STOCK CODE:1722

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
WITH REVIEW REPORT OF INDEPENDENT ACCOUNTANTS

FOR THE THREE-MONTH PERIODS ENDED
MARCH 31, 2024 AND 2023

Address: 17F., No. 170, Jingmao 1st Rd., Taipei City 115018, Taiwan
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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.

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REVIEW REPORT OF INDEPENDENT ACCOUNTANTS

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 March 31, 2024 and 2023, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three-month periods ended March 31, 2024 and 2023, and notes to the consolidated financial statements, including the summary of significant 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$3,207,946 thousand and NT$3,309,129 thousand, constituting 3.89% and 4.07% of the consolidated total assets, and total liabilities of NT$345,420 thousand and NT$399,607 thousand, constituting 1.28% and 1.43% of the consolidated total liabilities as of March 31, 2024 and 2023, respectively; and total comprehensive incomes of NT$46,918 thousand and NT$23,246 thousand, constituting 5.28% and 5.48% of the consolidated total comprehensive income for the three-month periods ended March 31, 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$9,500,398 thousand and NT$9,869,758 thousand as of March 31, 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$256,458 thousand and NT$638,287 thousand for the three-month periods ended March 31, 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 March 31, 2024 and 2023, and their consolidated financial performance and cash flows for the three-month periods ended March 31, 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

May 2, 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.

Reviewed only, not audited in accordance with generally accepted auditing standards as of March 31, 2024 and 2023

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

March 31, 2024, December 31, 2023 and March 31, 2023

(Expressed in Thousands of New Taiwan Dollars)

		March 31, 2024		December 31, 2023		March 31, 2023	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current assets						
1100	Cash and cash equivalents (Notes 6(a) and (t))	$4,971,929	6	4,328,814	5	3,143,491	4
1110	Current financial assets at fair value through profit or loss (Notes 6(b) and (t))	415,405	1	80,025	-	80,005	-
1120	Current financial assets at fair value through other comprehensive income (Notes 6(c) and (t))	90,729	-	94,401	-	95,174	-
1150	Notes receivable, net (Notes 6(d), (q) and (t))	55,244	-	79,193	-	101,433	-
1170	Accounts receivable, net (Notes 6(d), (q), (t) and 7)	1,137,433	1	756,677	1	1,139,330	2
1200	Other receivables (Notes 6(e), (t) and 7)	349,598	-	782,738	1	1,028,112	1
1220	Current tax assets	-	-	5	-	-	-
130X	Inventories (Note 6(f))	2,125,290	3	2,584,714	3	3,291,852	4
1410	Prepayments	581,074	1	530,694	1	299,984	-
1476	Other current financial assets (Notes 6(a), (t) and 8)	576,566	1	573,119	1	702,761	1
1479	Other current assets, others	31,820	-	16,381	-	16,766	-
	Total current assets	10,335,088	13	9,826,761	12	9,898,908	12
	Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income (Notes 6(c) and (t))	3,448,345	4	3,191,342	4	2,970,920	4
1550	Investments accounted for using equity method (Notes 6(g) and (t))	9,500,398	12	9,371,077	11	9,869,758	12
1600	Property, plant and equipment (Note 6(h))	12,706,106	15	12,661,514	16	13,348,227	17
1755	Right-of-use assets (Note 6(i))	830,846	1	854,191	1	937,532	1
1760	Investment property, net (Notes 6(j) and (l))	44,543,789	54	44,463,889	55	43,298,314	53
1780	Intangible assets (Note 6(k))	117,692	-	118,417	-	120,979	-
1840	Deferred tax assets	347,925	-	347,962	-	248,009	-
1930	Long-term notes and accounts receivable, net (Notes 6(e) and (t))	55,134	-	57,220	-	63,478	-
1980	Other non-current financial assets (Notes (6(a), (t) and 8))	609,572	1	609,572	1	569,819	1
1990	Other non-current assets, others (Note 6(t))	23,993	-	23,803	-	32,009	-
	Total non-current assets	72,183,800	87	71,698,987	88	71,459,045	88
	Total assets	**$82,518,888**	**100**	**81,525,748**	**100**	**81,357,953**	**100**

		March 31, 2024		December 31, 2023		March 31, 2023	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current liabilities						
2100	Short-term borrowings (Note 6(t))	$ -	-	-	-	6,300	-
2130	Current contract liabilities (Note 6(q))	67,446	-	108,018	-	571,496	1
2150	Notes payable (Note 6(t))	199	-	11,228	-	-	-
2170	Accounts payable (Note 6 (t) and 7)	420,474	-	382,001	-	528,243	1
2200	Other payables (Note 6(t))	871,451	1	1,107,146	1	745,420	1
2230	Current tax liabilities	606,859	1	605,308	1	716,425	1
2280	Current lease liabilities (Note 6(t))	41,430	-	39,642	-	39,052	-
2313	Deferred revenue (Note 6(j))	440,809	1	440,608	1	440,788	-
2315	Other advance receipts	313,022	-	1,049	-	300,574	-
2399	Other current liabilities, others	41,141	-	35,414	-	43,330	-
	Total current liabilities	2,802,831	3	2,730,414	3	3,391,628	4
	Non-current liabilities						
2550	Non-current provisions	555,120	1	555,120	1	455,120	1
2570	Deferred tax liabilities	6,926,246	8	6,794,472	8	7,056,502	9
2580	Non-current lease liabilities (Note 6(t))	67,577	-	74,767	-	104,572	-
2630	Long-term deferred revenue (Note 6(j))	15,967,601	20	16,078,262	20	16,386,197	20
2640	Net defined benefit liability, non-current	107,289	-	107,613	-	112,147	-
2645	Guarantee deposits received (Note 6(t))	463,632	1	445,398	1	366,865	-
	Total non-current liabilities	24,087,465	30	24,055,632	30	24,481,403	30
	Total liabilities	26,890,296	33	26,786,046	33	27,873,031	34
	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	2,245,156	3
	Retained earning:						
3310	Legal reserve	4,253,603	5	4,253,603	5	3,982,301	5
3320	Special reserve	30,541,720	37	30,541,720	37	30,711,185	38
3350	Unappropriated retained earnings	5,285,668	6	4,960,832	6	4,119,240	5
3400	Other equity interest	3,502,493	4	2,938,439	4	2,627,040	3
	Total equity	55,628,592	67	54,739,702	67	53,484,922	66
	Total liabilities and equity	**$82,518,888**	**100**	**81,525,748**	**100**	**81,357,953**	**100**

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

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

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the three-month periods ended March 31, 2024 and 2023

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

		Three-month periods ended March 31,			
		2024		2023	
		Amount	%	Amount	%
4000	**Operating revenue (Notes 6(j), (l) and (q))**	$3,297,108	100	3,433,462	100
5000	**Operating costs (Notes 6(f), (m) and 12)**	(2,928,882)	(89)	(3,165,744)	(92)
5900	**Gross profit from operations**	368,226	11	267,718	8
	Operating expenses (Notes (d), (m), (r) and 12)				
6100	Selling expenses	(67,788)	(2)	(98,797)	(3)
6200	Administrative expenses	(165,264)	(5)	(204,200)	(6)
6300	Research and development expenses	(11,753)	-	(10,996)	-
	Total operating expenses	(244,805)	(7)	(313,993)	(9)
6900	**Net operating income (loss)**	123,421	4	(46,275)	(1)
	Non-operating income and expenses:				
7100	Interest income (Note 6(s))	14,753	-	13,614	-
7010	Other income (Note 6(s))	3,837	-	34,711	1
7020	Other gains and losses (Notes 6(s) and 12)	9,227	-	(5,905)	-
7050	Finance costs (Note 6(s))	(556)	-	(777)	-
7060	Share of profit of associates and joint ventures accounted for using equity method	256,458	8	638,287	19
	Total non-operating income and expenses	283,719	8	679,930	20
	Profit from continuing operations before tax	407,140	12	633,655	19
7950	Less: income tax expense (Note 6(n))	(82,403)	(2)	(124,635)	(4)
	Profit	324,737	10	509,020	15
8300	**Other comprehensive income:**				
8310	**Components of other comprehensive income 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	253,332	8	(21,380)	(1)
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	99	-	-	-
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	253,431	8	(21,380)	(1)
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss:**				
8361	Exchange differences on translation of foreign financial statements	3,844	-	(2,259)	-
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	383,644	11	(76,895)	(2)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	(76,766)	(2)	15,440	-
	Components of other comprehensive income that will be reclassified to profit or loss	310,722	9	(63,714)	(2)
8300	Total other comprehensive income	564,153	17	(85,094)	(3)
8500	**Total comprehensive income**	**$888,890**	**27**	**423,926**	**12**
8610	**Profit, attributable to owners of parent**	**$324,737**	**10**	**509,020**	**15**
8710	**Comprehensive income, attributable to owners of parent**	**$888,890**	**27**	**423,926**	**12**
	Earnings per share (Note 6(p))				
9750	**Basic earnings per share**		**$0.33**		**0.52**
9850	**Diluted earnings per share**		**$0.33**		**0.52**

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

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

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the three-month periods ended March 31, 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 for the period	-	-	-	-	509,020	509,020	-	-	-	509,020
Other comprehensive income for the period	-	-	-	-	-	-	(63,714)	(21,380)	(85,094)	(85,094)
Total comprehensive income for the period	-	-	-	-	509,020	509,020	(63,714)	(21,380)	(85,094)	423,926
Balance at March 31, 2023	**$9,800,000**	**2,245,156**	**3,982,301**	**30,711,185**	**4,119,240**	**38,812,726**	**164,054**	**2,462,986**	**2,627,040**	**53,484,922**
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 for the period	-	-	-	-	324,737	324,737	-	-	-	324,737
Other comprehensive income for the period	-	-	-	-	99	99	310,722	253,332	564,054	564,153
Total comprehensive income for the period	-	-	-	-	324,836	324,836	310,722	253,332	564,054	888,890
Balance at March 31, 2024	**$9,800,000**	**2,245,108**	**4,253,603**	**30,541,720**	**5,285,668**	**40,080,991**	**566,527**	**2,935,966**	**3,502,493**	**55,628,592**

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

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

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three-month periods ended March 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Three-month periods ended March 31,	
	2024	**2023**
Cash flows from (used in) operating activities:		
Profit before tax	$407,140	633,655
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	351,051	313,750
Amortization expense	725	871
Net gain on financial assets and liabilities at fair value through profit or loss	(516)	(228)
Interest expense	556	777
Interest income	(14,753)	(13,614)
Share of profit of associates and joint ventures accounted for using equity method	(256,458)	(638,287)
Loss on disposal of property, plant and equipment	39	-
Loss on disposal of investment using the equity method	-	8,453
Unrealized foreign currency exchange gain	(3,295)	(2,775)
Property, plant and equipment transferred to expenses	9	-
Total adjustments to reconcile profit (loss)	77,358	(331,053)
Changes in operating assets and liabilities:		
Decrease in notes receivable	23,949	27,279
Increase in accounts receivable	(380,756)	(235,800)
Decrease (increase) in other receivables	459,112	(196,263)
Decrease (increase) in inventories	459,424	(118,802)
(Increase) decrease in prepayments	(50,380)	568,781
Increase in other current assets	(15,439)	(3,705)
Total changes in operating assets	495,910	41,490
(Decrease) increase in contract liabilities	(40,572)	394,488
Decrease in notes payable	(11,029)	(1,119)
Increase (decrease) in accounts payable	38,473	(361,504)
Increase (decrease) in other payables	22,235	(16,228)
Increase in advance receipts	311,973	298,355
Increase (decrease) in other current liabilities	5,727	(20,347)
Decrease in net defined benefit liability	(324)	(517)
Decrease in deferred credits	(110,460)	(110,241)
Total changes in operating liabilities	216,023	182,887
Total changes in operating assets and liabilities	711,933	224,377
Total adjustments	789,291	(106,676)
Cash inflow generated from operations	1,196,431	526,979
Interest received	14,325	13,410
Dividends received	485,336	687,682
Interest paid	(556)	(777)
Income tax paid	(25,802)	(8,326)
Net cash flows from operating activities	1,669,734	1,218,968

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

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)

For the three-month periods ended March 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Three-month periods ended March 31,	
	2024	**2023**
Cash flows from (used in) investing activities:		
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	48,750
Acquisition of financial assets at fair value through profit or loss	(385,000)	(80,000)
Disposal of financial assets at fair value through profit or loss	50,136	80,225
Acquisition of property, plant and equipment	(172,187)	(91,634)
Decrease in other receivables	2,086	2,086
Acquisition of intangible assets	-	(785)
Acquisition of investment properties	(533,219)	(234,783)
Increase in other financial assets	(3,447)	(489,473)
Increase in other non-current assets	(190)	(719)
Net cash flows used in investing activities	(1,041,821)	(766,333)
Cash flows from (used in) financing activities:		
Increase in short-term loans	-	6,300
Increase (decrease) in guarantee deposits	18,234	(6,279)
Repayment of lease liabilities	(9,837)	(9,642)
Net cash flows from (used in) financing activities	8,397	(9,621)
Effect of exchange rate changes on cash and cash equivalents	6,805	717
Net increase in cash and cash equivalents	643,115	443,731
Cash and cash equivalents at the beginning of period	4,328,814	2,699,760
Cash and cash equivalents at the end of period	**$4,971,929**	**3,143,491**

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

<u>Reviewed only, not audited in accordance with generally accepted auditing standards</u>

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

For the three-month period ended March 31, 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., 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 May 2, 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, 2023:

- 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 International Accounting Standards Board ("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:

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.	January 1, 2027

(Continued)

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	· 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”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- Amendments to IAS 21 “Lack of Exchangeability”

(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.

(Continued)

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

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

1. List of subsidiaries in the consolidated financial statements:

			Shareholding ratio			
Investor	**Subsidiary**	**Nature of business**	**March 31, 2024**	**December 31, 2023**	**March 31, 2023**	**Remark**
The Company	Taifer Chemicals International Inc.	International trade, wholesale of fertilizer, real estate rental or leasing and gas station	100%	100%	100%	Note 3
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, wholesale of fertilizer	100%	100%	100%	Note 2 & 3
The Company	PEIFENG Technology & Fertilized Co., Ltd.	Manufacture and wholesale of fertilizer	100%	100%	100%	Note 3
Taifer Chemicals International Inc.	TAIFER INTERNATIONAL (SAMOA) GROUP CO., LTD.	Investment and holding	-%	-%	100%	Note 1 & 3
Taiwan Yes Deep Ocean Water Co., Ltd.	TAIFER INTERNATIONAL (SAMOA) GROUP CO., LTD.	Investment and holding	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.

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.

2. List of subsidiaries which are not included in the consolidated financial statements: None.

(Continued)

(c) 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.

(d) 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.

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

(a) Cash and cash equivalents

	March 31, 2024	December 31, 2023	March 31, 2023
Cash on hand	$3,912	4,323	3,118
Demand deposits and checking accounts	3,368,017	3,524,491	3,139,190
Time deposits with original maturities less than 3 months	1,600,000	800,000	1,183
Cash and cash equivalents	**$4,971,929**	**4,328,814**	**3,143,491**

1. 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:

	March 31, 2024	December 31, 2023	March 31, 2023
Other current financial assets	$576,566	573,119	702,761
Other non-current financial assets	609,572	609,572	569,819
	$1,186,138	**1,182,691**	**1,272,580**

2. 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.

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

	March 31, 2024	December 31, 2023	March 31, 2023
Financial assets mandatorily measured at fair value through profit or loss:			
Non-derivative financial assets			
Beneficiary certificate	**$415,405**	**80,025**	**80,005**

Please refer to Note 6(s) for more details on the amount of remeasurement of financial assets measured at fair value through profit or loss.

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

	March 31, 2024	December 31, 2023	March 31, 2023
Equity investments at fair value through other comprehensive income:			
Stock listed on domestic markets	$90,729	94,401	95,174
Stock unlisted on domestic markets	3,448,345	3,191,342	2,970,920
Total	**$3,539,074**	**3,285,743**	**3,066,094**

(Continued)

1. 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 general shareholders' meeting 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 the 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 $42,000 thousand.

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

3. 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, accounts receivable, long-term notes and accounts receivable

	March 31, 2024	**December 31, 2023**	**March 31, 2023**
Notes receivable – Merchandise	$55,244	79,193	101,433
Accounts receivable– Merchandise	1,139,328	758,541	1,141,187
Less: Loss allowance	(1,895)	(1,864)	(1,857)
	$1,192,677	**835,870**	**1,240,763**

The Group applies the simplified approach to provide for its expected credit losses, i.e., the use of lifetime expected loss provision for all receivables. 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:

	March 31, 2024		
	Gross carrying amount	**Expected loss rate**	**Loss allowance provision**
Current	$1,187,563	0%~0.01%	-
1 to 30 days past due	6,139	0%~16.70%	(1,025)
31 to 60 days past due	91	0%~100%	(91)
More than 60 days past due	779	0%~100%	(779)
	$1,194,572		**(1,895)**

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TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

	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 60 days past due	895	0%~100%	(895)
	$837,734		**(1,864)**

	March 31, 2023		
	Gross carrying amount	Expected loss rate	Loss allowance provision
Current	$1,230,313	0%~0.01%	-
1 to 30 days past due	7,641	0%~1.00%	-
31 to 60 days past due	2,477	0%~1.08%	-
More than 60 days past due	2,189	0%~100%	(1,857)
	$1,242,620		**(1,857)**

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

	For the three months ended March 31	
	2024	2023
Balance on January 1	$1,864	1,863
Effect of foreign currency exchanges difference	31	(6)
Balance on March 31	**$1,895**	**1,857**

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

	March 31, 2024	December 31, 2023	March 31, 2023
Other receivables	$658,531	1,091,671	1,337,045
Property receivables	71,550	73,997	80,983
Unrealized interest income	(8,072)	(8,433)	(9,161)
Less: Loss allowance	(317,277)	(317,277)	(317,277)
	$404,732	**839,958**	**1,091,590**
Other receivables	$349,598	782,738	1,028,112
Long-term receivable	55,134	57,220	63,478
	$404,732	**839,958**	**1,091,590**

(Continued)

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

As of March 31, 2024, the total amount of receivables due to the sale of premises of the Group was $63,478 thousand. The group estimates to collect $6,258, $6,518 and $50,702 thousand over the year 2024, 2025, 2026 and thereafter, respectively.

The above receivables of $63,748 thousand are all secured by the premises and promissory notes sold, and mortgages are 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 March 31, 2024, December 31 and March 31, 2023 the total amount of subsidy receivables due to no increase in the fertilizer price was $217,139, $712,029 and $942,544 thousand, respectively, which were recognized in the account of other receivables.

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

	For the three months ended March 31	
	2024	**2023**
Balance on March 31(Same as Balance on January 1)	**$317,277**	**317,277**

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, construction in progress, land held for sale and receipts in advance

	March 31, 2024	**December 31, 2023**	**March 31, 2023**
Inventories			
Raw materials	$1,517,401	1,634,454	2,212,466
Finished goods	215,194	557,112	436,314
Merchandise	4,930	5,383	7,654
	1,737,525	**2,196,949**	**2,656,434**
Construction in progress			
Hsinchu land development project	387,765	387,765	635,418
	$2,125,290	**2,584,714**	**3,291,852**

The cost of inventories recognized as cost of goods sold and expense for the three-month periods ended March 31, 2024 and 2023, amounted to $2,541,553 and $2,917,050 thousand, respectively.

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

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(g) Investments accounted for using equity method

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

	March 31, 2024	December 31, 2023	March 31, 2023
Material associates			
Al-Jubail Fertilizer Company ("Al-Jubail")	$9,441,113	9,310,170	9,812,598
Associates that are not individually material			
MITAGRI Co., Ltd.	59,285	60,907	57,160
	$9,500,398	**9,371,077**	**9,869,758**

Joint ventures that are not individually material

	March 31, 2024	December 31, 2023	March 31, 2023
TR Electronic Chemical Co., Ltd.	**$-**	**-**	**-**

1. Associates that had materiality were as follows:

Associate	Nature of relationship	Country of registration	Equity ownership March 31, 2024	Equity ownership December 31, 2023	Equity ownership March 31, 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

	March 31, 2024	December 31, 2023	March 31, 2023
Current assets	$6,710,695	7,172,904	7,948,992
Non-current assets	15,688,716	15,299,029	15,988,758
Current liabilities	(3,262,482)	(3,689,495)	(4,101,650)
Non-current liabilities	(935,423)	(851,583)	(850,429)
Net assets	**$18,201,506**	**17,930,855**	**18,985,671**
Net assets attributable to non-controlling interests	$8,769,965	8,662,425	8,943,071
Net assets attributable to investee owners	9,431,541	9,268,430	10,042,600
	$18,201,506	**17,930,855**	**18,985,671**

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TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

	For the three months ended March 31	
	2024	**2023**
Revenue	**$3,448,956**	**3,796,699**
Profit for the period	$552,283	1,351,949
Other comprehensive income	221	-
Comprehensive income	**$552,504**	**1,351,949**
Comprehensive income attributable to non-controlling interests	**$261,096**	**610,729**
Comprehensive income attributable to investee owners	**$291,408**	**741,220**
Dividends declared by associates	**$510,880**	**404,800**

2. Joint ventures that are not individually material

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).

3. 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.

4. Pledged

As of March 31, 2024, December 31, 2023 and March 31, 2023, the investments in the aforementioned 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 three months ended March 31, 2024 and 2023 were as follows:

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
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	-	290	27,391	232	197	146,360	174,470
Disposals	-	-	(2,743)	-	(102)	-	(2,845)
Transfer from completion	-	151,558	33,140	-	19,562	(24,250)	180,010
Balance on March 31, 2024	**$3,638,243**	**4,845,820**	**11,856,710**	**76,831**	**450,512**	**1,085,685**	**21,953,801**
Balance on January 1, 2023	$3,637,964	4,925,331	11,846,039	84,643	444,014	334,075	21,272,066
Additions	-	1,535	45,602	-	2,047	42,798	91,982
Disposals	-	(132)	(2,750)	-	(34)	-	(2,916)
Effect of foreign currency exchanges difference	-	-	-	(1)	-	-	(1)
Transfer from completion	-	108	37,997	-	-	(38,105)	-
Balance on March 31, 2023	**$3,637,964**	**4,926,842**	**11,926,888**	**84,642**	**446,027**	**338,768**	**21,361,131**

	Land	Building and Construction	Machinery and equipment	Transportation Equipment	Other Equipment	Construction in progress	Total
Depreciation and impairment loss:							
Balance on January 1, 2024	$-	1,207,862	6,702,966	61,110	256,035	712,679	8,940,652
Depreciation for the year	-	34,738	171,416	1,307	7,611	-	215,072
Disposals	-	-	(2,704)	-	(102)	-	(2,806)
Transfer from completion	-	70,159	8,379	-	16,239	-	94,777
Balance on March 31, 2024	**$-**	**1,312,759**	**6,880,057**	**62,417**	**279,783**	**712,679**	**9,247,695**
Balance on January 1, 2023	$-	1,189,800	6,198,679	64,302	247,699	82,820	7,783,300
Depreciation for the year	-	37,391	185,236	1,741	8,151	-	232,519
Disposals	-	(132)	(2,750)	-	(34)	-	(2,916)
Effect of foreign currency exchanges difference	-	-	-	(1)	2	-	1
Balance on March 31, 2023	**$-**	**1,227,059**	**6,381,165**	**66,042**	**255,818**	**82,820**	**8,012,904**
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 March 31, 2024	**$3,638,243**	**3,533,061**	**4,976,653**	**14,414**	**170,729**	**373,006**	**12,706,106**
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 March 31, 2023	**$3,637,964**	**3,699,783**	**5,545,723**	**18,600**	**190,209**	**255,948**	**13,348,227**

As of March 31, 2024, December 31, 2023 and March 31, 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 three months ended March 31, 2024 and 2023 were as follows:

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

	Land	Transportation Equipment	Total
Carrying amount:			
Balance on January 1, 2024	**$854,191**	**-**	**854,191**
Balance on March 31, 2024	**$826,411**	**4,435**	**830,846**
Balance on January 1, 2023	**$965,312**	**-**	**965,312**
Balance on March 31, 2023	**$937,532**	**-**	**937,532**

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:

1. 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.

2. 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 were 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	10	273,696	-	-	273,706
Effect of foreign currency exchanges difference	737	-	-	-	737
Reclassification	57,078	(247,345)	-	-	(190,267)
Balance on March 31, 2024	**$22,192,627**	**6,992,037**	**16,916,413**	**3,778**	**46,104,855**
Balance on January 1, 2023	$16,297,635	11,747,585	16,482,731	3,778	44,531,729
Additions	533	141,259	-	-	141,792
Effect of foreign currency exchanges difference	(410)	-	-	-	(410)
Reclassification	(26,122)	(397,723)	433,682	-	9,837
Balance on March 31, 2023	**$16,271,636**	**11,491,121**	**16,916,413**	**3,778**	**44,682,948**

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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**
Accumulated depreciation:					
Balance on January 1, 2024	$787,763	146,161	619,088	3,778	1,556,790
Depreciation for the period	107,621	578	-	-	108,199
Effect of foreign currency exchanges difference	402	-	-	-	402
Reclassification	10,068	(114,393)	-	-	(104,325)
Balance on March 31, 2024	**$905,854**	**32,346**	**619,088**	**3,778**	**1,561,066**
Balance on January 1, 2023	$589,546	130,424	607,646	3,778	1,331,394
Depreciation for the period	49,484	3,967	-	-	53,451
Effect of foreign currency exchanges difference	(211)	-	-	-	(211)
Balance on March 31, 2023	**$638,819**	**134,391**	**607,646**	**3,778**	**1,384,634**
Carrying amount:					
Balance on January 1, 2024	**$21,347,039**	**6,819,525**	**16,297,325**	**-**	**44,463,889**
Balance on March 31, 2024	**$21,286,773**	**6,959,691**	**16,297,325**	**-**	**44,543,789**
Balance on January 1, 2023	**$15,708,089**	**11,617,161**	**15,875,085**	**-**	**43,200,335**
Balance on March 31, 2023	**$15,632,817**	**11,356,730**	**16,308,767**	**-**	**43,298,314**

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.

1. 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 income-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 March 31, 2024, December 31, 2023 and March 31, 2023, the unamortized balances of the LURs under above mentioned contract were $2,061,906, $2,077,910 and $2,125,924 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 rents received were $91,818 and $87,572 thousand for the three months ended March 31, 2024 and 2023, respectively.

2. The main provisions of the C3 contract on the pledging of land use rights were as follows:

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

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TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

2) The LURs (accounted for as deferred income -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 March 31, 2024, December 31, 2023 and March 31, 2023, the unamortized balance of the LURs were $11,651,469, $11,730,850 and $11,968,995 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 rents received were $12,735 and $12,125 thousand for the three months ended March 31, 2024 and 2023, 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 March 31, 2024	**$1,062,807**	**1,537,637**
Balance on December 31, 2023	**$1,059,797**	**1,550,245**
Balance on March 31, 2023	**$1,056,823**	**1,522,776**
Balance on January 1, 2023	**$1,043,155**	**1,538,300**

3. The main provisions of the D6 contract on the pledging of land use rights were as follows:

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

2) The LURs (accounted for as deferred income -current and noncurrent) amounted to $2,705,714 thousand, which has been treated as royalty revenue (under operating revenue) amortizable over 70 years from February 10, 2022. As of March 31, 2024, December 31 and March 31, 2023, the unamortized balance of the LURs were $2,621,966, $2,631,629 and $2,660,619 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 rents received were $965 and $621 thousand for the three months ended March 31, 2024 and 2023, 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.

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4. Investment properties under construction are located in Hsinchu City and Hualien City and included land for the "C2 Tourist Hotel Project" and "Commercial Building Project" in the Nangang Economic and Trade Park. The C2 Tourist Hotel Project was won by the Grand Hi Lai Hotel Co., Ltd. and the Caesar Park Hotel Co., Ltd., who both signed a front-end agreement (FEA) on December 31, 2013, with the contract for C2 Tourist Hotel Project signed under lease agreement with the Grand Hi Lai Hotel Co., Ltd. on October 13, 2018. 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 Group held on May 28, 2019. In June 2023, Caesar Park Hotel sent a letter to the Company to terminate the contract and filed a lawsuit against the Company, 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 Group intended to make a termination agreement with Dung Jeng Investment Co., and the intention was approved during the board meeting of the Group 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	March 31, 2024	December 31, 2023	March 31, 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:

(Continued)

	For the three months ended March 31	
Area	**2024**	**2023**
C6/C7/C8/C9	18%	18%
C2	18%	18%
C3	18%	18%
Hsinchu	19%	18%
Kaohsiung	17%	17%

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 March 31, 2024, December 31, 2023 and March 31, 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 March 31, 2024	**$244**	**6,533**	**35,900**	**75,015**	**117,692**
Balance on January 1, 2023	**$385**	**9,765**	**35,900**	**75,015**	**121,065**
Balance on March 31, 2023	**$357**	**9,707**	**35,900**	**75,015**	**120,979**

There were no significant additions, disposal, or recognition and reversal of impairment losses of intangible assets for the three months ended March 31, 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.

(Continued)

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

	March 31, 2024	December 31, 2023	March 31, 2023
Less than one year	$1,637,302	1,470,422	1,252,850
One to two years	1,663,324	1,542,286	1,185,481
Two to three years	1,633,545	1,528,499	1,157,164
Three to four years	1,543,699	1,462,542	1,146,012
Four to five years	1,288,661	1,251,133	1,077,336
More than five years	17,204,006	16,961,740	13,293,257
Total undiscounted lease payments	**$24,970,537**	**24,216,622**	**19,112,100**

For the three months ended March 31, 2024 and 2023, the property rental income was $397,812 and $308,992 thousand, respectively. There were no significant property equipment and maintenance expenses.

(m) Employee benefits

1. 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 March 31	
	2024	2023
Operating costs	$1,781	2,037
Operating expenses	848	898
	$2,629	**2,935**

2. Defined contribution plans

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

	For the three months ended March 31	
	2024	2023
Operating costs	$3,710	3,371
Operating expenses	3,043	2,807
	$6,753	**6,178**

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(n) Income tax

1. The components of income tax were as follows:

	For the three months ended March 31	
	2024	**2023**
Current income tax expense		
Current period incurred	$27,358	21,361
Deferred tax expense	55,045	103,274
Income tax expense	**$82,403**	**124,635**

The amount of income tax recognized in other comprehensive income were as follows:

	For the three months ended March 31	
	2024	**2023**
Items that may be reclassified subsequently to profit and loss:		
Foreign currency translation differences for foreign operations	$37	(61)
Shares of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income	76,729	(15,379)
	$76,766	**(15,440)**

2. The Company's income tax returns through 2021 have been assessed and approved by the tax authority.

(o) Share capital and other interests

1. Share capital

As of March 31, 2024, December 31,2023 and March 31, 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.

2. Capital surplus

The components of capital surplus were as follows:

	March 31, 2024	**December 31, 2023**	**March 31, 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	12,365
	$2,245,108	**2,245,108**	**2,245,156**

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.

(Continued)

3. 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 \$30,297,377 thousand as of March 31, 2024, December 31, 2023 and March 31, 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

On March 7, 2024, the Company's Board of Directors resolved to appropriate the 2023 earnings. The appropriations of earnings for 2022 had been approved in the shareholders' meeting on June 28, 2023. These earnings were appropriated as follows:

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

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	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**

4. 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	3,807	-	3,807
Exchange differences on subsidiaries accounted for using equity method	306,915	-	306,915
Unrealized losses from financial assets measured at fair value through other comprehensive income	-	253,332	253,332
Balance on March 31, 2024	**$566,527**	**2,935,966**	**3,502,493**
Balance on January 1, 2023	$227,768	2,484,366	2,712,134
Exchange differences on translation of foreign financial statements	(2,198)	-	(2,198)
Exchange differences on subsidiaries accounted for using equity method	(61,516)	-	(61,516)
Unrealized losses from financial assets measured at fair value through other comprehensive income	-	(21,380)	(21,380)
Balance on March 31, 2023	**$164,054**	**2,462,986**	**2,627,040**

(p) Earnings per share

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

Unit: 1,000 shares

	For the three months ended March 31	
	2024	**2023**
Basic earnings per share		
Profit attributable to ordinary shareholders	**$324,737**	**509,020**
Weighted average number of ordinary shares	980,000	980,000
	$0.33	**0.52**
Diluted earnings per share		
Profit attributable to ordinary shareholders (diluted)	**$324,737**	**509,020**
Weighted average number of ordinary shares	980,000	980,000
Effect of potentially dilutive ordinary shares		
Employees’ compensation	1,318	1,301
Weighted average number of ordinary shares (diluted)	981,318	981,301
	$0.33	**0.52**

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(q) Revenue from contracts with customers

1. Details of revenue

	For the three months ended March 31	
	2024	**2023**
Revenue from contracts with customers	$2,606,340	2,805,176
Revenue from investment properties	586,672	524,838
Other operating revenue	104,096	103,448
	$3,297,108	**3,433,462**

2. Disaggregation of revenue

	For the three months ended March 31, 2024			
	Fertilizers and other chemical products	**Real estate property and investment**	**Others**	**Total**
Primary geographical markets				
Taiwan	$2,491,160	584,938	156,849	3,232,947
Others	62,427	1,734	-	64,161
	$2,553,587	**586,672**	**156,849**	**3,297,108**
Major products/services lines				
Fertilizers and other chemical products	$2,553,587	-	-	2,553,587
Lease	-	586,672	-	586,672
Others	-	-	156,849	156,849
	$2,553,587	**586,672**	**156,849**	**3,297,108**

	For the three months ended March 31, 2023			
	Fertilizers and other chemical products	**Real estate property and investment**	**Others**	**Total**
Primary geographical markets				
Taiwan	$2,639,834	523,259	148,461	3,311,554
Others	120,329	1,579	-	121,908
	$2,760,163	**524,838**	**148,461**	**3,433,462**
Major products/services lines				
Fertilizers and other chemical products	$2,760,163	-	-	2,760,163
Lease	-	524,838	-	524,838
Others	-	-	148,461	148,461
	$2,760,163	**524,838**	**148,461**	**3,433,462**

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3. Contract balances

	March 31, 2024	December 31, 2023	March 31, 2023
Accounts receivable	$1,194,572	837,734	1,242,620
Less: allowance for impairment	(1,895)	(1,864)	(1,857)
Total	**$1,192,677**	**835,870**	**1,240,763**
Contract liabilities-Chemical fertilizers product	**$67,446**	**108,018**	**571,496**

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

The amount of revenue recognized for the three months ended March 31, 2024 and 2023 that was included in the contract liability balance at the beginning of the period were $75,072 thousand and $168,325 thousand.

(r) Remuneration to employees and directors

In accordance with the Articles of Incorporation the Company should contribute no less than 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 reserved to offset the deficit.

For the three months ended March 31, 2024 and 2023, the Company estimated its employee remuneration amounting to $9,960 and $15,678 thousand, and directors' remuneration amounting to $6,640 and $10,452 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 are any subsequent adjustments to the actual remuneration amounts after the annual shareholders' meeting, the adjustment shall be accounted for as changes in accounting estimates and will be recognized in profit or loss in the following year.

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.

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(s) Non-operating income and expenses

1. Interest income

The details of interest income for the three months ended March 31, 2024 and 2023 were as follows:

	For the three months ended March 31	
	2024	**2023**
Interest on bank deposits	$14,357	13,194
Others interest income	396	420
	$14,753	**13,614**

2. Other income

The details of other income for the three months ended March 31, 2024 and 2023 were as follows:

	For the three months ended March 31	
	2024	**2023**
Rental revenue	$7	-
Others	3,830	34,711
	$3,837	**34,711**

3. Other gains and losses

The details of other gains and losses for the three months ended March 31, 2024 and 2023 were as follows:

	For the three months ended March 31	
	2024	**2023**
Loss on disposal of property, plant and equipment	$(39)	-
Net foreign exchange gain	9,405	6,367
Loss on disposal of investments	-	(8,453)
Gain on financial assets at fair value through profit or loss	516	228
Others	(655)	(4,047)
	$9,227	**(5,905)**

4. Finance costs

The details of finance costs for the three months ended March 31, 2024 and 2023 were as follows:

	For the three months ended March 31	
	2024	**2023**
Bank interest expense	$-	27
Lease liabilities expense	556	750
	$556	**777**

(Continued)

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(t) Financial instruments

1. 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.

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 for the three months ended March 31, 2024 and 2023, please refer to Note 6(d) and 6(e).

2. Liquidity risk

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

	Carrying amount	**Within 1 year**	**1-5 years**	**More than 5 years**
March 31, 2024				
Non-derivative financial liabilities				
Non-interest-bearing liabilities	$1,755,756	1,292,124	463,632	-
Lease liabilities	111,938	43,224	68,714	-
	$1,867,694	**1,335,348**	**532,346**	**-**
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**	**-**
March 31, 2023				
Non-derivative financial liabilities				
Variable-rate liabilities	$6,311	6,311	-	-
Non-interest-bearing liabilities	1,640,528	1,273,663	366,865	-
Lease liabilities	148,952	41,568	107,384	-
	$1,795,791	**1,321,542**	**474,249**	**-**

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

(Continued)

3. Currency risk

1) Exposure to foreign currency risk

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

	March 31, 2024			December 31, 2023			March 31, 2023		
	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD
Financial assets									
Monetary items									
USD：NTD	$23,967	31.99	766,704	7,125	30.74	218,987	60,761	30.45	1,850,415
USD：MNT	2,091	31.99	66,891	2,027	30.74	62,300	1,952	30.45	59,446
Non-monetary items									
Investments accounted for using equity method									
SAR：NTD	1,106,830	8.53	9,441,113	1,136,047	8.20	9,310,170	1,208,402	8.12	9,812,598
Financial liabilities									
Monetary items									
USD：NTD	886	31.99	27,703	852	30.74	26,186	19,971	30.45	608,197

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 March 31, 2024 and 2023 would have increased or decreased the net income after tax by $64,471 and $104,133 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 ended March 31, 2024 and 2023, the foreign exchange gains (losses), including both realized and unrealized, amounted to $9,405 and $6,367 thousand dollars, respectively.

4. 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 profit after tax for the three months ended March 31, 2024 and 2023 would decrease/increase by $0 due to the Group’s cash and cash equivalents balances which exceeds its loan amount.

5. 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, if all other variables remain constant and any impact to forecasted sales and purchases was ignored):

(Continued)

Equity price at the end of the reporting period	For the three months ended March 31			
	2024		2023	
	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%	**$176,954**	**16,616**	**153,305**	**3,200**
Decrease 5%	**$(176,954)**	**(16,616)**	**(153,305)**	**(3,200)**

6. 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 is a reasonable approximation of fair value and lease liabilities, disclosure of fair value information is not required:

	March 31, 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	$415,405	415,405	-	-	415,405
Financial assets at fair value through other comprehensive income					
Domestic stocks in listed companies	$90,729	90,729	-	-	90,729
Unquoted equity instruments at fair value	3,448,345	-	-	3,448,345	3,448,345
Subtotal	3,539,074	90,729	-	3,448,345	3,539,074
Financial assets measured at amortized cost					
Cash and cash equivalents	4,971,929	-	-	-	-
Other financial assets (including non-current)	1,186,138	-	-	-	-
Notes receivable and accounts receivable	1,192,677	-	-	-	-
Other receivables (including long-term)	404,732	-	-	-	-
Refundable deposit	23,993	-	-	-	-
Subtotal	7,779,469	-	-	-	-
Total	**$11,733,948**	**506,134**	**-**	**3,448,345**	**3,954,479**
Financial liabilities at amortized cost					
Notes and accounts payable	$420,673	-	-	-	-
Other payables	871,451	-	-	-	-
Lease liabilities (including non-current)	109,007	-	-	-	-
Guarantee deposit	463,632	-	-	-	-
Total	**$1,864,763**	-	-	-	-

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	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 and accounts payable	$393,229	-	-	-	-
Other payables	1,107,146	-	-	-	-
Lease liabilities (including non-current)	114,409	-	-	-	-
Guarantee deposit	445,398	-	-	-	-
Total	**$2,060,182**	**-**	**-**	**-**	**-**

(Continued)

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

	March 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	$80,005	80,005	-	-	80,005
Financial assets at fair value through other comprehensive income					
Domestic stocks in listed companies	$95,174	95,174	-	-	95,174
Unquoted equity instruments at fair value	2,970,920	-	-	2,970,920	2,970,920
Subtotal	3,066,094	95,174	-	2,970,920	3,066,094
Financial assets measured at amortized cost					
Cash and cash equivalents	3,143,491	-	-	-	-
Other financial assets (including non-current)	1,272,580	-	-	-	-
Notes receivable and accounts receivable	1,240,763	-	-	-	-
Other receivables (including long-term)	1,091,590	-	-	-	-
Refundable deposit	32,009	-	-	-	-
Subtotal	6,780,433	-	-	-	-
Total	**$9,926,532**	**175,179**	**-**	**2,970,920**	**3,146,099**
Financial liabilities at amortized cost					
Bank loans	$6,300	-	-	-	-
Notes and accounts payable	528,243	-	-	-	-
Other payables	745,420	-	-	-	-
Lease liabilities (including non-current)	143,624	-	-	-	-
Guarantee deposit	366,865	-	-	-	-
Total	**$1,790,452**	**-**	**-**	**-**	**-**

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.

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 for the three months ended March 31, 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:	257,003
Ending Balance, March 31, 2024	**$3,448,345**
Opening balance, January 1, 2023	$3,040,760
Total gains and losses recognized	
in other comprehensive income:	(21,090)
Capital reduction by capital stock return	(48,750)
Ending Balance, March 31, 2023	**$2,970,920**

For the three months ended March 31, 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:

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TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

	For the three months ended March 31	
	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”	**$257,003**	**(21,090)**

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 – 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 profit or loss- equity investments without an active market	Comparable transaction method	·The multiplier of price-to-sales ratio (As of March 31, 2024, December 31, 2023 and March 31, 2023 were 2.83~5.22, 2.70~5.00 and 1.84~4.34) ·The multiplier of price-to-book ratio (As of March 31, 2024, December 31, 2023 and March 31, 2023, were 1.88, 1.58 and 1.62) ·The multiplier of price-to-earning ratio (As of December 31, 2023 and March 31, 2023, were 20.84 and 21.56) ·The multiplier of enterprise value (As of March 31, 2024, were 13.94) ·Market illiquidity discount (As of March 31, 2024, December 31, 2023 and March 31, 2023 were 10%~33%, 10%~33% and 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.

(Continued)

TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

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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:

	Inputs	Fluctuation in inputs	Profit or loss		Other comprehensive income	
			Favorable	**Unfavorable**	**Favorable**	**Unfavorable**
March 31, 2024						
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	Market illiquidity discount	±1%	-	-	34,688	(34,682)
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)
March 31, 2023						
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	Market illiquidity discount	±1%	-	-	28,784	(28,777)

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 three months ended March 31, 2024 and 2023 , were as follows:

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TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

	For the three months ended March 31	
	2024	2023
Purchases of property, plant and equipment	$174,470	91,982
Add: opening balances of equipment and construction payables	72,176	78,250
Deduction: closing balances of equipment and construction payables	(74,459)	(78,598)
	$172,187	**91,634**
Purchases of investment property	$273,706	141,792
Add: opening balances of equipment payables	259,513	92,991
	$533,219	**234,783**

(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	Affiliate of the consolidated companies
TR Electronic Chemical Co., Ltd.	Joint venture of the consolidated companies
TR Electronic Chemical (Kunshan) Ltd.	Joint venture's subsidiary of the consolidated companies (Note)
Ministry of Agriculture	Entity with significant influence over the consolidated companies
Taiwan Fertilizer Legal Foundation	Other related party

Note: The bankruptcy of TR Electronic Chemical (Kunshan) Ltd. was declared by the court in China in September 2017 and was reviewed and announced in August 2018. The relevant statutory procedures had been completed in August, 2020.

(b) Significant transactions with related parties

1. Receivables from Related Parties

The receivables from related parties were as follows:

Account	Relationship	March 31, 2024	December 31, 2023	March 31, 2023
Accounts receivable	Joint venture	**$455**	**455**	**455**

2. Payables from Related Parties

The payables from related parties were as follows:

Account	Relationship	March 31, 2024	December 31, 2023	March 31, 2023
Accounts payable	Al-Jubail Fertilizer Company	**$-**	**-**	**139,728**

3. Others

1) TR Electronic Chemical Co., Ltd. (TR), a joint venture of the Company, obtained a financing of US$10,000 thousand from a bank. The Company and Jing Chin International Limited Corporation jointly guaranteed the payment obligation. While, upon the expiry of the repayment period TR failed to repay the bank loans, the bank then requested the guarantors to pay off part of the loans in subrogation. Restricted by the “Regulations Governing the Granting of Loans and Endorsements and Guarantees by Public Companies”, the company was unable to continue in providing TR with sufficient guarantee. Thus, the board of directors resolved to repay the loan on behalf of TR holding company as follows:

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 Company 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 approved the close of the bankruptcy liquidation procedure, the case was approved by the Market Supervision Administrations of Kunshan in August 2020. Also, the Group filed a lawsuit with the Taipei District Court against Jin Qun International Co., Ltd., the investor of TR Holding Company, and its seven shareholders in July 2017 for joint and several liability for repayment. In December 2018, the result of the first-instance verdict was pronounced, and the Group partially won the lawsuit against Jin Qun International Co., Ltd. And Mr. Zhao, the person in charge. However, Zhao filed a second-instance appeal for his dissatisfaction with the part where he lost, and the consolidated company filed an incidental appeal against the part where Mr. Zhao won. The second instance was pronounced in January 2019. However, the stockholder was 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, 2023, in the case involving Mr. Zhao. The appeals filed by Mr. Zhao and the subsidiary company were both rejected. Following the receipt of the judgment, the Group will consult with its appointed lawyer to discuss the possibility of further appeal. The case is still in progress and pending for review by the Supreme Court as of the date of the interim review report.

(Continued)

(c) Remunerations of key management personnel

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

	For the three months ended March 31	
	2024	2023
Short-term employee benefits	$19,230	24,253
Post-employment benefits	297	224
	$19,527	**24,477**

(8) Pledged assets:

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

Asset	Purpose of pledge	March 31, 2024	December 31, 2023	March 31, 2023
Other financial asset-current and non-current	Guarantee of material purchase amount, security in litigation and engineering deposit	**$628,172**	**628,172**	**562,172**

(9) Significant contingent liabilities and unrecognized contractual commitments:

(a) Significant unrecognized contractual commitments

1. Significant unrecognized contractual commitments were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Acquisition of property, plant, and machinery	**$56,065**	**79,110**	**132,181**
Acquisition of investment property	**$3,057,651**	**3,700,889**	**1,549,619**

2. Unused letters of credit:

	March 31, 2024	December 31, 2023	March 31, 2023
USD thousands	**$313**	**628**	**423**

3. The Corporation had guarantee notes payable for its debt as follow:

	March 31, 2024	December 31, 2023	March 31, 2023
Guarantee notes payable	**$8,215,540**	**8,215,540**	**8,215,540**

(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. A lawyer was appointed to carry out the legal proceedings of the re-protest and litigation. 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. The High Court, upon further review, revoked the interim injunction that allowed the Group to provide collateral. The Group has already completed the deposit, totaling $265 million (classified as other non-current financial assets). Following the revocation of the interim injunction by the local court, the restricted area is now available for external leasing. Subsequently, the lodgment was changed and interest was added to increase the lodgment to $266 million. The related procedures are in progress. In the first instance ruling, it was determined that the Group shall deliver the proceeds of another 799 parking lots in the basement to Dung Jeng. On February 6, 2024, the Taiwan High Court rejected the Group's appeal, resulting in the Group to incur an estimated compensation loss of $100 million in 2023. Hence, the Group will consider filing an appeal to the Supreme Court. 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. For the excessive lodgment, the Group has appointed a lawyer to process the refund. 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) Significant Losses Due to Major Disasters:

None.

(11) Significant Subsequent Events:

None.

(12) Other:

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

	For the three months ended March 31					
	2024			2023		
By item	Operating Cost	Operating Expense	Total	Operating Cost	Operating Expense	Total
Employee benefit						
Salary	119,429	66,960	186,389	113,963	107,835	221,798
Health and labor insurance	10,714	8,064	18,778	10,575	7,621	18,196
Pension	5,491	3,891	9,382	5,408	3,705	9,113
Others	4,248	2,570	6,818	4,997	3,225	8,222
Depreciation	340,762	9,639	350,401	297,411	12,299	309,710
Amortization	-	725	725	-	871	871

The depreciation of which were recorded as non-operating income and expenses of the Group were $650 and $4,040 thousand for the three months ended March 31, 2024 and 2023, respectively.

(b) Seasonality of operations:

The operations are not affected by seasonality or cyclicality factors.

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(13) Other disclosures:

(a) Information on significant transactions:

For the three months ended March 31, 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:

1. 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 receivables	No	9,071	9,071	8,872	1.845%-2.595%	1	79,500	-	-	Commercial paper	15,890	2,781,430	11,125,718
0	The Company	○○ Lin	Long-term receivables	No	9,721	9,721	9,508	1.845%-2.595%	1	85,300	-	-	Commercial paper	17,030	2,781,430	11,125,718
0	The Company	○○ Liao	Long-term receivables	No	9,453	9,453	9,246	1.845%-2.595%	1	83,120	-	-	Commercial paper	16,560	2,781,430	11,125,718
0	The Company	○○ Tan	Long-term receivables	No	32,886	32,886	32,201	1.845%-2.595%	1	78,360	-	-	Commercial paper	54,810	2,781,430	11,125,718
0	The Company	○○ Huang	Long-term receivables	No	2,182	2,182	1,797	1.645%-2.395%	1	77,000	-	-	Commercial paper	15,400	2,781,430	11,125,718
0	The Company	○○ Chuang	Long-term receivables	No	2,251	2,251	1,854	1.645%-2.395%	1	79,500	-	-	Commercial paper	15,890	2,781,430	11,125,718

Note 1: (1) The total amount available for lending purpose shall not exceed twenty percent (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.

2. Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on number 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 Company (Note 1)										
0	The Company	Taifer Chemicals International Inc.	2	13,820	13,500	13,500	13,500	-	0.02%	27,814,296	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 Company’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.

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Notes to Consolidated Financial Statements

3. Securities held as of March 31, 2024 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars)

Category and name of security	Marketable Securities Type/Name and Issuer	Relationship with company	Account title	Ending balance Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	Note
	Mutual funds							
Taiwan Fertilizer Co., Ltd.	CTBC Hwa-win Money Market Fund	-	Fair value through profit or loss- current	7,053	80,060	-%	80,060	Note 1
	SinoPac TWD Money Market Fund	-	Fair value through profit or loss- current	5,580	80,061	-%	80,061	Note 1
	Jih Sun Money Market Fund	-	Fair value through profit or loss- current	5,233	80,090	-%	80,090	Note 1
	FSITC Money Market	-	Fair value through profit or loss- current	5,072	80,089	-%	80,089	Note 1
	Taishin 1699 Money Market Fund	-	Fair value through profit or loss- current	5,725	80,091	-%	80,091	Note 1
Taiwan Yes Deep Ocean Water Co., Ltd.	Fuh Hwa Money Market	-	Fair value through profit or loss- current	1,012	15,014	-%	15,014	Note 1
	Ordinary shares							
Taiwan Fertilizer Co., Ltd.	Eminent Venture Capital Corporation	Our Company is legal representative director of the company	FVOCI - noncurrent	675	5,852	10.00%	5,852	Note 3
	Eminent II VC Corp	〃	FVOCI - noncurrent	7,800	51,714	18.50%	51,714	Note 3
	Eminent III VC Corp	〃	FVOCI - noncurrent	30,000	205,800	16.56%	205,800	Note 3
	Taiwan Stock Exchange Corporation	-	FVOCI - noncurrent	23,165	3,138,138	2.00%	3,138,138	Note 4
	Visgeneer Inc.	Our Company is legal representative director of the company	FVOCI - noncurrent	3,147	23,540	10.43%	23,540	Note 4
	TaiAn Technologies Corporation	〃	FVOCI - noncurrent	1,667	23,301	16.67%	23,301	Note 3
	TSCBio Ventures Capital Co.	-	FVOCI - noncurrent	168	-	19.75%	-	
	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%	-	
	China Petrochemical Development Corporation	-	FVOCI - noncurrent	9,662	90,729	0.26%	90,729	Note 2

Note 1: The market value was calculated on the basis of the net asset value as of 31 March, 2024.

Note 2: The market value was calculated on the basis of the closing price on the Taiwan Stock Exchange as of 31 March, 2024.

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

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

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TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

4. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock:

   None.

5. Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock:

   None.

6. Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock:

   None.

7. Related-party transactions for purchases and sales with amounts exceeding the lower of NT$300 million or 20% of the capital stock:

   None.

8. 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		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
Taiwan Fertilizer Co., Ltd.	TR ELECTRONIC CHEMICAL CO., LTD.	Joint Venture	Other receivable 317,277	- %	317,277	-	-	317,277

9. Trading in derivative instruments:

   None.

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10. 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	302	were not significantly different from others	0.01%
		Taiwan Yes Deep Ocean Water Co., Ltd.	1	Rental revenue	1,925	were not significantly different from others	0.06%
		Taiwan Yes Deep Ocean Water Co., Ltd.	1	Other operating revenue	523	were not significantly different from others	0.02%
		Taiwan Yes Deep Ocean Water Co., Ltd.	1	Cost of goods sold	61	were not significantly different from others	-%
		Taiwan Yes Deep Ocean Water Co., Ltd.	1	Selling expenses	576	were not significantly different from others	0.02%
		Taiwan Yes Deep Ocean Water Co., Ltd.	1	Administrative expenses	2,784	were not significantly different from others	0.08%
		Taiwan Yes Deep Ocean Water Co., Ltd.	1	R&D expenses	1	were not significantly different from others	-%
		Taiwan Yes Deep Ocean Water Co., Ltd.	1	Accounts Receivables	550	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	2,364	were not significantly different from others	-%
		Taifer Chemicals International Inc.	1	Rental revenue	1,480	were not significantly different from others	0.04%
		Taifer Chemicals International Inc.	1	Cost of goods sold	276	were not significantly different from others	0.01%
		Taifer Chemicals International Inc.	1	Accounts receivable	980	were not significantly different from others	0.03%
		Taifer Chemicals International Inc.	1	Accounts payable	110	were not significantly different from others	-%
		Taifer Chemicals International Inc.	1	Other payables	69	were not significantly different from others	-%
		PEIFENG Technology & Fertilizer Co., Ltd.	1	Cost of goods sold	61,480	were not significantly different from others	1.86%
		PEIFENG Technology & Fertilizer Co., Ltd.	1	Sales	3,529	were not significantly different from others	0.11%
		PEIFENG Technology & Fertilizer Co., Ltd.	1	Accounts receivable	1,107	were not significantly different from others	-%
		PEIFENG Technology & Fertilizer Co., Ltd.	1	Accounts payable	20,750	were not significantly different from others	0.03%
		PEIFENG Technology & Fertilizer Co., Ltd.	1	Other payables	14,277	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.

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TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(b) Information on investees:

The following is the information on investees for the three months ended March 31, 2024 (excluding information on investees in China):

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount: March 31, 2024	Original investment amount: December 31, 2023	Balance as of March 31, 2024: Shares (thousands)	Balance as of March 31, 2024: Percentage of ownership	Balance as of March 31, 2024: Carrying value	Net income (losses) of investee	Share of profits/ losses of investee	Note
Taiwan Fertilizer Co., Ltd.	Al-Jubail Fertilizer Company	Saudi Arabia	Manufacture of urea, 2-EH (2-ethyl hexanol), and DOP (dioctyl phthalate)	3,050,000	3,050,000	7	50.00%	9,441,113	552,283	258,080	Associate
〃	Taifer Chemicals International Inc.	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; and real estate rental or leasing	(2,160) (Note 1)	(2,160) (Note 1)	739	100.00%	22,661	(448)	(448)	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	1,352,695	1, 352,695	38,609	100.00%	388,769	2,921	3,123	Subsidiary
〃	PEIFENG Technology & Fertilizer Co., Ltd.	Taiwan	Manufacture and wholesale of fertilizer	2,400,000	2,400,000	240,000	100.00%	2,568,955	40,601	40,601	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	5,591	32.52%	59,285	(2,786)	(1,622)	Associate
〃	TAIFER (CAMBODIA) CO., LTD.	Cambodia	International trade; wholesale of fertilizer	9,242	9,242	-	100.00%	4,743	-	-	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 disclose	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%	76,337	917	〃	Subsidiary
TAIFER INTERNATIONAL (SAMOA) GROUP CO., LTD.	TAIFER CHEMICAL INTERNATIONAL CO., LTD.	Mongolia	Real estate lease	41,077	41,077	-	100.00%	75,176	917	〃	Subsidiary

Note 1: The original investment amount of the Company's subsidiary, TAIFER CHEMICALS INTERNATIONAL INC turned negative due to the reduction of capital and the cancellation of shares on June 1, 2023

(c) Information on investment in China:

(i) The names of investees in 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: Outflow	Investment flows: Inflow	Accumulated outflow of investment from Taiwan as of March 31, 2024	Net income (losses)of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
TR Electronic Chemical (Kunshan) Ltd.	Manufacture of nitric acid, hydrofluoric acid, ammonia, phosphoric acid, oxalic acid, ammonia fluoride and LCD and IC Stripper	US$21,500	(Note 3)	US$ -	-	-	US$ -	US$ -	-%	US$ -	US$ -	-
		(NT$687,785) (Note 4)		(NT$ -) (Note 4)			(NT$ -) (Note 1)	(NT$ -) (Note 1)		(NT$ -) (Note 5)	(NT$ -) (Note 5)	

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

2. Limitation on investment in China:

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

Accumulated Investment in China as of March 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
NT$ - (US$-) (Note 1)	NT$350,770 (US$10,965) (Note 4)	NT$33,377,155 (Note 2)

Note 1: The Group applied for the cessation of it 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$350,770 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.

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$31.990 as of March 31, 2024.

Note 5: As of June 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.

3. Significant transactions: None.

(d) Information of major shareholders:

Unit: Shares

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

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TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(14) Segment information:

(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.

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

For the three months ended March 31, 2024	**Fertilizer and chemical**	**Real estate and investment business**	**Others**	**Adjustment and eliminations**	**Total**
External customer revenues	$2,553,587	586,672	156,849	-	3,297,108
Intersegment revenues	61,480	3,406	8,053	(72,939)	-
Total revenue	**$2,615,067**	**590,078**	**164,902**	**(72,939)**	**3,297,108**
Net gains and losses of intersegment	**$(68,206)**	**203,437**	**(11,810)**	**-**	123,421
Other gains and losses					9,227
Finance costs					(556)
Share of profit of associates and joint ventures accounted for using equity method					256,458
Interest income					14,753
Other income					3,837
Reportable segment profit or loss					**$407,140**

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TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

For the three months ended March 31, 2023	Fertilizer and chemical	Real estate and investment business	Others	Adjustment and eliminations	Total
External customer revenues	$2,760,163	524,838	148,461	-	3,433,462
Intersegment revenues	51,151	3,264	8,997	(63,412)	-
Total revenue	**$2,811,314**	**528,102**	**157,458**	**(63,412)**	**3,433,462**
Net gains and losses of intersegment	**$(230,786)**	**203,858**	**(19,347)**	**-**	(46,275)
Other gains and losses					(5,905)
Finance costs					(777)
Share of profit of associates and joint ventures accounted for using equity method					638,287
Interest income					13,614
Other income					34,711
Reportable segment profit or loss					**$633,655**
Reportable segment assets					
March 31, 2024	**$19,988,014**	**62,199,916**	**398,336**	**(67,378)**	**82,518,888**
December 31, 2023	**$20,261,723**	**60,931,303**	**395,390**	**(62,668)**	**81,525,748**
March 31, 2023	**$21,592,160**	**59,404,570**	**424,625**	**(63,402)**	**81,357,953**
Reportable segment liabilities					
March 31, 2024	**$6,358,188**	**20,542,147**	**32,134**	**(42,173)**	**26,890,296**
December 31, 2023	**$6,583,285**	**20,209,094**	**30,930**	**(37,263)**	**26,786,046**
March 31, 2023	**$6,824,808**	**21,047,154**	**38,179**	**(37,110)**	**27,873,031**