525,748**	**100**	**81,726,948**	**100**

		September 30, 2024		December 31, 2023		September 30, 2023	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current liabilities:						
2130	Current contract liabilities (Note 6(q))	$ 107,558	-	108,018	-	58,288	-
2150	Notes payable (Note 6(t))	99	-	11,228	-	514	-
2170	Accounts payable (Note 6 (t) and 7)	816,407	1	382,001	-	411,987	-
2200	Other payables (Note 6(t))	1,134,321	1	1,107,146	1	1,294,848	2
2230	Current tax liabilities	210,672	-	605,308	1	455,583	1
2280	Current lease liabilities (Note 6(t))	43,355	-	39,642	-	39,444	-
2313	Deferred revenue (Note 6(j))	440,809	1	440,608	1	440,608	-
2315	Other advance receipts	104,427	-	1,049	-	106,521	-
2399	Other current liabilities, others	33,004	-	35,414	-	31,251	-
	Total current liabilities	2,890,652	3	2,730,414	3	2,839,044	3
	Non-current liabilities:						
2550	Non-current provisions	555,120	1	555,120	1	455,120	1
2570	Deferred tax liabilities	7,051,793	9	6,794,472	8	6,944,714	9
2580	Non-current lease liabilities (Note 6(t))	49,413	-	74,767	-	84,751	-
2630	Long-term deferred revenue (Note 6(j))	15,747,196	20	16,078,262	20	16,165,893	20
2640	Net defined benefit liability, non-current	101,044	-	107,613	-	103,530	-
2645	Guarantee deposits received (Note 6(t))	379,592	-	445,398	1	430,709	-
	Total non-current liabilities	23,884,158	30	24,055,632	30	24,184,717	30
	Total liabilities	26,774,810	33	26,786,046	33	27,023,761	33
	Equity attributable to owners of parent (Note 6(o)):						
3100	Capital stock	9,800,000	12	9,800,000	12	9,800,000	12
3200	Capital surplus	2,245,108	3	2,245,108	3	2,245,108	3
	Retained earning:						
3310	Legal reserve	4,660,794	6	4,253,603	5	4,253,603	5
3320	Special reserve	30,541,720	37	30,541,720	37	30,541,720	37
3350	Unappropriated retained earnings	3,528,997	4	4,960,832	6	4,767,729	6
3400	Other equity interest	4,219,028	5	2,938,439	4	3,095,027	4
	Total equity	54,995,647	67	54,739,702	67	54,703,187	67
	Total liabilities and equity	**$ 81,770,457**	**100**	**81,525,748**	**100**	**81,726,948**	**100**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months and nine months ended September 30, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Commom Share)

		For the three months ended September 30,				For the nine months ended September 30,			
		2024		2023		2024		2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	**Operating revenue (Notes 6(j), (l) and (q))**	$ 2,955,020	100	2,918,197	100	9,170,634	100	12,382,794	100
5000	**Operating costs (Notes 6(f), (m), and 12)**	(2,485,896)	(84)	(2,400,359)	(82)	(7,799,450)	(85)	(8,565,973)	(69)
5900	**Gross profit from operations**	469,124	16	517,838	18	1,371,184	15	3,816,821	31
	Operating expenses (Notes 6(d), (m), (r) and 12)								
6100	Selling expenses	(71,444)	(2)	(89,950)	(3)	(206,005)	(2)	(268,290)	(2)
6200	Administrative expenses	(217,877)	(8)	(221,721)	(8)	(598,408)	(7)	(943,871)	(8)
6300	Research and development expenses	(9,679)	-	(11,207)	-	(30,973)	-	(31,675)	-
		(299,000)	(10)	(322,878)	(11)	(835,386)	(9)	(1,243,836)	(10)
6900	**Net operating income**	170,124	6	194,960	7	535,798	6	2,572,985	21
	Non-operating income and expenses:								
7100	Interest income (Note 6(s))	19,823	1	21,688	-	56,769	1	61,601	-
7010	Other income (Note 6(s))	74,791	2	68,324	2	96,274	1	135,101	1
7020	Other gains and losses (Notes 6(s) and 12)	(6,943)	-	46,962	2	10,512	-	64,823	1
7050	Finance costs (Note 6(s))	(484)	-	(662)	-	(1,560)	-	(2,177)	-
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method	198,998	6	406,529	14	783,315	9	1,303,836	10
	Total non-operating income and expenses	286,185	9	542,841	18	945,310	11	1,563,184	12
	Profit from continuing operations before tax	456,309	15	737,801	25	1,481,108	17	4,136,169	33
7950	Income tax benefit (expense) (Note 6(n))	281,617	10	(133,226)	(4)	32,254	-	(426,884)	(3)
	Profit	737,926	25	604,575	21	1,513,362	17	3,709,285	30
8300	**Other comprehensive income:**								
8310	**Components of other comprehensive income (loss) that will not be reclassified to profit or loss**								
8316	Unrealized gains (losses) from investment in equity instruments measured at fair value through other comprehensive income	795,984	26	42,923	1	1,058,817	12	(19,148)	-
8320	Share of other comprehensive income of associates and joint ventures accounted for using the equity method, components of other comprehensive income that will not be reclassified to profit or loss	(235)	-	61	-	(68)	-	61	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Components of other comprehensive income that will not be reclassified to profit or loss	795,749	26	42,984	1	1,058,749	12	(19,087)	-
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss:**								
8361	Exchange differences on translation of foreign financial statements	(2,031)	-	2,202	-	2,848	-	3,588	-
8370	Share of other comprehensive income of associates and joint ventures accounted for using the equity method, components of other comprehensive income that will be reclassified to profit or loss	(234,820)	(8)	349,649	12	286,267	3	498,153	4
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	46,987	2	(69,967)	(2)	(57,281)	(1)	(99,700)	(1)
	Components of other comprehensive income that will be reclassified to profit or loss	(189,864)	(6)	281,884	10	231,834	2	402,041	3
8300	**Other comprehensive income**	605,885	20	324,868	11	1,290,583	14	382,954	3
8500	**Total comprehensive income**	**$ 1,343,811**	**45**	**929,443**	**32**	**2,803,945**	**31**	**4,092,239**	**33**
	Profit, attributable to:								
8610	Profit, attributable to owners of parent	**$ 737,926**	**25**	**604,575**	**21**	**1,513,362**	**17**	**3,709,285**	**30**
	Comprehensive income, attributable to:								
8710	Comprehensive income, attributable to owners of parent	**$ 1,343,811**	**45**	**929,443**	**32**	**2,803,945**	**31**	**4,092,239**	**33**
	Basic earnings per share (Note 6(p))								
9750	**Basic earnings per share (NTD)**	**$ 0.75**		**0.62**		**1.54**		**3.79**	
9850	**Diluted earnings per share (NTD)**	**$ 0.75**		**0.62**		**1.54**		**3.78**	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the nine months ended September 30, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent									
	Share capital		Retained earnings				Total other equity interest			
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interest	Total equity
Balance at January 1, 2023	$ 9,800,000	2,245,156	3,982,301	30,711,185	3,610,220	38,303,706	227,768	2,484,366	2,712,134	53,060,996
Profit	-	-	-	-	3,709,285	3,709,285	-	-	-	3,709,285
Other comprehensive income	-	-	-	-	61	61	402,041	(19,148)	382,893	382,954
Total comprehensive income	-	-	-	-	3,709,346	3,709,346	402,041	(19,148)	382,893	4,092,239
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	271,302	-	(271,302)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(2,450,000)	(2,450,000)	-	-	-	(2,450,000)
Reversal of special reserve due to sale of land	-	-	-	(169,465)	169,465	-	-	-	-	-
Other changes in capital surplus	-	(48)	-	-	-	-	-	-	-	(48)
Balance at September 30, 2023	**$ 9,800,000**	**2,245,108**	**4,253,603**	**30,541,720**	**4,767,729**	**39,563,052**	**629,809**	**2,465,218**	**3,095,027**	**54,703,187**
Balance at January 1, 2024	$ 9,800,000	2,245,108	4,253,603	30,541,720	4,960,832	39,756,155	255,805	2,682,634	2,938,439	54,739,702
Profit	-	-	-	-	1,513,362	1,513,362	-	-	-	1,513,362
Other comprehensive income	-	-	-	-	(68)	(68)	231,834	1,058,817	1,290,651	1,290,583
Total comprehensive income	-	-	-	-	1,513,294	1,513,294	231,834	1,058,817	1,290,651	2,803,945
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	407,191	-	(407,191)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(2,548,000)	(2,548,000)	-	-	-	(2,548,000)
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	10,062	10,062	-	(10,062)	(10,062)	-
Balance at September 30, 2024	**$ 9,800,000**	**2,245,108**	**4,660,794**	**30,541,720**	**3,528,997**	**38,731,511**	**487,639**	**3,731,389**	**4,219,028**	**54,995,647**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the nine months ended September 30, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	For the nine months ended September 30,	
	2024	**2023**
Cash flows from (used in) operating activities:		
Profit before tax	$ 1,481,108	4,136,169
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	1,054,181	942,301
Amortization expense	2,174	2,674
Net gain on financial assets and liabilities at fair value through profit or loss	(3,509)	(715)
Interest expense	1,560	2,177
Interest income	(56,769)	(61,601)
Dividend income	(85,265)	(78,655)
Share of profit of associates and joint ventures accounted for using equity method	(783,315)	(1,303,836)
Loss (Gain) on disposal of property, plant and equipment	138	(515)
Loss on disposal of investments accounted for using equity method	-	8,453
Unrealized foreign currency exchange gain	(2,234)	(46,985)
Property, plant and equipment transfer to expense	9	-
Total adjustments to reconcile profit (loss)	126,970	(536,702)
Changes in operating assets and liabilities:		
Decrease in notes receivable	13,272	33,036
Increase in accounts receivable	(388,190)	(68,063)
Decrease (increase) in other receivables	414,948	(425,993)
(Increase) decrease in inventories	(148,639)	859,621
Decrease in prepayments	239,220	668,971
Increase in other current assets	(28,847)	(17,675)
Total changes in operating assets	101,764	1,049,897
Decrease in contract liabilities	(460)	(118,720)
Decrease in notes payable	(11,129)	(605)
Increase (decrease) in accounts payable	434,406	(477,760)
Increase in other payables	282,425	537,887
Increase in receipts in advance	103,378	104,302
Decrease in other current liabilities	(2,410)	(32,426)
Decrease in net defined benefit liabilities	(6,569)	(9,134)
Decrease in deferred credits	(330,865)	(330,725)
Total changes in operating liabilities	468,776	(327,181)
Total changes in operating assets and liabilities	570,540	722,716
Total adjustments	697,510	186,014
Cash inflow generated from operations	2,178,618	4,322,183
Interest received	56,335	59,799
Dividends received	984,801	2,292,278
Interest paid	(1,560)	(2,177)
Income taxes paid	(209,274)	(798,215)
Net cash flows from operating activities	3,008,920	5,873,868

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows (CONT'D)

For the nine months ended September 30, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	For the nine months ended September 30,	
	2024	**2023**
Cash flows from (used in) investing activities:		
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	11,742	48,750
Acquisition of financial assets designated at fair value through profit or loss	(1,185,000)	(240,000)
Proceeds from disposal of financial assets designated at fair value through profit or lc	853,365	240,651
Acquisition of property, plant and equipment	(405,275)	(298,707)
Proceeds from disposal of property, plant and equipment	-	692
Decrease in other receivables	37,017	6,258
Acquisition of intangible assets	-	(871)
Acquisition of investment properties	(550,546)	(787,403)
Decrease (increase) in other financial assets	208,225	(564,999)
(Increase) decrease in other non-current assets	(36,221)	1,190
Net cash flows used in investing activities	(1,066,693)	(1,594,439)
Cash flows from (used in) financing activities:		
Increase in short-term loans	-	6,300
Decrease in short-term loans	-	(6,300)
(Decrease) increase in guarantee deposits received	(65,806)	57,565
Repayment of lease liabilities	(30,710)	(29,071)
Cash dividends paid	(2,548,000)	(2,450,000)
Net cash flows used in financing activities	(2,644,516)	(2,421,506)
Effect of exchange rate changes on cash and cash equivalents	4,825	50,265
Net (decrease) increase in cash and cash equivalents	(697,464)	1,908,188
Cash and cash equivalents at beginning of period	4,328,814	2,699,760
Cash and cash equivalents at end of period	**$ 3,631,350**	**4,607,948**

See accompanying notes to consolidated financial statements.

Reviewed only, not audited in accordance with generally accepted auditing standards

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

For the nine months ended September 30, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history:

TAIWAN FERTILIZER CO., LTD. (the "Company"). was incorporated in May 1946. The Company's registered office address is located at 17F, No.170, Jingmao 1st Rd., Nangang Dist., Taipei City 115018, Taiwan. The Company and its subsidiaries (together referred to as the "Group") is mainly engaged in manufactures and sells inorganic and organic fertilizers and other chemical products, constructs and leases real estate services. The Group's shares were listed on the TSEC since March 24, 1998.

(2) Approval date and procedures of the consolidated financial statements:

The accompanying consolidated financial statements were authorized for issue by the Board of Directors on November 7, 2024.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. ("FSC") which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2024:

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"
- Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"

(b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2025, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 21 "Lack of Exchangeability"

(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by IASB, but have yet to be endorsed by the FSC:

(Continued)

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	January 1, 2027

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards — Volume 11

(Continued)

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(4) Summary of material accounting policies:

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2023. For the related information, please refer to Note 4 of the consolidated financial statements for the year ended December 31, 2023.

(b) Basis of consolidation

(i) List of subsidiaries included in the consolidated financial statements:

			Shareholding ratio			
Investor	**Subsidiary**	**Nature of business**	**September 30, 2024**	**December 31, 2023**	**September 30, 2023**	**Notes**
The Company	Taifer Investment Co.,Ltd.	Investment, international trade, real estate rental or leasing and gas station	100%	100%	100%	Note 3 & 4
The Company	TAIFER (CAYMAN) INTERNATIONAL GROUP CO., LTD.	Investment and holding	100%	100%	100%	Note 3
The Company	Taiwan Yes Deep Ocean Water Co., Ltd.	Wholesale of drinks, food and grocery	100%	100%	100%	Note 3
The Company	TAIFER (CAMBODIA) CO., LTD.	International trade and wholesale of fertilizer	100%	100%	100%	Note 2 & 3
The Company	PEIFENG Technology & Fertilizer Co., Ltd.	Manufacture and wholesale of fertilizer	100%	100%	100%	Note 3
Taiwan Yes Deep Ocean Water Co., LTD.	TAIFER INTERNATIONAL (SAMOA) GROUP CO., LTD.	Investment and holding	100%	100%	100%	Note 1 & 3
TAIFER INTERNATIONAL (SAMOA) GROUP CO., LTD	TAIFER CHEMICAL INTERNATIONAL CO., LTD.	Real estate rental and leasing	100%	100%	100%	Note 3

Note 1: The Group aims to integrate group resources and enhance operational efficiency, on May 23, 2023, with the approval of the board of directors of both subsidiary companies (acting as shareholders' meetings), the subsidiary company, Taifer Chemicals International Inc., will transfer 100% of the equity of TAIFER INTERNATIONAL (SAMOA) GROUP CO., LTD., held by Taifer Chemicals International Inc., to another subsidiary company, Taiwan Yes Deep Ocean Water Co., Ltd. Taiwan Yes Deep Ocean Water Co., Ltd. will issue new shares to acquire the equity, and simultaneously, Taifer Chemicals International Inc. will reduce its capital in exchange for all the new shares of Taiwan Yes Deep Ocean Water Co., Ltd. which will then be transferred to the sole shareholder of Taifer Chemicals International Inc., (i.e., Taiwan Fertilizer Corporation). Both parties have set June 1, 2023 as the acquisition and capital reduction reference date, and the aforementioned statutory registration procedures have been completed.

(Continued)

Note 2: TAIFER (CAMBODIA) Co., Ltd. has filed for business suspension in Cambodia in June 2023, wherein the relevant legal procedures are still in process.

Note 3: The Company is a non-significant subsidiary, its financial statements have not been reviewed.

Note 4: Taifer Investment Co., Ltd. (formerly known as Taifer Chemicals International Inc.) was approved by the board of directors, which was acting on behalf of the shareholders, on March 29, 2024 to terminate the gas station operation business and transform into an investment company on May 31, 2024 in line with the group's operation plan.

(ii) List of subsidiaries which are not included in the consolidated financial statements: None.

(c) Classification of current and non-current assets and liabilities

An asset is classified as current when:

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It will be realized within twelve months after the reporting period; or

(iv) The asset is cash and cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

(i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) The liability will be settled within twelve months after the reporting period; or

(iv) The Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

(d) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of IAS 34, Interim Financial Reporting.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period using the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period (and allocated to current and deferred taxes based on its proportionate size).

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

(Continued)

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(e) Employee benefits

The pension cost in the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year, adjusted and disclosed for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the consolidated financial statements in conformity with the Regulations and IFRSs (in accordance with IAS 34 “Interim Financial Reporting” and endorsed by the FSC) requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2023. For the related information, please refer to Note 5 of the 2023 annual consolidated financial statements.

(6) Explanation of significant accounts:

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim consolidated financial statements for the current period and the 2023 consolidated financial statements. Please refer to Note 6 of the 2023 annual consolidated financial statements.

(a) Cash and cash equivalents

		September 30, 2024	**December 31, 2023**	**September30, 2023**
Cash on hand	$	3,284	4,323	2,778
Demand deposits and checking accounts		3,228,066	3,524,491	4,605,170
Time deposits with original maturities less than 3 months		400,000	800,000	-
Cash and cash equivalents	**$**	**3,631,350**	**4,328,814**	**4,607,948**

(i) Time deposits with original maturity of more than 3 months are recorded as other financial assets, and are classified as non-current if their maturities exceed one year, and as follow:

		September 30, 2024	**December 31, 2023**	**September30, 2023**
Other current financial assets	$	610,098	573,119	738,534
Other non-current financial assets		364,368	609,572	609,572
	$	**974,466**	**1,182,691**	**1,348,106**

(ii) Refer to Note 6(t) for the fair value sensitivity analysis and interest rate risk of the financial assets and liabilities of the Group. Refer to Note 8 for assets pledged as collateral.

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(b) Financial assets at fair value through profit or loss

	September 30, 2024	December 31, 2023	September 30, 2023
Financial assets at fair value through profit or loss			
Non-derivative financial assets			
Beneficiary Certificate	**$ 415,169**	**80,025**	**80,066**

Please refer to Note 6(s) for the amount of remeasurement at fair value through profit or loss.

(c) Financial assets at fair value through other comprehensive income

	September 30, 2024	December 31, 2023	September 30, 2023
Equity investments at fair value through other comprehensive income			
Stock listed on domestic markets	$ 91,502	94,401	90,633
Stock unlisted on domestic markets	4,241,316	3,191,342	2,977,694
Total	**$ 4,332,818**	**3,285,743**	**3,068,327**

(i) Equity investments at fair value through other comprehensive income

The Group designated the investments shown above as equity securities as at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term for strategic purposes.

A resolution was approved during the provisional meeting of shareholders of Eminent Venture Capital Corporation, one of the financial assets measured at fair value through other comprehensive income by the Group, held on February 24, 2023, for capital reduction, wherein the Group will receive the refund of $6,750 thousand.

A resolution was approved during the provisional meeting of shareholders of Eminent II Venture Capital Corporation, one of the financial assets measured at fair value through other comprehensive income by the Group, held on February 24, 2023, for capital reduction, wherein the Group will receive the refund of $42,000 thousand.

TSC Bio-Venture Capital Corporation a domestic non-listed entity recognized as financial assets measured at fair value through other comprehensive income by the Group, completed its dissolution process in May 2024, so the accumulated benefits recorded in the books were transferred from other equity to retained earnings in the amount of $10,062 thousand.

(ii) For credit risk, please refer to Note 6(t).

(iii) Financial assets at fair value through other comprehensive income of the Company had not been pledged as collateral for long-term borrowings.

(d) Notes receivable and accounts receivable

	September 30, 2024	December 31, 2023	September 30, 2023
Notes receivable	$ 65,921	79,193	95,676
Accounts receivable	1,146,753	758,541	973,494
Less: Loss allowance	(1,886)	(1,864)	(1,901)
	$ 1,210,788	**835,870**	**1,067,269**

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivable. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provision in Taiwan was determined as follows:

	September 30, 2024		
	Gross carrying amount	**Expected loss rate**	**Loss allowance provision**
Current	$ 1,203,092	0%~0.01%	-
1 to 30 days past due	8,729	0%~11.83%	(1,033)
31 to 60 days past due	14	0%~100%	(14)
More than 61 days past due	839	0%~100%	(839)
	$ 1,212,674		**(1,886)**

	December 31, 2023		
	Gross carrying amount	**Expected loss rate**	**Loss allowance provision**
Current	$ 792,436	0%~0.01%	-
1 to 30 days past due	44,177	0%~1.68%	(743)
31 to 60 days past due	226	0%~100%	(226)
More than 61 days past due	895	0%~100%	(895)
	$ 837,734		**(1,864)**

	September 30, 2023		
	Gross carrying amount	**Expected loss rate**	**Loss allowance provision**
Current	$ 992,180	0%~0.01%	-
1 to 30 days past due	37,850	0%~0.97%	-
31 to 60 days past due	38,291	0%~2.75%	(1,052)
More than 61 days past due	849	0%~100%	(849)
	$ 1,069,170		**(1,901)**

(Continued)

The movement in the allowance for accounts receivable was as follows:

	For the nine months ended September 30	
	2024	2023
Balance on January 1	$ 1,864	1,863
Effect of foreign currency exchanges difference	22	38
Balance on September 30	**$ 1,886**	**1,901**

(e) Other receivables (including the long-term receivables)

	September 30, 2024	December 31, 2023	September 30, 2023
Other receivables	$ 724,501	1,091,671	1,648,686
Property receivables	32,016	73,997	76,453
Less: Unrealized interest income	(3,469)	(8,433)	(8,804)
Less: Loss allowance	(317,277)	(317,277)	(317,277)
	$ 435,771	**839,958**	**1,399,058**
Other receivables	$ 411,855	782,738	1,339,752
Long-term receivables	23,916	57,220	59,306
	$ 435,771	**839,958**	**1,399,058**

As of September 30, 2024, the total amount of receivables due to the sale of premises of the Group was $28,547 thousand. The group estimates to collect $1,472, $3,778 and $23,297 thousand over the year 2024, 2025, 2026 and thereafter, respectively.

The above receivables of $28,547 thousand are all secured by the premises and promissory notes sold, and a mortgage is established to the Group.

The group complies with the policy of Ministry of Agriculture of Executive Yuan, which is in order to stabilize the domestic fertilizer price and supplement stocks of fertilizer raw material, so as to fully meet the fertilizer demands of farmers. As of September 30, 2024, December 31 and September 30, 2023, the total amount of subsidy receivables due to no increase in the fertilizer price was $159,432 $712,029 and $1,083,770 thousand, respectively, which was recognized in the account of other receivables.

The movement in the allowance for other receivables was as follows.

	For the nine months ended September 30	
	2024	2023
Balance on September 30 (Same as Balance on January 1)	**$ 317,277**	**317,277**

(Continued)

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

For the explanation of individually assessed impairment, please refer to Note 7; for other credit risk information, please refer to Note 6(t).

(f) Inventories and construction in progress

	September 30, 2024	December 31, 2023	September 30, 2023
Inventories			
Raw materials	$ 1,962,848	1,634,454	1,598,576
Finished goods	382,579	557,112	321,379
Merchandise	161	5,383	5,430
Subtotal	**2,345,588**	**2,196,949**	**1,925,385**
Construction in progress			
Hsinchu land development project	**387,765**	**387,765**	**387,765**
Total	**$ 2,733,353**	**2,584,714**	**2,313,150**

The cost of inventories recognized as cost of goods sold and expense for the three months and nine months ended September 30, 2024 and 2023, amounted to $2,128,425, $2,118,476, $6,685,954 and $7,410,376 thousand, respectively.

As of September 30, 2024, December 31, 2023 and September 30, 2023, the aforesaid inventories were not pledged as collateral.

(g) Investments accounted for using the equity method

The Group's financial information for equity accounted investees at the reporting date was as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Material associates			
Al-Jubail Fertilizer Company ("Al-Jubail")	$ 9,435,030	9,310,170	9,444,297
Associates that are not individually material			
MITAGRI Co., Ltd.	58,681	60,907	59,867
	$ 9,493,711	**9,371,077**	**9,504,164**

Joint ventures that are not individually material

	September 30, 2024	December 31, 2023	September 30, 2023
TR Electronic Chemical Co., Ltd.	$ -	-	-

(Continued)

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(i) Associates that had materiality were as follows:

			Equity ownership		
Associate	**Nature of relationship**	**Country of registration**	**September 30, 2024**	**December 31, 2023**	**September 30, 2023**
Al-Jubail Fertilizer Company	Equity-method investee	Kingdom of Saudi Arabia	50.00%	50.00%	50.00%

The following is a summary of financial information on the Group's significant associates. In order to reflect the adjustments for fair value in acquisition of shares and differences in accounting policies, adjustment for the amounts presented on the financial statements of associates in accordance with IFRSs has been made to such financial information.

Summary financial information on Al-Jubail Fertilizer Company:

	September 30, 2024	**December 31, 2023**	**September 30, 2023**
Current assets	$ 7,821,943	7,172,904	6,400,455
Noncurrent assets	15,186,975	15,299,029	16,364,261
Current liabilities	(3,260,420)	(3,689,495)	(3,189,586)
Noncurrent liabilities	(823,819)	(851,583)	(967,419)
Net assets	**$ 18,924,679**	**17,930,855**	**18,607,711**
Net assets attributable to non-controlling interests	$ 9,258,164	8,662,425	9,003,401
Net assets attributable to investee owners	9,666,515	9,268,430	9,604,310
	$ 18,924,679	**17,930,855**	**18,607,711**

	For the three months ended September 30		**For the nine months ended September 30**	
	2024	**2023**	**2024**	**2023**
Revenue	**$ 2,834,044**	**3,285,276**	**9,718,459**	**10,072,759**
Profit for the period	$ 422,828	924,366	1,736,789	2,867,729
Other comprehensive income	(530)	137	(153)	137
Comprehensive income	**$ 422,298**	**924,503**	**1,736,636**	**2,867,866**
Comprehensive income attributable to non-controlling interests	**$ 199,367**	**401,886**	**788,391**	**1,283,633**
Comprehensive income attributable to investee owners	**$ 222,931**	**522,617**	**948,245**	**1,584,233**
Dividends declared by associates	**$ 436,000**	**1,030,720**	**946,880**	**2,437,120**

(ii) Associates ventures that are not individually material

(Continued)

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

The associated enterprise of the Group, MITAGRI CO., LTD., acquired a 100% equity interest in Taiwan Agricultural Investment and Development Co., Ltd. through the issuance of new shares, as resolved in the board of directors' special meeting held on November 30, 2022. The conversion date was set as January 1, 2023. On the conversion date, the Group held a book value of $34,032 thousand and a fair value of $25,579 thousand for Taiwan Agricultural Investment and Development Co., Ltd. A loss on disposal of investment amounting to $8,453 thousand was recognized. The Group lost significant influence over Taiwan Agricultural Investment and Development Co., Ltd., and its equity interest in MITAGRI CO., LTD. decreased from 33.33% to 32.52%. For details of the loss on disposal of investment, please refer to Note 6(s).

(iii) Joint ventures

On March 31, 2011, under the authorization of the Investment Commission of the Ministry of Economic Affairs of the Republic of China, the Group established TR Electronic Chemical Co., Ltd. (“TREC”) in the Cayman Islands through its subsidiary, Taifer (Cayman) International Group Co., Ltd. TREC then invested in TR Electronic Chemical (Kunshan) Co., Ltd. (“TREC-K”), which enabled the Group to have a 100% indirect interest in TREC-K. TREC-K manufactures and sells electronic chemicals. Later, under a joint venture agreement between the Group and Shiung-Shing Chemical International Trade Group. (“Shiung-Shing”), another TREC shareholder, Shiung-Shing assigned a manager to handle TREC’s daily business and management. Thus, the Group had no control over TREC and TREC-K. In June 2015, the carrying amount of the Group’s investment in TREC was zero. TREC-K declared bankruptcy, for the relevant explanation of bankruptcy and litigation, please refer to Note 7.

(iv) Pledged

As of September 30, 2024, December 31, 2023 and September 30, 2023, the investments in the aforesaid equity-accounted investees were not pledged as collateral.

(h) Property, plant, and equipment

The movements in the cost, depreciation, and impairment of the property, plant and equipment of the Group for the nine months ended September 30, 2024 and 2023 were as follows:

	Land	Building and construction	Machinery and equipment	Transportation equipment	Other equipment	Construction in progress	Total
Cost or deemed cost:							
Balance on January 1, 2024	$ 3,638,243	4,693,972	11,798,922	76,599	430,855	963,575	21,602,166
Additions	-	7,687	143,628	232	17,469	241,222	410,238
Disposals	-	-	(178,643)	(407)	(11,512)	-	(190,562)
Transfer from completion	-	572,142	205,860	-	20,243	(69,252)	728,993
Balance on September 30, 2024	**$ 3,638,243**	**5,273,801**	**11,969,767**	**76,424**	**457,055**	**1,135,545**	**22,550,835**
Balance on January 1, 2023	$ 3,637,964	4,925,331	11,846,039	84,643	444,014	334,075	21,272,066
Additions	-	9,284	154,540	1,328	7,798	122,222	295,172
Disposals	-	(132)	(47,570)	(8,649)	(5,550)	-	(61,901)
Effect of foreign currency exchanges difference	-	-	-	1	1	-	2
Transfer from completion	279	2,446	64,117	-	5,213	(72,639)	(584)
Balance on September 30, 2023	**$ 3,638,243**	**4,936,929**	**12,017,126**	**77,323**	**451,476**	**383,658**	**21,504,755**
Depreciation and impairment loss:							
Balance on January 1, 2024	$ -	1,207,862	6,702,966	61,110	256,035	712,679	8,940,652

(Continued)

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

	Land	Building and construction	Machinery and equipment	Transportation equipment	Other equipment	Construction in progress	Total
Depreciation	-	117,100	528,146	3,873	23,115	-	672,234
Disposals	-	-	(178,603)	(407)	(11,414)	-	(190,424)
Transfer from completion	-	70,159	8,370	-	16,248	-	94,777
Balance on September 30, 2024	-	1,395,121	7,060,879	64,576	283,984	712,679	9,517,239
Balance on January 1, 2023	$ -	1,189,800	6,198,679	64,302	247,699	82,820	7,783,300
Depreciation	-	111,419	557,688	4,794	24,773	-	698,674
Disposals	-	(132)	(47,428)	(8,638)	(5,526)	-	(61,724)
Effect of foreign currency exchanges difference	-	-	-	1	1	-	2
Transfer from completion	-	-	(42)	-	30	-	(12)
Balance on September 30, 2023	$ -	1,301,087	6,708,897	60,459	266,977	82,820	8,420,240
Carrying amounts:							
Balance on January 1, 2024	$ 3,638,243	3,486,110	5,095,956	15,489	174,820	250,896	12,661,514
Balance on September 30, 2024	$ 3,638,243	3,878,680	4,908,888	11,848	173,071	422,866	13,033,596
Balance on January 1, 2023	$ 3,637,964	3,735,531	5,647,360	20,341	196,315	251,255	13,488,766
Balance on September 30, 2023	$ 3,638,243	3,635,842	5,308,229	16,864	184,499	300,838	13,084,515

As of September 30, 2024, December 31, 2023 and September 30, 2023, the property, plant and equipment were not pledged as collateral.

(i) Right-of-use assets

The right-of-use assets of the Group for the nine months ended September 30, 2024 and 2023 were as follows:

	Land	Transportation equipment	Total
Carrying amount:			
Balance on January 1, 2024	$ 854,191	-	854,191
Balance on September 30, 2024	$ 770,850	8,005	778,855
Balance on January 1, 2023	$ 965,312	-	965,312
Balance on September 30, 2023	$ 881,972	-	881,972

On October 31, 2006, the Company leased from the Taichung Harbor Bureau, Ministry of Transportation and Communications (“THB”) a 247.298 square meter lot in a special petrochemical industry zone in Taichung to develop wharf areas called West 8 and 9, and construct warehouse facilities and public roads. The main provisions of the lease agreement were as follows:

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(i) The lease term for the land in a special industrial zone is 20 years, and the agreement is renewable until the total lease reaches 50 years.

(ii) The Group can sublease the land, and it can also develop West 8 and 9 of the wharf area, as well as construct warehouse facilities and public roads on behalf of THB. The Group can use its capital expenses for the construction as rentals in advance. However, once the lease term ends or the agreement is early terminated, all the titles to the facilities and improvements on the leased land should be transferred to THB.

The Group used its expenditures of $1,500,481 thousand for the construction of West 8 and 9 of Taichung Harbor as rentals until March 20, 2034. The long-term prepayments for lease should be amortized over its rent-free periods.

(j) Investment property

Investment property comprises office buildings that are leased to third parties under operating leases, including properties that are held as right-of-use assets, as well as properties that are owned by the Group. The leases of investment properties contain an initial non-cancellable lease term of 1 to 50 years.

The Group for the movement in investment property was as follows:

	Own assets			Right-of-use assets	
	Completed investment property	**Investment property under construction**	**Undeveloped investment property**	**Other**	**Total**
Costs:					
Balance on January 1, 2024	$ 22,134,802	6,965,686	16,916,413	3,778	46,020,679
Additions	9,099	281,934	-	-	291,033
Effect of foreign currency exchanges difference	555	-	-	-	555
Reclassification	(484,127)	(255,123)	-	-	(739,250)
Balance on September 30, 2024	**$ 21,660,329**	**6,992,497**	**16,916,413**	**3,778**	**45,573,017**
Balance on January 1, 2023	$16,297,635	11,747,585	16,482,731	3,778	44,531,729
Additions	6,813	687,599	-	-	694,412
Effect of foreign currency exchanges difference	654	-	-	-	654
Reclassification	(423)	(422,859)	434,414	-	11,132
Balance on September 30, 2023	**$ 16,304,679**	**12,012,325**	**16,917,145**	**3,778**	**45,237,927**
Accumulated depreciation:					
Balance on January 1, 2024	$ 787,763	146,161	619,088	3,778	1,556,790
Depreciation	295,812	1,730	-	-	297,542
Effect of foreign currency exchanges difference	298	-	-	-	298
Reclassification	10,068	(114,393)	-	-	(104,325)
Balance on September 30, 2024	**$ 1,093,941**	**33,498**	**619,088**	**3,778**	**1,750,305**
Balance on January 1, 2023	$ 589,546	130,424	607,646	3,778	1,331,394
Depreciation	148,434	11,850	-	-	160,284

(Continued)

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

	Own assets			Right-of-use assets	
	Completed investment property	Investment property under construction	Undeveloped investment property	Other	Total
Effect of foreign currency exchanges difference	351	-	-	-	351
Balance on September 30, 2023	**$ 738,331**	**142,274**	**607,646**	**3,778**	**1,492,029**
Carrying amount:					
Balance on January 1, 2024	**$ 21,347,039**	**6,819,525**	**16,297,325**	**-**	**44,463,889**
Balance on September 30, 2024	**$ 20,566,388**	**6,958,999**	**16,297,325**	**-**	**43,822,712**
Balance on January 1, 2023	**$ 15,708,089**	**11,617,161**	**15,875,085**	**-**	**43,200,335**
Balance on September 30, 2023	**$ 15,566,348**	**11,870,051**	**16,309,499**	**-**	**43,745,898**

Completed investment property are located in C3/C6/C7/C8/C9 in the Nangang Economic and Trade Park and D6 in the Hsinchu Science Park, and the Corporation leased land use right to others.

(i) The main provisions of the C6/C7/C8/C9 contract on the pledging of land use rights were as follows:

1) Land use rights (LURs) are for 50 years from the date of registration of these rights.

2) The LURs (accounted for as deferred revenue-current and noncurrent) amounted to $3,200,889 thousand, which has been treated as royalty revenue (accounted for as operating revenue) amortizable over 50 years from June 13, 2006. As of September 30, 2024, December 31, 2023 and September 30, 2023, the unamortized balances of the LURs under above mentioned contract were $2,029,897, $2,077,910 and $2,093,915 thousand, respectively.

3) In addition to the LURs, the annual rental payable by the lessee is 8% of the reference land price announced by the local government, with the calculation starting from the contract date. When the reference land price is adjusted, the annual rental will be revised at the percentage the same as that set on the date of the reference price adjustment. The annual rents received for the three months and nine months ended September 30, 2024 and 2023 were $91,818, $87,573, $275,453 and $262,717 thousand, respectively.

(ii) The main provisions of the C3 contract on the pledging of land use rights were as follows:

1) The LURs are valid for 45 years from the date of the registration of these rights.

2) The LURs (accounted for as deferred revenue-current and noncurrent) amounted to $14,288,705 thousand, which has been treated as royalty revenue (under operating revenue) amortizable over 45 years from December 10, 2015. As of September 30, 2024, December 31, 2023 and September 30, 2023, the unamortized balance of the LURs were $11,492,705, $11,730,850 and $11,810,232 thousand, respectively.

(Continued)

3) In addition to the LURs, the rental payable by the lessees is 0.8% of the reference land price announced by the local government, with the calculation starting from the registration date. When the reference land price is adjusted, the annual rental will be revised at the same percentage as the rate of the reference price adjustment. The lessees' annual rentals for the three months and nine months ended September 30, 2024 and 2023 were $12,735, $12,125, $38,205 and $36,374 thousand, respectively.

4) After nine years and six months from the registration date, the lessees have within six months to extend the validity period for the land use rights to another 40 years by giving a written notice to the Corporation. With this extension, the entire validity period of the LURs will be 85 years, and the lessees should pay an additional one-time royalty of $15,000,000 thousand.

5) Under the contract, the lessees provided the Taiwan Government Bond A02105 and A03114 as collaterals; the fair values of these bonds were as follow:

	The Taiwan Government Bond A02105	The Taiwan Government Bond A03114
Balance on September 30, 2024	$ **994,980**	**1,488,670**
Balance on December 31, 2023	$ **1,059,797**	**1,550,245**
Balance on September 30, 2023	$ **1,060,994**	**1,553,574**
Balance on January 1, 2023	$ **1,043,155**	**1,538,300**

(iii) The main provisions of the D6 contract on the pledging of land use rights were as follows:

1) The LURs are valid for 70 years from the date of the registration of these rights.

2) The LURs (accounted for as deferred revenue-current and noncurrent) amounted to $2,705,714 thousand, which has been treated as royalty revenue (accounted for as operating revenue) amortizable over 70 years from February 10, 2022. As of September 30, 2024, December 31, 2023 and September 30, 2023, the unamortized balance of the LURs were $2,602,639, $2,631,629 and $2,641,293 thousand, respectively.

3) In addition to the LURs, the rental payable by the lessees is 0.8% of the reference land price announced by the local government, with the calculation starting from the registration date. When the reference land price is adjusted, the annual rental will be revised at the same percentage as the rate of the reference price adjustment. The annual rentals for the three months and nine months ended September 30, 2024 and 2023 were $965, $621, $2,894 and $1,862 thousand, respectively.

4) The lessees shall deliver a written notice to the Company no less than three years prior to the expiration of the existing lease term to exercise the extension option.

(Continued)

(iv) The C2 Tourist Hotel Project was won by the Caesar Park Hotel Co., Ltd. during 2012, who signed a front end agreement (FEA) on December 31, 2013. For the development of the C2 Tourist Hotel, the Group intended to make a termination agreement with Caesar Park Hotel Co., Ltd., and the intention was approved during the board meeting of the Company held on May 28, 2019. In June 2023, Caesar Park Hotel sent a letter to the Group to terminate the contract and filed a lawsuit against the Group, demanding for a damage compensation. Please refer to Note 9 for details of the lawsuit.

The bid for the C2 Commercial Building Project was won by Dung Jeng Investment Counsel Co., Ltd. ("Dung Jeng"), in which the Group will construct a building and parking space for Dung Jeng. The lease contract was signed on January 30, 2015, with a lease period of 20 years from the completion of the building and parking space. The Company intended to make a termination agreement with Dung Jeng Investment Co., Ltd. and the intention was approved during the board meeting of the Company held on May 28, 2019. For the related termination procedures, please refer to Note 9.

The fair value of investment properties (as measured or disclosed in the consolidated financial statements) was based on a valuation by a qualified independent appraiser who has recent valuation experience in the location and category of the investment property being valued. The inputs of levels of fair value hierarchy in determining the fair value was classified to Level 3.

The fair values of investment properties were assessed as follows:

Fair Value	**September 30, 2024**	**December 31, 2023**	**September 30, 2023**
C6／C7／C8／C9	**$ 27,296,312**	**27,389,157**	**27,389,157**
C2	**$ 23,409,818**	**23,339,307**	**23,339,307**
C3	**$ 41,463,972**	**39,704,894**	**39,704,894**
Hsinchu	**$ 12,361,187**	**13,033,686**	**13,033,686**
Kaohsiung	**$ 23,137,902**	**24,054,860**	**24,054,860**

The fair value was based on the valuation carried out at March 6, 2024 and March 3, 2023 by independent qualified professional valuer.

The fair value is measured at market value, mainly use the comparison approach and land development analysis approach to determine the value of the investment property. The weight is 50/50. The significant key assumption of the development profit margin intervals was as follows:

	For the nine months ended September 30	
Area	**2024**	**2023**
C6／C7／C8／C9	18%	18%
C2	18%	18%
C3	18%	18%
Hsinchu	19%	18%
Kaohsiung	17%	17%

(Continued)

The other investment properties held by the Corporation are mainly located in different industrial zones. They have no quoted prices in an active market and there was no alternative basis for estimating their fair values. Thus, the fair values of the investment properties were not reliably determinable.

As of September 30, 2024, December 31, 2023 and September 30, 2023, investment properties were not pledged as collateral.

(k) Intangible assets

The carrying amounts of the intangible assets were as follows:

	Patents	Computer software	Trademark	Goodwill	Total
Carrying amount:					
Balance on January 1, 2024	**$ 272**	**7,230**	**35,900**	**75,015**	**118,417**
Balance on September 30, 2024	**$ 188**	**5,140**	**35,900**	**75,015**	**116,243**
Balance on January 1, 2023	**$ 385**	**9,765**	**35,900**	**75,015**	**121,065**
Balance on September 30, 2023	**$ 300**	**8,046**	**35,900**	**75,015**	**119,261**

There were no significant additions, disposal, or recognition and reversal of impairment losses of intangible assets for the nine months ended September 30, 2024 and 2023. Information on amortization for the period is discussed in Note 12. Please refer to Note 6(k) of the 2023 annual consolidated financial statements for other related information.

(l) Operating leases

The Group leases out its investment property and some machinery. The Group has classified these leases as operating leases, because it does not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Please refer to note 6(j) sets out information about the operating leases of investment property.

A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date are as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Less than one year	$ 1,835,904	1,470,422	1,383,385
One to two years	1,800,728	1,542,286	1,512,161
Two to three years	1,738,641	1,528,499	1,498,435
Three to four years	1,587,153	1,462,542	1,453,325
Four to five years	1,338,732	1,251,133	1,311,449
More than five years	17,722,355	16,961,740	17,206,701
Total undiscounted lease payments	**$ 26,023,513**	**24,216,622**	**24,365,456**

(Continued)

For the three months and nine months ended September 30, 2024 and 2023, the property rental income was $424,362, $310,764, $1,240,164 and $930,382 thousand, respectively. There were no significant property equipment and maintenance expenses.

(m) Employee benefits

(i) Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the interim period was measured and disclosed by using the actuarially determined results as of December 31, 2023 and 2022.

The expenses recognized in profit or loss for the Group were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2024	**2023**	**2024**	**2023**
Operating costs	$ 1,802	2,021	5,367	6,107
Operating expenses	827	913	2,521	2,697
	$ 2,629	**2,934**	**7,888**	**8,804**

(ii) Defined contribution plans

The Group's expenses of defined contribution plans under Labor Pension Act were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2024	**2023**	**2024**	**2023**
Operating costs	$ 3,744	3,650	11,156	10,483
Operating expenses	2,932	2,795	8,987	8,399
	$ 6,676	**6,445**	**20,143**	**18,882**

(n) Income tax

(i) The components of income tax for the three months and nine months ended September 30, 2024 and 2023 were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2024	**2023**	**2024**	**2023**
Current income tax expense				
Current period incurred	$ 80,280	260,224	143,715	465,817
Tax on undistributed earnings	-	-	47,363	-
Land value increment tax	-	-	-	84,591
Adjustment for prior periods	(376,436)	-	(376,436)	-
	(296,156)	260,224	(185,358)	550,408
Deferred tax expense	14,539	(126,998)	153,104	(123,524)
Income tax (benefits) expense	**$ (281,617)**	**133,226**	**(32,254)**	**426,884**

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

The amount of income tax recognized in other comprehensive income for the three months and nine months ended September 30, 2024 and 2023 were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2024	**2023**	**2024**	**2023**
Items that may be reclassified subsequently to profit and loss:				
Foreign currency translation differences for foreign operations	$ (24)	37	27	69
Shares of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income	(46,963)	69,930	57,254	99,631
	$ (46,987)	**69,967**	**57,281**	**99,700**

(ii) The Company's income tax returns through 2022 have been assessed and approved by the Tax Authority.

(o) Share capital and other interests

(i) Share capital

As of September 30, 2024, December 31, 2023 and September 30, 2023, the authorized capital of the Company amounting to $9,800,000 thousand with par value of $10 per share. The paid in capital was $9,800,000 thousand, and the capital that rose from the shares had all been retrieved.

(ii) Capital surplus

The components of capital surplus were as follows:

	September 30, 2024	**December 31, 2023**	**September 30, 2023**
Donations	$ 44,803	44,803	44,803
Treasury share transactions	2,187,988	2,187,988	2,187,988
Others	12,317	12,317	12,317
	$ 2,245,108	**2,245,108**	**2,245,108**

In accordance with Amended Companies Act 2012, realized capital reserves can only be capitalized or distributed as cash dividends after offsetting against losses. The aforementioned capital reserves include share premiums and donation gains. In accordance with Securities Offering and Issuance Guidelines, the amount of capital reserves that can be capitalized shall not exceed 10% of the actual share capital amount.

(iii) Retained earnings

Under the dividend policy as set forth in the Articles, 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 a 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.

To determine dividend amounts, the Corporation should take into account the diversity of its business, cycles of the industry, and capital demand in relation to specific products and services. To balance business development and shareholders' welfare, the cash dividend should not be less than 10% of total annual dividends, unless there is any capital demand due to essential investment plan, change in financial position, business operation, extension of capacity or any other capital expenditure and should be approved in the shareholders' meetings.

1) Legal reserve

If the Company earned a profit for the year, the meeting of shareholders decides on the distribution of the statutory earnings reserve either by issuing new shares or by paying cash, and the distribution is limited to the portion of legal reserve which exceeds 25% of the actual share capital.

2) Special reserve

The Group implemented the optional exemptions under IFRS 1 "First time Adoption of International Financial Reporting Standards" when adopting the International Financial Reporting Standards at first time. The increase in retained earnings resulting from the unrealized revaluation increments, cumulative translation adjustment and the revaluation increments in the transfer from fix assets to investment property was $32,114,341 thousand. In accordance with the regulation issued by the FSC, the same amount of the increasing earnings shall be reclassified to special earnings reserve. If a certain proportion of the asset has been disposed or reclassified, the same proportion of special earnings reserve equivalent to that of the asset, which has been disposed or reclassified, has to be transferred back to its earnings. Such special earnings reserve has to have the same amount with the one that was initially being reclassified to its special earnings reserve. The balance of such special earnings reserve amounted to $30,127,912, $30,127,912 and $30,127,912 thousand as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively.

In accordance with the aforesaid Ruling, a special reserve is set aside from the current year's net income after tax and prior year's undistributed earnings at an amount equal to the debit balance of contra accounts in shareholders' equity. When the debit balance of any of these contra accounts in shareholders' equity is reversed, the related special reserve can be reversed. The subsequent reversals of the contra accounts in shareholders' equity shall quality for additional distributions.

3) Earnings distribution

The appropriations of earnings for 2023 and 2022 had been approved in the shareholders' meeting on June 26, 2024 and June 28, 2023. These earnings were appropriated as follows:

(Continued)

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

	2023		2022	
	Amount per share (dollars)	Amount	Amount per share (dollars)	Amount
Dividends distributed to ordinary shareholders:				
Cash	$ 2.60	**2,548,000**	2.50	**2,450,000**

(iv) Other equity accounts (net of tax)

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance on January 1, 2024	$ 255,805	2,682,634	2,938,439
Exchange differences on translation of foreign financial statements	2,820	-	2,820
Exchange differences on subsidiaries accounted for using equity method	229,014	-	229,014
Unrealized gains from financial assets measured at fair value through other comprehensive income	-	1,058,817	1,058,817
Disposal of equity instruments measured at fair value through other comprehensive income	-	(10,062)	(10,062)
Balance on September 30, 2024	**$ 487,639**	**3,731,389**	**4,219,028**
Balance on January 1, 2023	$ 227,768	2,484,366	2,712,134
Exchange differences on translation of foreign financial statements	3,519	-	3,519
Exchange differences on subsidiaries accounted for using equity method	398,522	-	398,522
Unrealized losses from financial assets measured at fair value through other comprehensive income	-	(19,148)	(19,148)
Balance on September 30, 2023	$ 629,809	2,465,218	3,095,027

(p) Earnings per share

The basic earnings per share and diluted earnings per share were calculated as follows:

Units:1,000 shares

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Basic earnings per share				
Profit attributable to ordinary shareholders	**$ 737,926**	**604,575**	**1,513,362**	**3,709,285**
Weighted average number of ordinary shares	980,000	980,000	980,000	980,000
	$ 0.75	**0.62**	**1.54**	**3.79**
Diluted earnings per share				
Profit attributable to ordinary shareholders (diluted)	**$ 737,926**	**604,575**	**1,513,362**	**3,709,285**
Weighted average number of ordinary shares	980,000	980,000	980,000	980,000
Effect of potentially dilutive ordinary shares				
Employee's compensation	193	310	1,013	2,083
Weighted average number of ordinary shares (diluted)	980,193	980,310	981,013	982,083
	$ 0.75	**0.62**	**1.54**	**3.78**

(Continued)

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(q) Revenue from contracts with customers

(i) Details of revenue

	For the three months ended September 30		For the nine months ended September 30	
	2024	**2023**	**2024**	**2023**
Revenue from contracts with customers	$ 2,241,780	2,330,660	7,073,728	7,944,076
Revenue from investment properties	614,227	502,955	1,809,322	1,562,570
Revenue from selling real estates	-	-	-	2,616,889
Other operating revenue	99,013	84,582	287,584	259,259
	$ 2,955,020	**2,918,197**	**9,170,634**	**12,382,794**

(ii) Disaggregation of revenue

	For the three months ended September 30, 2024			
	Fertilizers and other chemical products	**Real estate property and investment**	**Others**	**Total**
Primary geographical markets				
Taiwan	$ 2,195,325	612,165	70,744	2,878,234
Others	74,724	2,062	-	76,786
	$ 2,270,049	**614,227**	**70,744**	**2,955,020**
Major products/services lines				
Fertilizers and other chemical products	$ 2,270,049	-	-	2,270,049
Lease	-	614,227	-	614,227
Others	-	-	70,744	70,744
	$ 2,270,049	**614,227**	**70,744**	**2,955,020**

	For the three months ended September 30, 2023			
	Fertilizers and other chemical products	**Real estate property and investment**	**Others**	**Total**
Primary geographical markets				
Taiwan	$ 2,152,089	501,314	145,804	2,799,207
Others	117,349	1,641	-	118,990
	$ 2,269,438	**502,955**	**145,804**	**2,918,197**
Major products/services lines				
Fertilizers and other chemical products	$ 2,269,438	-	-	2,269,438
Lease	-	502,955	-	502,955
Others	-	-	145,804	145,804
	$ 2,269,438	**502,955**	**145,804**	**2,918,197**

(Continued)

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

	For the nine months ended September 30, 2024			
	Fertilizers and other chemical products	**Real estate property and investment**	**Others**	**Total**
Primary geographical markets				
Taiwan	$ 6,761,541	1,803,815	343,899	8,909,255
Others	255,872	5,507	-	261,379
	$ 7,017,413	**1,809,322**	**343,899**	**9,170,634**
Major products/services lines				
Fertilizers and other chemical products	$ 7,017,413	-	-	7,017,413
Lease	-	1,809,322	-	1,809,322
Others	-	-	343,899	343,899
	$ 7,017,413	**1,809,322**	**343,899**	**9,170,634**

	For the nine months ended September 30, 2023			
	Fertilizers and other chemical products	**Real estate property and investment**	**Others**	**Total**
Primary geographical markets				
Taiwan	$ 6,904,948	4,174,598	430,119	11,509,665
Middle East	496,218	-	-	496,218
Others	372,050	4,861	-	376,911
	$ 7,773,216	**4,179,459**	**430,119**	**12,382,794**
Major products/services lines				
Fertilizers and other chemical products	$ 7,773,216	-	-	7,773,216
Lease	-	1,562,570	-	1,562,570
Revenue from selling real estates	-	2,616,889	-	2,616,889
Others	-	-	430,119	430,119
	$ 7,773,216	**4,179,459**	**430,119**	**12,382,794**

(iii) Contract balances

	September 30, 2024	**December 31, 2023**	**September 30, 2023**
Accounts receivable	$ 1,212,674	837,734	1,069,170
Less: allowances for impairment	(1,886)	(1,864)	(1,901)
Total	**$ 1,210,788**	**835,870**	**1,067,269**
Contract liabilities-Chemical fertilizers product	**$ 107,558**	**108,018**	**58,288**

For details on accounts receivable and allowance for impairment, please refer to Note 6(d).

The amount of revenue recognized for the nine months ended September 30, 2024 and 2023 that was included in the contract liability balance at the beginning of the period were $79,199 thousand and $174,020 thousand.

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(r) Remuneration to employees and directors

In accordance with the amended Articles of Incorporation, the Company should contribute 1%~3% of the current year profit as employee compensation and no more than 1.6% as directors' remuneration when there is profit for the year. Before January 1, 2024, in accordance with the articles of incorporation, the Company should contribute 2.4% of the current year profit as employee compensation and no more than 1.6% as directors' remuneration when there is profit for the year. However, if the company has accumulated deficits, the profit should be offset the deficit.

For the three months and nine months ended September 30, 2024 and 2023, the Company estimated its employee remuneration amounting to $11,179, $18,260, $36,384 and $102,896 thousand, and directors' remuneration amounting to $7,453, $12,174, $24,256 and $68,598 thousand, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during 2024 and 2023. The numbers of shares to be distributed for 2024 and 2023 were calculated based on the closing price of the Company's ordinary shares, one day before the date of the meeting of Board of Directors.

If there remunerations change after the board meeting, and the impact of those changes will be based on accounting estimates and recognition in the following period.

There was no difference of employee compensation and directors' remuneration between the amounts recognized on consolidated financial statements and actual distributed amount.

Information on remuneration to employees and directors resolved by the Corporation' s board of directors in 2024 and 2023 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

(s) Non-operating income and expenses

(i) Interest income

The details of interest income for the three months and nine months ended September 30, 2024 and 2023 were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2024	**2023**	**2024**	**2023**
Interest income－bank deposits	$ 19,457	19,446	55,613	58,514
Other interest income	366	2,242	1,156	3,087
	$ 19,823	**21,688**	**56,769**	**61,601**

(ii) Other income

The details of other income for the three months and nine months ended September 30, 2024 and 2023 were as follows:

(Continued)

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

	For the three months ended September 30		For the nine months ended September 30	
	2024	**2023**	**2024**	**2023**
Rental revenue	$ -	-	13	-
Dividends	71,811	55,350	85,265	78,655
Others	2,980	12,974	10,996	56,446
	$ 74,791	**68,324**	**96,274**	**135,101**

(iii) Other gains and losses

The details of other gains and losses for the three months and nine months ended September 30, 2024 and 2023 were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2024	**2023**	**2024**	**2023**
(Loss) gain on disposal of property, plant and equipment	$ -	515	(138)	515
Loss on disposal of investments	-	-	-	(8,453)
Net foreign exchange (loss) gain	(6,567)	50,233	10,689	83,871
Net gain on financial assets at fair value through profit or loss	1,562	245	3,509	715
Others	(1,938)	(4,031)	(3,548)	(11,825)
	$ (6,943)	**46,962**	**10,512**	**64,823**

(iv) Finance costs

The details of finance costs for the three months and nine months ended September 30, 2024 and 2023 were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2024	**2023**	**2024**	**2023**
Bank interest expense	$ -	8	-	71
Lease liabilities interest	484	654	1,560	2,106
	$ 484	**662**	**1,560**	**2,177**

(t) Financial instruments

(i) Credit risk

1) Exposure to credit risk

The carrying amount of financial assets represents the Group’s maximum credit exposure.

2) Credit risk concentrations

The clients of the Group are widely spread and unrelated; thus, credit risk is limited.

3) Receivables and debt securities

For credit risk exposure of notes and trade receivables, please refer to Note 6(d).

Other financial assets at amortized cost include other receivables, investments in government bonds, corporate bonds and time deposits.

(Continued)

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Debt investments at fair value through other comprehensive income include government bonds, listed and unlisted debt securities.

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected credit losses.

The movement in the allowance for impairment during the nine months ended September 30, 2024 and 2023, please refer to Note 6(d) and 6(e).

(ii) Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payment, but excluding the impact of netting agreements.

		Carrying amount	Within 1 year	1-5 years	More than 5 years
September 30, 2024					
Non-derivative financial liabilities					
Non-interest-bearing liabilities	$	2,330,419	1,950,827	379,592	-
Lease liabilities		94,831	44,814	50,017	-
	$	**2,425,250**	**1,995,641**	**429,609**	**-**
December 31, 2023					
Non-derivative financial liabilities					
Non-interest-bearing liabilities	$	1,945,773	1,500,375	445,398	-
Lease liabilities		117,776	41,568	76,208	-
	$	**2,063,549**	**1,541,943**	**521,606**	**-**
September 30, 2023					
Non-derivative financial liabilities					
Non-interest-bearing liabilities	$	2,138,058	1,707,349	430,709	-
Lease liabilities		128,168	41,568	86,600	-
	$	**2,266,226**	**1,748,917**	**517,309**	**-**

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(iii) Currency risk

1) Exposure to foreign currency risk

The following are the financial assets and liabilities exposure to significant foreign currency risk.

	September 30, 2024			December 31, 2023			September 30, 2023		
	Foreign Currency	**Exchange Rate**	**NTD**	**Foreign Currency**	**Exchange Rate**	**NTD**	**Foreign Currency**	**Exchange Rate**	**NTD**
Financial assets									
Monetary items									
USD：NTD	$ 8,419	31.65	266,470	7,125	30.74	218,987	41,632	32.27	1,343,381
USD：MNT	2,139	31.65	67,702	2,027	30.74	62,300	2,001	32.27	64,569
Nonmonetary items									
Investments accounted for using equity method									
SAR：NTD	1,117,964	8.44	9,435,030	1,136,047	8.20	9,310,170	1,097,664	8.60	9,444,297
Financial liabilities									
Monetary items									
USD：NTD	852	31.65	26,967	852	30.74	26,186	3,161	32.27	101,999

(Continued)

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, amortized cost of financial assets, accounts payable and other payables that are denominated in foreign currency. A 10% of depreciation or appreciation of each major foreign currency against the Group's functional currency as of September 30, 2024 and 2023 would have increased or decreased the three-month and nine-month periods of net income after tax by $(3,032), $1,307, $24,576 and $104,476 thousand, respectively. The analysis is performed on the same basis for both periods.

As the Group deals in diverse foreign currencies, gains or losses on foreign exchange were summarized as a single amount. For the three months and nine months ended September 30, 2024 and 2023, the foreign exchange (losses) gains, including both realized and unrealized, amounted to $(6,567), $50,233, $10,689 and $83,871 thousand dollars, respectively.

(iv) Interest rate analysis

The interest risk exposure from financial assets and liabilities has been disclosed in the note of liquidity risk management.

The sensitivity analysis below is based on the exposure to equity price risks at the end of the reporting period. For floating-rate liabilities, the analysis is based on the assumption that the amount of liabilities outstanding on the reporting date is circulated throughout the year.

If interest rates had been 1 basis point higher/lower and all other variables were held constant, the Corporation's net income after tax for the nine months ended September 30, 2024 and 2023 would decrease/increase by $0 due to the Group' s cash and cash equivalents balances which exceeds its loan amount.

(v) Other price risk

If the stock price changes at the reporting date, the changes in other comprehensive income of the Company are estimated as follows (The analysis was made on the same basis for both periods, assuming that all other variables remain constant and any impact to forecasted sales and purchases was ignored):

	For the nine months ended September 30			
	2024		**2023**	
Equity price at the end of the reporting period	**Comprehensive income (loss) (net of tax)**	**Net income (loss) (net of tax)**	**Comprehensive income (loss) (net of tax)**	**Net income (loss) (net of tax)**
Increase 5%	**$ 216,641**	**16,607**	**153,416**	**3,203**
Decrease 5%	**$ (216,641)**	**(16,607)**	**(153,416)**	**(3,203)**

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(vi) Fair value of financial instruments

1) Categories and fair value of financial instruments

The fair value of financial assets and liabilities at fair value through profit or loss, and financial assets at fair value through other comprehensive income (available for sale financial assets) is measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and for equity investments that has no quoted prices in the active markets and whose fair value cannot be reliably measured, disclosure of fair value information is not required:

	September 30, 2024				
		Fair Value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Non derivative financial assets mandatorily measured at fair value through profit or loss	$ 415,169	415,169	-	-	415,169
Financial assets at fair value through other comprehensive income					
Domestic stocks in listed companies	$ 91,502	91,502	-	-	91,502
Unquoted equity instruments at fair value	4,241,316	-	-	4,241,316	4,241,316
Subtotal	4,332,818	91,502	-	4,241,316	4,332,818
Financial assets measured at amortized cost					
Cash and cash equivalents	3,631,350	-	-	-	-
Other financial assets (including non-current)	974,466	-	-	-	-
Notes receivable and accounts receivable	1,210,788	-	-	-	-
Other receivables (including long-term)	435,771	-	-	-	-
Refundable deposit	24,024	-	-	-	-
Subtotal	6,276,399	-	-	-	-
Total	**$ 11,024,386**	**506,671**	-	**4,241,316**	**4,747,987**
Financial liabilities at amortized cost					
Notes payable and accounts payable	$ 816,506	-	-	-	-
Other payables	1,134,321	-	-	-	-
Lease liabilities (including non-current)	92,768	-	-	-	-
Deposit received	379,592	-	-	-	-
Total	**$ 2,423,187**	-	-	-	-

(Continued)

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

	December 31, 2023				
		Fair Value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Non derivative financial assets mandatorily measured at fair value through profit or loss	$ 80,025	80,025	-	-	80,025
Financial assets at fair value through other comprehensive income					
Domestic stocks in listed companies	$ 94,401	94,401	-	-	94,401
Unquoted equity instruments at fair value	3,191,342	-	-	3,191,342	3,191,342
Subtotal	3,285,743	94,401	-	3,191,342	3,285,743
Financial assets measured at amortized cost					
Cash and cash equivalents	4,328,814	-	-	-	-
Other financial assets (including non-current)	1,182,691	-	-	-	-
Notes receivable and accounts receivable	835,870	-	-	-	-
Other receivables (including long-term)	839,958	-	-	-	-
Refundable deposit	23,183	-	-	-	-
Subtotal	7,210,516	-	-	-	-
Total	**$ 10,576,284**	**174,426**	-	**3,191,342**	**3,365,768**
Financial liabilities at amortized cost					
Notes payable and accounts payable	$ 393,229	-	-	-	-
Other payables	1,107,146	-	-	-	-
Lease liabilities (including non-current)	114,409	-	-	-	-
Deposits received	445,398	-	-	-	-
Total	**$ 2,060,182**	-	-	-	-

	September 30, 2023				
		Fair Value			
	Carrying Amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Non derivative financial assets mandatorily measured at fair value through profit or loss	$ 80,066	80,066	-	-	80,066
Financial assets at fair value through other comprehensive income					
Domestic stocks in listed companies	$ 90,633	90,633	-	-	90,633
Unquoted equity instruments at fair value	2,977,694	-	-	2,977,694	2,977,694
Subtotal	3,068,327	90,633	-	2,977,694	3,068,327
Financial assets measured at amortized cost					
Cash and cash equivalents	4,607,948	-	-	-	-
Other financial assets (including non-current)	1,348,106	-	-	-	-
Notes receivable and accounts receivable	1,067,269	-	-	-	-
Other receivables (including long-term)	1,399,058	-	-	-	-
Refundable deposit	30,100	-	-	-	-
Subtotal	8,452,481	-	-	-	-
Total	**$ 11,600,874**	**170,699**	-	**2,977,694**	**3,148,393**

(Continued)

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

	September 30, 2023				
		Fair Value			
	Carrying Amount	Level 1	Level 2	Level 3	Total
Financial liabilities at amortized cost					
Notes payable and accounts payable	$ 412,501	-	-	-	-
Other payables	1,294,848	-	-	-	-
Lease liabilities (including non-current)	124,195	-	-	-	-
Deposits received	430,709	-	-	-	-
Total	**$ 2,262,253**	-	-	-	-

2) Valuation techniques for financial instruments not measured at fair value

The Group's valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

a) Financial assets measured at amortized cost

If the quoted prices in active markets are available, the market price is established as the fair value. However, if quoted prices in active markets are not available, the estimated valuation or prices used by competitors are adopted.

b) Financial assets and financial liabilities measured at amortized cost

If there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

3) Valuation techniques for financial instruments measured at fair value

a) Non-derivative financial instruments

When a financial instrument is regarded as quoted in an active market, the quoted prices in an active market will be the fair value. The market prices from the main exchanges and government bond exchanges are the basis of the fair value of OTC equity instruments and debt instruments which have a quoted market price in an active market.

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. Otherwise, the market is deemed to be inactive. Normally, a market is considered to be inactive when: The bid-ask spread is enormous; or the bid-ask spread varies significantly; or there has been a significant decline in trading volume.

Measurements of fair value of financial instruments without an active market are based on a valuation technique or quoted price from a competitor. Fair value measured by a valuation technique can be extrapolated from similar financial instruments, the discounted cash flow method, or other valuation technique including a model using observable market data at the reporting date.

(Continued)

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

If the financial instruments held by the Group do not belong to active markets, the category and nature of the fair value are as follows:

- Equity investments without an active market: The fair value is assessed by market comparison approach. The main assumption is measured from the retained earnings multiplier as the basis.

4) Transfers between Level 1 and Level 2

There were no transfers in either direction in 2024 and 2023

5) Reconciliation of Level 3 fair values

	Measured at fair value through other comprehensive income
	Unquoted equity instruments
Opening balance, January 1, 2024	$ 3,191 ,342
Total gains and losses recognized	
In other comprehensive income	1,061,716
Disposal/Settlement	(11,742)
Ending Balance, September 30, 2024	**$ 4,241,316**
Opening balance, January 1, 2023	$ 3,040,760
Total gains and losses recognized	
In other comprehensive income	(14,316)
Capital reduction by capital stock return	(48,750)
Ending Balance, September 30, 2023	**$ 2,977,694**

For the three months and nine months ended September 30, 2024 and 2023, total gains and losses that were included in “unrealized gains and losses from financial assets at fair value through other comprehensive income” were as follows:

	For the three months ended September 30		**For the nine months ended September 30**	
	2024	**2023**	**2024**	**2023**
Total gains and losses recognized				
In other comprehensive income, and presented in “unrealized gains and losses from financial assets at fair value through other comprehensive income”	$ 804,489	46,981	1,061,716	(14,316)

(Continued)

6) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group's main financial instruments that use Level 3 inputs to measure fair value are "fair value through other comprehensive income (available-for-sale financial assets) – equity investments".

The Group most fair value is categorized to Level 3 with single significant unobservable input. The equity investments without an active market has duplicate unobservable inputs. The unobservable inputs of the equity investments without an active market are independent, so there is no correlation to others.

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income - equity investments without an active market	Comparable transaction method	·The multiplier of price-to-sales ratio (As of September 30, 2024, December 31, 2023 and September 30, 2023 were 2.30~5.08, 2.70~5.00 and 3.02~4.80) ·The multiplier of price-to-book ratio (As of September 30, 2024, December 31, 2023 and September 30, 2023, were 1.92, 1.58 and 2.11) ·The multiplier of price-to-earning ratio (As of December 31, 2023 and September 30, 2023, were 20.84 and 19.54) ·The multiplier of enterprise value (As of September 30, 2024, was 12.30) ·Market illiquidity discount (As of September 30, 2024, December 31, 2023 and September 30, 2023 were both 10%~33%)	The estimated fair value would increase (decrease) if: ·the multiplier was higher (lower) ·the market illiquidity discount was lower (higher).
Financial assets at fair value through other comprehensive income - equity investments without an active market	Net asset value method	·Net asset value	Not applicable

7) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The Group's measurement on the fair value of financial instruments is deemed reasonable despite different valuation models or assumptions may lead to different results.

For fair value measurements in Level 3, changing one or more of the assumptions would have the following effects on profit or loss and other comprehensive income:

(Continued)

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

			Profit or loss		Other comprehensive income	
	Inputs	**Fluctuation in inputs**	**Favorable**	**Unfavorable**	**Favorable**	**Unfavorable**
September 30, 2024						
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	Market illiquidity discount	±1%	-	-	43,614	(43,608)
December 31, 2023						
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	Market illiquidity discount	±1%	-	-	31,675	(31,667)
September 30, 2023						
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	Market illiquidity discount	±1%	-	-	29,239	(29,230)

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

(u) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in Note 6(u) of the consolidated financial statements for the year ended December 31, 2023.

(v) Capital management

Management believes that the objectives, policies, and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2023. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2023. Please refer to Note 6(v) of the consolidated financial statements for the year ended December 31, 2023 for further details.

(w) Investing and financing activities not affecting current cash flow

The Group’s investing and financing activities which did not affect the current cash flow in the nine months ended September 30, 2024 and 2023, were as follows:

(Continued)

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

	For the nine months ended September 30	
	2024	**2023**
Purchases of property, plant and equipment	$ 410,238	295,172
Add: opening balances of equipment and construction payables	72,176	78,250
Deduction: closing balances of equipment and construction payables	(77,139)	(74,715)
	$ 405,275	**298,707**
Purchases of investment property	$ 291,033	694,412
Add: opening balances of equipment and construction payables	259,513	92,991
	$ 550,546	**787,403**

(7) Related-party transactions:

(a) Names and relationship with related parties

The following are entities that have had transactions with the related parties during the periods covered in the non-consolidated financial statements.

Name of related party	Relationship with the Group
Al-Jubail Fertilizer Company	Equity-method investee
TR Electronic Chemical Co., Ltd.	The Company's jointly controlled entity
TR Electronic Chemical (Kunshan) Ltd.	The Company's jointly controlled entity's subsidiary (Note)
Ministry of Agriculture	Individuals are those entities in which the Group has significant influence
TAIWAN FERTILIZER Legal Foundation	Other related parties

Note: The bankruptcy of TR Electronic Chemical (Kunshan) Ltd. was declared by the court in China in September, 2017, and the relevant statutory procedures had been completed in August, 2020.

(b) Significant transactions with related parties

(i) Purchase of goods from related parties

The amounts of significant purchase transactions and outstanding balances between the Group and related parties were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2024	**2023**	**2024**	**2023**
Al-Jubail Fertilizer Company	$ -	-	-	**496,218**

There were no significant differences between the terms and pricing of purchase transactions with related enterprises and those carried out with other normal vendors.

(Continued)

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(ii) Receivables from related parties

The receivables from related parties were as follows:

Account	Relationship	September 30, 2024	December 31, 2023	September 30, 2023
Account receivable	Joint venture	**$ 455**	**455**	**455**

(iii) Others

1) TR Electronic Chemical Co., Ltd. (TR), a jointly controlled entity of the Corporation, had obtained a financing of US$10,000 thousand from a bank, and the Corporation and Jing Chin International Limited Corporation, a shareholder of TR, guaranteed the repayment of this financing. When TR failed to make a repayment, the bank then requested the guarantors to repay the loans partially. Because the Corporation could only provide TR-in compliance with the “Regulations Governing the Granting of Loans and Endorsements and Guarantees by Public Companies” – with a limited amount of endorsement, the Corporation’s board approved the repayment of TR’s loan, as following.

Due Date	Date of Repayment	Amount in USD	Amount in NTD
March 27, 2014	June 27, 2014	$ 4,570	144,641
April 26, 2015	April 24, 2015	3,300	102,610
March 27, 2016	March 31, 2016	2,147	70,026

Considering the weakening operating and repayment capability of TR, the Corporation recognized an impairment loss in 2015.

2) The bankruptcy of TR Electronic Chemical (Kunshan) Ltd., declared by the court in China in September, 2017, was investigated, and the proposal of liquidated property distribution was announced publicly in mid August 2018. In November, 2018, the Kunshan Court of China reserved its decision and terminated the bankruptcy liquidation process of TR, with the approval of the Market Supervision Administrations of Kunshan in August, 2020. Also, the investors of TR Electronic Chemical Co. Ltd., JIN QUN INTERNATIONAL CO., Ltd. and other six shareholders, institute the civil lawsuit with joint liquidation liability in Taipei District Court. The first instance was pronounced in December, 2018. However, the stockholders were not satisfied with the result and appealed for the second instance. The second instance was pronounced in January, 2019. However, the stockholders were not satisfied with the result and appealed for the third instance. In March, 2020, the Taiwan High Court delivered the appeal to the Supreme Court. The verdict of the third instance and the second instance was pronounced annulled in August, 2021 and the appeal was sent back to the Taiwan High Court for retrial. The Taiwan High Court rendered its first-instance judgment on April 18, 2024, in the case involving Mr. Zhao. The appeals filed by Mr. Zhao and the subsidiary company were both rejected. On June 5, 2024, the Supreme Court overruled the appeals filed by Mr. Zhao and the Group. The judgement was a final decision.

(c) Remunerations of key management personnel

(Continued)

The remunerations to directors and other key management personnel were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2024	**2023**	**2024**	**2023**
Salaries and other short-term employee benefits	$ 16,532	19,919	53,256	100,126
Post-employment benefits	297	224	8,197	671
	$ 16,829	**20,143**	**61,453**	**100,797**

(8) Pledged assets:

The information of the carrying value of pledged assets were as follows:

Asset	Purpose of pledge	September 30, 2024	December 31, 2023	September 30, 2023
Other financial asset-current and non-current	Guarantee of material purchase amount, security in litigation and engineering deposit	**$ 382,668**	**628,172**	**628,172**

(9) Commitments and contingencies:

(a) Significant commitments and contingencies

(i) Significant commitments and contingencies were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Purchase real estate property	**$ 72,372**	**79,110**	**166,426**
Purchase investment property	**$ 3,846,999**	**3,700,889**	**4,120,760**

(i) Unused standby letters of credit:

	September 30, 2024	December 31, 2023	September 30, 2023
USD thousands	**$ 1,915**	**628**	**8,457**

(iv) The Corporation had guarantee notes payable for its debt as follow:

	September 30, 2024	December 31, 2023	September 30, 2023
Guarantee notes payable	**$ 8,189,600**	**8,215,540**	**8,215,540**

(Continued)

(b) Partial commercial building and parking lot's area of "C2 Tourist Hotel Project" and "Commercial Building Project" in the Nangang Economic and Trade Park have unsolved lease disputes with Dung Jeng Investment Counsel Co., Ltd. ("Dung Jeng"). Therefore, the above properties were ordered to be enforced and restricted in use by the District Court, including 6 floors, 50 parking lots and 799 parking lots in the basement to be leased out based on the order handed by the district court. Regarding the litigation of this case, including 6 floors and 50 parking lots, the first instance ruled that the Group should deliver 50 parking lots, and dismissed the rest of the litigation of Dung Jeng. The Group will continue to appeal to the court of the second instance. In the case of another 799 parking spaces, in the first-instance ruling, it was determined that the Group should deliver the proceeds of another 799 parking lots in the basement to Dung Jeng and the second-instance court rejected the Group's appeal. After making an appeal to the court of third instance, the court ruled to dismiss the Group's appeal. The Group received an enforcement order from the Shilin District Court in September 113, and implemented the relevant countermeasures in accordance with the court's instructions. With respect to the related leasing dispute with Dongzheng Investment Consulting Co., Ltd., the Group estimated compensation losses in the amount of $100 million in 2023.

Regarding the interim injunction procedure arising from the abovementioned leasing dispute, for the 6 floors and 50 parking spaces, the High Court ruled that the Group is allowed to revoke the interim injunction after providing collateral. The Group has completed the deposit, totaling $266 million (classified as other non-current financial assets). Furthermore, the interim injunction has been revoked by the local court. The restricted area is available for leasing to external parties. For the 799 parking spaces, the Taipei District Court ruled that the Group is allowed to revoke the interim injunction after providing collateral. The Group has completed the deposit, totaling $66 million (classified as other non-current financial assets). Furthermore, the interim injunction has been revoked by the local court. However, Dung Jeng filed an appeal, and the original ruling made by the Taiwan High Court had been remanded to the Taipei District Court for reconsideration. Thereafter, the Taipei District Court ruled that the Group may lift the provisional seizure by providing a guarantee of approximately NT$26 million and subsequent security fund recovery, this matter has been entrusted to a lawyer. As of the date of the review report, the relevant legal procedures are still ongoing.

(c) Caesar Park Hotel Co., Ltd. (Caesar Park Hotel) won the bid on the case of the "C2 Tourist Hotel Project" in 2012. Thereafter, it entered into a front-end agreement (FEA) with the Group. However, as the Group's internal development strategy has changed, and an adjustment was made to the performance bond, in which the two parties failed to reach an agreement, resulting in Caesar Park Hotel to send a letter to the Group in June 2023 to terminate their contract, and thereafter, filed a lawsuit against the Group to the Taipei District Court, demanding for a damage compensation. The Group has appointed lawyers to handle the case, which was still in progress as of the reporting date. The Group assessed that currently there is no significant impact on its finances or operations.

(10) Losses due to major disasters: None.

(11) Subsequent events: None.

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(12) Other:

(a) A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

By item	For the three months ended September 30					
	2024			2023		
	Operating cost	Operating expense	Total	Operating cost	Operating expense	Total
Employee benefit						
Salary	114,400	88,993	203,393	107,163	116,115	223,278
Labor and health insurance	9,262	6,432	15,694	9,594	5,995	15,589
Pension	5,546	3,759	9,305	5,671	3,708	9,379
Others	9,299	3,350	12,649	8,250	4,610	12,860
Depreciation	332,059	17,684	349,743	298,627	11,626	310,253
Amortization	-	724	724	-	903	903

By item	For the nine months ended September 30					
	2024			2023		
	Operating cost	Operating expense	Total	Operating cost	Operating expense	Total
Employee benefit						
Salary	348,446	267,877	616,323	330,771	621,053	951,824
Labor and health insurance	30,635	21,859	52,494	30,013	20,640	50,653
Pension	16,523	11,508	28,031	16,590	11,096	27,686
Others	19,178	15,897	35,075	17,998	14,548	32,546
Depreciation	1,014,574	37,659	1,052,233	894,555	35,679	930,234
Amortization	-	2,174	2,174	-	2,674	2,674

The depreciation of non-operating income and expenses of the Group were $647, $4,001, $1,948, $12,067 thousand for the three months and nine months ended September 30, 2024 and 2023, respectively.

(b) Seasonality of operations:

The operations are not affected by seasonality or cyclicality factors.

(13) Other disclosures:

(a) Information on significant transactions:

For the nine months ended September 30, 2024, the following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group:

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(i) Loans to other parties:

(In Thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing of other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
0	The Company	Dayun Co., Ltd./City state Co., Ltd./Kuan Chu Construction Co., Ltd.	Long-term receivable	No	9,071	8,673	8,475	1.845%~ 2.720%	1	79,500	—	-	Commercial paper	15,890	2,749,782	10,999,129
0	The Company	OO Lin	Long-term receivable	No	9,721	9,296	9,154	1.845%~ 2.720%	1	85,300	—	-	Commercial paper	17,030	2,749,782	10,999,129
0	The Company	OO Liao	Long-term receivable	No	9,453	9,039	8,832	1.845%~ 2.720%	1	83,120	—	-	Commercial paper	16,560	2,749,782	10,999,129
0	The Company	OO Tan	Long-term receivable	No	32,886	31,516	-	1.845%~ 2.720%	1	78,360	—	-	Commercial paper	54,810	2,749,782	10,999,129
0	The Company	OO Huang	Long-term receivable	No	2,182	1,412	1,027	1.645%~ 2.520%	1	77,000	—	-	Commercial paper	15,400	2,749,782	10,999,129
0	The Company	OO Chuang	Long-term receivable	No	2,251	1,457	1,059	1.645%~ 2.520%	1	79,500	—	-	Commercial paper	15,890	2,749,782	10,999,129

Note 1: (1)The total amount available for lending purpose shall not exceed 20% of the net worth of the Company.

(2) The accumulated capital loan and amount of the company to a single enterprise with business transactions shall be limited to 5% of the net worth of the Company.

Note 2: If there is a business transaction, the contract price between the two parties shall be used as the business transaction amount.

Note 3: The second order of mortgage right mentioned above is used as collateral.

Note 4: In accordance with the letter of the Financial Supervision and Administration Commission of the Republic of China on March 11, 2020, No. 1090330422 and in practice, the construction industry generally gives customers a payment of one to five years in installments and writes off 10 years and 20 years. The goods are disclosed in the table above.

(Continued)

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantees and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (Note 2)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (Note 3)	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Corporation (Note 1)										
0	The Company	Taifer Investment Co.,Ltd.	2	84,437	13,500	-	-	-	-%	27,497,824	Y	N	N

Note 1: (1) The company under business dealings.

(2) A subsidiary in which the Group directly or indirectly holds more than 50% of its common shares.

(3) The parent company which directly or indirectly holds more than 50% of the common shares of the Group.

(4) A subsidiary in which the Group directly or indirectly holds more than 90% of its common shares.

(5) The financial guarantee provided by the Group based on its contractor's agreement to the same trade and co-proprietor.

(6) The financial guarantee provided by the Group based on its shareholding due to joint venture relationship.

(7) The financial guarantee provided by the Group based on sales contract regulated by Consumer Protection Act for sales in advance.

Note 2: The total amount of the guarantee provided by the Company to any individual entity should not exceed 20% of the Corporation’s net worth, or 50% of the individual net worth of Taifer.

Note 3: The total amount of guarantee should not exceed 50% of the Company’s net worth.

(iii) Securities held as of September 30, 2024 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars)

Category and name of securities	Marketable securities type/name and issuer	Relationship with company	Account title	Ending balance				Note
				Shares/ Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
	<u>Mutual funds</u>							
Taiwan Fertilizer Co., Ltd.	CTBC Hwa-win Money Market Fund	-	Fair value through profit or loss- current	6,999	80,010	-%	80,010	Note 1

(Continued)

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

Category and name of securities	Marketable securities type/name and issuer	Relationship with company	Account title	Ending balance				Note
				Shares/ Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
Taiwan Fertilizer Co., Ltd.	SinoPac TWD Money Market Fund	-	Fair value through profit or loss- current	5,536	80,010	-%	80,010	Note 1
〃	Jih Sun Money Market Fund	-	Fair value through profit or loss- current	5,191	80,010	-%	80,010	Note 1
〃	FSITC Money Market Fund	-	Fair value through profit or loss- current	5,030	80,010	-%	80,010	Note 1
〃	Taishin 1699 Money Market Fund	-	Fair value through profit or loss- current	5,678	80,010	-%	80,010	Note 1
Taiwan Yes Deep Ocean Water Co., Ltd.	Fuh Hwa Money Market Fund	-	Fair value through profit or loss- current	1,012	15,119	-%	15,119	Note 1
	<u>Ordinary shares</u>							
Taiwan Fertilizer Co., Ltd.	Eminent Venture Capital Corporation	Our Company is legal representative director of the company	FVOCI - noncurrent	675	5,197	10.00%	5,197	Note 3
〃	Eminent II VC Corp	〃	FVOCI - noncurrent	7,800	47,424	18.50%	47,424	Note 3
〃	Eminent III VC Corp	〃	FVOCI - noncurrent	30,000	202,200	16.56%	202,200	Note 3
〃	Taiwan Stock Exchange Corporation	-	FVOCI - noncurrent	26,640	3,941,054	2.00%	3,941,054	Note 4
〃	Visgeneer Inc.	Our Company is legal representative director of the company	FVOCI - noncurrent	3,147	22,974	10.43%	22,974	Note 4
〃	TaiAn Technologies Corporation	〃	FVOCI - noncurrent	1,667	22,467	16.67%	22,467	Note 3
〃	Green Cellulosity Corporation	-	FVOCI - noncurrent	1,500	-	6.71%	-	
〃	Phalanx Biotech Co., Ltd.	-	FVOCI - noncurrent	125	-	0.17%	-	
〃	Bion tech Inc.	Our Company is legal representative director of the company	FVOCI - noncurrent	4,167	-	15.16%	-	

(Continued)

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Category and name of securities	Marketable securities type/name and issuer	Relationship with company	Account title	Ending balance Shares/ Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	Note
Taiwan Fertilizer Co., Ltd.	China Petrochemical Development Corporation	-	FVOCI - current	9,662	91,502	0.26%	91,502	Note 2

Note 1: The market value was calculated on the basis of the net asset value as of the balance sheet date.

Note 2: The market value was calculated on the basis of the closing price on the Taiwan Stock Exchange as of the balance sheet date.

Note 3: The market value was calculated on the basis of the reviewed financial statement for the most recent period.

Note 4: The market value was calculated on the basis of the estimated fair value per share of the expert evaluation report.

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock: None.

(viii) Receivables from related parties with amounts exceeding the lower of NT$100

million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue Amount	Overdue Action taken	Amounts received in subsequent period	Allowance for bad debts
Taiwan Fertilizer Co., Ltd.	TR ELECTRONIC CHEMICAL CO.,LTD.	Joint Venture	Other receivable 317,277	- %	317,277	-	-	317,277

(ix) Trading in derivative instruments: None.

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(x) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions: Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	Taiwan Fertilizer Co., Ltd.	Taiwan Yes Deep Ocean Water Co., Ltd.	1	Sales revenue	452	were not significantly different from others	-%
		Taiwan Yes Deep Ocean Water Co., Ltd.	1	Rental revenue	4,609	were not significantly different from others	0.05%
		Taiwan Yes Deep Ocean Water Co., Ltd.	1	Other operating revenue	1,287	were not significantly different from others	0.01%
		Taiwan Yes Deep Ocean Water Co., Ltd.	1	Other revenue	4	were not significantly different from others	-%
		Taiwan Yes Deep Ocean Water Co., Ltd.	1	Cost of goods sold	234	were not significantly different from others	-%
		Taiwan Yes Deep Ocean Water Co., Ltd.	1	Selling expenses	1,000	were not significantly different from others	0.01%
		Taiwan Yes Deep Ocean Water Co., Ltd.	1	Administrative expenses	10,586	were not significantly different from others	0.12%
		Taiwan Yes Deep Ocean Water Co., Ltd.	1	Research and development expenses	3	were not significantly different from others	-%
		Taiwan Yes Deep Ocean Water Co., Lt	1	Accounts receivable	201	were not significantly different from others	-%
		Taiwan Yes Deep Ocean Water Co., Ltd.	1	Other receivables	4	were not significantly different from others	-%
		Taiwan Yes Deep Ocean Water Co., Ltd.	1	Guarantee deposits received	1,962	were not significantly different from others	-%
		Taiwan Yes Deep Ocean Water Co., Ltd.	1	Other payables	2,973	were not significantly different from others	-%
		Taifer Investment Co., LTD	1	Rental revenue	2,693	were not significantly different from others	0.03%
		Taifer Investment Co., LTD	1	Cost of goods sold	411	were not significantly different from others	-%
		PEIFENG Technology & Fertilizer Co., Ltd.	1	Cost of goods sold	180,060	were not significantly different from others	1.96%
		PEIFENG Technology & Fertilizer Co., Ltd.	1	Sales revenue	20,505	were not significantly different from others	0.22%
		PEIFENG Technology & Fertilizer Co., Ltd.	1	Accounts receivable	6,942	were not significantly different from others	0.01%
		PEIFENG Technology & Fertilizer Co., Ltd.	1	Accounts payable	19,981	were not significantly different from others	0.02%

(Continued)

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
		PEIFENG Technology & Fertilizer Co., Ltd.	1	Other payables	15,546	were not significantly different from others	0.02%

Note 1: The numbering is as follows:

(1) "0" represents the parent company.

(2) Subsidiaries are sequentially numbered from 1 by company.

Note 2: The types of transaction between the parent company and subsidiaries are as follows:

(1) Transactions from parent company to subsidiary.

(2) Transactions from subsidiary to parent company.

(3) Transactions between subsidiaries.

Note 3: The report only disclosed the data of sales and accounts receivable of the significant trade between parent and subsidiary. The relative purchase and accounts payable will not be disclosed redundantly.

Note 4: It is the amount of consolidated operating revenue or consolidated total assets divided by trading amount.

Note 5: The transaction listed on the consolidated financial statements has been eliminated through consolidation.

(b) Information on investees:

The following is the information on investees for the nine months ended September 30, 2024 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of September 30, 2024			Net income (losses) of investee	Share of profits/ losses of investee	Note
				September 30, 2024	December 31, 2023	Shares (thousands)	Percentage of ownership	Carrying value			
Taiwan Fertilizer Co., Ltd.	Al-Jubail Fertilizer Company	Kingdom of Saudi Arabia	Manufacture of urea, 2-EH (2-ethyl hexanol), and DOP (dioctyl phthalate)	3,050,000	3,050,000	7	50.00%	9,435,030	1,736,789	785,541	Associate

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of September 30, 2024			Net income (losses) of investee	Share of profits/ losses of investee	Note
				September 30, 2024	December 31, 2023	Shares (thousands)	Percentage of ownership	Carrying value			
Taiwan Fertilizer Co., Ltd.	Taifer Investment Co.,Ltd.	Taiwan	International trade; wholesale of fertilizer, tobacco, liquor, beverage, forage, machinery, electrical equipment, etc.; development, operation and management of residential buildings and factory buildings; special zone development; investment in and construction of public works; development of new towns and districts; agent services on regional district requisition; land adjustment; real estate rental or leasing; and investment	147,841	(2,160) (Note1)	15,739	100.00%	163,897	(9,213)	(9,213)	Subsidiary
〃	Taiwan Yes Deep Ocean Water Co., Ltd.	Taiwan	Wholesale of drinks, food and grocery and other articles for daily use; tobacco and liquor; glass and pottery; hygiene products; fertilizers and other chemical products; and cosmetics; and international trade	1,251,398	1,352,695	28,479	100.00%	289,258	5,250	5,856	Subsidiary
〃	PEIFENG Technology & Fertilizer Co., Ltd.	Taiwan	Manufacture and wholesale of fertilizer	2,400,000	2,400,000	240,000	100.00%	2,542,728	106,356	106,356	Subsidiary
〃	TAIFER (CAYMAN) INTERNATIONAL GROUP CO., LTD.	Cayman Islands	Investment and holding	321,900	321,900	-	100.00%	-	-	-	Subsidiary
〃	MITAGRI CO., LTD.	Taiwan	Wholesale and retail of products for organic agriculture	105,580	105,580	5,869	32.52%	58,681	(4,644)	(2,226)	Associate
〃	TAIFER (CAMBODIA) CO., LTD.	Cambodia	International trade; wholesale of fertilizer	9,242	9,242	-	100.00%	4,693	-	-	Subsidiary
TAIFER (CAYMAN) INTERNATIONAL GROUP CO., LTD.	TR ELECTRONIC CHEMICAL CO., LTD.	Cayman Islands	Investment and holding	321,962	321,962	-	51.00%	-	-	Not required to disclosure	Joint venture
Taiwan Yes Deep Ocean Water Co., Ltd.	TAIFER INTERNATIONAL (SAMOA) GROUP CO., LTD.	Samoa	Investment and holding	42,618	42,618	-	100.00%	77,370	2,897	〃	Subsidiary
TAIFER INTERNATIONAL (SAMOA) GROUP CO., LTD.	TAIFER CHEMICAL INTERNATIONAL CO.,LTD.	Mongolia	Real estate rental lease	41,077	41,077	-	100.00%	76,201	2,889	〃	Subsidiary

(Continued)

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 1: The original investment amount of the Company's subsidiary, Taifer Investment Co., Ltd. turned negative due to the reduction of capital and the cancellation of shares on June 1, 2023.

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2024	Investment flows		Accumulated outflow of investment from Taiwan as of September 30, 2024	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
TR Electronic Chemical (Kunshan) Ltd.	Manufacture of nitric acid, hydrofluoric acid, ammonia, phosphoric acid, oxalic acid, ammonia fluoride and LCD and IC Stripper	US$21,500 (NT$680,497) (Note 4)	(Note 3)	US$ - (NT$ -) (Note 4)	-	-	US$ - (NT$ -) (Note 1)	US$ - (NT$ -) (Note 1)	-%	US$ - (NT$ -) (Note 5)	US$ - (NT$ -) (Note 5)	-

(ii) Limitation on investment in Mainland China:

(In Thousands of New Taiwan Dollars/ United States Dollars)

Accumulated investment in Mainland China as of September 30, 2024	Investment amounts authorized by investment commission, MOEA	Upper limit on investment
NT$ - (US$ -) (Note 1)	NT$347,053 (US$ 10,965) (Note 4)	NT$32,997,388 (Note 2)

Note 1: The Group applied for the cessation of its operations to the local court on March 17, 2017, and the cessation was completed in August, 2020. The accumulated investment amount of disposed in the current period is NT$347,053 thousand (US$10,965 thousand), and the accumulated investment amount from Taiwan of remitted at the end of the period is zero.

Note 2: The limit is based on the "Regulations Governing the Approval of Investment or Technical Cooperation in Mainland China" issued by the Investment Commission under the Ministry of Economic Affairs; the amount is 60% of shareholders' equity or of consolidated shareholders' equity.

(Continued)

Note 3: Indirect investment in mainland China through a subsidiary in a third place. (Investor: TAIFER (CAYMAN) INTERNATIONAL GROUP CO., LTD.)

Note 4: The foreign currency amounts of original investment amount and carrying value were translated into New Taiwan dollars at the exchange rate NT$31.65 as of September 30, 2024.

Note 5: As of June 30, 2015, the investment accounted for using the equity method balance of the Corporation was zero, so the Company did not recognize income (loss) of the investment.

(iii) Significant transactions: None.

(d) Information of major shareholders:

Unit: Shares

Shareholding / Shareholder's Name	Shares	Percentage
Ministry of Agriculture	235,886,376	24.07%

(14) Segment information:

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Company's reportable segments under IFRS 8 "Operating Segments" were fertilizer and chemical and construction (rental is included).

(a) General information

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Group's reportable segments under IFRS 8 "Operating Segments" were fertilizer and chemical and construction (rental is included).

(b) Reportable segment profit or loss, segment assets, segment liabilities, and their measurement and reconciliations

The Group uses the internal management report that the chief operating decision maker reviews as the basis to determine resource allocation and make a performance evaluation. The internal management report includes profit before taxation, excluding any extraordinary activity and foreign exchange gain or losses, because taxation, extraordinary activity and foreign exchange gains or losses are managed on a group basis, and hence they are not able to be allocated to each reportable segment. In addition, not all reportable segments include depreciation and amortization of significant non-cash items. The reportable amount is similar to that in the report used by the chief operating decision maker.

The operating segment accounting policies are similar to the ones described in Note 4 "Significant accounting policies" except for the recognition and measurement of pension cost, which is on a cash basis. The Group treated intersegment sales and transfers as third-party transactions. They are measured at market price.

(Continued)

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

The Group's operating segment information and reconciliation were as follows:

For the three months ended September 30, 2024	Fertilizer and chemical	Real estate and investment business	Others	Adjustment and eliminations	Total
External customer revenues	$ 2,270,049	614,227	70,744	-	2,955,020
Intersegment revenues	59,405	766	12,976	(73,147)	-
Total revenue	**$ 2,329,454**	**614,993**	**83,720**	**(73,147)**	**2,955,020**
Net gains and losses of intersegment	**$ (12,536)**	**204,063**	**(21,403)**	**-**	170,124
Other gains and losses					(6,943)
Finance costs					(484)
Share of profit of associates and joint ventures accounted for using equity method					198,998
Interest income					19,823
Other income					74,791
Reportable segment profit or loss					**$ 456,309**

For the three months ended September 30, 2023	Fertilizer and chemical	Real estate and investment business	Others	Adjustment and eliminations	Total
External customer revenues	$ 2,269,438	502,955	145,804	-	2,918,197
Intersegment revenues	53,026	3,264	9,433	(65,723)	-
Total revenue	**$ 2,322,464**	**506,219**	**155,237**	**(65,723)**	**2,918,197**
Net gains and losses of intersegment	**$ 39,649**	**169,258**	**(13,947)**	**-**	194,960
Other gains and losses					46,962
Finance costs					(662)
Share of profit of associates and joint ventures accounted for using equity method					406,529
Interest income					21,688
Other income					68,324
Reportable segment profit or loss					**$ 737,801**

(Continued)

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

For the nine months ended September 30, 2024	Fertilizer and chemical	Real estate and investment business	Others	Adjustment and eliminations	Total
External customer revenues	$ 7,017,413	1,809,322	343,899	-	9,170,634
Intersegment revenues	180,060	7,302	34,479	(221,841)	-
Total revenue	**$ 7,197,473**	**1,816,624**	**378,378**	**(221,841)**	**9,170,634**
Net gains and losses of intersegment	**$ 2,862**	**592,599**	**(59,663)**	**-**	535,798
Other gains and losses					10,512
Finance costs					(1,560)
Share of profit of associates and joint ventures accounted for using equity method					783,315
Interest income					56,769
Other income					96,274
Reportable segment profit or loss					**$ 1,481,108**

For the nine months ended September 30, 2023	Fertilizer and chemical	Real estate and investment business	Others	Adjustment And eliminations	Total
External customer revenues	$ 7,773,216	4,179,459	430,119	-	12,382,794
Intersegment revenues	156,897	9,804	30,759	(197,460)	-
Total revenue	**$ 7,930,113**	**4,189,263**	**460,878**	**(197,460)**	**12,382,794**
Net gains and losses of intersegment	**$ (145,971)**	**2,766,129**	**(47,173)**	**-**	2,572,985
Other gains and losses					64,823
Finance costs					(2,177)
Share of profit of associates and joint ventures accounted for using equity method					1,303,836
Interest income					61,601
Other income					135,101
Reportable segment profit or loss					**$ 4,136,169**

Reportable segment assets					
September 30, 2024	**$ 20,390,632**	**61,027,477**	**424,571**	**(72,223)**	**81,770,457**
December 31, 2023	**$ 20,261,723**	**60,931,303**	**395,390**	**(62,668)**	**81,525,748**
September 30, 2023	**$ 20,893,086**	**60,495,347**	**398,957**	**(60,442)**	**81,726,948**
Reportable segment liabilities					
September 30, 2024	**$ 6,558,471**	**20,245,639**	**18,123**	**(47,423)**	**26,774,810**
December 31, 2023	**$ 6,583,285**	**20,209,094**	**30,930**	**(37,263)**	**26,786,046**
September 30, 2023	**$ 6,474,893**	**20,549,177**	**34,523**	**(34,832)**	**27,023,761**