

**China Steel Chemical Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Nine Months Ended September 30, 2021 and 2020 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
China Steel Chemical Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of China Steel Chemical Corporation (the Corporation) and its subsidiaries as of September 30, 2021 and 2020, the consolidated statements of comprehensive income for the three months and nine months ended September 30, 2021 and 2020, and the consolidated statements of changes in equity and cash flows for the nine months ended September 30, 2021 and 2020, and related notes, including a summary of significant accounting policies (collectively referred to as the consolidated financial statements). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the financial position of the Corporation and its subsidiaries as of September 30, 2021 and 2020, its consolidated financial performance for the three months and nine months ended September 30, 2021 and 2020, and its consolidated cash flows for nine months ended September 30, 2021 and 2020 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the FSC.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

November 1, 2021

Notice to Readers

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

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

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

CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	September 30, 2021 (Reviewed)		December 31, 2020 (Audited)		September 30, 2020 (Reviewed)	
ASSETS	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 653,555	6	\$ 994,321	9	\$ 675,366	6
Financial assets at fair value through profit or loss - current (Note 7)	794,254	7	701,915	6	671,669	6
Financial assets at fair value through other comprehensive income - current (Note 8)	273,324	2	209,453	2	188,573	2
Financial assets for hedging-Current (Note 10)	-	-	-	-	116,400	1
Notes receivable (Note 11)	63,815	1	60,429	1	58,767	-
Accounts receivable, net (Note 11)	377,554	3	271,865	2	299,093	3
Accounts receivable - related parties (Notes 11 and 30)	160,028	1	113,885	1	95,429	1
Other receivables (Note 30)	240,002	2	221,455	2	222,525	2
Current tax asset	544	-	495	-	254	-
Inventories (Note 12)	1,041,909	9	970,561	8	946,553	8
Other financial assets - current (Note 13)	130,472	1	168,533	1	68,659	-
Other current assets	<u>37,186</u>	<u>-</u>	<u>37,649</u>	<u>-</u>	<u>86,764</u>	<u>1</u>
Total current assets	<u>3,772,643</u>	<u>32</u>	<u>3,750,561</u>	<u>32</u>	<u>3,430,052</u>	<u>30</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Note 7)	78,913	1	76,042	1	75,918	1
Financial assets amortized at cost - non-current (Note 9)	-	-	3,939	-	3,842	-
Investments accounted for using equity method (Note 15)	2,073,075	17	1,664,220	14	1,553,911	13
Property, plant and equipment (Notes 16, 30 and 31)	3,960,750	34	4,148,025	36	4,188,344	36
Right-of-use assets (Notes 17 and 30)	655,323	5	674,799	6	682,053	6
Investment properties (Note 18)	552,988	5	552,988	5	552,988	5
Deferred tax assets	85,121	1	85,121	1	72,840	1
Prepaid equipment	41,444	-	54,784	-	93,063	1
Refundable deposits	4,451	-	5,050	-	5,749	-
Other non-current assets (Notes 14 and 19)	<u>550,372</u>	<u>5</u>	<u>627,344</u>	<u>5</u>	<u>781,261</u>	<u>7</u>
Total non-current assets	<u>8,002,437</u>	<u>68</u>	<u>7,892,312</u>	<u>68</u>	<u>8,009,969</u>	<u>70</u>
TOTAL	<u>\$ 11,775,080</u>	<u>100</u>	<u>\$ 11,642,873</u>	<u>100</u>	<u>\$ 11,440,021</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 20)	\$ 994,434	9	\$ 1,093,251	10	\$ 2,037,000	18
Short-term bills payable (Note 20)	160,000	1	-	-	-	-
Contract liabilities - current (Note 24)	58,338	1	12,088	-	117,225	1
Accounts payable	30,523	-	29,175	-	19,821	-
Accounts payable - related parties (Note 30)	274,670	2	158,044	2	138,273	1
Other payables (Notes 14, 21 and 30)	787,745	7	760,717	7	724,550	6
Current tax liabilities	113,591	1	154,914	1	109,591	1
Lease liabilities - current (Notes 17 and 30)	30,565	-	40,321	-	40,867	1
Current portion of long-term borrowings (Note 20)	-	-	500,000	4	500,000	5
Other current liabilities	<u>7,623</u>	<u>-</u>	<u>6,838</u>	<u>-</u>	<u>7,009</u>	<u>-</u>
Total current liabilities	<u>2,457,489</u>	<u>21</u>	<u>2,755,348</u>	<u>24</u>	<u>3,694,336</u>	<u>33</u>
NON-CURRENT LIABILITIES						
Long-term borrowings (Note 20)	1,150,000	10	1,300,000	11	500,000	4
Deferred tax liabilities	1,545	-	1,545	-	4,594	-
Lease liabilities - non-current (Notes 17 and 30)	606,989	5	618,829	6	619,410	6
Net defined benefit liabilities (Note 4)	143,059	1	151,868	1	157,575	1
Guarantee deposit received	<u>3,530</u>	<u>-</u>	<u>4,857</u>	<u>-</u>	<u>4,576</u>	<u>-</u>
Total non-current liabilities	<u>1,905,123</u>	<u>16</u>	<u>2,077,099</u>	<u>18</u>	<u>1,286,155</u>	<u>11</u>
Total liabilities	<u>4,362,612</u>	<u>37</u>	<u>4,832,447</u>	<u>42</u>	<u>4,980,491</u>	<u>44</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Note 23)						
Ordinary shares capital	<u>2,369,044</u>	<u>20</u>	<u>2,369,044</u>	<u>20</u>	<u>2,369,044</u>	<u>21</u>
Capital surplus	<u>883,789</u>	<u>8</u>	<u>869,637</u>	<u>8</u>	<u>869,637</u>	<u>7</u>
Retained earnings						
Legal reserve	2,666,240	23	2,641,723	23	2,641,723	23
Special reserve	193,150	1	176,833	1	176,833	2
Unappropriated earnings	<u>941,235</u>	<u>8</u>	<u>787,720</u>	<u>7</u>	<u>574,467</u>	<u>5</u>
Total retained earnings	<u>3,800,625</u>	<u>32</u>	<u>3,606,276</u>	<u>31</u>	<u>3,393,023</u>	<u>30</u>
Other equity	<u>208,203</u>	<u>2</u>	<u>(193,150)</u>	<u>(2)</u>	<u>(341,740)</u>	<u>(3)</u>
Treasury shares	<u>(117,638)</u>	<u>(1)</u>	<u>(117,638)</u>	<u>(1)</u>	<u>(117,638)</u>	<u>(1)</u>
Total equity attributable to owners of the Corporation	7,144,023	61	6,534,169	56	6,172,326	54
NON-CONTROLLING INTERESTS (Note 23)						
	<u>268,445</u>	<u>2</u>	<u>276,257</u>	<u>2</u>	<u>287,204</u>	<u>2</u>
Total equity	<u>7,412,468</u>	<u>63</u>	<u>6,810,426</u>	<u>58</u>	<u>6,459,530</u>	<u>56</u>
TOTAL	<u>\$ 11,775,080</u>	<u>100</u>	<u>\$ 11,642,873</u>	<u>100</u>	<u>\$ 11,440,021</u>	<u>100</u>

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

CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

(Reviewed, Not Audited)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2021		2020		2021		2020	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUES (Notes 24 and 30)	\$ 2,295,800	100	\$ 1,161,772	100	\$ 5,916,541	100	\$ 3,910,619	100
OPERATING COSTS (Notes 12, 25 and 30)	<u>1,812,253</u>	<u>79</u>	<u>919,439</u>	<u>79</u>	<u>4,668,691</u>	<u>79</u>	<u>3,140,562</u>	<u>80</u>
GROSS PROFIT	<u>483,547</u>	<u>21</u>	<u>242,333</u>	<u>21</u>	<u>1,247,850</u>	<u>21</u>	<u>770,057</u>	<u>20</u>
OPERATING EXPENSES (Notes 11, 25 and 30)								
Selling and marketing expenses	39,754	2	30,077	3	115,940	2	88,736	2
General and administrative expenses	25,798	1	35,253	3	74,181	1	55,637	1
Research and development expenses	<u>46,912</u>	<u>2</u>	<u>22,198</u>	<u>2</u>	<u>118,496</u>	<u>2</u>	<u>96,254</u>	<u>3</u>
Total operating expenses	<u>112,464</u>	<u>5</u>	<u>87,528</u>	<u>8</u>	<u>308,617</u>	<u>5</u>	<u>240,627</u>	<u>6</u>
PROFIT FROM OPERATIONS	<u>371,083</u>	<u>16</u>	<u>154,805</u>	<u>13</u>	<u>939,233</u>	<u>16</u>	<u>529,430</u>	<u>14</u>
NON-OPERATING INCOME AND EXPENSES (Notes 25 and 30)								
Interest income	1,914	-	1,925	-	4,998	-	12,052	-
Other income	24,301	1	23,472	2	60,264	1	68,649	2
Other gains and losses	(5,984)	-	(7,165)	(1)	(31,623)	(1)	(38,287)	(1)
Share of the profit of associates	19,959	1	28,821	3	80,278	1	68,539	2
Interest expense	<u>(7,179)</u>	<u>(1)</u>	<u>(6,597)</u>	<u>-</u>	<u>(22,805)</u>	<u>-</u>	<u>(21,726)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>33,011</u>	<u>1</u>	<u>40,456</u>	<u>4</u>	<u>91,112</u>	<u>1</u>	<u>89,227</u>	<u>2</u>
PROFIT BEFORE INCOME TAX	404,094	17	195,261	17	1,030,345	17	618,657	16
INCOME TAX (Notes 4 and 26)	<u>74,660</u>	<u>3</u>	<u>37,398</u>	<u>3</u>	<u>177,524</u>	<u>3</u>	<u>115,158</u>	<u>3</u>
NET PROFIT FOR THE PERIOD	<u>329,434</u>	<u>14</u>	<u>157,863</u>	<u>14</u>	<u>852,821</u>	<u>14</u>	<u>503,499</u>	<u>13</u>
OTHER COMPREHENSIVE INCOME (Notes 23 and 26)								
Items that will not be reclassified subsequently to profit or loss								
Unrealized gains (losses) on financial assets at fair value through other comprehensive income	(22,292)	(1)	(2,232)	-	78,575	1	(23,861)	(1)

(Continued)

CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

(Reviewed, Not Audited)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2021		2020		2021		2020	
	Amount	%	Amount	%	Amount	%	Amount	%
Shares of the other comprehensive income of associates	\$ (96,573)	(4)	\$ (18,842)	(2)	\$ 332,093	6	\$ (123,018)	(3)
Items that may be reclassified subsequently to profit or loss								
Exchange differences on translating foreign operations	(372)	-	(4,569)	-	(14,741)	-	(17,608)	(1)
Unrealized gains (losses) on financial assets in debt instruments at fair value through other comprehensive income	857	-	(1,362)	-	(70)	-	(1,362)	-
Gains and losses on hedging instruments	-	-	(5,059)	(1)	-	-	(7,972)	-
Share of the other comprehensive income of associates	370	-	(353)	-	2,545	-	(3,829)	-
Income tax benefit relating to items that will not be reclassified subsequently to profit or loss	-	-	1,012	-	-	-	1,595	-
Other comprehensive income (loss) for the period, net of income tax	<u>(118,010)</u>	<u>(5)</u>	<u>(31,405)</u>	<u>(3)</u>	<u>398,402</u>	<u>7</u>	<u>(176,055)</u>	<u>(5)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 211,424</u>	<u>9</u>	<u>\$ 126,458</u>	<u>11</u>	<u>\$ 1,251,223</u>	<u>21</u>	<u>\$ 327,444</u>	<u>8</u>
NET PROFIT								
ATTRIBUTABLE TO:								
Owners of the Corporation	\$ 329,985	14	\$ 161,950	14	\$ 854,536	14	\$ 507,389	13
Non-controlling interests	<u>(551)</u>	<u>-</u>	<u>(4,087)</u>	<u>-</u>	<u>(1,715)</u>	<u>-</u>	<u>(3,890)</u>	<u>-</u>
	<u>\$ 329,434</u>	<u>14</u>	<u>\$ 157,863</u>	<u>14</u>	<u>\$ 852,821</u>	<u>14</u>	<u>\$ 503,499</u>	<u>13</u>
TOTAL COMPREHENSIVE INCOME								
ATTRIBUTABLE TO:								
Owners of the Corporation	\$ 212,071	9	\$ 135,749	12	\$ 1,259,035	21	\$ 340,819	9
Non-controlling interests	<u>(647)</u>	<u>-</u>	<u>(9,291)</u>	<u>(1)</u>	<u>(7,812)</u>	<u>-</u>	<u>(13,375)</u>	<u>(1)</u>
	<u>\$ 211,424</u>	<u>9</u>	<u>\$ 126,458</u>	<u>11</u>	<u>\$ 1,251,223</u>	<u>21</u>	<u>\$ 327,444</u>	<u>8</u>
EARNINGS PER SHARE								
(Note 27)								
Basic	<u>\$ 1.42</u>		<u>\$ 0.70</u>		<u>\$ 3.68</u>		<u>\$ 2.19</u>	
Diluted	<u>\$ 1.42</u>		<u>\$ 0.70</u>		<u>\$ 3.67</u>		<u>\$ 2.18</u>	

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

(Concluded)

CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Corporation							Other Equity						
	Ordinary Shares Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated earnings	Total Retained Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Gain/(Loss) on Hedging Instruments	Total Other Equity	Treasury stock	Total Equity Attributable to Owners of the Corporation	Non-controlling interests	Total Equity
BALANCE AT JANUARY 1, 2021	\$ 2,369,044	\$ 869,637	\$ 2,641,723	\$ 176,833	\$ 787,720	\$ 3,606,276	\$ (84,747)	\$ (108,407)	\$ 4	\$ (193,150)	\$ (117,638)	\$ 6,534,169	\$ 276,257	\$ 6,810,426
Appropriation of 2020 earnings (Note 23)														
Legal reserve	-	-	71,898	-	(71,898)	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	16,317	(16,317)	-	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(615,952)	(615,952)	-	-	-	-	-	(615,952)	-	(615,952)
Cash dividends paid from the legal reserve	-	-	(47,381)	-	-	(47,381)	-	-	-	-	-	(47,381)	-	(47,381)
	-	-	24,517	16,317	(704,167)	(663,333)	-	-	-	-	-	(663,333)	-	(663,333)
Net profit for the nine months ended September 30, 2021	-	-	-	-	854,536	854,536	-	-	-	-	-	854,536	(1,715)	852,821
Other comprehensive income (loss) for the nine months ended September 30, 2021, net of income tax	-	-	-	-	(18)	(18)	(6,082)	410,616	(17)	404,517	-	404,499	(6,097)	398,402
Total comprehensive income (loss) for the nine months ended September 30, 2021	-	-	-	-	854,518	854,518	(6,082)	410,616	(17)	404,517	-	1,259,035	(7,812)	1,251,223
Changes in capital surplus from investments in associates accounted for using the equity method	-	842	-	-	-	-	-	-	-	-	-	842	-	842
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	3,164	3,164	-	(3,164)	-	(3,164)	-	-	-	-
Adjustment to capital surplus arising from dividends paid to subsidiaries	-	13,310	-	-	-	-	-	-	-	-	-	13,310	-	13,310
BALANCE AT SEPTEMBER 30, 2021	\$ 2,369,044	\$ 883,789	\$ 2,666,240	\$ 193,150	\$ 941,235	\$ 3,800,625	\$ (90,829)	\$ 299,045	\$ (13)	\$ 208,203	\$ (117,638)	\$ 7,144,023	\$ 268,445	\$ 7,412,468
BALANCE AT JANUARY 1, 2020	\$ 2,369,044	\$ 845,852	\$ 2,561,069	\$ 161,983	\$ 1,348,767	\$ 4,071,819	\$ (71,241)	\$ (103,927)	\$ (1,664)	\$ (176,832)	\$ (117,638)	\$ 6,992,245	\$ 366,473	\$ 7,358,718
Appropriation of 2019 earnings (Note 23)														
Legal reserve	-	-	128,035	-	(128,035)	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	14,850	(14,850)	-	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,137,142)	(1,137,142)	-	-	-	-	-	(1,137,142)	-	(1,137,142)
Cash dividends paid from the legal reserve	-	-	(47,381)	-	-	(47,381)	-	-	-	-	-	(47,381)	-	(47,381)
	-	-	80,654	14,850	(1,280,027)	(1,184,523)	-	-	-	-	-	(1,184,523)	-	(1,184,523)
Net profit for the nine months ended September 30, 2020	-	-	-	-	507,389	507,389	-	-	-	-	-	507,389	(3,890)	503,499
Other comprehensive income (loss) for the nine months ended September 30, 2020, net of income tax	-	-	-	-	-	-	(11,952)	(148,238)	(6,380)	(166,570)	-	(166,570)	(9,485)	(176,055)
Total comprehensive income for the nine months ended September 30, 2020	-	-	-	-	507,389	507,389	(11,952)	(148,238)	(6,380)	(166,570)	-	340,819	(13,375)	327,444
Changes in capital surplus from investments in associates accounted for using the equity method	-	17	-	-	-	-	-	-	-	-	-	17	-	17
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(65,894)	(65,894)
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	(1,662)	(1,662)	-	1,662	-	1,662	-	-	-	-
Adjustment to capital surplus arising from dividends paid to subsidiaries	-	23,768	-	-	-	-	-	-	-	-	-	23,768	-	23,768
BALANCE AT SEPTEMBER 30, 2020	\$ 2,369,044	\$ 869,637	\$ 2,641,723	\$ 176,833	\$ 574,467	\$ 3,393,023	\$ (83,193)	\$ (250,503)	\$ (8,044)	\$ (341,740)	\$ (117,638)	\$ 6,172,326	\$ 287,204	\$ 6,459,530

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

CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 1,030,345	\$ 618,657
Adjustments for:		
Depreciation expense	350,764	351,535
Amortization expense	6,854	10,665
Net loss (gain) on fair value change of financial assets at fair value through profit or loss	(38,321)	39,895
Interest expense	22,805	21,726
Interest income	(4,998)	(12,052)
Dividend income	(6,444)	(7,164)
Share of the profit of associates	(90,228)	(74,224)
Loss on disposal of property, plant and equipment	71	51
Impairment loss on financial assets	3,878	-
Write-down of inventories	42,756	46,520
Loss from disposal of subsidiaries	-	2,524
Gain on lease modification	-	(15)
Loss from disasters	10,349	-
Changes in operating assets and liabilities		
Financial instruments mandatorily classified as at fair value through profit or loss	(7,597)	4,516
Notes receivable	(3,386)	33,796
Accounts receivable	(105,689)	18,770
Accounts receivable - related parties	(46,143)	5,408
Other receivables	5,561	26,526
Inventories	(113,889)	(150,338)
Other current assets	463	8,192
Contract liabilities	46,250	104,353
Accounts payable	1,348	(30,573)
Accounts payable - related parties	116,626	(47,876)
Other payables	15,845	(141,607)
Other current liabilities	785	1,451
Net defined benefit liabilities	(8,809)	(11,095)
Cash generated from operations	1,229,196	819,641
Income taxes paid	(218,896)	(105,960)
Net cash generated from operating activities	1,010,300	713,681
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(8,169)	(48,079)
Proceeds from disposal of financial assets at fair value through other comprehensive income	22,803	-
Proceeds from disposal of financial assets at amortized cost	-	8,892
Acquisition of financial assets at fair value through profit or loss	(435,457)	(302,511)

(Continued)

CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2021	2020
Proceeds from disposal of financial assets at fair value through profit or loss	\$ 363,333	\$ 354,640
Acquisition of investments accounted for using equity method	(60,000)	(80,000)
Proceeds from the capital reduction on investments accounted for using equity method	847	9,000
Acquisition of property, plant and equipment	(138,344)	(108,215)
Proceeds from disposal of property, plant and equipment	773	100
Decrease in refundable deposits	599	2,905
Increase in other financial assets	-	(24,111)
Decrease in other financial assets	98,213	-
Increase in other non-current assets	-	(203,805)
Decrease in other non-current assets	21,807	-
Interest received	5,293	13,120
Dividends received from associates	74,553	58,999
Dividend received	6,326	7,164
Net cash used in investing activities	(47,423)	(311,901)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	2,767,238	2,442,351
Repayments of short-term borrowings	(2,866,055)	(2,397,856)
Increase in short-term bills payable	300,000	250,000
Decrease in short-term bills payable	(140,000)	(250,000)
Increase in long-term borrowings	950,000	450,000
Repayments of long-term borrowings	(1,600,000)	(100,000)
Increase in guarantee deposit received	(1,327)	1,046
Repayment of principal of lease liabilities	(29,741)	(30,557)
Cash dividends paid	(650,023)	(1,159,157)
Interest paid	(24,096)	(24,159)
Decrease in non-controlling interest	-	(65,894)
Net cash used in financing activities	(1,294,004)	(884,226)
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	(9,639)	1,145
NET DECREASE IN CASH AND CASH EQUIVALENTS	(340,766)	(481,301)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	994,321	1,156,667
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	\$ 653,555	\$ 675,366

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

(Concluded)

CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

China Steel Chemical Corporation (the Corporation) was incorporated by China Steel Corporation (CSC) and other shareholders in February 1989. The Corporation started operations in May 1993, and CSC is the parent company that has substantive control over the Corporation. As of September 30, 2020 and 2019, CSC owned 29.04% of the Corporation's voting shares. The Corporation mainly engages in the production, processing and sales of coal tar distillation products, Naphtha products and coke products; in addition, it also trades related upstream and downstream products.

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were reported to the Corporation's board of directors for issue on November 1, 2021.

3. APPLICATION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS

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

The initial application of the amendments to the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Corporation and its subsidiaries' accounting policies.

- b. The IFRSs endorsed by the FSC for application starting from 2022

New IFRSs	Effective Date Announced by IASB
"Annual Improvements to IFRS Standards 2018–2020"	January 1, 2022 (Note 1)
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022 (Note 2)
Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022 (Note 3)
Amendments to IAS 37 "Onerous Contracts—Cost of Fulfilling a Contract"	January 1, 2022 (Note 4)

Note 1: The amendments to IFRS 9 are applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 "Agriculture" are applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 "First-time Adoptions of IFRSs" are applied

retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 2: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2022.

Note 3: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 4: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

Amendments to IAS 16 “Property, Plant and Equipment: Proceeds before Intended Use”

The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The cost of those items is measured in accordance with IAS 2 “Inventories”. Any proceeds from selling those items and the cost of those items are recognized in profit or loss in accordance with applicable standards.

The amendments are applicable only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021. The Corporation shall restate its comparative information when it initially applies the aforementioned amendments.

Except for the above impact, as of the date the consolidated financial statements were reported for issue, the Corporation and its subsidiaries are continuously assessing the possible impact that the application of other standards and interpretations will have on the Corporation’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

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

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 2)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 3)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 4)

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

Note 2: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 3: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 4: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

As of the date the consolidated financial statements were reported for issue, the Corporation and its subsidiaries are continuously assessing the possible impact that the application of other standards and interpretations will have on the Corporation's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

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

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

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

c. Basis of consolidation

Refer to Note 14, Table 6 and Table 7 for the detail information of subsidiaries (including the percentage of ownership and main business).

d. Other significant accounting policies

Except for the following, refer to the summary of significant accounting policy and basis of preparation in the consolidated financial statements for the year ended December 31, 2019.

1) Retirement benefits

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

2) Taxation

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

3) Government grants

Government grants are not recognized until there is reasonable assurance that the Corporation and its subsidiaries will comply with the conditions attached to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Corporation and its subsidiaries recognizes as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Corporation and its subsidiaries with no future related costs are recognized in profit or loss in the period in which they are received.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The same critical accounting judgments and key sources of estimation uncertainty of consolidated financial statements have been followed in these consolidated financial statements as those applied in the preparation of the consolidated financial statements for the year ended December 31, 2019.

6. CASH AND CASH EQUIVALENTS

	September 30, 2021	December 31, 2020	September 30, 2020
Cash on hand	\$ 500	\$ 500	\$ 500
Checking accounts and demand deposits	464,430	534,965	298,327
Cash equivalents (investment with original maturities less than three months)			
Time deposits	132,925	236,594	116,400
Short-term bills	<u>55,700</u>	<u>222,262</u>	<u>260,139</u>
	<u>\$ 653,555</u>	<u>\$ 994,321</u>	<u>\$ 675,366</u>

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at FVTPL - current

	September 30, 2021	December 31, 2020	September 30, 2020
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Mutual funds	\$ 601,689	\$ 529,164	\$ 605,116
Domestic listed shares	86,077	109,563	29,294
Bank debenture	<u>106,488</u>	<u>63,188</u>	<u>37,259</u>
	<u>\$ 794,254</u>	<u>\$ 701,915</u>	<u>\$ 671,669</u>

Financial assets at FVTPL - noncurrent

	September 30, 2021	December 31, 2020	September 30, 2020
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Emerging market shares	\$ 25,890	\$ 24,996	\$ 24,996
Unquoted ordinary shares	<u>53,023</u>	<u>51,046</u>	<u>50,922</u>
	<u>\$ 78,913</u>	<u>\$ 76,042</u>	<u>\$ 75,918</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - CURRENT

	September 30, 2021	December 31, 2020	September 30, 2020
Foreign investments in debt instrument			
Bank debenture	\$ 15,187	\$ 29,890	\$ 37,834
Domestic investments			
Listed shares - Ordinary	246,229	167,884	138,716
Listed shares - preference	<u>11,908</u>	<u>11,679</u>	<u>12,023</u>
	<u>\$ 273,324</u>	<u>\$ 209,453</u>	<u>\$ 188,573</u>

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

9. FINANCIAL ASSETS AT AMORTIZED COST - NONCURRENT

	September 30, 2021	December 31, 2020	September 30, 2020
Corporate Bonds			
IL & FS Transportation Networks limited	\$ 3,875	\$ 3,939	\$ 3,842
Less: Allowance for impairment loss	<u>(3,875)</u>	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 3,939</u>	<u>\$ 3,842</u>

10. FINANCIAL INSTRUMENTS FOR HEDGING

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Financial assets for hedging - current</u>			
Cash flow hedges			
Foreign currency time deposits	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 116,400</u>

For the purpose of managing cash flow risk arising from exchange rate fluctuations, the Corporation designated foreign currency time deposits for the future increase in investment. The Corporation performed an assessment of effectiveness and it is expected that the value of the foreign currency time deposits and the value of the corresponding hedged items will systematically change in opposite directions in response to movements in the underlying exchange rates. However, the Corporation expected that there will be no increase in investment in the near future, and thus the corresponding cash outflows is no longer expected to occur. Accordingly, the Corporation has discontinued adopting cash flow hedges from December, 2020.

Refer to Note 23 for information relating to profit (loss) arising from the change of fair value of financial instruments for hedging.

11. NOTES AND ACCOUNTS RECEIVABLE, NET (INCLUDING RELATED PARTIES)

	September 30, 2021	December 31, 2020	September 30, 2020
Notes receivable (Operating)			
At amortized cost	<u>\$ 63,815</u>	<u>\$ 60,429</u>	<u>\$ 58,767</u>
Accounts receivable (including related parties)			
At amortized cost			
Gross carrying amount	<u>\$ 537,582</u>	<u>\$ 385,750</u>	<u>\$ 394,522</u>

The average credit period of sales of goods was 30-90 days. No interest was charged on accounts receivables. The Corporation and its subsidiaries adopted a policy of only dealing with entities that are rated equivalent of investment grade or higher and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

In order to minimize credit risk, management of the Corporation and its subsidiaries has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Corporation and its subsidiaries reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes

that the Corporation and its subsidiaries' credit risk was significantly reduced.

The expected credit losses on notes and accounts receivable are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. As the Corporation and its subsidiaries' historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Corporation and its subsidiaries' different customer base. As of September 30, 2021, December 31, 2020 and September 30, 2020, there was no balance of the loss allowance.

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

September 30, 2021

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

December 31, 2020

	Not Past Due	1 to 30 Days	31 to 60 Days	61 to 180 Days	181 to 365 Days	Over 365 Days	Total
Expected credit loss rate (%)	-	-	-	-	-	-	
Gross carrying amount	\$ 431,923	\$ 13,720	\$ -	\$ 536	\$ -	\$ -	\$ 446,179
Loss allowance (Lifetime ECL)	-	-	-	-	-	-	-
Amortized cost	<u>\$ 431,923</u>	<u>\$ 13,720</u>	<u>\$ -</u>	<u>\$ 536</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 446,179</u>

September 30, 2020

	Not Past Due	1 to 30 Days	31 to 60 Days	61 to 180 Days	181 to 365 Days	Over 365 Days	Total
Expected credit loss rate (%)	-	-	-	-	-	-	
Gross carrying amount	\$ 445,678	\$ 6,960	\$ -	\$ 651	\$ -	\$ -	\$ 453,289
Loss allowance (Lifetime ECL)	-	-	-	-	-	-	-
Amortized cost	<u>\$ 445,678</u>	<u>\$ 6,960</u>	<u>\$ -</u>	<u>\$ 651</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 453,289</u>

The movements of the loss allowance of notes and accounts receivable were as follow:

	For the Nine months Ended September 30	
	2021	2020
Balance, beginning of period	\$ -	\$ 112
Written off	-	(111)
Effects of foreign currency exchange differences	-	(1)
Balance, end of period	<u>\$ -</u>	<u>\$ -</u>

12. INVENTORIES

	September 30, 2021	December 31, 2020	September 30, 2020
Finished goods	\$ 690,019	\$ 626,744	\$ 589,755
Work in progress	110,633	119,581	124,564
Raw materials	129,330	100,753	109,247
Supplies	111,927	123,483	122,292
Merchandise	<u>-</u>	<u>-</u>	<u>695</u>
	<u>\$ 1,041,909</u>	<u>\$ 970,561</u>	<u>\$ 946,553</u>

The cost of inventories recognized as cost of goods sold for the three months and nine months ended September 30, 2021 and 2020 was NT\$1,795,534 thousand, NT\$902,135 thousand, NT\$4,620,023 thousand and NT\$3,089,882 thousand, respectively. The cost of goods sold included inventory write-downs and reversal of loss NT\$7,666 thousand, gain NT\$4,404 thousand, loss NT\$42,756 thousand and loss NT\$46,520 thousand, respectively.

13. OTHER FINANCIAL ASSETS

	September 30, 2021	December 31, 2020	September 30, 2020
Restricted deposits	<u>\$ 130,472</u>	<u>\$ 168,533</u>	<u>\$ 68,659</u>

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

14. SUBSIDIARIES

The consolidated entities were as follows:

Investor	Investee	Main Businesses	Percentage of Ownership (%)		
			September 30, 2021	December 31, 2020	September 30, 2020
China Steel Chemical Corporation (CSCC)	Ever Wealthy International Corporation (EWI)	General investment	100	100	100
	Formosa Ha Tinh CSCC (Cayman) International Limited (CSCCC)	International trading and investment	50	50	50
Ever Wealthy International Corporation	Changzhou China Steel New Materials Technology Co., Ltd. (CCSNM)	Processing and trading of asphalt mesocarbon microbeads product sorting	100	100	100

In October 2015, the Corporation entered into a joint venture and collaboration agreement with Formosa Ha Tinh (Cayman) and Formosa Ha Tinh Steel Corporation (Formosa Ha Tinh). According to the agreement, CSCCC was to be established through a joint investment from the Corporation and Formosa Ha Tinh (Cayman) in which the Corporation would own 50% of the equity. CSCCC mainly engages in the processing and sale of the by-products produced by Formosa Ha Tinh such as coal tar products, naphtha

products and coke. CSCCC was established in January 2016 with a paid-in capital of USD10,000 thousand from the Corporation. As of September 30, 2021, USD3,000 thousand has been paid to this account.

According to the joint venture and collaboration agreement, CSCCC should pay USD18,580 thousand to Formosa Ha Tinh to acquire the underwriting premium from Formosa Ha Tinh for its produced coal tar products, naphtha products and coke (listed under other noncurrent assets). As of September 30, 2021, this account has not been paid and is listed under other payables.

Restricted to external laws affecting the execution of the aforementioned joint venture and collaboration agreement, the Corporation and its subsidiary, CSCCC conclude the supplementary agreement, which agreed to suspend capital injection and the royalties payable of underwriting premium before deciding on follow-up collaboration matter until December 31, 2022, was reported and approved by the board of directors on August 3, 2021, respectively.

15. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

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

	September 30, 2021	December 31, 2020	September 30, 2020
Material associates			
CHC Resources Corporation (CHC)	\$ 338,568	\$ 324,626	\$ 310,545
Transglory Investment Corporation (TIC)	885,214	600,376	493,426
CSC Solar Corporation (CSCSC)	<u>283,014</u>	<u>286,981</u>	<u>284,678</u>
	1,506,796	1,211,983	1,088,649
Associates that are not individually material	<u>566,279</u>	<u>452,237</u>	<u>465,262</u>
	<u>\$ 2,073,075</u>	<u>\$ 1,664,220</u>	<u>\$ 1,553,911</u>

a. Material associates

Name of Associate	Proportion of Ownership and Voting Rights (%)		
	September 30, 2021	December 31, 2020	September 30, 2020
CHC	6	6	6
TIC	9	9	9
CSCSC	15	15	15

Refer to Table 6 "Information on Investees" for the above associates' main business nature, principal location of business and countries information for company registration.

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

	September 30, 2021	December 31, 2020	September 30, 2020
CHC	<u>\$ 674,368</u>	<u>\$ 712,668</u>	<u>\$ 666,859</u>

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

CHC

	September 30, 2021	December 31, 2020	September 30, 2020
Current assets	\$ 3,018,359	\$ 2,889,894	\$ 2,385,723
Non-current assets	10,410,866	10,410,866	9,151,642
Current liabilities	(3,039,599)	(3,039,599)	(2,109,199)
Non-current liabilities	<u>(4,566,042)</u>	<u>(4,566,042)</u>	<u>(4,078,646)</u>
Equity	5,823,584	5,584,539	5,349,070
Non-controlling interests	<u>(217,912)</u>	<u>(209,939)</u>	<u>(206,455)</u>
	<u>\$ 5,605,672</u>	<u>\$ 5,374,600</u>	<u>\$ 5,142,615</u>
Proportion of the Corporation and its subsidiaries' ownership (%)	6	6	6
Equity attributable to the Corporation and its subsidiaries	<u>\$ 338,568</u>	<u>\$ 312,239</u>	<u>\$ 310,545</u>
Carrying amount	<u>\$ 338,568</u>	<u>\$ 312,239</u>	<u>\$ 310,545</u>

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Operating revenue	<u>\$ 2,719,517</u>	<u>\$ 2,399,446</u>	<u>\$ 8,007,201</u>	<u>\$ 7,334,726</u>
Net profit for the period	\$ 165,065	\$ 213,354	\$ 537,810	\$ 573,315
Other comprehensive income (loss)	<u>(35,546)</u>	<u>(18,122)</u>	<u>207,049</u>	<u>(105,847)</u>
Total comprehensive income	<u>\$ 129,519</u>	<u>\$ 195,232</u>	<u>\$ 744,859</u>	<u>\$ 467,468</u>

TIC

	September 30, 2021	December 31, 2020	September 30, 2020
Current assets	\$ 8,669	\$ 2,469	\$ 20,780
Non-current assets	9,728,249	6,598,420	5,432,626
Current liabilities	<u>(115,020)</u>	<u>(75,063)</u>	<u>(90,084)</u>
Equity	<u>\$ 9,621,898</u>	<u>\$ 6,525,826</u>	<u>\$ 5,363,322</u>
Proportion of the Corporation and its subsidiaries' ownership (%)	9	9	9
Equity attributable to the Corporation and its subsidiaries	<u>\$ 885,214</u>	<u>\$ 600,376</u>	<u>\$ 493,426</u>
Carrying amount	<u>\$ 885,214</u>	<u>\$ 600,376</u>	<u>\$ 493,426</u>

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Operating Revenue	\$ 80,247	\$ 134,437	\$ 80,247	\$ 134,437
Net loss for the period	\$ 78,311	\$ 131,618	\$ 72,557	\$ 123,896
Other comprehensive loss	<u>(894,729)</u>	<u>(67,800)</u>	<u>3,131,600</u>	<u>(935,646)</u>
Total comprehensive income (loss)	\$ <u>(816,418)</u>	\$ <u>63,818</u>	\$ <u>3,204,157</u>	\$ <u>(811,750)</u>

CSCSC

	September 30, 2021	December 31, 2020	September 30, 2020
Current assets	\$ 130,742	\$ 303,574	\$ 300,728
Non-current assets	3,938,978	4,094,952	4,123,516
Current liabilities	(627,691)	(766,693)	(948,694)
Non-current liabilities	<u>(1,555,269)</u>	<u>(1,718,627)</u>	<u>(1,577,700)</u>
Equity	\$ <u>1,886,760</u>	\$ <u>1,913,206</u>	\$ <u>1,897,850</u>
Proportion of the Corporation and its subsidiaries' ownership (%)	15	15	15
Equity attributable to the Corporation and its subsidiaries	\$ <u>283,014</u>	\$ <u>286,981</u>	\$ <u>284,678</u>
Carrying amount	\$ <u>283,014</u>	\$ <u>286,981</u>	\$ <u>284,678</u>

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Operating Revenue	\$ <u>118,397</u>	\$ <u>135,155</u>	\$ <u>357,349</u>	\$ <u>385,669</u>
Net loss for the period	\$ 33,337	\$ 51,145	\$ 111,221	\$ 137,707
Other comprehensive income (loss)	<u>(1,324)</u>	<u>225</u>	<u>(1,516)</u>	<u>68</u>
Total comprehensive income	\$ <u>32,013</u>	\$ <u>51,370</u>	\$ <u>109,705</u>	\$ <u>137,775</u>

b. Aggregate information of associates that are not individually material

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
The Corporation and its subsidiaries' share of Net profit (loss) for the period	\$ 2,699	\$ (2,262)	\$ 34,834	\$ 7,964
Other comprehensive income (loss)	<u>(11,653)</u>	<u>(11,627)</u>	<u>34,559</u>	<u>(34,507)</u>
Total comprehensive income (loss)	<u>\$ (8,954)</u>	<u>\$ (13,889)</u>	<u>\$ 69,393</u>	<u>\$ (26,543)</u>

Except for the investments in some companies, investments accounted for using equity method as of September 30, 2021 and 2020 and the related share of the comprehensive income for the three months and nine months ended September 30, 2021 and 2020, were calculated based on the reviewed financial statements. The Corporation and its subsidiaries' management considered the use of unreviewed financial statements as acceptable and will not have material impact on the equity method investments and income.

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

16. PROPERTY, PLANT AND EQUIPMENT

For the Nine months Ended September 30, 2021

	Land	Buildings	Machinery and Equipment	Transportatio n Equipment	Other Equipment	Construction in Progress	Total
Cost							
Balance at January 1, 2021	\$ 1,145,237	\$ 1,541,464	\$ 5,421,564	\$ 159,595	\$ 195,089	\$ 159,210	\$ 8,622,159
Additions	-	21,942	208,097	2,627	1,773	(80,630)	153,809
Disposals	-	-	(22,874)	(871)	(428)	-	(24,173)
Effect of foreign currency exchange differences	-	(8,115)	(8,710)	(71)	(362)	-	(17,258)
Balance at September 30, 2021	<u>\$ 1,145,237</u>	<u>\$ 1,555,291</u>	<u>\$ 5,598,077</u>	<u>\$ 161,280</u>	<u>\$ 196,072</u>	<u>\$ 78,580</u>	<u>\$ 8,734,537</u>
Accumulated depreciation							
Balance at January 1, 2021	\$ -	\$ 444,322	\$ 3,794,584	\$ 107,044	\$ 128,184	\$ -	\$ 4,474,134
Depreciation expense	-	56,170	244,029	12,441	10,873	-	323,513
Disposals	-	-	(22,154)	(750)	(425)	-	(23,329)
Effect of foreign currency exchange differences	-	-	(192)	(52)	(287)	-	(531)
Balance at September 30, 2021	<u>\$ -</u>	<u>\$ 500,492</u>	<u>\$ 4,016,267</u>	<u>\$ 118,683</u>	<u>\$ 138,345</u>	<u>\$ -</u>	<u>\$ 4,773,787</u>
Carrying amount at December 31, 2020	<u>\$ 1,145,237</u>	<u>\$ 1,097,142</u>	<u>\$ 1,626,980</u>	<u>\$ 52,551</u>	<u>\$ 66,905</u>	<u>\$ 159,210</u>	<u>\$ 4,148,025</u>
Carrying amount at September 30, 2021	<u>\$ 1,145,237</u>	<u>\$ 1,054,799</u>	<u>\$ 1,581,810</u>	<u>\$ 42,597</u>	<u>\$ 57,727</u>	<u>\$ 78,580</u>	<u>\$ 3,960,750</u>

For the Nine months Ended September 30, 2020

	Land	Buildings	Machinery and Equipment	Transportatio n Equipment	Other Equipment	Construction in Progress	Total
Cost							
Balance at January 1, 2020	\$ 1,145,237	\$ 1,513,589	\$ 5,229,892	\$ 153,602	\$ 194,931	\$ 277,506	\$ 8,514,757
Additions	-	21,719	56,632	1,532	1,541	(6,782)	74,642
Disposals	-	-	(24,044)	(1,210)	(35)	-	(25,289)
Effect of foreign currency exchange differences	-	-	(299)	(36)	(180)	(1)	(516)
Balance at September 30, 2020	<u>\$ 1,145,237</u>	<u>\$ 1,535,308</u>	<u>\$ 5,262,181</u>	<u>\$ 153,888</u>	<u>\$ 196,257</u>	<u>\$ 270,723</u>	<u>\$ 8,563,594</u>

(Continued)

	Land	Buildings	Machinery and Equipment	Transportation Equipment	Other Equipment	Construction in Progress	Total
<u>Accumulated depreciation</u>							
Balance at January 1, 2020	\$ -	\$ 366,182	\$ 3,507,435	\$ 90,665	\$ 111,940	\$ -	\$ 4,076,222
Depreciation expense	-	58,887	238,145	13,453	13,874	-	324,359
Disposals	-	-	(23,993)	(1,110)	(35)	-	(25,138)
Effect of foreign currency exchange differences	-	-	(68)	(19)	(106)	-	(193)
Balance at September 30, 2020	<u>\$ -</u>	<u>\$ 425,069</u>	<u>\$ 3,721,519</u>	<u>\$ 102,989</u>	<u>\$ 125,673</u>	<u>\$ -</u>	<u>\$ 4,375,250</u>
Carrying amount at September 30, 2020	<u>\$ 1,145,237</u>	<u>\$ 1,110,239</u>	<u>\$ 1,540,662</u>	<u>\$ 50,899</u>	<u>\$ 70,584</u>	<u>\$ 270,723</u>	<u>\$ 4,188,344</u>

(Concluded)

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

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

17. LEASE AGREEMENT

a. Right-of-use assets

	September 30, 2021	December 31, 2020	September 30, 2020
Carrying amounts			
Land	\$ 337,263	\$ 348,618	\$ 352,407
Machinery	233,719	239,596	242,212
Buildings	<u>84,341</u>	<u>86,585</u>	<u>87,434</u>
	<u>\$ 655,323</u>	<u>\$ 674,799</u>	<u>\$ 682,053</u>
	For the Three Months Ended September 30	For the Nine months Ended September 30	
	2021	2020	2021
Additions to right-of-use assets			<u>\$ 6,932</u>
Depreciation charge for right-of-use assets			
Land	\$ 3,789	\$ 3,789	\$ 11,368
Machinery	2,637	2,615	7,903
Buildings	<u>2,659</u>	<u>2,655</u>	<u>7,962</u>
	<u>\$ 9,085</u>	<u>\$ 9,059</u>	<u>\$ 27,251</u>
			<u>\$ 27,176</u>

b. Lease liabilities

	September 30, 2021	December 31, 2020	September 30, 2020
Carrying amounts			
Current	\$ 30,565	\$ 40,321	\$ 40,867
Non-current	\$ 606,989	\$ 618,829	\$ 619,410

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

	September 30, 2021	December 31, 2020	September 30, 2020
Land	1.4703	1.4703	1.4703
Machinery	1.4703	1.4703	1.4703
Buildings	0.6972-3.0000	0.8626-3.0000	0.8626-3.0000

c. Material lease activities and terms

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

The Corporation and its subsidiaries lease land and buildings use of factories. The contracts were signed for periods of 2 to 45 years. The rents were calculated according to 3% of the announced total present value or 6% of the announced total land value. The Corporation and its subsidiaries do not have bargain purchase option to the right-of-use assets. The Corporation and its subsidiaries will not transfer all or parts of the lease premises or sublet it without lessors' approval.

d. Other lease information

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2021	2020	2021	2020
Expenses relating to short-term leases	\$ 1,061	\$ 838	\$ 3,166	\$ 2,522
Total cash outflow for all lease agreements (including short-term lease agreements)			\$ (40,550)	\$ (40,995)

Refer to Note 18 for the Corporation and its subsidiaries leasing their own investment properties in operating leases.

18. INVESTMENT PROPERTIES

For the Nine months Ended September 30, 2021 and 2020

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2021 and September 30, 2021 and 2020	<u>\$ 561,813</u>	<u>\$ 47,665</u>	<u>\$ 609,478</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2021 and September 30, 2021 and 2020	<u>\$ 8,825</u>	<u>\$ 47,665</u>	<u>\$ 56,490</u>
Carrying amount at January 1, 2021 and September 30, 2021 and 2020	<u>\$ 552,988</u>	<u>\$ -</u>	<u>\$ 552,988</u>

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

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

	September 30, 2021	December 31, 2020	September 30, 2020
Total lease payment charged in the future	<u>\$ 60,641</u>	<u>\$ 65,235</u>	<u>\$ 7,383</u>

The Corporation participated in “Qianzhen Residential Building Project” conducted by its fellow subsidiary China Prosperity Development Corporation and signed the land purchase agreement in June 2015 with a cost of NT\$10,525 thousand and recognized the amount as investment properties. The Corporation also signed the land purchase agreement with its employees. According to the purchase agreement, land prices received from employees were deposited in the Bank of Taiwan.

Since the project was completed and China Prosperity Development Corporation has obtained the building occupation permits and expected to complete the sale in one year. The Corporation transferred its investment property of NT\$10,525 thousand to non-current assets held for sale in December, 2018.

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

As of September 30, 2021, December 31, 2020 and September 30, 2020, the fair value of investment properties were both NT\$895,837 thousand. The fair value was based on the Corporation’s management have adopted the evaluation model used by market participants using Level 3 inputs and with reference to comparison of the similar transaction price in the market. The significant and unobservable inputs included the rate of capitalization of return and related fee rates.

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

Refer to Note 30 for the lease transactions conducted with related party.

19. OTHER NONCURRENT ASSETS

	September 30, 2021	December 31, 2020	September 30, 2020
Current			
Product underwriting premium (Note 14)	\$ 517,453	\$ 529,159	\$ 540,678
Restricted deposits (Note 13)	-	58,269	198,601
Deferred charges	<u>32,919</u>	<u>39,916</u>	<u>41,982</u>
	<u>\$ 550,372</u>	<u>\$ 627,344</u>	<u>\$ 781,261</u>

20. BORROWINGS

a. Short-term borrowings

	September 30, 2021	December 31, 2020	September 30, 2020
Bank loans	\$ 984,000	\$ 1,084,000	\$ 2,037,000
Letters of credit borrowings	<u>10,434</u>	<u>9,251</u>	<u>-</u>
	<u>\$ 994,434</u>	<u>\$ 1,093,251</u>	<u>\$ 2,037,000</u>
Rate of interest rate (%)	0.72-1.02	0.72-1.02	0.72-0.8

b. Short-term bills payable

	September 30, 2021	December 31, 2020	September 30, 2020
Commercial papers - interest at 0.838% p.a. as of September 30, 2021	\$ 160,000	\$ -	\$ -
Less: Unamortized discounts	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 160,000</u>	<u>\$ -</u>	<u>\$ -</u>

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

c. Long-term bank borrowings

	September 30, 2021	December 31, 2020	September 30, 2020
Unsecured loans			
Due on various dates through February, 2024	\$ 1,150,000	\$ 1,800,000	\$ 1,000,000
Less: Current portion	<u>-</u>	<u>500,000</u>	<u>500,000</u>
	<u>\$ 1,150,000</u>	<u>\$ 1,300,000</u>	<u>\$ 500,000</u>
Rate of interest rate (%)	0.75-0.9382	0.8772-1.1955	0.9379-1.1955

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

21. OTHER PAYABLES

	September 30, 2021	December 31, 2020	September 30, 2020
Royalties (Note 14)	\$ 515,586	\$ 527,250	\$ 538,727
Salaries and incentive bonus	96,545	81,309	56,115
Outsourced repair and construction	61,281	39,632	34,163
Employees' compensation and remuneration of directors	45,838	37,822	27,610
Soil remediation expense	24,172	32,986	34,397
Dividend payable	6,823	6,132	6,201
Purchase of equipment	6,493	5,315	-
Others (freight, commission and insurance)	<u>31,007</u>	<u>30,271</u>	<u>27,337</u>
	<u>\$ 787,745</u>	<u>\$ 760,717</u>	<u>\$ 724,550</u>

22. RETIREMENT BENEFIT PLANS

For the three months and nine months ended September 30, 2021 and 2020, the pension expenses of defined benefit plans were NT\$1,744 thousand, NT\$2,067 thousand, NT\$5,232 thousand and NT\$6,200 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2020 and 2019, respectively.

23. EQUITY

a. Ordinary share capital

	September 30, 2021	December 31, 2020	September 30, 2020
Number of shares authorized (in thousands)	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
Shares authorized	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>236,904</u>	<u>236,904</u>	<u>236,904</u>
Shares issued	<u>\$ 2,369,044</u>	<u>\$ 2,369,044</u>	<u>\$ 2,369,044</u>

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

b. Capital surplus

	September 30, 2021	December 31, 2020	September 30, 2020
May be used to offset deficits, distribute cash or transfer to share capital (see note below)			
Additional paid-in capital	\$ 218	\$ 218	\$ 218
Treasury share transactions	881,434	868,124	868,124
May be used to offset deficits only			
Share of change in equity of associates	<u>2,137</u>	<u>1,295</u>	<u>1,295</u>
	<u>\$ 883,789</u>	<u>\$ 869,637</u>	<u>\$ 869,637</u>

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

c. Retained earnings and dividend policy

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

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

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

The Corporation suspends its originally scheduled shareholders' meeting in response to the FSC's announcement: "For pandemic prevention, the FSC demands public companies to postpone their shareholders' meetings". The shareholders' meeting will be held on July 20, 2021. However, the voting result by way of electronic transmission regarding the appropriation of earnings for 2020 reached the legal resolution threshold and the Corporation adjusted related amount accordingly.

The appropriation of earnings for 2020 and 2019 had been approved in the shareholder's meeting in July 2021 and June 2020, respectively. The appropriations and dividends per share were as follows:

	<u>Appropriation of Earnings</u> <u>For the Year Ended</u> <u>December 31</u>		<u>Dividend Per Share</u> <u>(NT\$)</u> <u>For the Year Ended</u> <u>December 31</u>	
	2020	2019	2020	2019
Legal reserve	\$ 71,898	\$ 128,035		
Recognized of special reserve	16,317	14,850		
Cash dividends	615,952	1,137,142	\$ 2.6	\$ 4.8

In addition, the Corporation's board of directors resolved to distribute cash from legal reserve of NT\$47,381 thousand, NT\$0.2 per share, total NT\$2.8 and NT\$5 per share in 2020 and 2019.

d. Other equity items

1) Exchange differences on translating foreign operations

	For the Nine months Ended September 30	
	2021	2020
Balance, beginning of period	\$ (84,747)	\$ (71,241)
Recognized during the period		
Exchange differences arising on translating foreign operations	(8,644)	(8,123)
Share of exchange difference of associates accounted for using the equity method	<u>2,562</u>	<u>(3,829)</u>
Balance, end of period	<u>\$ (90,829)</u>	<u>\$ (83,193)</u>

2) Unrealized gain and loss on financial assets at FVTOCI

	For the Nine months Ended September 30	
	2021	2020
Balance, beginning of period	\$ (108,407)	\$ (103,927)
Recognized during the period		
Unrealized gain and loss		
Debt instruments	(70)	(1,362)
Equity instruments	78,575	(23,861)
Share from associates accounted for using the equity method	<u>332,111</u>	<u>(123,015)</u>
Other comprehensive income (loss) recognized in the period	410,616	(252,165)
Cumulative unrealized gain and loss of equity instruments transferred to retained earnings due to disposal	<u>(3,164)</u>	<u>1,662</u>
Balance, end of period	<u>\$ 299,045</u>	<u>\$ (250,503)</u>

3) Gain and loss on hedge instruments (cash flow hedges)

	For the Nine months Ended September 30	
	2021	2020
Balance, beginning of period	\$ 4	\$ (1,664)
Recognized during the period		
Fair value changes of hedging instruments	-	(7,972)
Tax effect	-	1,595
Share from associates accounted for using the equity method	<u>(17)</u>	<u>(3)</u>
Balance, end of period	<u>\$ (13)</u>	<u>\$ (8,044)</u>

e. Non-controlling interests

	For the Nine months Ended September 30	
	2021	2020
Balance, beginning of period	\$ 276,257	\$ 366,473
Net profit (loss) for the period	(1,715)	(3,890)
Other comprehensive income (loss) recognized in the period		
Exchange difference on translating foreign operations	(6,097)	(9,485)
Paid cash dividend in non-controlling interest	<u>-</u>	<u>(65,894)</u>
Balance, end of period	<u>\$ 268,445</u>	<u>\$ 287,204</u>

f. Treasury shares

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

For the Nine months Ended September 30, 2021

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

For the Nine months Ended September 30, 2020

Beginning of period		Decrease during the period			End of period		
Number of Shares Held	Carrying Amount	Number of Shares Held	Carrying Amount	Selling Price	Number of Shares Held	Carrying Amount	Market Price
4,754	<u>\$ 117,638</u>	-	<u>\$ -</u>	<u>\$ -</u>	4,754	<u>\$ 117,638</u>	<u>\$ 433,523</u>

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

24. OPERATING REVENUES

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2021	2020	2021	2020
Revenue from contracts with customers				
Revenue from chemical product production and sale	\$ 1,974,246	\$ 1,009,251	\$ 4,982,306	\$ 3,445,863
Revenue from trading	315,624	125,792	797,081	404,253
Revenue from the rendering of services	<u>24,402</u>	<u>18,727</u>	<u>75,899</u>	<u>63,868</u>
	<u>2,314,272</u>	<u>1,153,770</u>	<u>5,855,286</u>	<u>3,913,984</u>

(Continued)

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2021	2020	2021	2020
Revenue from investment				
Gain (loss) on fair value change of financial assets at FVTPL	\$ (28,559)	\$ 1,121	\$ 49,827	\$ (14,615)
Impairment loss on financial assets	-	-	(3,878)	-
Share of the profit of associates	4,731	1,316	9,950	5,685
Dividend income	<u>5,356</u>	<u>5,565</u>	<u>5,356</u>	<u>5,565</u>
	<u>(18,472)</u>	<u>8,002</u>	<u>61,255</u>	<u>(3,365)</u>
	<u>\$ 2,295,800</u>	<u>\$ 1,161,772</u>	<u>\$ 5,916,541</u>	<u>\$ 3,910,619</u>
				(Concluded)

a. Contract balances

	September 30, 2021	December 31, 2020	September 30, 2020	January 1, 2020
Notes and accounts receivables (including related parties)	<u>\$ 601,397</u>	<u>\$ 446,179</u>	<u>\$ 453,289</u>	<u>\$ 511,263</u>
Contract liabilities				
Sale of goods	<u>\$ 58,338</u>	<u>\$ 12,088</u>	<u>\$ 117,225</u>	<u>\$ 12,872</u>

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

Revenue of the current year recognized from the beginning contract liability is as follows:

	For the Nine months Ended September 30	
	2021	2020
From the beginning contract liability		
Sale of goods	<u>\$ 12,079</u>	<u>\$ 13,368</u>

b. Disaggregation of revenue

For the nine months ended September 30, 2021

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

For the nine months ended September 30, 2020

	Reportable Segments			Total
	Chemicals Segment - Production and Sales	Chemicals Segment - Trading	Investment Segment	
Type of goods or services				
Sale of goods	\$ 3,445,863	\$ 404,253	\$ -	\$ 3,850,116
Rendering of services	63,868	-	-	63,868
Others	<u>-</u>	<u>-</u>	<u>(3,365)</u>	<u>(3,365)</u>
	<u>\$ 3,509,731</u>	<u>\$ 404,253</u>	<u>\$ (3,365)</u>	<u>\$ 3,910,619</u>

25. PROFIT BEFORE INCOME TAX

Profit before income tax consisted of following items:

a. Interest income

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2021	2020	2021	2020
Bank deposits	\$ 322	\$ 452	\$ 1,444	\$ 7,219
Financial assets at amortized cost	734	905	2,645	4,258
Investment in debt instruments at FVTOCI	855	566	901	566
Others	<u>3</u>	<u>2</u>	<u>8</u>	<u>9</u>
	<u>\$ 1,914</u>	<u>\$ 1,925</u>	<u>\$ 4,998</u>	<u>\$ 12,052</u>

b. Other income

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2021	2020	2021	2020
Government grants income	\$ 4,627	\$ 11,512	\$ 14,945	\$ 20,598
Income from sale of product trials	5,607	6,642	15,220	16,198
Rental income (Note 30)	3,966	4,147	12,315	12,441
Remuneration of directors and transportation allowance	3,926	1,160	9,194	2,044
Income from sale of scrap and wastes	995	1,649	2,995	3,109
Reversal of accrued expenses	-	-	-	11,213
Others	<u>5,180</u>	<u>(1,638)</u>	<u>5,595</u>	<u>3,046</u>
	<u>\$ 24,301</u>	<u>\$ 23,472</u>	<u>\$ 60,264</u>	<u>\$ 68,649</u>

c. Other gains and losses

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2021	2020	2021	2020
Net gain (loss) on fair value change of financial assets mandatorily at FVTPL	\$ (7,854)	\$ (412)	\$ (11,506)	\$ (25,280)
Net foreign exchange gain (loss)	2,531	(4,290)	(9,331)	(10,333)
Loss on disposal of subsidiaries	-	(2,524)	-	(2,524)
Loss on disposal of property, plant and equipment	(264)	100	(71)	(51)
Loss from disasters	(252)	-	(10,349)	-
Others	<u>(145)</u>	<u>(39)</u>	<u>(366)</u>	<u>(99)</u>
	<u>\$ (5,984)</u>	<u>\$ (7,165)</u>	<u>\$ (31,623)</u>	<u>\$ (38,287)</u>

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

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2021	2020	2021	2020
Foreign exchange gain	\$ 5,456	\$ 6,313	\$ 18,338	\$ 18,840
Foreign exchange loss	<u>(2,925)</u>	<u>(10,603)</u>	<u>(27,669)</u>	<u>(29,173)</u>
Net foreign exchange gain (loss)	<u>\$ 2,531</u>	<u>\$ (4,290)</u>	<u>\$ (9,331)</u>	<u>\$ (10,333)</u>

c. Interest expenses

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2021	2020	2021	2020
Interest on bank loans	\$ 4,663	\$ 5,846	\$ 16,109	\$ 16,575
Interest on lease liabilities	<u>2,516</u>	<u>2,608</u>	<u>7,643</u>	<u>7,916</u>
	7,179	8,454	23,752	24,491
Less: Amounts included in the cost of qualifying assets	<u>-</u>	<u>1,857</u>	<u>947</u>	<u>2,765</u>
	<u>\$ 7,197</u>	<u>\$ 6,597</u>	<u>\$ 22,805</u>	<u>\$ 21,726</u>

Information about capitalized interest was as follows:

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2021	2020	2021	2020
Capitalized interest	<u>\$ -</u>	<u>\$ 1,857</u>	<u>\$ 947</u>	<u>\$ 2,765</u>
Capitalization rate (%)	-	0.9325-1.1955	1.1955	0.9325-1.1955

d. Depreciation and amortization

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2021	2020	2021	2020
Property, plant and equipment	\$ 108,598	\$ 106,739	\$ 323,513	\$ 324,359
Right-of-use assets	9,085	9,059	27,251	27,176
Other non-current assets	<u>2,283</u>	<u>3,567</u>	<u>6,854</u>	<u>10,665</u>
	<u>\$ 119,966</u>	<u>\$ 119,365</u>	<u>\$ 357,618</u>	<u>\$ 362,200</u>
An analysis of depreciation by function				
Operating costs	\$ 104,364	\$ 107,781	\$ 310,553	\$ 326,702
Operating expenses	<u>13,319</u>	<u>8,017</u>	<u>40,211</u>	<u>24,833</u>
	<u>\$ 117,683</u>	<u>\$ 115,798</u>	<u>\$ 350,764</u>	<u>\$ 351,535</u>
An analysis of amortization by function				
Operating costs	<u>\$ 2,283</u>	<u>\$ 3,567</u>	<u>\$ 6,854</u>	<u>\$ 10,665</u>

e. Employee benefits expense

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2021	2020	2021	2020
Short-term employee benefits	\$ 121,898	\$ 87,384	\$ 352,649	\$ 269,301
Salaries	7,054	6,544	20,347	18,478
Labor and health insurance	<u>5,267</u>	<u>3,568</u>	<u>15,265</u>	<u>13,939</u>
Others	<u>134,219</u>	<u>97,496</u>	<u>388,261</u>	<u>301,718</u>
Post-employment benefits				
Defined contribution plans	2,210	2,033	6,533	6,008
Defined benefit plans (Note 22)	<u>1,744</u>	<u>2,067</u>	<u>5,232</u>	<u>6,200</u>
	<u>3,954</u>	<u>4,100</u>	<u>11,765</u>	<u>12,208</u>
	<u>\$ 138,173</u>	<u>\$ 101,596</u>	<u>\$ 400,026</u>	<u>\$ 313,926</u>
An analysis by function				
Operating costs	\$ 92,742	\$ 56,699	\$ 271,174	\$ 218,025
Operating expenses	<u>45,431</u>	<u>44,897</u>	<u>128,852</u>	<u>95,901</u>
	<u>\$ 138,173</u>	<u>\$ 101,596</u>	<u>\$ 400,026</u>	<u>\$ 313,926</u>

f. Employees' compensation and remuneration of directors

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

The employees' compensation and remuneration of directors for the three months and nine months ended September 30, 2021 and 2020 were as follows:

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2021	2020	2021	2020
Employees' compensation	\$ 15,438	\$ 7,185	\$ 38,198	\$ 23,009
Remuneration of directors	3,089	1,476	7,640	4,601

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

The appropriations of employees' compensation and remuneration of directors (all in cash) for 2020 and 2019 which have been approved the board of directors in February 2021 and March 2020, respectively, were as follows:

	For the Year Ended December 31, 2020		For the Year Ended December 31, 2019	
	Employees' Compensation	Remuneration of Directors	Employees' Compensation	Remuneration of Directors
Amounts approved in the board of directors' meeting	<u>\$ 33,803</u>	<u>\$ 6,761</u>	<u>\$ 59,867</u>	<u>\$ 11,973</u>
Amounts recognized in the consolidated financial statements	<u>\$ 31,518</u>	<u>\$ 6,304</u>	<u>\$ 58,411</u>	<u>\$ 12,040</u>

The difference amounts above were recognized in profit and loss for the nine months ended September 30, 2021 and 2020.

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

26. INCOME TAX

a. Income tax recognized in profit or loss

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2021	2020	2021	2020
Current tax				
In respect of the current period	\$ 73,309	\$ 42,600	\$ 186,163	\$ 115,734
Adjustments for prior year	-	29	(11,898)	973
				(Continued)

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2021	2020	2021	2020
Adjustments under the Alternative Minimum Tax Act	\$ <u>1,351</u> 74,660	\$ <u>-</u> 42,629	\$ <u>3,259</u> 177,524	\$ <u>-</u> 116,707
Deferred tax In respect of the current period	<u>-</u>	<u>(5,231)</u>	<u>-</u>	<u>(1,549)</u>
	<u>\$ 74,660</u>	<u>\$ 37,398</u>	<u>\$ 177,524</u>	<u>\$ 115,158</u> (Concluded)

b. Income tax benefit recognized in other comprehensive income

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2021	2020	2021	2020
Recognized in other comprehensive income Cash flow hedges	\$ <u>-</u>	\$ <u>(1,012)</u>	\$ <u>-</u>	\$ <u>(1,595)</u>

c. Income tax assessments

The Corporation's income tax returns through 2019 and the subsidiary EWI's income tax return through 2018 have been assessed by the tax authorities.

27. EARNINGS PER SHARE

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

Net profit for the period

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2021	2020	2021	2020
Net profit attributable to owners of the Corporation	\$ <u>329,985</u>	\$ <u>161,950</u>	\$ <u>854,536</u>	\$ <u>507,389</u>

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

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2021	2020	2021	2020
Weighted average number of ordinary shares outstanding	236,904	236,904	236,904	236,904 (Continued)

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2021	2020	2021	2020
Less: Number of treasury shares acquired by subsidiaries	<u>4,754</u>	<u>4,754</u>	<u>4,754</u>	<u>4,754</u>
Weighted average number of ordinary shares used in computation of basic earnings per share	232,150	232,150	232,150	232,150
Plus: Effect of dilutive potential ordinary shares - employees' compensation	<u>326</u>	<u>252</u>	<u>389</u>	<u>434</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>232,476</u>	<u>232,402</u>	<u>232,539</u>	<u>232,584</u> (Concluded)

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

28. CAPITAL MANAGEMENT

The capital management of the Corporation and its subsidiaries is aimed at ensuring effective use of capital and ensuring a smooth operation and ensuring optimized debt and equity balance. The overall strategies of the Corporation and its subsidiaries have not significantly changed for the nine months ended September 30, 2021. The capital structure of the Corporation and its subsidiaries consist of net liabilities and equity. Except for the description of Note 20, without any need for complying with other external capital requirements. The Corporation and its subsidiaries review capital structure on a quarterly basis, including the consideration of capital costs and related risks. Currently, the equity in the capital structure is greater than liabilities and it will be used to pay for dividends or debts; also, the Corporation and its subsidiaries have invested in financial instruments as part of capital and fund management.

29. FINANCIAL INSTRUMENTS

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

1) Fair value hierarchy

	Level 1	Level 2	Level 3	Total
<u>September 30, 2021</u>				
Financial assets measured at FVTPL				
Mutual funds	\$ 601,689	\$ -	\$ -	\$ 601,689 (Continued)

	Level 1	Level 2	Level 3	Total
Domestic listed shares	\$ 86,077	\$ -	\$ -	\$ 86,077
Emerging market shares	-	-	25,890	25,890
Domestic unlisted shares	-	-	53,023	53,023
Bank debenture	<u>106,488</u>	<u>-</u>	<u>-</u>	<u>106,488</u>
	<u>\$ 794,254</u>	<u>\$ -</u>	<u>\$ 78,913</u>	<u>\$ 873,167</u>
Financial assets at FVTOCI				
Domestic listed shares	\$ 258,137	\$ -	\$ -	\$ 258,137
Bank debenture	<u>15,187</u>	<u>-</u>	<u>-</u>	<u>15,187</u>
	<u>\$ 273,324</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 273,324</u>
December 31, 2020				
Financial assets measured at FVTPL				
Mutual funds	\$ 529,164	\$ -	\$ -	\$ 529,164
Domestic listed shares	109,563	-	-	109,563
Emerging market share	-	-	24,996	24,996
Domestic unlisted shares	-	-	51,046	51,046
Bank debenture	<u>63,188</u>	<u>-</u>	<u>-</u>	<u>63,188</u>
	<u>\$ 701,915</u>	<u>\$ -</u>	<u>\$ 76,042</u>	<u>\$ 777,957</u>
Financial assets at FVTOCI				
Domestic listed shares	\$ 179,563	\$ -	\$ -	\$ 179,563
Bank debenture	<u>29,890</u>	<u>-</u>	<u>-</u>	<u>29,890</u>
	<u>\$ 209,453</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 209,453</u>
September 30, 2020				
Financial assets measured at FVTPL				
Mutual funds	\$ 605,116	\$ -	\$ -	\$ 605,116
Domestic listed shares	29,294	-	-	29,294
Emerging market shares	-	-	24,996	24,996
Domestic unlisted shares	-	-	50,922	50,922
Bank debenture	<u>37,259</u>	<u>-</u>	<u>-</u>	<u>37,259</u>
	<u>\$ 671,669</u>	<u>\$ -</u>	<u>\$ 75,918</u>	<u>\$ 747,587</u>
Financial assets at FVTOCI				
Domestic listed shares	\$ 150,739	\$ -	\$ -	\$ 150,739
Bank debenture	<u>37,834</u>	<u>-</u>	<u>-</u>	<u>37,834</u>
	<u>\$ 188,573</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 188,573</u>

(Concluded)

There were no transfers between Level 1 and Level 2 for the nine months ended September 30, 2021 and 2020.

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

	Financial Assets at FVTPL	
	For the Nine months	
	Ended September 30	
	2021	2020
Balance, beginning of period	\$ 76,042	\$ 71,910
Recognized in profit or loss	1,736	5,298
Purchase	1,135	-
Capital reduction	-	(1,290)
Balance, end of period	<u>\$ 78,913</u>	<u>\$ 75,918</u>

3) Valuation techniques and inputs applied for Level 3 fair value measurement

- a) The fair value of emerging market shares was based on the closing price adjusted for liquidity risk premium or the external expert accreditation report.
- b) The fair value of unquoted stocks was based on the current net value or trading price.

b. Categories of financial instruments

	September 30, 2021	December 31, 2020	September 30, 2020
Financial assets			
Measured at FVTPL			
Mandatorily at FVTPL (including non-current)	\$ 873,167	\$ 777,957	\$ 747,587
Financial assets for hedging	-	-	116,400
Financial assets at FVTOCI			
Equity instruments	258,137	179,563	150,739
Debt instruments	15,187	29,890	37,834
Financial assets at amortized cost 1)	1,629,877	1,897,746	1,628,031
Financial liabilities			
Measured at amortized cost 2)	3,394,079	3,839,912	3,924,220

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

c. Financial risk management objectives and policies

The Corporation and its subsidiaries' major financial instruments include equity and debt investments, accounts receivable, accounts payable, short-term and long-term borrowings and short-term bills payable. The Corporation and its subsidiaries' treasury function provides services to the business,

coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Corporation and its subsidiaries through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

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

1) Market risk

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

a) Foreign currency risk

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

The carrying amounts of the Corporation and its subsidiaries foreign currency denominated monetary assets and monetary liabilities at the balance sheet date are set out in Note 32.

Sensitivity analysis

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

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

	USD (Note)		RMB (Note)	
	For the Nine months Ended September 30		For the Nine months Ended September 30	
	2021	2020	2021	2020
Profit or loss in				
Scenario 1	\$ (2,322)	\$ (16,309)	\$ (1,171)	\$ (991)
Profit or loss in				
Scenario 2	2,322	16,309	1,171	991

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

Changes in the exchange rate sensitivity of the Corporation and its subsidiaries for the nine months ended September 30, 2021 and 2020 were mainly due to the decrease of USD and RMB assets. The management believes that the sensitivity analysis is not representative of the inherent risk of exchange rate since the foreign currency risk exposure at balance sheet date does not reflect the interim risk exposure; also, the sales denominated in USD and RMB will be affected by customer orders and shipping schedule.

b) Interest rate risk

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

	September 30, 2021	December 31, 2020	September 30, 2020
Fair value interest rate risk			
Financial liabilities	\$ 997,554	\$ 1,159,150	\$ 1,160,277
Cash flow interest rate risk			
Financial assets	371,531	492,274	465,967
Financial liabilities	950,000	1,300,000	500,000

c) Other price risk

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

Sensitivity analysis

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

If equity prices had been 6% higher/lower for the nine months ended September 30, 2021 and 2020, respectively, the pre-tax profit for the nine months ended September 30, 2021 and 2020 would have been higher/lower by NT\$41,266 thousand and NT\$38,065 thousand, respectively, as a result of the fair value changes of financial assets at FVTPL, and the pre-tax other comprehensive income for the nine months ended September 30, 2021 and 2020 would have been higher/lower by NT\$15,488 thousand and NT\$9,044 thousand, respectively, as a result of the changes in fair value of FVTOCI.

2) Credit risk

Credit risk refers to the risk that counterparty will default resulting in financial loss to the Corporation and its subsidiaries. As at the balance sheet date, the Corporation and its subsidiaries' maximum exposure to credit risk is the carrying amount of accounts receivables on the consolidated balance sheets. The main customers of the Corporation and its subsidiaries were creditworthy. Annual credit investigation of the credit status of the customers is conducted and a credit report is

issued. The business unit uses the credit report as basis for the rating of the customers and the credit line granted. In addition, the credit rating and customer credit status are compiled in a weekly report for use as reference of the business department. If necessary, the customers will be requested to provide collaterals or to pay cash for each transaction. The business department also understands the credit status of customers through external credit investigation and industry reports. The credit risk was immaterial to Corporation and its subsidiaries.

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

	September 30, 2021	December 31, 2020	September 30, 2020
Customer A	\$ 129,898	\$ 90,911	\$ 76,605
Customer B	62,654	22,176	38,824
Customer C	<u>51,498</u>	<u>49,059</u>	<u>26,630</u>
	<u>\$ 244,050</u>	<u>\$ 162,146</u>	<u>\$ 142,059</u>

3) Liquidity risk

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

The Corporation and its subsidiaries rely on bank borrowings as a significant source of liquidity. As of September 30, 2021, December 31, 2020 and September 30, 2020, the Corporation and its subsidiaries had available unutilized short-term bank loan facilities in the amounts of NT\$4.8 billion, NT\$4.3 billion and NT\$4.9 billion, respectively.

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

The following table details the Corporation and its subsidiaries remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Corporation and its subsidiaries can be required to pay. The table included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time bank regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

September 30, 2021

	1 Year	1-5 Years	5+ Years	Total
Non-interest bearing	\$ 1,092,938	\$ 3,530	\$ -	\$ 1,096,468
Lease liabilities	40,234	135,186	590,381	765,801
Variable interest rate				
liabilities	1,004,825	956,634	-	1,961,459
Fixed interest rate liabilities	<u>161,600</u>	<u>202,095</u>	<u>-</u>	<u>363,695</u>
	<u>\$ 2,299,597</u>	<u>\$ 1,297,445</u>	<u>\$ 590,381</u>	<u>\$ 4,187,423</u>

December 31, 2020

	1 Year	1-5 Years	5+ Years	Total
Non-interest bearing	\$ 947,936	\$ 4,857	\$ -	\$ 952,793
Lease liabilities	42,318	135,718	614,231	792,267
Variable interest rate				
liabilities	1,106,071	1,313,245	-	2,419,316
Fixed interest rate liabilities	<u>503,652</u>	<u>-</u>	<u>-</u>	<u>503,652</u>
	<u>\$ 2,599,977</u>	<u>\$ 1,453,820</u>	<u>\$ 614,231</u>	<u>\$ 4,668,028</u>

September 30, 2020

	1 Year	1-5 Years	5+ Years	Total
Non-interest bearing	\$ 882,644	\$ 4,576	\$ -	\$ 887,220
Lease liabilities	41,682	136,951	620,682	799,315
Variable interest rate				
liabilities	1,535,367	508,492	-	2,043,859
Fixed interest rate liabilities	<u>1,015,666</u>	<u>-</u>	<u>-</u>	<u>1,015,666</u>
	<u>\$ 3,475,359</u>	<u>\$ 650,019</u>	<u>\$ 620,682</u>	<u>\$ 4,746,060</u>

30. TRANSACTIONS WITH RELATED PARTIES

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

(Continued)

<u>Related Party Name</u>	<u>Relationship with the Corporation</u>
Formosa Ha Tinh (Cayman) Limited (Formosa Ha Tinh (Cayman))	Other related party
Formosa Ha Tinh Steel Corporation (Formosa Ha Tinh)	Other related party
CSC Educational Foundation	Other related party
Eminent III Venture Capital Corporation	Associate

(Concluded)

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

a. Operating revenues

Account Items	Related Parties Category/Name	For the Three Months Ended September 30		For the Nine months Ended September 30	
		2021	2020	2021	2020
Revenue from sales of goods	The Corporation as key management personnel of subsidiaries				
	Linyuan Advanced	\$ 367,846	\$ 175,789	\$ 884,756	\$ 616,245
	Others	<u>24,978</u>	<u>11,313</u>	<u>67,848</u>	<u>38,155</u>
		392,824	187,102	952,604	654,400
	Parent entity	2,854	2,606	11,021	8,923
	Fellow subsidiaries	<u>2,926</u>	<u>670</u>	<u>9,268</u>	<u>5,580</u>
		<u>\$ 398,604</u>	<u>\$ 190,378</u>	<u>\$ 972,893</u>	<u>\$ 668,903</u>
Revenue from the rendering of services	Parent entity	\$ 22,571	\$ 18,629	\$ 71,650	\$ 63,588
	Fellow subsidiaries	<u>1,728</u>	<u>-</u>	<u>4,007</u>	<u>-</u>
		<u>\$ 24,299</u>	<u>\$ 18,629</u>	<u>\$ 75,657</u>	<u>\$ 63,588</u>

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

b. Purchase of goods

Related Parties Category/Name	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2021	2020	2021	2020
Parent entity				
CSC	<u>\$ 637,467</u>	<u>\$ 326,617</u>	<u>\$ 1,728,079</u>	<u>\$ 1,046,379</u>
Fellow subsidiaries				
DSC	226,719	129,680	654,176	394,079
Others	<u>590</u>	<u>255</u>	<u>1,642</u>	<u>837</u>
	<u>227,309</u>	<u>129,935</u>	<u>655,818</u>	<u>394,916</u>
Other related party				
Formosa Ha Tinh	<u>378,403</u>	<u>122,436</u>	<u>955,953</u>	<u>442,702</u>
	<u>\$ 1,243,179</u>	<u>\$ 578,988</u>	<u>\$ 3,339,850</u>	<u>\$ 1,883,997</u>

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

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

The Corporation and its subsidiaries entered into agreements for purchase of light oil products and coal tar with Formosa Ha Tinh in November 2018 and May 2016. The term of agreement was 15 years and the agreement would be extended automatically according to the negotiation. Prices were negotiated between both sides and paid with telegraphic transfer before shipment or letters of credit at sight. If any price adjustments occurred due to market volatilities, it shall be settled separately.

c. Receivables from related parties

Account Items	Related Parties Category/Name	September 30, 2021	December 31, 2020	September 30, 2020
Accounts receivable - related parties	Parent entity	\$ 12,629	\$ 10,430	\$ 7,910
	Fellow subsidiaries	712	1,997	347
	The Corporation as key management personnel of subsidiaries			
	Linyuan Advanced	129,898	90,911	76,605
	Others	<u>16,789</u>	<u>10,547</u>	<u>10,567</u>
		<u>\$ 160,028</u>	<u>\$ 113,885</u>	<u>\$ 95,429</u>
Other receivables	Parent entity			
	CSC	\$ 14,979	\$ 1,601	\$ 17,800
	Fellow subsidiaries	940	1,292	912
	Other related parties			
	Formosa Ha Tinh (Cayman)	<u>197,776</u>	<u>199,360</u>	<u>203,700</u>
		<u>\$ 213,695</u>	<u>\$ 202,253</u>	<u>\$ 222,412</u>

No guarantee had been received for receivables from related parties. For the nine months ended September 30, 2021 and 2020, no impairment loss was recognized on receivables from related parties.

d. Payables to related parties

Account Items	Related Parties Category/Name	September 30, 2021	December 31, 2020	September 30, 2020
Accounts payable - related parties	Parent entity			
	CSC	\$ 242,440	\$ 151,092	\$ 138,269
	Fellow subsidiaries	198	-	4
	Other related parties			
	Formosa Ha Tinh	<u>32,032</u>	<u>6,952</u>	<u>-</u>
		<u>\$ 274,670</u>	<u>\$ 158,044</u>	<u>\$ 138,273</u>
Other payables	Parent entity	\$ 5,095	\$ 8,820	\$ 3,814
	Fellow subsidiaries	305	82	91
	The Corporation as key management personnel of other related parties	2,547	2,101	1,534

(Continued)

Account Items	Related Parties Category/Name	September 30, 2021	December 31, 2020	September 30, 2020
	Other related parties			
	Formosa Ha Tinh	\$ 515,586	\$ 527,250	\$ 538,727
		<u>\$ 523,533</u>	<u>\$ 538,253</u>	<u>\$ 544,166</u>
				(Concluded)

The outstanding accounts payable to related parties were unsecured.

e. Acquisitions of property, plant and equipment

Related Parties Category/Name	Purchase Price	
	For the Nine months Ended September 30	
	2021	2020
Parent entity	\$ -	\$ 23,990
Fellow subsidiaries	<u>580</u>	<u>1,470</u>
	<u>\$ 580</u>	<u>\$ 25,460</u>

f. Lease agreement

Related Parties Category/Name	For the Nine months Ended September 30	
	2021	2020
Acquisition of right-of-use assets		
Parent entity - CSC	\$ -	\$ 14,118
Fellow subsidiary - Chung Hung	<u>6,932</u>	<u>-</u>
	<u>\$ 6,932</u>	<u>\$ 14,118</u>

Account Items	Related Parties Category/Name	September 30, 2021	December 31, 2020	September 30, 2020
Lease liabilities	Parent entity - CSC	\$ 582,153	\$ 604,985	\$ 606,937
	Fellow subsidiaries			
	CSPM	48,853	50,625	49,013
	Chung Hung	<u>6,352</u>	<u>1,166</u>	<u>1,744</u>
		<u>55,205</u>	<u>51,791</u>	<u>50,757</u>
		<u>\$ 637,358</u>	<u>\$ 656,776</u>	<u>\$ 657,694</u>

Related Parties Category/Name	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2021	2020	2021	2020
Interest expense				
Parent entity - CSC	<u>\$ 2,148</u>	<u>\$ 2,232</u>	<u>\$ 6,518</u>	<u>\$ 6,772</u>

(Continued)

Related Parties Category/Name	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2021	2020	2021	2020
Fellow subsidiaries				
CSPM	\$ 366	\$ 361	\$ 1,106	\$ 1,086
Chung Hung	<u>-</u>	<u>7</u>	<u>5</u>	<u>26</u>
	<u>366</u>	<u>368</u>	<u>1,111</u>	<u>1,112</u>
	<u>\$ 2,514</u>	<u>\$ 2,600</u>	<u>\$ 7,629</u>	<u>\$ 7,884</u>
				(Concluded)

Leases of land and plants

The Corporation leased land and plants from its parent entity with total of 3 arrangements. The rental was calculated by an annual rate of 3% based on the current land value and an annual rate of 6% based on the announced land value, respectively. The lease term of the contracts was all 1-5 years, which was ended December, 2021 and 2025, respectively. The rental was paid every half year.

The Corporation also leased the coke plant from its parent entity. The lease term of the contract was 1 year, which was ended December, 2021. The rental was paid every half year.

The Corporation leased land and plants from its fellow subsidiary. The lease term was ended August, 2021. The rental was paid quarterly.

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

Leased of office building

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

g. Lease agreements

As described in Note 18, the Corporation leased out land, which was located in the Xiaogang District, Kaohsiung City to its parent entity. The rental was calculated by an annual rate of 3% based on the current land value. The rental was paid every half year. The lease term of the contract was ended December, 2025. As of September 30, 2021, December 31, 2020 and September 30, 2020, the gross lease payments to be received were NT\$52,347 thousand, NT\$61,585 thousand and NT\$3,077 thousand, respectively. The amounts of lease income recognized for the three months and nine months ended September 30, 2021 and 2020 were NT\$3,080 thousand, NT\$3,080 thousand, NT\$9,238 thousand and NT\$9,238 thousand, respectively.

h. Other related party transactions

1) Public fluid and reservoir

The Corporation's factory was located inside the parent entity's plant; the primary energy needed for production was supplied by the parent entity. The Corporation paid on a monthly basis expense on public fluid and reservoir, including electricity, wastewater treatment, waste gas treatment, consumption of steam, and coke ovens, based on market price or cost plus percentage. The expense mentioned above amounted to NT\$95,865 thousand, NT\$73,036 thousand, NT\$239,947thousand and NT\$238,856 thousand for the three months and nine months ended September 30, 2021 and

2020, respectively. The Corporation and other non-related parties had no similar transactions available for comparison.

2) Technical service fees

The Corporation commissioned the parent entity to provide technical services, including activated carbon like Isotropic graphite block material analysis and the applied technological development in graphitizing mass production. The fees for technical services amounted to NT\$0 thousand, NT\$0 thousand, NT\$3,180 thousand and NT\$3,170 thousand for the three months and nine months ended September 30, 2021 and 2020, respectively.

3) Compensation of key management personnel

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2021	2020	2021	2020
Short-term employee benefits	\$ 10,075	\$ 7,337	\$ 28,155	\$ 25,418
Post-employment benefits	<u>223</u>	<u>344</u>	<u>692</u>	<u>1,031</u>
	<u>\$ 10,298</u>	<u>\$ 7,681</u>	<u>\$ 28,847</u>	<u>\$ 26,449</u>

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

31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACTUAL COMMITMENTS

The Corporation and its subsidiaries' significant commitments and contingencies as of September 30, 2021 were as follow:

- Guarantee notes for NT\$86,793 thousand were provided to owners for purchase and agreements.
- Unused balance of the letter of credit issued by the Corporation for the purchase of raw materials and commodities in the amount of NT\$915,178 thousand.
- Property, plant and equipment construction contract signed for total amount of NT\$40,238 thousand, within which about NT\$15,068 thousand were not yet completed.

32. SIGNIFICANT FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

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

(In thousands of New Taiwan Dollars)

	Foreign Currencies (In Thousands)	Exchange Rate		Carrying Amount
September 30, 2021				
Monetary financial assets				
USD	\$ 15,165	27.85	(USD:NTD)	\$ 422,349
RMB	9,067	4.305	(RMB:NTD)	39,034
Non-monetary financial assets				
Financial assets mandatorily designated as FVTPL	11,622	27.85		323,683
USD			(USD:NTD)	
Financial assets mandatorily designated as FVTOCI				
USD	545	27.85	(USD:NTD)	15,187
Monetary financial liabilities				
USD	8,538	27.85	(USD:NTD)	237,785
USD	3,848	6.469	(USD:RMB)	107,172
December 31, 2020				
Monetary financial assets				
USD	27,183	28.48	(USD:NTD)	774,184
RMB	15,234	4.377	(RMB:NTD)	66,680
Non-monetary financial assets				
Financial assets mandatorily designated as FVTPL				
USD	9,444	28.48	(USD:NTD)	268,976
Financial assets mandatorily designated as FVTOCI				
USD	1,050	28.48	(USD:NTD)	29,890
Monetary financial liabilities				
USD	7,758	28.48	(USD:NTD)	220,950
USD	3,807	6.507	(USD:RMB)	108,420
September 30, 2020				
Monetary financial assets				
USD	28,665	29.1	(USD:NTD)	834,159
RMB	7,738	4.269	(RMB:NTD)	33,035
Non-monetary financial assets				
Financial assets mandatorily designated as FVTOCI				
USD	7,979	29.1	(USD:NTD)	232,180
Financial assets mandatorily designated as FVTOCI				
USD	1,300	29.1	(USD:NTD)	37,834
Monetary financial liabilities				
USD	7,135	29.1	(USD:NTD)	207,626
USD	2,849	6.817	(USD:RMB)	82,893

For the three months and nine months ended September 30, 2021 and 2020, realized and unrealized net foreign exchange gains and losses were gains of NT\$2,531 thousand, losses of NT\$4,290 thousand, losses of NT\$9,331 thousand and losses of NT\$10,333 thousand, respectively. It is impractical to disclose net foreign exchange gains or losses by each significant foreign currency due to the variety of the foreign currency transaction and functional currencies of the Corporation and its subsidiaries.

33. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and b. investees:

- 1) Financing provided to others (Table 1)
- 2) Endorsements/guarantees provided (None)
- 3) Marketable securities held (excluding investments in subsidiaries and associates) (Table 2)
- 4) Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital (None)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (None)
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital (None)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 3)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 4)
- 9) Trading in derivative instruments: The Corporation entered into foreign exchange forward contracts not under hedge accounting were NT\$111,511 thousand and NT\$49,334 thousand and realized foreign exchanges gains were NT\$367 thousand and NT\$422 thousand for the nine months ended September 30, 2021 and 2020, respectively. As of September 30, 2021, The Corporation and its subsidiary did not hold derivative financial assets.
- 10) Intercompany relationships and significant intercompany transactions (Table 5)
- 11) Information on investees (Table 6)

b. Information on investments in mainland China

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

- b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period (Table 5)
 - c) The amount of property transactions and the amount of the resultant gains or losses (None)
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes (None)
 - e) The highest balance, the end of period balance and the interest rate range with respect to financing of funds (Table 1)
 - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services (None)
- c. Information of major shareholders (Table 8)

34. SEGMENT INFORMATION

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

- a. CSCC/CCSNM - Production and marketing of chemical products.
- b. EGI (liquidation in September 2020) /CSCCC - Trade of chemical products.
- c. EWI - Investments.
- d. The Corporation and its subsidiaries have the reporting segments analyzed as follows:

	CSCC/CCSNM	CSCCC	EWI	Adjustment and write-off	Consolidated
For the nine months ended September 30, 2021					
Revenues from external customers	\$ 5,855,286	\$ -	\$ 61,255	\$ -	\$ 5,916,541
Inter segment revenues	<u>70,134</u>	<u>-</u>	<u>17,693</u>	<u>(87,827)</u>	<u>-</u>
Segment revenues	<u>\$ 5,925,420</u>	<u>\$ -</u>	<u>\$ 78,948</u>	<u>\$ (87,827)</u>	<u>\$ 5,916,541</u>
Segment income (loss)	\$ 854,788	\$ (3,624)	\$ 78,380	\$ 9,689	\$ 939,233
Interest income	4,799	194	884	(879)	4,998
Share of profits of associates	145,573	-	-	(65,295)	80,278
Other income	79,557	-	8,089	(27,382)	60,264
Interest expense	(23,677)	-	(7)	879	(22,805)
Other gains and losses	<u>(28,735)</u>	<u>-</u>	<u>(2,888)</u>	<u>-</u>	<u>(31,623)</u>
Profit (loss) before income tax	1,032,305	(3,430)	84,458	(82,988)	1,030,345
Income tax expense	<u>173,387</u>	<u>-</u>	<u>4,137</u>	<u>-</u>	<u>177,524</u>
Net profit (loss) for the period	<u>\$ 858,918</u>	<u>\$ (3,430)</u>	<u>\$ 80,321</u>	<u>\$ (82,988)</u>	<u>\$ 852,821</u>
For the nine months ended September 30, 2020					
Revenues from external customers	\$ 3,913,984	\$ -	\$ (3,365)	\$ -	\$ 3,910,619
Inter segment revenues	<u>39,004</u>	<u>-</u>	<u>10,882</u>	<u>(49,886)</u>	<u>-</u>
Segment revenues	<u>\$ 3,952,988</u>	<u>\$ -</u>	<u>\$ 7,517</u>	<u>\$ (49,886)</u>	<u>\$ 3,910,619</u>

(Continued)

	CSCC/CCSNM	CSCCC	EWI	Adjustment and write-off	Consolidated
Segment income (loss)	\$ 532,844	\$ (10,327)	\$ 5,959	\$ 954	\$ 529,430
Interest income	9,404	2,270	1,651	(1,273)	12,052
Share of profits of associates	43,736	-	-	24,803	68,539
Other income	79,546	-	940	(11,837)	68,649
Interest expense	(22,999)	-	-	1,273	(21,726)
Other gains and losses	(33,545)	(2,217)	(2,525)	-	(38,287)
Profit (loss) before income tax	608,986	(10,274)	6,025	13,920	618,657
Income tax expense	114,482	-	676	-	115,158
Net profit (loss) for the period	<u>\$ 494,504</u>	<u>\$ (10,274)</u>	<u>\$ 5,349</u>	<u>\$ 13,920</u>	<u>\$ 503,499</u>

(Concluded)

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

e. Segment total assets and liabilities

	September 30, 2021	December 31, 2020	September 30, 2020
Segment assets			
Chemicals segment			
Production and sales	\$ 11,513,269	\$ 11,344,052	\$ 11,074,353
Trading	1,052,475	1,079,762	1,113,296
Investment segment	1,830,430	1,688,085	1,526,581
Adjustment and write-off	<u>(2,621,094)</u>	<u>(2,469,026)</u>	<u>(2,274,209)</u>
	<u>\$ 11,775,080</u>	<u>\$ 11,642,873</u>	<u>\$ 11,440,021</u>
Segment liabilities			
Chemicals segment			
Production and sales	\$ 4,214,584	\$ 4,657,055	\$ 4,753,955
Trading	515,586	527,250	538,889
Investment segment	4,077	135	-
Adjustment and write-off	<u>(371,635)</u>	<u>(351,993)</u>	<u>(312,353)</u>
	<u>\$ 4,362,612</u>	<u>\$ 4,832,447</u>	<u>\$ 4,980,491</u>

TABLE 1

CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

**FINANCING PROVIDED TO OTHERS
FOR THE PERIOD ENDED SEPTEMBER 30, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

No.	Financing Company	Counter-party	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Interest Rate	Nature for Financing	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company	Financing Company's Total Financing Amount Limits	Note
													Item	Value			
1	Ever Wealthy International Corporation	Changzhou China Steel New Materials Technology Co., Ltd.	Other receivables	Yes	\$ 175,455	\$ 175,455	\$ 105,830	1-1.1%	Operating capital	\$ -	Operating capital	\$ -	-	\$ -	\$ 365,270	\$ 547,905	Note2

Note1 : The need for short-term financing.

Note2 : According to “The Process of Financing Others” established by Ever Wealthy International Corporation, the total available amount for lending to others and the total amount for lending to a company shall not exceed 30% and 20% of the net worth of Ever Wealthy International Corporation, respectively; the financing limit amount for parent company shall not exceed 30% of the net worth of the company.

Note3 : The transaction had been eliminated when preparing consolidated financial statements.

TABLE 2

CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

SEPTEMBER 30, 2021

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

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	SEPTEMBER 30, 2021				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
China Steel Chemical Corporation	Mutual fund	JPMorgan Asia Growth (acc) - USD	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	30,601	\$ 19,764	-	\$ 19,764	
China Steel Chemical Corporation	Mutual fund	Taishin China Policy Trends Fund A USD	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	52,974	14,742	-	14,742	
China Steel Chemical Corporation	Mutual fund	PineBridge ESG Quantitative Global Equity Fund A (USD)	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	50,000	13,925	-	13,925	
China Steel Chemical Corporation	Mutual fund	JPMorgan Funds - Global Healthcare Fund - JPM Global Healthcare A (acc) - USD	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	855	11,716	-	11,716	
China Steel Chemical Corporation	Mutual fund	JPMorgan Pacific Technology Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	2,854	9,288	-	9,288	
China Steel Chemical Corporation	Mutual fund	UG Great Wall Absolute Return Fund B Class	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	18,514	8,949	-	8,949	
China Steel Chemical Corporation	Mutual fund	Taishin CSI Lead Cons and Serv Ind USD	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	275,391	7,059	-	7,059	
China Steel Chemical Corporation	Mutual fund	Jih Sun China Strategy A Share Fund TWD	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	285,225	4,005	-	4,005	
China Steel Chemical Corporation	Mutual fund	Cathay US Multi-Income Balanced Fund A USD	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	1,427,115	15,258	-	15,258	
China Steel Chemical Corporation	Mutual fund	JPMorgan Funds - Income Fund - JPM Income A (mth) – USD	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	6,255	23,341	-	23,341	
China Steel Chemical Corporation	Mutual fund	Taishin US Enhanced High Yield Bond Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	42,951	12,620	-	12,620	
China Steel Chemical Corporation	Mutual fund	Cathay Taiwan Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	1,195,438	15,007	-	15,007	
China Steel Chemical Corporation	Mutual fund	Prudential Financial Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	626,975	10,021	-	10,021	

(Continued)

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	SEPTEMBER 30, 2021				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
China Steel Chemical Corporation	Bank debenture	PETBRA 5 1/2 06/10/51	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	7,000	\$ 18,861	-	\$ 18,861	
China Steel Chemical Corporation	Bank debenture	SOFTBK 4 5/8 07/06/28	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	5,000	13,855	-	13,855	
China Steel Chemical Corporation	Bank debenture	INTNED 4 1/4 PERP	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	5,000	13,786	-	13,786	
China Steel Chemical Corporation	Bank debenture	STANLN 4.3 PERP	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	5,000	13,751	-	13,751	
China Steel Chemical Corporation	Bank debenture	MEX 3 3/4 04/19/71	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	5,000	12,575	-	12,575	
China Steel Chemical Corporation	Bank debenture	DB 4.789 PERP	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	4,000	11,290	-	11,290	
China Steel Chemical Corporation	Bank debenture	RAKUTN 5 1/8 PERP	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	3,000	8,480	-	8,480	
China Steel Chemical Corporation	Bank debenture	CS 4 1/2 PERP	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	3,000	8,301	-	8,301	
China Steel Chemical Corporation	Bank debenture	SOFTBK 5 1/4 07/06/31	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	2,000	5,589	-	5,589	
China Steel Chemical Corporation	Bank debenture	STANLN 4.3 02/19/27	No relation	Financial assets at fair value through other comprehensive income-current	5,000	15,187	-	15,187	
China Steel Chemical Corporation	Common stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income-current	2,556,915	92,816	-	92,816	
China Steel Chemical Corporation	Preferred stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income-current	229,000	11,908	-	11,908	
Ever Wealthy International Corporation	Mutual fund	Cathay High Dividend Taiwan Equity Fund A	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	1,000,000	16,420	-	16,420	
Ever Wealthy International Corporation	Mutual fund	Jih Sun Taiwan Sustainable Growth and Dividend Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	500,000	5,220	-	5,220	
Ever Wealthy International Corporation	Mutual fund	UPAMC All WeatherFund	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	24,690	5,085	-	5,085	
Ever Wealthy International Corporation	Mutual fund	SinoPac Pilot Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	45,052	2,533	-	2,533	
Ever Wealthy International Corporation	Mutual fund	JPMorgan (Taiwan) Global Growth Fund TWD	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	973,403	20,023	-	20,023	

(Continued)

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	SEPTEMBER 30, 2021				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Ever Wealthy International Corporation	Mutual fund	Taishin ESG Global Environmental Growth Equity Fund-TWD-A	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	2,000,000	\$ 19,140	-	\$ 19,140	
Ever Wealthy International Corporation	Mutual fund	Jih Sun Global Smart Car Fund (TWD A)	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	1,017,113	15,572	-	15,572	
Ever Wealthy International Corporation	Mutual fund	FSITC AI Global Precision Medicine Fund TWD	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	726,183	10,842	-	10,842	
Ever Wealthy International Corporation	Mutual fund	KGI Global Trend Fund -TWD A	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	1,000,000	10,230	-	10,230	
Ever Wealthy International Corporation	Mutual fund	UPAMC Global AIoT Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	500,947	9,067	-	9,067	
Ever Wealthy International Corporation	Mutual fund	FSITC Global Utilities and Infrastructure Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	622,579	7,558	-	7,558	
Ever Wealthy International Corporation	Mutual fund	FSITC Gbl Artificial Intelligence Fund TWD	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	355,619	6,337	-	6,337	
Ever Wealthy International Corporation	Mutual fund	Taishin China Selected Small and Mid Cap Fund TWD	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	362,244	6,020	-	6,020	
Ever Wealthy International Corporation	Mutual fund	JPMorgan (Taiwan) China A Share Fund TWD	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	242,386	5,536	-	5,536	
Ever Wealthy International Corporation	Mutual fund	JPMorgan (Taiwan) Eastern Technology Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	98,929	5,310	-	5,310	
Ever Wealthy International Corporation	Mutual fund	FSITC Global AI FinTech TWD	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	260,960	5,230	-	5,230	
Ever Wealthy International Corporation	Mutual fund	Prudential Financial China Brands Fund TWD	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	281,333	4,923	-	4,923	
Ever Wealthy International Corporation	Mutual fund	FSITC Global AI Robotics and Smart Auto TWD	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	254,842	4,845	-	4,845	
Ever Wealthy International Corporation	Mutual fund	FSITC Global Video Gaming & eSports Fund-TWD	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	400,000	4,252	-	4,252	
Ever Wealthy International Corporation	Mutual fund	FSITC Global Health & Weight Loss Fund-TWD	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	300,000	3,306	-	3,306	
Ever Wealthy International Corporation	Mutual fund	KGI Cloud Force Fund USD	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	3,228	3,291	-	3,291	
Ever Wealthy International Corporation	Mutual fund	FSITC Global Pet Care Fund-TWD	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	300,000	3,216	-	3,216	

(Continued)

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	SEPTEMBER 30, 2021				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Ever Wealthy International Corporation	Mutual fund	Yuanta Global Agribusiness Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	142,857	\$ 2,989	-	\$ 2,989	
Ever Wealthy International Corporation	Mutual fund	Allianz Global Investors China Strategic Growth Fund TWD	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	91,715	2,615	-	2,615	
Ever Wealthy International Corporation	Mutual fund	Jih Sun China Strategy A Share Fund TWD	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	135,218	1,898	-	1,898	
Ever Wealthy International Corporation	Mutual fund	JPMorgan (Taiwan) Multi Income Fund of Fund TWD Acc	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	1,529,469	19,851	-	19,851	
Ever Wealthy International Corporation	Mutual fund	PineBridge ESG Quant Multi-Asset Fund A TWD	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	989,330	10,193	-	10,193	
Ever Wealthy International Corporation	Mutual fund	Taishin High Dividend Yield Balanced Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	106,520	4,726	-	4,726	
Ever Wealthy International Corporation	Mutual fund	Prudential Financial Balanced Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	70,755	3,217	-	3,217	
Ever Wealthy International Corporation	Mutual fund	Jih Sun Upstream Fund A	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	107,181	7,072	-	7,072	
Ever Wealthy International Corporation	Mutual fund	Taishin ESG Emerging Markets Bond Fund(A)USD	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	100,000	27,183	-	27,183	
Ever Wealthy International Corporation	Mutual fund	Taishin Strategy Senior Total Return High Yield Bond Fund Acc TWD A	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	1,008,875	10,455	-	10,455	
Ever Wealthy International Corporation	Mutual fund	PGIM USD High Yield Bond Fund-TWD(A)	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	500,000	5,030	-	5,030	
Ever Wealthy International Corporation	Mutual fund	PineBridge Quantitative Diversified Income Fund A TWD	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	500,000	5,001	-	5,001	
Ever Wealthy International Corporation	Mutual fund	PineBridge ESG Quant Multi-Asset Fund A USD	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	99,951	29,378	-	29,378	
Ever Wealthy International Corporation	Mutual fund	KGI Taiwan Premium Assets Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	2,373,084	26,075	-	26,075	
Ever Wealthy International Corporation	Mutual fund	KGI Next Generation Multi-Asset Fund -TWD A	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	500,000	5,735	-	5,735	
Ever Wealthy International Corporation	Mutual fund	Union Multi-Asset High Income Fund A TWD-N	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	500,000	4,710	-	4,710	
Ever Wealthy International Corporation	Mutual fund	PineBridge Taiwan Money Market Securities Investment Trust Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	698,334	9,620	-	9,620	

(Continued)

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	SEPTEMBER 30, 2021				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Ever Wealthy International Corporation	Mutual fund	Allianz Global Investors Taiwan Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	515,843	\$ 6,526	-	\$ 6,526	
Ever Wealthy International Corporation	Mutual fund	Taishin CSI Lead Cons and Serv Ind TWD	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	206,930	5,288	-	5,288	
Ever Wealthy International Corporation	Mutual fund	Taishin North American Income Trust Fund TWD A	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	400,000	10,848	-	10,848	
Ever Wealthy International Corporation	Mutual fund	Jih Sun Long-Term Care REITS Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	1,000,000	9,360	-	9,360	
Ever Wealthy International Corporation	Mutual fund	Prudential Financial Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	1,337,429	21,377	-	21,377	
Ever Wealthy International Corporation	Mutual fund	Yuanta De- Bao Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	599,104	7,264	-	7,264	
Ever Wealthy International Corporation	Mutual fund	FSITC Taiwan Money Market	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	319,843	4,946	-	4,946	
Ever Wealthy International Corporation	Mutual fund	JPMorgan Investment Funds - Global High Yield Bond Fund A (acc) – USD	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	2,583	14,850	-	14,850	
Ever Wealthy International Corporation	Mutual fund	PGIM Jennison Global Equity Opportunities Fund USD T Accumulation	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	1,056	5,831	-	5,831	
Ever Wealthy International Corporation	Common stock	TA CHEN STAINLESS PIPE CO., LTD.	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	1,220,057	55,940	-	55,940	
Ever Wealthy International Corporation	Common stock	Mega Financial Holding Co., Ltd.	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	257,000	8,237	-	8,237	
Ever Wealthy International Corporation	Common stock	CATHAY FINANCIAL HOLDING CO., LTD.	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	95,748	5,544	-	5,544	
Ever Wealthy International Corporation	Common stock	TAISHIN FINANCIAL HOLDING CO., LTD.	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	219,432	3,972	-	3,972	
Ever Wealthy International Corporation	Common stock	Nishoku Technology Inc.	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	24,400	1,993	-	1,993	
Ever Wealthy International Corporation	Common stock	TAICHUNG COMMERCIAL BANK CO., LTD.	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	113,965	1,322	-	1,322	
Ever Wealthy International Corporation	Preferred stock	TAISHIN FINANCIAL HOLDING CO., LTD. Class E Preferred Shares II	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	164,139	8,289	-	8,289	
Ever Wealthy International Corporation	Preferred stock	Cathay Financial Holding Co., Ltd.(B)	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current (including measurement)	12,540	780	-	780	

(Continued)

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	SEPTEMBER 30, 2021				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Ever Wealthy International Corporation	Common stock	YEONG LONG TECHNOLOGIES CO., LTD.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent(including measurement)	1,540,000	\$ 48,583	-	\$ 48,583	Note 1
Ever Wealthy International Corporation	Common stock	National Kaohsiung First University of Science and Technology Investment Corporation	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	300,000	2,367	-	2,367	Note 1
Ever Wealthy International Corporation	Common stock	TCC RECYCLE ENERGY TECHNOLOGY COMPANY	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	194,679	1,791	-	1,791	Note 1
Ever Wealthy International Corporation	Common stock	Riselink Venture Capital Corp.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	2,632	261	-	261	Note 1
Ever Wealthy International Corporation	Common stock	Harbinger Venture III Capital Corp.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	1,000	21	-	21	Note 1
Ever Wealthy International Corporation	Common stock	Asia Hepato Gene CO.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	133,300	-	-	-	Impairment loss have been recognized fully
Ever Wealthy International Corporation	Common stock	JU-KAO ENGINEERING CO., LTD	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	1,896,543	25,890	-	25,890	
Ever Wealthy International Corporation	Common stock	China Steel Chemical Corporation	Parent company	Financial assets at fair value through other comprehensive income-current	4,753,537	556,164	-	556,164	Note 2
Ever Wealthy International Corporation	Common stock	China Steel Corporation	The ultimate parent company	Financial assets at fair value through other comprehensive income-current	4,226,265	153,413	-	153,413	
Ever Wealthy International Corporation	Bank debenture	CNH Bond Offering by ITNL Offshore Pte Limited	No relation	Financial assets at amortized cost - noncurrent	30,000	-	-	-	Impairment loss have been recognized fully

(Concluded)

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

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

TABLE 3

CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE PERIOD ENDED SEPTEMBER 30, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Buyer	Related Party	Relationship	Relationship				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
China Steel Chemical Corporation	Linyuan Advanced Materials Technology Co., Ltd.	Subsidiary of director of the board	Sales	\$ (884,756)	(15)	Receivables are collected as the end of every month of when invoice is issued	Note	Note	\$ 129,898	23	
China Steel Chemical Corporation	China Steel Corporation	Parent company	Purchases	1,728,079	51	Letter of credit at sight	Note	Note	(242,440)	(79)	
China Steel Chemical Corporation	Formosa Ha Tinh Steel Corporation	Other related parties	Purchases	955,953	28	Payment within 10 days after shipment date	Note	Note	(32,032)	(10)	
China Steel Chemical Corporation	Dragon Steel Corporation	The same parent company	Purchases	654,176	19	Letter of credit at sight	Note	Note	-	-	

Note: Refer to Note 30.

TABLE 4

CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
SEPTEMBER 30, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
China Steel Chemical Corporation	Linyuan Advanced Materials Technology Co., Ltd.	Subsidiary of director of the board	\$ 129,897	10.69	\$ -	-	\$ -	\$ -
Formosa Ha Tinh CSCC (Cayman) International Limited	China Steel Chemical Corporation	Parent company	194,950 (Notes 1 and 3)	Note1	-	-	-	-
Formosa Ha Tinh CSCC (Cayman) International Limited	Formosa Ha Tinh (Cayman) Limited	Other related parties	194,950 (Note1)	Note1	-	-	-	-
Ever Wealthy International Corporation	Changzhou China Steel New Materials Technology Co., Ltd.	Subsidiary	106,892 (Notes 2 and 3)	Note2	-	-	-	-

Note 1: Dividends receivables.

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

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

TABLE 5

CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE PERIOD ENDED SEPTEMBER 30, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Investee Company	Counterparty	Relationship	Transaction Details			% of Total Operating Revenues or Assets
				Financial Statement Accounts	Amount	Payment Terms	
0	China Steel Chemical Corporation	Changzhou China Steel New Materials Technology Co., Ltd.	Parent to subsidiaries	Sales	\$ 90,452 (Note)	Charged at the cost plus additional percentage, receivables were collected within 150 days after shipment date.	2.00
0	China Steel Chemical Corporation	Changzhou China Steel New Materials Technology Co., Ltd.	Parent to subsidiaries	Accounts receivable	65,399	Receivables were collected within 30 days after shipment date	1.00
0	China Steel Chemical Corporation	Formosa Ha Tinh CSCC (Cayman) International Limited	Parent to subsidiaries	Other payables	194,950		2.00
1	Every Wealthy International Corporation	Changzhou China Steel New Materials Technology Co., Ltd.	Subsidiaries to subsidiaries	Other receivable	106,892		1.00

Note: Sales amount includes sales of product trial NT\$21,935 thousand, the Corporation recognizes as other income in Progress.

TABLE 6

CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES

FOR THE PERIOD ENDED SEPTEMBER 30, 2021

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of SEPTEMBER 30, 2021			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				SEPTEMBER 30, 2021	DECEMBER 31, 2020	Number of Shares	%	Carrying Amount			
China Steel Chemical Corporation	CHC Resources Corporation	Republic of China	Manufacture and sale of GBFS powder and slag cement, air-cooled BFS and BOFS, surveys and remediation of soil and groundwater, intermediate solidification, reutilization of resources	\$ 91,338	\$ 91,338	15,019,341	6.00	\$ 338,568	\$ 530,394	\$ 32,036	
China Steel Chemical Corporation	China Steel Structure Co., Ltd.	Republic of China	Manufacture and sale of products of steel structure	13,675	13,675	600,069	-	14,954	288,346	865	
China Steel Chemical Corporation	Ever Wealthy International Corporation	Republic of China	General investment	300,083	300,083	104,574,982	100.00	1,387,827	80,321	67,010	Subsidiary (Note) Subsidiary (Note)
China Steel Chemical Corporation	Formosa Ha Tinh CSCP (Cayman) International Limited	Cayman Island	International trade and investment	100,320	100,320	10,000,000	50.00	268,444	(3,430)	(1,715)	
China Steel Chemical Corporation	Ever Glory International Co., Ltd.	Cayman Island	International trading and general investment	450,000	450,000	69,000,960	9.00	885,214	72,557	6,675	
China Steel Chemical Corporation	Transglory Investment Corporation	Republic of China	General investment	261,600	261,600	26,160,000	15.00	283,014	111,221	16,683	
China Steel Chemical Corporation	CSC Solar Corporation	Republic of China	Solar energy generation	160,000	160,000	16,000,000	9.00	134,136	146,790	12,964	
China Steel Chemical Corporation	Eminent III Venture Capital Corporation	Republic of China	General investment	60,000	-	6,000,000	5.00	60,431	19,550	978	
China Steel Chemical Corporation	HIMAG Magnetic Corporation	Republic of China	Production and sale of industrial magnetic, chemical, and iron oxides	47,950	47,950	2,161,203	8.00	49,553	83,767	6,559	
China Steel Chemical Corporation	United Steel International Development Corporation	British Virgin Islands	Holding and investment	68,839	68,839	2,450,000	5.00	27,378	(79,542)	(3,977)	
China Steel Chemical Corporation	Gau Ruei Investment Corporation	Republic of China	General investment	15,070	15,070	1,196,000	40.00	36,938	6,900	2,760	
China Steel Chemical Corporation	Ascentek Venture Capital Corporation	Republic of China	General investment	7,000	7,000	700,000	35.00	20,439	472	165	
China Steel Chemical Corporation	Li-Ching-Long Investment Corporation	Republic of China	General investment	13,500	13,500	1,350,000	5.00	11,824	79,329	3,966	
China Steel Chemical Corporation	TaiAn Technologies Corporation	Republic of China	Bio-Tech consultants and management	2,295	2,295	499,998	5.00	6,855	12,279	614	
China Steel Chemical Corporation	Eminent Venture Capital Corporation	Republic of China	General Investment	-	847	-	-	-	(2)	(10)	
Ever Wealthy International Corporation	Thintech Materials Technology Co., Ltd.	Republic of China	Sputtering target manufacturing and sales	45,987	45,987	6,119,748	8.00	95,507	45,141	3,760	
Ever Wealthy International Corporation	HIMAG Magnetic Corporation	Republic of China	Production and sale of industrial magnetic, chemical, and iron oxides	33,015	33,015	1,584,731	6.00	36,326	83,767	4,808	
Ever Wealthy International Corporation	Sheng Lih Dar Investment Corporation	Republic of China	General investment	9,000	9,000	900,000	45.00	26,280	466	210	
Ever Wealthy International Corporation	Hung-Chuan Investment Corporation	Republic of China	General investment	8,400	8,400	840,000	35.00	23,726	1,457	510	
Ever Wealthy International Corporation	Ding Da Investment Corporation	Republic of China	General investment	10,495	10,495	897,000	30.00	21,932	2,205	662	

Note : All the transactions had been eliminated when preparing consolidated financial statements.

TABLE 7

CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA

FOR THE PERIOD ENDED SEPTEMBER 30, 2021

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

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2020 (Note 1)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of SEPTEMBER 30, 2021 (Note 1)	Net Income (Loss) of the Investee (Note 3)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of SEPTEMBER 30, 2021	Accumulated Repatriation of Investment Income as of SEPTEMBER 30, 2021	Note
					Outward	Inward							
Ningbo Huayang Aluminum-Tech Co., Ltd.	Production of aluminum products	\$ 1,364,650	Investments through a holding company registered in a third region	\$ 68,232	\$ -	\$ -	\$ 68,232	\$ (78,879)	5.00	\$ (3,944)	\$ 26,917	\$ 5,439	Note 4
Changzhou China Steel New Materials Technology Co., Ltd.	Mesophase sales and trading	171,985	Direct investment	181,192	-	-	181,192	4,383	100.00	4,383	154,663	-	

Investee Company	Accumulated Outward Remittance for Investment in Mainland China as of SEPTEMBER 30, 2020 (Note 1)	Investment Amount Authorized by Investment Commission, MOEA (Note 1)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 3)
China Steel Chemical Corporation	\$ 249,424	\$ 249,424	\$ 4,286,414

Note 1: The amounts were calculated based on the foreign exchange rate as of September 30, 2021.

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

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

Note 4: All the transactions had been eliminated when preparing consolidated financial statements.

TABLE 8

CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS

SEPTEMBER 30, 2021[illegible]

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

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