

**China Steel Chemical Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Nine Months Ended September 30, 2024 and 2023 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, 2024 and 2023, the consolidated statements of comprehensive income for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, and the consolidated statements of changes in equity and cash flows for the nine months ended September 30, 2024 and 2023, and the related notes to the consolidated financial statements, 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 the Standards on Review Engagements of the Republic of China 2410 “Review of Interim 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 consolidated financial position of the Corporation and its subsidiaries as of September 30, 2024 and 2023, its consolidated financial performance for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, and its consolidated cash flows for nine months ended September 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard No.34 “Interim Financial Reporting” 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

October 31, 2024

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, 2024 (Reviewed)		December 31, 2023 (Audited)		September 30, 2023 (Reviewed)	
ASSETS	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 714,035	7	\$ 1,174,677	10	\$ 662,528	7
Financial assets at fair value through profit or loss - current (Note 7)	315,629	3	373,357	3	258,904	2
Financial assets at fair value through other comprehensive income - current (Note 8)	275,526	2	284,802	3	256,379	2
Notes receivable (Note 10)	119,097	1	173,112	2	193,356	2
Accounts receivable, net (Note 10)	416,918	3	582,501	5	487,557	5
Accounts receivable - related parties (Notes 10 and 28)	86,998	1	98,898	1	113,502	1
Other receivables (Note 28)	13,219	-	12,790	-	4,444	-
Current tax asset	1,205	-	808	-	808	-
Inventories (Note 11)	1,295,626	12	1,127,402	10	1,125,135	11
Other current assets	<u>84,902</u>	<u>-</u>	<u>164,010</u>	<u>1</u>	<u>117,818</u>	<u>1</u>
Total current assets	<u>3,323,155</u>	<u>29</u>	<u>3,992,357</u>	<u>35</u>	<u>3,220,431</u>	<u>31</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Note 7)	81,475	1	81,543	1	81,597	1
Financial assets at fair value through other comprehensive income - non-current (Note 8)	135,480	1	128,480	1	127,016	1
Financial assets at amortized cost - non-current (Note 9)	20,000	-	20,000	-	20,000	-
Investments accounted for using equity method (Note 13)	1,846,543	17	1,970,518	17	1,896,189	18
Property, plant and equipment (Notes 14 and 28)	4,467,053	40	3,896,434	35	3,827,712	37
Right-of-use assets (Notes 15 and 28)	612,873	6	615,351	5	626,813	6
Investment properties (Note 16)	533,013	5	533,013	5	533,013	5
Deferred tax assets	64,688	1	64,688	1	78,707	1
Prepaid equipment	6,794	-	50,770	-	35,915	-
Refundable deposits	4,451	-	4,521	-	4,521	-
Other non-current assets	<u>32,400</u>	<u>-</u>	<u>26,783</u>	<u>-</u>	<u>28,232</u>	<u>-</u>
Total non-current assets	<u>7,804,770</u>	<u>71</u>	<u>7,392,101</u>	<u>65</u>	<u>7,259,715</u>	<u>69</u>
TOTAL	<u>\$ 11,127,925</u>	<u>100</u>	<u>\$ 11,384,458</u>	<u>100</u>	<u>\$ 10,480,146</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 17)	\$ 896,035	8	\$ 447,341	4	\$ 478,982	5
Contract liabilities - current (Notes 21 and 28)	41,374	-	44,966	-	110,140	1
Accounts payable	37,005	-	41,085	-	43,998	-
Accounts payable - related parties (Note 28)	247,214	3	255,186	2	319,879	3
Other payables (Notes 18 and 28)	390,927	4	395,214	4	403,530	5
Current tax liabilities	56,461	-	289,112	3	252,290	2
Lease liabilities - current (Notes 15 and 28)	37,247	-	34,126	-	34,629	-
Other current liabilities	<u>14,478</u>	<u>-</u>	<u>9,043</u>	<u>-</u>	<u>27,756</u>	<u>-</u>
Total current liabilities	<u>1,720,741</u>	<u>15</u>	<u>1,516,073</u>	<u>13</u>	<u>1,671,204</u>	<u>16</u>
NON-CURRENT LIABILITIES						
Long-term borrowings (Note 17)	600,000	6	950,000	9	250,000	2
Deferred tax liabilities	1,643	-	1,643	-	-	-
Lease liabilities - non-current (Notes 15 and 28)	579,072	5	587,166	5	590,445	6
Net defined benefit liabilities (Note 4)	107,641	1	111,196	1	96,964	1
Guarantee deposit received	<u>3,910</u>	<u>-</u>	<u>3,910</u>	<u>-</u>	<u>5,117</u>	<u>-</u>
Total non-current liabilities	<u>1,292,266</u>	<u>12</u>	<u>1,653,915</u>	<u>15</u>	<u>942,526</u>	<u>9</u>
Total liabilities	<u>3,013,007</u>	<u>27</u>	<u>3,169,988</u>	<u>28</u>	<u>2,613,730</u>	<u>25</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Note 20)						
Ordinary shares capital	<u>2,369,044</u>	<u>21</u>	<u>2,369,044</u>	<u>21</u>	<u>2,369,044</u>	<u>23</u>
Capital surplus	<u>973,023</u>	<u>9</u>	<u>928,925</u>	<u>8</u>	<u>931,012</u>	<u>9</u>
Retained earnings						
Legal reserve	3,090,378	28	2,948,165	26	2,948,165	28
Special reserve	193,150	2	193,150	2	193,150	2
Unappropriated earnings	<u>1,782,093</u>	<u>16</u>	<u>1,910,865</u>	<u>16</u>	<u>1,628,508</u>	<u>15</u>
Total retained earnings	<u>5,065,621</u>	<u>46</u>	<u>5,052,180</u>	<u>44</u>	<u>4,769,823</u>	<u>45</u>
Other equity	<u>(175,132)</u>	<u>(2)</u>	<u>(18,041)</u>	<u>-</u>	<u>(85,825)</u>	<u>(1)</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	<u>8,114,918</u>	<u>73</u>	<u>8,214,470</u>	<u>72</u>	<u>7,866,416</u>	<u>75</u>
TOTAL	<u>\$ 11,127,925</u>	<u>100</u>	<u>\$ 11,384,458</u>	<u>100</u>	<u>\$ 10,480,146</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			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUES (Notes 21 and 28)	\$ 2,100,278	100	\$ 1,838,808	100	\$ 5,858,849	100	\$ 6,403,677	100
OPERATING COSTS (Notes 11, 22 and 28)	<u>1,583,748</u>	<u>76</u>	<u>1,390,153</u>	<u>76</u>	<u>4,425,627</u>	<u>76</u>	<u>4,763,777</u>	<u>74</u>
GROSS PROFIT	<u>516,530</u>	<u>24</u>	<u>448,655</u>	<u>24</u>	<u>1,433,222</u>	<u>24</u>	<u>1,639,900</u>	<u>26</u>
OPERATING EXPENSES (Notes 22 and 28)								
Selling and marketing expenses	50,616	2	38,376	2	136,351	2	109,935	2
General and administrative expenses	46,853	2	40,831	2	121,594	2	118,021	2
Research and development expenses	<u>60,271</u>	<u>3</u>	<u>75,230</u>	<u>4</u>	<u>182,613</u>	<u>3</u>	<u>205,460</u>	<u>3</u>
Total operating expenses	<u>157,740</u>	<u>7</u>	<u>154,437</u>	<u>8</u>	<u>440,558</u>	<u>7</u>	<u>433,416</u>	<u>7</u>
PROFIT FROM OPERATIONS	<u>358,790</u>	<u>17</u>	<u>294,218</u>	<u>16</u>	<u>992,664</u>	<u>17</u>	<u>1,206,484</u>	<u>19</u>
NON-OPERATING INCOME AND EXPENSES (Notes 22 and 28)								
Interest income	2,832	-	4,292	-	11,255	-	16,489	-
Other income	21,586	1	37,886	2	61,122	1	59,220	1
Other gains and losses	4,231	-	44,102	2	31,833	1	41,932	1
Share of the profit of associates	35,120	2	39,671	2	65,773	1	83,979	1
Interest expense	<u>(4,093)</u>	<u>-</u>	<u>(5,406)</u>	<u>-</u>	<u>(10,375)</u>	<u>-</u>	<u>(17,629)</u>	<u>-</u>
Total non-operating income and expenses	<u>59,676</u>	<u>4</u>	<u>120,545</u>	<u>6</u>	<u>159,608</u>	<u>3</u>	<u>183,991</u>	<u>3</u>
PROFIT BEFORE INCOME TAX	418,466	20	414,763	22	1,152,272	20	1,390,475	22
INCOME TAX (Notes 4 and 23)	<u>73,987</u>	<u>4</u>	<u>77,362</u>	<u>4</u>	<u>184,894</u>	<u>3</u>	<u>244,631</u>	<u>4</u>
NET PROFIT FOR THE PERIOD	<u>344,479</u>	<u>16</u>	<u>337,401</u>	<u>18</u>	<u>967,378</u>	<u>17</u>	<u>1,145,844</u>	<u>18</u>
OTHER COMPREHENSIVE INCOME (Note 20)								
Items that will not be reclassified subsequently to profit or loss								
Unrealized gain/(loss) on financial assets in equity instruments at fair value through other comprehensive income	(14,964)	-	(38,047)	(1)	(48,461)	(1)	14,047	-

(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			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
Shares of the other comprehensive income (loss) of associates accounted for using the equity method	\$ (1,786)	-	\$ (124,226)	(7)	\$ (101,620)	(2)	\$ (139,874)	(2)
Items that may be reclassified subsequently to profit or loss								
Exchange differences on translation of the financial statements of foreign operations	3,473	-	5,473	-	8,684	-	10,359	-
Unrealized gain/(loss) on financial assets in debt instruments at fair value through other comprehensive income	(1,417)	-	1,573	-	1,709	-	1,630	-
Share of the other comprehensive income (loss) of associates accounted for using the equity method	1,935	-	5,683	-	(6,336)	-	4,201	-
Other comprehensive income (loss) for the period, net of income tax	(12,759)	-	(149,544)	(8)	(146,024)	(3)	(109,637)	(2)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 331,720</u>	<u>16</u>	<u>\$ 187,857</u>	<u>10</u>	<u>\$ 821,354</u>	<u>14</u>	<u>\$ 1,036,207</u>	<u>16</u>
NET PROFIT								
ATTRIBUTABLE TO:								
Owners of the Corporation	\$ 344,479		\$ 337,401		\$ 967,378		\$ 1,145,376	
Non-controlling interests	-		-		-		468	
	<u>\$ 344,479</u>		<u>\$ 337,401</u>		<u>\$ 967,378</u>		<u>\$ 1,145,844</u>	
TOTAL COMPREHENSIVE INCOME								
ATTRIBUTABLE TO:								
Owners of the Corporation	\$ 331,720		\$ 187,857		\$ 821,354		\$ 1,036,663	
Non-controlling interests	-		-		-		(456)	
	<u>\$ 331,720</u>		<u>\$ 187,857</u>		<u>\$ 821,354</u>		<u>\$ 1,036,207</u>	
EARNINGS PER SHARE								
(Note 24)								
Basic	<u>\$ 1.48</u>		<u>\$ 1.45</u>		<u>\$ 4.17</u>		<u>\$ 4.93</u>	
Diluted	<u>\$ 1.48</u>		<u>\$ 1.45</u>		<u>\$ 4.16</u>		<u>\$ 4.92</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, 2024	\$ 2,369,044	\$ 928,925	\$ 2,948,165	\$ 193,150	\$ 1,910,865	\$ 5,052,180	\$ (26,929)	\$ 8,873	\$ 15	\$ (18,041)	\$ (117,638)	\$ 8,214,470	\$ -	\$ 8,214,470
Appropriation of 2023 earnings (Note 20)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	142,213	-	(142,213)	-	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(947,618)	(947,618)	-	-	-	-	-	(947,618)	-	(947,618)
	-	-	142,213	-	(1,089,831)	(947,618)	-	-	-	-	-	(947,618)	-	(947,618)
Net profit for the nine months ended September 30, 2024	-	-	-	-	967,378	967,378	-	-	-	-	-	967,378	-	967,378
Other comprehensive income (loss) for the nine months ended September 30, 2024, net of income tax	-	-	-	-	1	1	2,351	(148,373)	(3)	(146,025)	-	(146,024)	-	(146,024)
Total comprehensive income (loss) for the nine months ended September 30, 2024	-	-	-	-	967,379	967,379	2,351	(148,373)	(3)	(146,025)	-	821,354	-	821,354
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	11,066	11,066	-	(11,066)	-	(11,066)	-	-	-	-
Adjustment to capital surplus arising from dividends paid to subsidiaries	-	19,014	-	-	-	-	-	-	-	-	-	19,014	-	19,014
Changes in capital surplus from investments in associates accounted for using the equity method	-	25,084	-	-	(17,386)	(17,386)	-	-	-	-	-	7,698	-	7,698
BALANCE AT SEPTEMBER 30, 2024	\$ 2,369,044	\$ 973,023	\$ 3,090,378	\$ 193,150	\$ 1,782,093	\$ 5,065,621	\$ (24,578)	\$ (150,566)	\$ 12	\$ (175,132)	\$ (117,638)	\$ 8,114,918	\$ -	\$ 8,114,918
BALANCE AT JANUARY 1, 2023	\$ 2,369,044	\$ 902,804	\$ 2,775,710	\$ 193,150	\$ 1,845,707	\$ 4,814,567	\$ (38,144)	\$ 63,748	\$ 133	\$ 25,737	\$ (117,638)	\$ 7,994,514	\$ 81,038	\$ 8,075,552
Appropriation of 2022 earnings (Note 20)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	172,455	-	(172,455)	-	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,184,522)	(1,184,522)	-	-	-	-	-	(1,184,522)	-	(1,184,522)
	-	-	172,455	-	(1,356,977)	(1,184,522)	-	-	-	-	-	(1,184,522)	-	(1,184,522)
Net profit for the nine months ended September 30, 2023	-	-	-	-	1,145,376	1,145,376	-	-	-	-	-	1,145,376	468	1,145,844
Other comprehensive income (loss) for the nine months ended September 30, 2023, net of income tax	-	-	-	-	28	28	15,592	(124,225)	(108)	(108,741)	-	(108,713)	(924)	(109,637)
Total comprehensive income (loss) for the nine months ended September 30, 2023	-	-	-	-	1,145,404	1,145,404	15,592	(124,225)	(108)	(108,741)	-	1,036,663	(456)	1,036,207
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(80,582)	(80,582)
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	2,821	2,821	-	(2,821)	-	(2,821)	-	-	-	-
Adjustment to capital surplus arising from dividends paid to subsidiaries	-	23,768	-	-	-	-	-	-	-	-	-	23,768	-	23,768
Changes in capital surplus from investments in associates accounted for using the equity method	-	4,440	-	-	(5,768)	(5,768)	-	-	-	-	-	(1,328)	-	(1,328)
Difference between consideration and carrying amount of associates acquired	-	-	-	-	(2,679)	(2,679)	-	-	-	-	-	(2,679)	-	(2,679)
BALANCE AT SEPTEMBER 30, 2023	\$ 2,369,044	\$ 931,012	\$ 2,948,165	\$ 193,150	\$ 1,628,508	\$ 4,769,823	\$ (22,552)	\$ (63,298)	\$ 25	\$ (85,825)	\$ (117,638)	\$ 7,866,416	\$ -	\$ 7,866,416

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	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 1,152,272	\$ 1,390,475
Adjustments for:		
Depreciation expense	331,958	345,449
Amortization expense	4,507	4,913
Net gain on fair value change of financial assets at fair value through profit or loss	(21,682)	(11,390)
Interest expense	10,375	17,629
Interest income	(11,255)	(16,489)
Dividend income	(9,908)	(17,650)
Share of the profit of associates	(53,286)	(87,954)
Loss on disposal of property, plant and equipment	962	201
Gain on disposal of investments accounted for using the equity method	(14,019)	-
Gain on disposal of investment properties	-	(33,742)
Impairment loss on non-financial assets	5,468	2,361
Loss on disposal of subsidiary	-	11,878
Changes in operating assets and liabilities		
Financial instruments mandatorily classified as at fair value through profit or loss	66,547	(44,181)
Notes receivable	54,015	(110,148)
Accounts receivable	165,583	(19,615)
Accounts receivable - related parties	11,900	(17,000)
Other receivables	2,297	16,813
Inventories	(173,827)	(106,500)
Other current assets	54,596	(31,137)
Contract liabilities	(3,592)	(11,129)
Accounts payable	(4,080)	10,430
Accounts payable - related parties	(7,972)	106,001
Other payables	(91,835)	4,473
Other current liabilities	5,435	20,588
Net defined benefit liabilities	(3,555)	(2,880)
Cash generated from operations	1,470,904	1,421,396
Income taxes paid	(418,061)	(377,616)
Net cash generated from operating activities	1,052,843	1,043,780
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(69,226)	(58,629)
Proceeds from sale of financial assets at fair value through other comprehensive income	49,262	-
Acquisition of financial assets at amortized cost	-	(20,000)
Acquisition of financial assets at fair value through profit or loss	(430,000)	(270,000)

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CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2024	2023
Proceeds from sale of financial assets at fair value through profit or loss	\$ 442,931	\$ 369,737
Acquisition of investments accounted for using equity method	-	(2,202)
Proceeds from investments accounted for using equity method	16,287	-
Increase in prepayments for investments	-	(24,512)
Proceeds from the capital reduction on investments accounted for using equity method	-	43,061
Acquisition of property, plant and equipment	(732,493)	(367,609)
Increase in refundable deposits	-	(30)
Decrease in refundable deposits	70	-
Proceeds from disposal of investment properties	-	53,717
Increase in other non-current assets	(10,400)	-
Decrease in other non-current assets	-	857
Interest received	8,883	15,778
Dividends received from associates	74,736	90,196
Dividend received	9,554	17,425
Net cash used in investing activities	<u>(640,396)</u>	<u>(152,211)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	4,371,695	3,667,501
Repayments of short-term borrowings	(3,923,541)	(4,040,359)
Increase in short-term bills payable	50,000	190,000
Decrease in short-term bills payable	(50,000)	(190,000)
Increase in long-term borrowings	500,000	550,000
Repayments of long-term borrowings	(850,000)	(680,000)
Increase in guarantee deposit received	-	1,235
Repayment of principal of lease liabilities	(33,005)	(32,637)
Cash dividends paid	(928,604)	(1,160,754)
Interest paid	(17,899)	(18,393)
Decrease in non-controlling interests	-	(80,582)
Net cash used in financing activities	<u>(881,354)</u>	<u>(1,793,989)</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>8,265</u>	<u>(1,278)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(460,642)	(903,698)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>1,174,677</u>	<u>1,566,226</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 714,035</u>	<u>\$ 662,528</u>

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

(Concluded)

CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023 (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, 2024 and 2023, 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, coke products and refined carbon materials; 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 (TWSE) since October 31 1998.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation's board of directors and authorized for issue on October 31, 2024.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC) did not have a material impact on the Corporation and its subsidiaries' accounting policies.
- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025

Note: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

As of the date the consolidated financial statements were authorized 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 and its subsidiaries' financial position and financial performance and will disclose the relevant impact when the assessment is completed.

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
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 IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

Note: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

IFRS 18 “Presentation and Disclosures in Financial Statements”

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discounted operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

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

- d. Reclassification

The management of the Corporation consider that the restrictions on the use of funds repatriated for substantial investment in accordance with the “Regulations Governing the Management, Utilization,

and Taxation of Repatriated Offshore Funds” have not changed the nature of the deposits, that the Corporation can demand immediate access to these amounts, and that it is more appropriate to present the deposits in this account as cash and cash equivalents, and therefore, the presentation of the individual balance sheet and individual cash flow statement was changed in the year 2023. As of September 30, 2023 and January 1, 2023, the carrying amounts of other financial assets- current reclassified into cash and cash equivalents are were \$21,031 thousand and \$10,052 thousand, respectively. The effect of cash flow items in the year 2023 are as follows:

	Adjustments
Net cash generated from investing activities	<u>\$ 10,979</u>
Net increase in cash and cash equivalents	<u>\$ 10,979</u>

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 12, Table 5 and Table 6 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, 2023.

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) Income tax expense

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The same critical accounting judgments and key sources of estimation uncertainty of consolidated financial statements have been followed in these consolidated financial statements as those applied in the preparation of the consolidated financial statements for the year ended December 31, 2023.

6. CASH AND CASH EQUIVALENTS

	September 30, 2024	December 31, 2023	September 30, 2023
Cash on hand	\$ 500	\$ 500	\$ 500
Checking accounts and demand deposits	713,535	1,174,177	597,488
Cash equivalents (investment with original maturities less than three months)			
Short-term bills	_____ -	_____ -	_____ 64,540
	<u>\$ 714,035</u>	<u>\$1,174,677</u>	<u>\$ 662,528</u>

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at FVTPL - current

	September 30, 2024	December 31, 2023	September 30, 2023
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Mutual funds	\$ 256,748	\$ 306,840	\$ 209,698
Domestic listed shares	42,053	50,784	49,206
Financial bonds	<u>16,828</u>	<u>15,733</u>	<u>-</u>
	<u>\$ 315,629</u>	<u>\$ 373,357</u>	<u>\$ 258,904</u>

Financial assets at FVTPL - non-current

	September 30, 2024	December 31, 2023	September 30, 2023
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Emerging market shares	\$ 23,654	\$ 25,074	\$ 25,582
Domestic unlisted shares	<u>57,821</u>	<u>56,469</u>	<u>56,015</u>
	<u>\$ 81,475</u>	<u>\$ 81,543</u>	<u>\$ 81,597</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Current

	September 30, 2024	December 31, 2023	September 30, 2023
Foreign investments in debt instrument			
Financial bonds	\$ 81,191	\$ 59,519	\$ 74,775
Domestic investments in equity instrument - listed shares			
Ordinary shares	184,579	215,276	171,528
Preference shares	<u>9,756</u>	<u>10,007</u>	<u>10,076</u>
	<u>\$ 275,526</u>	<u>\$ 284,802</u>	<u>\$ 256,379</u>

Non-Current

	September 30, 2024	December 31, 2023	September 30, 2023
Domestic equity instruments - listed shares			
Domestic listed shares	\$ 110,160	\$ 86,800	\$ 84,800
Emerging market shares	-	41,680	42,216
Domestic unlisted shares	<u>25,320</u>	<u>-</u>	<u>-</u>
	<u>\$ 135,480</u>	<u>\$ 128,480</u>	<u>\$ 127,016</u>

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

9. FINANCIAL ASSETS AT AMORTIZED COST - NON-CURRENT

	September 30, 2024	December 31, 2023	September 30, 2023
Domestic investments in financial bonds	\$ 20,000	\$ 20,000	\$ 20,000
Foreign investment in corporate Bonds	4,071	3,894	3,974
			(Continued)

	September 30, 2024	December 31, 2023	September 30, 2023
Less: Allowance for impairment loss	\$ (4,071)	\$ (3,894)	\$ (3,974)
	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u> (Concluded)

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

10. NOTES AND ACCOUNTS RECEIVABLE (INCLUDING RELATED PARTIES)

	September 30, 2024	December 31, 2023	September 30, 2023
Notes receivable (operating)			
At amortized cost			
Gross carrying amount	<u>\$ 119,097</u>	<u>\$ 173,112</u>	<u>\$ 193,356</u>
Accounts receivable (including related parties)			
At amortized cost			
Gross carrying amount	<u>\$ 503,916</u>	<u>\$ 681,399</u>	<u>\$ 601,059</u>

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

The expected credit losses on notes and accounts receivable are estimated using a provision matrix by reference to past default experience of the customer's and an analysis of the customer's current financial position, adjusted for general economic conditions of the industry in which the customers operates, as well as an assessment of industry outlook at the reporting date. As the Corporation and its subsidiaries' historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Corporation and its subsidiaries' different customer base. As of September 30, 2024, December 31, 2023 and September 30, 2023, the Corporation and its subsidiaries' have no allowance for impairment.

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

September 30, 2024

	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	\$ 614,451	\$ 7,165	\$ 1,397	\$ -	\$ -	\$ -	\$ 623,013
Loss allowance (Lifetime ECL)	-	-	-	-	-	-	-
Amortized cost	<u>\$ 614,451</u>	<u>\$ 7,165</u>	<u>\$ 1,397</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 623,013</u>

December 31, 2023

	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	\$ 822,666	\$ 31,845	\$ -	\$ -	\$ -	\$ -	\$ 854,511
Loss allowance (Lifetime ECL)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 822,666</u>	<u>\$ 31,845</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 854,511</u>

September 30, 2023

	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	\$ 783,978	\$ 10,437	\$ -	\$ -	\$ -	\$ -	\$ 794,415
Loss allowance (Lifetime ECL)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 783,978</u>	<u>\$ 10,437</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 794,415</u>

There were no movements of the loss allowance of notes and accounts receivable for the nine months ended September 30, 2024 and 2023.

11. INVENTORIES

	September 30, 2024	December 31, 2023	September 30, 2023
Finished goods	\$ 704,168	\$ 617,657	\$ 620,012
Work in progress	306,576	241,799	250,343
Raw materials	119,641	102,134	94,696
Supplies	<u>165,241</u>	<u>165,812</u>	<u>160,084</u>
	<u>\$ 1,295,626</u>	<u>\$ 1,127,402</u>	<u>\$ 1,125,135</u>

The cost of inventories recognized as cost of goods sold for the three months and nine months ended September 30, 2024 and 2023 was NT\$1,569,633 thousand, NT\$1,374,749 thousand, NT\$4,384,013 thousand and NT\$4,716,134 thousand, respectively. The cost of goods sold included inventory write-downs and reversal of loss NT\$6,038 thousand, gain NT\$7,643 thousand, loss NT\$5,468 thousand and loss NT\$2,361 thousand, respectively.

The reversal of inventory write-downs was mainly caused by the impact of market price fluctuations for the three months ended September 30, 2024 and 2023.

12. SUBSIDIARIES

The consolidated entities were as follows:

Investor	Investee	Main Businesses	Percentage of Ownership (%)		
			September 30, 2024	December 31, 2023	September 30, 2023
China Steel Chemical Corporation (CSCC)	Ever Wealthy International Corporation (EWI)	General investment	100	100	100
Ever Wealthy International Corporation	Changzhou China Steel New Materials Technology Co., Ltd.	Processing and trading of asphalt mesocarbon microbeads product sorting	100	100	100

13. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

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

	September 30, 2024	December 31, 2023	September 30, 2023
Material associates			
CHC Resources Corporation (CHC)	\$ 370,938	\$ 365,933	\$ 353,783
Transglory Investment Corporation (TIC)	636,576	727,694	683,687
CSC Solar Corporation (CSCSC)	<u>306,702</u>	<u>295,368</u>	<u>293,534</u>
	1,314,216	1,388,995	1,331,004
Associates that are not individually material	<u>532,327</u>	<u>581,523</u>	<u>565,185</u>
	<u>\$ 1,846,543</u>	<u>\$ 1,970,518</u>	<u>\$ 1,896,189</u>

a. Material associates

Name of Associate	Proportion of Ownership and Voting Rights (%)		
	September 30, 2024	December 31, 2023	September 30, 2023
CHC	6	6	6
TIC	9	9	9
CSCSC	15	15	15

Refer to Table 5 "Information on Investees" for the nature of activities, principal places of business and countries of incorporation on the above associates.

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

	September 30, 2024	December 31, 2023	September 30, 2023
CHC	<u>\$ 944,280</u>	<u>\$ 865,114</u>	<u>\$ 868,118</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, 2024	December 31, 2023	September 30, 2023	
Current assets	\$ 2,944,198	\$ 2,752,229	\$ 2,612,394	
Non-current assets	9,000,466	9,519,107	9,564,737	
Current liabilities	(2,456,390)	(2,801,848)	(2,543,945)	
Non-current liabilities	<u>(3,112,309)</u>	<u>(3,184,385)</u>	<u>(3,549,719)</u>	
Equity	6,375,965	6,285,103	6,083,467	
Non-controlling interests	<u>(234,614)</u>	<u>(226,615)</u>	<u>(226,130)</u>	
	<u>\$ 6,141,351</u>	<u>\$ 6,058,488</u>	<u>\$ 5,857,337</u>	
Proportion of the Corporation and its subsidiaries' ownership (%)	6	6	6	
Equity attributable to the Corporation and its subsidiaries	<u>\$ 370,938</u>	<u>\$ 365,933</u>	<u>\$ 353,783</u>	
Carrying amount	<u>\$ 370,938</u>	<u>\$ 365,933</u>	<u>\$ 353,783</u>	
	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Operating revenue	<u>\$ 3,420,027</u>	<u>\$ 3,034,530</u>	<u>\$ 9,739,658</u>	<u>\$ 9,317,160</u>
Net profit for the period	\$ 286,716	\$ 217,326	\$ 883,728	\$ 636,106
Other comprehensive income (loss)	<u>5,472</u>	<u>(53,860)</u>	<u>(35,185)</u>	<u>(43,105)</u>
Total comprehensive income	<u>\$ 292,188</u>	<u>\$ 163,466</u>	<u>\$ 848,543</u>	<u>\$ 593,001</u>

TIC

	September 30, 2024	December 31, 2023	September 30, 2023
Current assets	\$ 518,574	\$ 611,196	\$ 639,153
Non-current assets	6,633,965	7,565,260	7,050,443
Current liabilities	<u>-</u>	<u>(120)</u>	<u>(7,719)</u>
Equity	<u>\$ 7,152,539</u>	<u>\$ 8,176,336</u>	<u>\$ 7,681,877</u>
Proportion of the Corporation and its subsidiaries' ownership (%)	9	9	9
Equity attributable to the Corporation and its subsidiaries	<u>\$ 636,576</u>	<u>\$ 727,694</u>	<u>\$ 683,687</u>
Carrying amount	<u>\$ 636,576</u>	<u>\$ 727,694</u>	<u>\$ 683,687</u>

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Operating Revenue	\$ 105,567	\$ 284,805	\$ 111,613	\$ 290,542
Net profit for the period	\$ 103,228	\$ 282,374	\$ 104,847	\$ 283,638
Other comprehensive income (loss)	13,983	(1,172,075)	(1,102,729)	(1,276,966)
Total comprehensive income (loss)	\$ 117,211	\$ (889,701)	\$ (997,882)	\$ (993,328)

CSCSC

	September 30, 2024	December 31, 2023	September 30, 2023
Current assets	\$ 223,592	\$ 165,577	\$ 152,878
Non-current assets	4,047,209	4,154,301	4,122,973
Current liabilities	(1,206,776)	(950,131)	(893,221)
Non-current liabilities	(1,019,346)	(1,402,628)	(1,425,740)
Equity	\$ 2,044,679	\$ 1,969,119	\$ 1,956,890
Proportion of the Corporation and its subsidiaries' ownership (%)	15	15	15
Equity attributable to the Corporation and its subsidiaries	\$ 306,702	\$ 295,368	\$ 293,534
Carrying amount	\$ 306,702	\$ 295,368	\$ 293,534

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Operating Revenue	\$ 170,875	\$ 148,351	\$ 462,356	\$ 413,245
Net profit for the period	\$ 54,465	\$ 42,341	\$ 132,124	\$ 105,284
Other comprehensive income (loss)	(121)	(1,053)	2,731	3,477
Total comprehensive income	\$ 54,344	\$ 41,288	\$ 134,855	\$ 108,761

b. Aggregate information of associates that are not individually material

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
The Corporation and its subsidiaries' share of Net profit (loss) for the period	\$ 620	\$ 91	\$ (28,141)	\$ 9,216

(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Other comprehensive loss	\$ (1,349)	\$ (10,851)	\$ (28,141)	\$ (21,373)
Total comprehensive loss	\$ (729)	\$ (10,760)	\$ (36,126)	\$ (12,157)
				(Concluded)

Except for the investments in some companies, investments accounted for using equity method as of September 30, 2024 and 2023 and the share of profit or loss and other comprehensive income of associates for the three months and nine months ended September 30, 2024 and 2023 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 both the investments and income accounted for using equity method.

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

14. PROPERTY, PLANT AND EQUIPMENT

For the Nine months Ended September 30, 2024

	Land	Buildings	Machinery and Equipment	Transportation Equipment	Other Equipment	Construction in Progress	Total
<u>Cost</u>							
Balance at January 1, 2024	\$ 1,145,237	\$ 1,595,918	\$ 5,954,138	\$ 167,520	\$ 198,495	\$ 441,459	\$ 9,502,767
Additions	-	10,102	156,463	1,019	6,000	697,957	871,541
Disposals	-	-	(43,650)	(520)	(3,741)	-	(47,911)
Effect of foreign currency exchange differences	-	-	1,630	188	1,022	13	2,853
Balance at September 30, 2024	<u>\$ 1,145,237</u>	<u>\$ 1,606,020</u>	<u>\$ 6,068,581</u>	<u>\$ 168,207</u>	<u>\$ 201,776</u>	<u>\$ 1,139,429</u>	<u>\$ 10,329,250</u>
<u>Accumulated depreciation</u>							
Balance at January 1, 2024	\$ -	\$ 671,525	\$ 4,620,751	\$ 149,183	\$ 164,874	\$ -	\$ 5,606,333
Depreciation expense	-	57,270	229,913	6,767	6,964	-	300,914
Disposals	-	-	(42,802)	(520)	(3,627)	-	(46,949)
Effect of foreign currency exchange differences	-	-	819	150	930	-	1,899
Balance at September 30, 2024	<u>\$ -</u>	<u>\$ 728,795</u>	<u>\$ 4,808,681</u>	<u>\$ 155,580</u>	<u>\$ 169,141</u>	<u>\$ -</u>	<u>\$ 5,862,197</u>
Carrying amount at December 31, 2023	<u>\$ 1,145,237</u>	<u>\$ 924,393</u>	<u>\$ 1,333,387</u>	<u>\$ 18,337</u>	<u>\$ 33,621</u>	<u>\$ 441,459</u>	<u>\$ 3,896,434</u>
Carrying amount at September 30, 2024	<u>\$ 1,145,237</u>	<u>\$ 877,225</u>	<u>\$ 1,259,900</u>	<u>\$ 12,627</u>	<u>\$ 32,635</u>	<u>\$ 1,139,429</u>	<u>\$ 4,467,053</u>

For the Nine months Ended September 30, 2023

	Land	Buildings	Machinery and Equipment	Transportation Equipment	Other Equipment	Construction in Progress	Total
<u>Cost</u>							
Balance at January 1, 2023	\$ 1,145,237	\$ 1,583,385	\$ 5,735,619	\$ 165,888	\$ 198,742	\$ 179,090	\$ 9,007,961
Additions	-	6,233	199,103	2,733	1,528	121,949	331,546
Disposals	-	-	(4,909)	(949)	(1,282)	-	(7,140)
Effect of foreign currency exchange differences	-	-	58	8	37	-	103
Balance at September 30, 2023	<u>\$ 1,145,237</u>	<u>\$ 1,589,618</u>	<u>\$ 5,929,871</u>	<u>\$ 167,680</u>	<u>\$ 199,025</u>	<u>\$ 301,039</u>	<u>\$ 9,332,470</u>
<u>Accumulated depreciation</u>							
Balance at January 1, 2023	\$ -	\$ 594,988	\$ 4,311,717	\$ 136,321	\$ 153,779	\$ -	\$ 5,196,805
Depreciation expense	-	57,421	236,403	10,742	10,250	-	314,816
Disposals	-	-	(4,746)	(913)	(1,280)	-	(6,939)
Effect of foreign currency exchange differences	-	-	34	6	36	-	76
Balance at September 30, 2023	<u>\$ -</u>	<u>\$ 652,409</u>	<u>\$ 4,543,408</u>	<u>\$ 146,156</u>	<u>\$ 162,785</u>	<u>\$ -</u>	<u>\$ 5,504,758</u>
Carrying amount at September 30, 2023	<u>\$ 1,145,237</u>	<u>\$ 937,209</u>	<u>\$ 1,386,463</u>	<u>\$ 21,524</u>	<u>\$ 36,240</u>	<u>\$ 301,039</u>	<u>\$ 3,827,712</u>

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

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

15. LEASE AGREEMENT

a. Right-of-use assets

	September 30, 2024		December 31, 2023	September 30, 2023
Carrying amounts				
Land	\$ 309,699		\$ 314,079	\$ 318,331
Machinery	221,278		221,483	224,262
Buildings	<u>81,896</u>		<u>79,789</u>	<u>84,220</u>
	<u>\$ 612,873</u>		<u>\$ 615,351</u>	<u>\$ 626,813</u>
	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2024	2023	2024	2023
Additions to right-of-use assets			<u>\$ 9,641</u>	<u>\$ 15,477</u>
Depreciation charge for right-of-use assets				
Land	\$ 4,032	\$ 4,251	\$ 12,094	\$ 12,754
Machinery	2,886	2,780	8,622	8,297
Buildings	<u>3,451</u>	<u>3,189</u>	<u>10,328</u>	<u>9,582</u>
	<u>\$ 10,369</u>	<u>\$ 10,220</u>	<u>\$ 31,044</u>	<u>\$ 30,633</u>

b. Lease liabilities

	September 30, 2024		December 31, 2023	September 30, 2023
Carrying amounts				
Current	<u>\$ 37,247</u>		<u>\$ 34,126</u>	<u>\$ 34,629</u>
Non-current	<u>\$ 579,072</u>		<u>\$ 587,166</u>	<u>\$ 590,445</u>

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

	September 30, 2024	December 31, 2023	September 30, 2023
Land	1.4703	1.4703	1.4703
Machinery	1.4703	1.4703	1.4703
Buildings	0.6253-3.0000	0.6253-3.0000	0.6253-3.0000

c. Material lease activities and terms

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

The Corporation and its subsidiaries lease land and buildings use of factories. The contracts were signed for periods of 3 to 40 years. The rents were calculated according to 3% of the announced total present value. The Corporation and its subsidiaries do not have reneweal or 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	
	2024	2023	2024	2023
Expenses relating to short-term leases	<u>\$ 464</u>	<u>\$ 769</u>	<u>\$ 1,419</u>	<u>\$ 2,273</u>
Total cash outflow for all lease agreements (including short-term lease agreements)			<u>\$ (41,842)</u>	<u>\$ (42,414)</u>

Refer to Note 16 for the Corporation and its subsidiaries leasing their own investment properties in operating leases.

16. INVESTMENT PROPERTIES

For the three months ended September 30, 2024

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1 and September 30, 2024	<u>\$ 533,013</u>	<u>\$ 29,199</u>	<u>\$ 562,212</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1 and September 30, 2024	<u>\$ -</u>	<u>\$ 29,199</u>	<u>\$ 29,199</u>
Carrying amount at December 31, 2023	<u>\$ 533,013</u>	<u>\$ -</u>	<u>\$ 533,013</u>
Carrying amount at September 30, 2024	<u>\$ 533,013</u>	<u>\$ -</u>	<u>\$ 533,013</u>

For the three months ended September 30, 2023

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2023	\$ 561,813	\$ 47,665	\$ 609,478
Disposal	<u>(28,800)</u>	<u>(18,466)</u>	<u>(47,266)</u>
Balance at September 30, 2023	<u>\$ 533,013</u>	<u>\$ 29,199</u>	<u>\$ 562,212</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2023	\$ 8,825	\$ 47,665	\$ 56,490
Disposal	<u>(8,825)</u>	<u>(18,466)</u>	<u>(27,291)</u>
Balance at September 30, 2023	<u>\$ -</u>	<u>\$ 29,199</u>	<u>\$ 29,199</u>
Carrying amount at September 30, 2023	<u>\$ 533,013</u>	<u>\$ -</u>	<u>\$ 533,013</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, 2024	December 31, 2023	September 30, 2023
Total lease payment charged in the future	<u>\$ 23,228</u>	<u>\$ 35,445</u>	<u>\$ 33,134</u>

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

The Corporation's board has approved to dispose the land and buildings on xinya Road, and had signed the sales contract at February and August, 2023, the contract amount was NT\$11,493 thousand and NT\$42,244 thousand, respectively. It complete the ownership transfer at May and September, 2023. The gain of disposal was NT\$33,742 thousand, and all the payment had been received.

As of September 30, 2024, December 31, 2023 and September 30, 2023, the fair value of investment properties was NT\$940,078 thousand, NT\$940,078 thousand and NT\$919,910 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 28 for the lease transactions conducted with related party.

17. BORROWINGS

a. Short-term borrowings

	September 30, 2024	December 31, 2023	September 30, 2023
Unsecured loans	\$ 850,000	\$ 350,000	\$ 300,000
Letters of credit borrowings	34,579	84,746	125,898
Secured loans (Note 27)	<u>11,456</u>	<u>12,595</u>	<u>53,084</u>
	<u>\$ 896,035</u>	<u>\$ 447,341</u>	<u>\$ 478,982</u>
Range of interest rate of letters of credit borrowings (%)	1.68-1.95	1.64-1.80	1.49-1.56
Range of interest rate of bank loans (%)	1.77-2.01	1.84-1.93	1.78-1.93
Range of interest rate of secured loans (%)	1.63-1.73	1.33-1.80	1.33-2.10

b. Long-term bank borrowings

	September 30, 2024	December 31, 2023	September 30, 2023
Unsecured loans			
Due on various dates through March, 2026	<u>\$ 600,000</u>	<u>\$ 950,000</u>	<u>\$ 250,000</u>
Rate of interest rate (%)	1.73-1.78	1.56-1.67	1.70-1.72

The Corporation entered into a credit facility agreement with KGI Bank for a NT\$500,000 thousand credit line used for long-term borrowings on a revolving basis and the agreement is valid until December 2025. Under the agreement, based on the Corporation's quarterly reviewed consolidated financial statements and audited annual consolidated financial statements, which shall be verified quarterly, the consolidated profit from operations of the Corporation shall not be negative for two consecutive quarters. Otherwise, the credit line shall be cancelled until the quarter profit from operation becomes positive. The Corporation and its subsidiaries did not violate the provision.

The Corporation entered into a credit facility agreement with Taipei Fubon Bank for a NT\$500,000 thousand credit line used for long-term borrowings on a revolving basis and the agreement is valid until December 2025. Under the agreement, the agreed financial ratio and amount of the Corporation's audited annual consolidated financial statements should conform to a certain ratio and amount; however, if it does not meet the criteria, the interest rate will be raised by 0.25% and changed to semi-annual inspection. Neither the Corporation nor its subsidiaries have violated the above provisions.

18. OTHER PAYABLES

	September 30, 2024	December 31, 2023	September 30, 2023
Salaries and incentive bonus	\$ 121,219	\$ 137,473	\$ 103,007
Purchase of equipment	95,771	8,793	7,157
Employees' compensation and remuneration of directors	52,195	78,365	62,171
Soil remediation expense	34,917	60,051	69,525
Outsourced repair and construction	22,184	32,140	76,475

(Continued)

	September 30, 2024	December 31, 2023	September 30, 2023
Others (freight, commission and insurance)	\$ 64,641	\$ 78,392	\$ 85,195
	<u>\$ 390,927</u>	<u>\$ 395,214</u>	<u>\$ 403,530</u>
			(Concluded)

19. RETIREMENT BENEFIT PLANS

For the three months and nine months ended September 30, 2024 and 2023, the pension expenses of defined benefit plans were NT\$963 thousand, NT\$1,099 thousand, NT\$2,889 thousand and NT\$3,295 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2023 and 2022 respectively.

20. EQUITY

a. Ordinary share capital

	September 30, 2024	December 31, 2023	September 30, 2023
Number of shares authorized (in thousands)	300,000	300,000	300,000
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)	236,904	236,904	236,904
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, 2024	December 31, 2023	September 30, 2023
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	943,230	924,216	924,216
May be used to offset deficits only			
Share of change in equity of associates	<u>29,575</u>	<u>4,491</u>	<u>6,578</u>
	<u>\$ 973,023</u>	<u>\$ 928,925</u>	<u>\$ 931,012</u>

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

c. Retained earnings and dividend policy

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

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

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

The appropriation of earnings for 2023 and 2022 had been approved in the shareholder's meeting in June 2024 and 2023, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings		Dividend Per Share (NT\$)	
	For the Year Ended December 31		For the Year Ended December 31	
	2023	2022	2023	2022
Legal reserve	\$ 142,213	\$ 172,455		
Cash dividends	947,618	1,184,522	\$ 4	\$ 5

d. Other equity items

1) Exchange differences on translating foreign operations

	For the Nine months Ended September 30	
	2024	2023
Balance, beginning of period	\$ (26,929)	\$ (38,144)
Recognized during the period		
Exchange differences arising on translation of foreign operations	8,684	(595)
Share of exchange difference of associates accounted for using the equity method	(6,333)	4,309
Disposal of subsidiary	<u>-</u>	<u>11,878</u>
Balance, end of period	<u>\$ (24,578)</u>	<u>\$ (22,552)</u>

2) Unrealized gains and losses on financial assets at FVTOCI

	For the Nine months Ended September 30	
	2024	2023
Balance, beginning of period	\$ 8,873	\$ 63,748
Recognized during the period		
Unrealized gains and losses		
Debt instruments	1,709	1,630
Equity instruments	(48,461)	14,047
Share from associates accounted for using the equity method	<u>(101,621)</u>	<u>(139,902)</u>
Other comprehensive income (loss) recognized in the period	<u>(148,373)</u>	<u>(124,225)</u>
Cumulative unrealized gains and losses of equity instruments transferred to retained earnings due to disposal	<u>(11,066)</u>	<u>(2,821)</u>
Balance, end of period	<u>\$ (150,566)</u>	<u>\$ (63,298)</u>

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

	For the Nine months Ended September 30	
	2024	2023
Balance, beginning of period	\$ 15	\$ 133
Recognized during the period		
Share of fair value changes of hedging instruments of associates accounted for using the equity method	<u>(3)</u>	<u>(108)</u>
Balance, end of period	<u>\$ 12</u>	<u>\$ 25</u>

e. Non-controlling interests

	For the Nine months Ended September 30	
	2024	2023
Balance, beginning of period	\$ -	\$ 81,038
Net profit for the period	-	468
Other comprehensive income (loss) recognized in the period		
Exchange difference on translating foreign operations	-	(924)
Disposal of subsidiary	<u>-</u>	<u>(80,582)</u>
Balance, end of period	<u>\$ -</u>	<u>\$ -</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 (in thousands of shares):

For the Nine months Ended September 30, 2024

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>482,484</u>

For the Nine months Ended September 30, 2023

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>537,150</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.

21. OPERATING REVENUES

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2024	2023	2024	2023
Revenue from contracts with customers				
Revenue from chemical product production and sale	\$ 2,036,752	\$ 1,781,341	\$ 5,667,630	\$ 5,781,858
Revenue from trading	27,733	30,091	126,340	549,864
Revenue from the rendering of services	<u>14,116</u>	<u>13,959</u>	<u>38,292</u>	<u>44,511</u>
	<u>2,078,601</u>	<u>1,825,391</u>	<u>5,832,262</u>	<u>6,376,233</u>
Revenue from investment				
Gain (loss) on disposal of investments accounted for using the equity method	14,019	-	14,019	-
Gain (loss) on fair value change of financial assets at FVTPL	(330)	(4,021)	16,779	8,697
Share of the profit of associates	(208)	4,819	(12,487)	3,975
Dividend income	<u>8,196</u>	<u>12,619</u>	<u>8,276</u>	<u>14,772</u>
	<u>21,677</u>	<u>13,417</u>	<u>26,587</u>	<u>27,444</u>
	<u>\$ 2,110,278</u>	<u>\$ 1,838,808</u>	<u>\$ 5,858,849</u>	<u>\$ 6,403,677</u>

a. Contract balances

	September 30, 2024	December 31, 2023	September 30, 2023	January 1, 2023
Notes and accounts receivables (including related parties)	\$ <u>623,013</u>	\$ <u>854,511</u>	\$ <u>794,415</u>	\$ <u>647,652</u>
Contract liabilities				
Sale of goods	\$ <u>41,374</u>	\$ <u>44,966</u>	\$ <u>110,140</u>	\$ <u>121,269</u>

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

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

		For the Nine months Ended September 30		
		2024	2023	
From contract liabilities at the beginning of the year				
Sale of goods		\$ 44,742	\$ 121,048	
b. Disaggregation of revenue				
For the nine months ended September 30, 2024				
	Chemicals Product - Production and Sales	Chemicals Product - Trading	Investment Product	Total
Type of goods or services				
Sale of goods	\$ 5,667,630	\$ 126,340	\$ -	\$ 5,793,970
Rendering of services	38,292	-	-	38,292
Others	-	-	26,587	26,587
	\$ 5,705,922	\$ 126,340	\$ 26,587	\$ 5,858,849
For the nine months ended September 30, 2023				
	Chemicals Product - Production and Sales	Chemicals Product - Trading	Investment Product	Total
Type of goods or services				
Sale of goods	\$ 5,781,858	\$ 549,864	\$ -	\$ 6,331,722
Rendering of services	44,511	-	-	44,511
Others	-	-	27,444	27,444
	\$ 5,826,369	\$ 549,864	\$ 27,444	\$ 6,403,677

22. 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	
	2024	2023	2024	2023
Bank deposits	\$ 1,202	\$ 1,798	\$ 4,510	\$ 9,860
Investment in debt instruments at FVTOCI	1,313	1,630	5,385	1,958
Others	<u>317</u>	<u>864</u>	<u>1,360</u>	<u>4,671</u>
	<u>\$ 2,832</u>	<u>\$ 4,292</u>	<u>\$ 11,255</u>	<u>\$ 16,489</u>

b. Other income

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2024	2023	2024	2023
Income from sale of prototype product trials	\$ 8,716	\$ 9,800	\$ 28,797	\$ 18,748
Subsidy income	5,114	18,877	12,242	19,237
Rental income (Note 28)	4,150	3,625	12,451	10,822
Dividend income	1,632	2,878	1,632	2,878
Others	<u>1,974</u>	<u>2,706</u>	<u>6,000</u>	<u>7,535</u>
	<u>\$ 21,586</u>	<u>\$ 37,886</u>	<u>\$ 61,122</u>	<u>\$ 59,220</u>

c. Other gains and losses

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2024	2023	2024	2023
Net foreign exchange gain	\$ 2,087	\$ 25,474	\$ 29,162	\$ 27,448
Soil remediation expense	-	(8,393)	-	(8,393)
Net gain on fair value change of financial assets mandatorily at FVTPL	3,562	201	4,903	2,693
Gain on disposal of investment properties	-	26,510	-	33,742
Loss on disposal of subsidiary	-	-	-	(11,878)
Others	<u>(1,418)</u>	<u>310</u>	<u>(2,232)</u>	<u>(1,680)</u>
	<u>\$ 4,231</u>	<u>\$ 44,102</u>	<u>\$ 31,833</u>	<u>\$ 41,932</u>

The components of net foreign exchange gain were as follows:

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2024	2023	2024	2023
Foreign exchange gain	\$ 9,003	\$ 24,507	\$ 39,168	\$ 51,032
Foreign exchange loss	<u>(6,916)</u>	<u>967</u>	<u>(10,006)</u>	<u>(23,584)</u>
Net foreign exchange gain	<u>\$ 2,087</u>	<u>\$ 25,474</u>	<u>\$ 29,162</u>	<u>\$ 27,448</u>

d. Interest expenses

	For the Three Months Ended September 30		For the Six Months Ended September 30	
	2024	2023	2024	2023
Interest on bank loans	\$ 4,133	\$ 2,931	\$ 11,051	\$ 10,125
Interest on lease liabilities	<u>2,457</u>	<u>2,475</u>	<u>7,418</u>	<u>7,504</u>
	6,590	5,406	18,469	17,629
Less: Amounts included in the cost of qualifying assets	<u>2,497</u>	<u>-</u>	<u>8,094</u>	<u>-</u>
	<u>\$ 4,093</u>	<u>\$ 5,406</u>	<u>\$ 10,375</u>	<u>\$ 17,629</u>

Information relating to the capitalized interest is as follows:

	For the Three Months Ended September 30		For the Six Months Ended September 30	
	2024	2023	2024	2023
Capitalized interest amount	<u>\$ 2,497</u>	<u>\$ -</u>	<u>\$ 8,094</u>	<u>\$ -</u>
Capitalization rate (%)	1.73-1.75	-	1.59-1.75	-

e. Depreciation and amortization

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2024	2023	2024	2023
Property, plant and equipment	\$ 96,748	\$ 104,610	\$ 300,914	\$ 314,816
Right-of-use assets	10,369	10,220	31,044	30,633
Other non-current assets	<u>1,712</u>	<u>1,410</u>	<u>4,507</u>	<u>4,913</u>
	<u>\$ 108,829</u>	<u>\$ 116,240</u>	<u>\$ 336,465</u>	<u>\$ 350,362</u>
An analysis of depreciation by function				
Operating costs	\$ 86,511	\$ 94,935	\$ 270,677	\$ 289,818
Operating expenses	<u>20,606</u>	<u>19,895</u>	<u>61,281</u>	<u>55,631</u>
	<u>\$ 107,117</u>	<u>\$ 114,830</u>	<u>\$ 331,958</u>	<u>\$ 345,449</u>
An analysis of amortization by function				
Operating costs	<u>\$ 1,712</u>	<u>\$ 1,410</u>	<u>\$ 4,507</u>	<u>\$ 4,913</u>

f. Employee benefits expense

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2024	2023	2024	2023
Short-term employee benefits				
Salaries	\$ 154,496	\$ 132,417	\$ 426,369	\$ 401,090
Labor and health insurance	9,002	8,800	25,414	23,951
Others	<u>6,348</u>	<u>5,668</u>	<u>23,669</u>	<u>18,581</u>
	<u>169,846</u>	<u>146,885</u>	<u>475,452</u>	<u>443,622</u>
Post-employment benefits				
Defined contribution plans	2,823	2,616	8,574	7,619
Defined benefit plans (Note 19)	<u>963</u>	<u>1,099</u>	<u>2,889</u>	<u>3,295</u>
	<u>3,786</u>	<u>3,715</u>	<u>11,463</u>	<u>10,914</u>
	<u>\$ 173,632</u>	<u>\$ 150,600</u>	<u>\$ 486,915</u>	<u>\$ 454,536</u>
An analysis by function				
Operating costs	\$ 108,528	\$ 95,958	\$ 308,785	\$ 292,957
Operating expenses	<u>65,104</u>	<u>54,642</u>	<u>178,130</u>	<u>161,579</u>
	<u>\$ 173,632</u>	<u>\$ 150,600</u>	<u>\$ 486,915</u>	<u>\$ 454,536</u>

g. Employees' compensation and remuneration of directors

The Articles 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, 2024 and 2023 were as follows:

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2024	2023	2024	2023
Compensation of employees	\$ 16,447	\$ 15,343	\$ 43,496	\$ 51,809
Remuneration of directors	3,289	3,069	8,699	10,362

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 the accounting estimate and recognized in the next year.

The appropriations of employees' compensation and remuneration of directors (all paid in cash) for 2023 and 2022 which have been approved by the Corporations's board of directors in February 2024 and 2023, respectively, were as follows:

	For the Year Ended December 31, 2023		For the Year Ended December 31, 2022	
	Compensation of Employees	Remuneration of Directors	Compensation of Employees	Remuneration of Directors
Amounts approved in the board of directors' meeting	<u>\$ 64,680</u>	<u>\$ 12,936</u>	<u>\$ 76,518</u>	<u>\$ 15,304</u>
Amounts recognized in the consolidated financial statements	<u>\$ 65,304</u>	<u>\$ 13,061</u>	<u>\$ 77,772</u>	<u>\$ 15,555</u>

The difference amounts above were recognized in profit and loss for the nine months ended September 30, 2024 and 2023.

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.

23. INCOME TAX

a. Income tax recognized in profit or loss

The major components of income tax expense were as follows:

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2024	2023	2024	2023
Current tax				
In respect of the current period	\$ 73,985	\$ 76,841	\$ 205,483	\$ 253,139
Land value increment tax	-	623	-	794
Income basic tax	51	-	51	-
Adjustments for prior year	3	(102)	(12,213)	(9,302)
Tax refund adjustments for oversea funds repatriation	-	-	(8,427)	-
Income tax on unappropriated earnings	<u>(52)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 73,987</u>	<u>\$ 77,362</u>	<u>\$ 184,894</u>	<u>\$ 244,631</u>

b. Income tax assessments

The Corporation and the subsidiary EWI's income tax returns through 2022 have been assessed by the tax authorities.

24. 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	
	2024	2023	2024	2023
Net profit attributable to owners of the Corporation	<u>\$ 344,479</u>	<u>\$ 337,401</u>	<u>\$ 967,378</u>	<u>\$ 1,145,376</u>

The weighted average number of ordinary shares outstanding (in thousand of shares)

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2024	2023	2024	2023
Weighted average number of ordinary shares outstanding	236,904	236,904	236,904	236,904
Less: Number of treasury shares acquired by subsidiaries	<u>4,754</u>	<u>4,754</u>	<u>4,754</u>	<u>4,754</u>
Weighted average number of ordinary shares used in computation of basic earnings per share	232,150	232,150	232,150	232,150
Plus: Effect of dilutive potential ordinary shares - employees' compensation	<u>429</u>	<u>458</u>	<u>544</u>	<u>585</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>232,579</u>	<u>232,608</u>	<u>232,694</u>	<u>232,735</u>

The Corporation may settle compensation paid to employees by cash or shares; therefore, the Corporation assumes that the entire amount of the compensation will be settled in shares and the resulting potential shares will be 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.

25. DISPOSAL OF SUBSIDIARY

The Corporation and Formosa Ha Tinh (Cayman) invested in CSCCC jointly decided to discontinue the joint venture and liquidated in April 2023 in accordance with the joint venture and collaboration agreement, which were approved by the board of directors on December 28, 2022. The Corporation recognized the investment loss on disposal of subsidiary USD11,878 thousand.

26. 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, 2024. The capital structure of the Corporation and its subsidiaries consist of net liabilities and equity. Except for the description of Note 17, 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.

27. 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, 2024</u>				
Financial assets at FVTPL				
Mutual funds	\$ 256,748	\$ -	\$ -	\$ 256,748
Domestic listed shares	42,053	-	-	42,053
Emerging market shares	-	-	23,654	23,654
Domestic unlisted shares	-	-	57,821	57,821
Financial bonds	<u>16,828</u>	<u>-</u>	<u>-</u>	<u>16,828</u>
	<u>\$ 315,629</u>	<u>\$ -</u>	<u>\$ 81,475</u>	<u>\$ 397,104</u>
Financial assets at FVTOCI				
Domestic listed shares	\$ 304,495	\$ -	\$ -	\$ 304,495
Unlisted shares	-	-	25,320	25,320
Financial bonds	<u>81,191</u>	<u>-</u>	<u>-</u>	<u>81,191</u>
	<u>\$ 385,686</u>	<u>\$ -</u>	<u>\$ 25,320</u>	<u>\$ 411,006</u>
<u>December 31, 2023</u>				
Financial assets at FVTPL				
Mutual funds	\$ 306,840	\$ -	\$ -	\$ 306,840
Domestic listed shares	50,734	-	-	50,784
Emerging market share	-	-	25,074	25,074
Domestic unlisted shares	-	-	56,469	56,469
Financial bonds	<u>15,733</u>	<u>-</u>	<u>-</u>	<u>15,733</u>
	<u>\$ 373,357</u>	<u>\$ -</u>	<u>\$ 81,543</u>	<u>\$ 454,900</u>
Financial assets at FVTOCI				
Domestic listed shares	\$ 312,083	\$ -	\$ -	\$ 312,083
Emerging market shares	-	-	41,680	41,680
Financial bonds	<u>59,519</u>	<u>-</u>	<u>-</u>	<u>59,519</u>
	<u>\$ 371,602</u>	<u>\$ -</u>	<u>\$ 41,680</u>	<u>\$ 413,282</u>
<u>September 30, 2023</u>				
Financial assets at FVTPL				
Mutual funds	\$ 209,698	\$ -	\$ -	\$ 209,698
Domestic listed shares	49,206	-	-	49,206

(Continued)

	Level 1	Level 2	Level 3	Total
Emerging market shares	\$ -	\$ -	\$ 25,582	\$ 25,582
Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>56,015</u>	<u>56,015</u>
	<u>\$ 258,904</u>	<u>\$ -</u>	<u>\$ 81,597</u>	<u>\$ 340,501</u>
Financial assets at FVTOCI				
Domestic listed shares	\$ 266,404	\$ -	\$ -	\$ 266,404
Emerging market shares	-	-	42,216	42,216
Financial bonds	<u>74,775</u>	<u>-</u>	<u>-</u>	<u>74,775</u>
	<u>\$ 341,179</u>	<u>\$ -</u>	<u>\$ 42,216</u>	<u>\$ 383,395</u>
				(Concluded)

There were no transfers between Level 1 and Level 2 for the nine months ended September 30, 2024 and 2023.

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

For the nine months ended September 30, 2024

	Equity Instrument		
	Financial Assets at FVTPL	Financial Assets at FVTOCI	Total
Balance, beginning of period	\$ 81,543	\$ 41,680	\$ 123,223
Purchase	-	24,512	24,512
Recognized in profit or loss	(68)	-	(68)
Recognized in other comprehensive income	-	(8,872)	(8,872)
Transfers out of level 3 (Note)	<u>-</u>	<u>(32,000)</u>	<u>(32,000)</u>
Balance, end of period	<u>\$ 81,475</u>	<u>\$ 25,320</u>	<u>\$ 106,795</u>

For the nine months ended September 30, 2023

	Equity Instrument		
	Financial Assets at FVTPL	Financial Assets at FVTOCI	Total
Balance, beginning of period	\$ 84,982	\$ 81,592	\$ 166,574
Recognized in profit or loss	(1,645)	-	(1,645)
Recognized in other comprehensive income	-	38,864	38,864
Transfers out of level 3 (Note)	-	(78,240)	(78,240)
Reduction of capital	<u>(1,740)</u>	<u>-</u>	<u>(1,740)</u>
Balance, end of period	<u>\$ 81,597</u>	<u>\$ 42,216</u>	<u>\$ 123,813</u>

Note: Fair value measurements transfers out of level 3 into level 1 due quoted prices (unadjusted) in active markets of equity instruments are observable for the nine months ended September 30, 2024 and 2023.

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

a) The fair value of emerging market shares was based on the closing price adjusted for liquidity risk premium.

b) The fair value of unlisted shares was based on the current net value or trading price.

b. Categories of financial instruments

	September 30, 2024	December 31, 2023	September 30, 2023
Financial assets			
Financial assets at FVTPL			
Mandatorily classified as at FVTPL (including non-current)	\$ 397,104	\$ 454,900	\$ 340,501
Financial assets at FVTOCI			
Investments in equity instruments	329,815	353,763	308,620
Investments in debt instruments	81,191	59,519	74,775
Financial assets at amortized cost 1)	1,374,718	2,066,499	1,485,908
Financial liabilities			
Measured at amortized cost 2)	2,168,268	2,085,913	1,494,683

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, financial asset at amortized cost - non-current and refundable deposits.

2) The balances included financial liabilities measured at amortized cost, which comprise short-term borrowings, accounts payable (including related parties), other payables (excluding dividends payable), 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. 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 30.

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		For the Nine months Ended	
	September 30		September 30	
	2024	2023	2024	2023
Profit or loss in				
Scenario 1	\$ (5,589)	\$ (12,082)	\$ (3,602)	\$ (9,232)
Profit or loss in				
Scenario 2	5,589	12,082	3,602	9,232

Note: It was mainly derived from the cash and cash equivalents, accounts receivables, other receivables, accounts 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, 2024 and 2023 were mainly due to the variation 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, 2024	December 31, 2023	September 30, 2023
Fair value interest rate risk			
Financial liabilities	\$ 616,319	\$ 621,292	\$ 625,074
Cash flow interest rate risk			
Financial assets	701,246	572,773	460,717
Financial liabilities	600,000	950,000	250,000

Because of held financial liabilities, if interest rates had been 1% higher/lower and all other variables were constant, the Corporation and its subsidiaries' pre-tax profit for the nine months ended September 30, 2024 and 2023 would have decreased/increased by NT\$4,500 thousand and NT\$1,875 thousand, respectively.

c) Other price risk

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

Sensitivity analysis

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

If equity prices had been 6% higher/lower for the nine months ended September 30, 2024 and 2023, respectively, the pre-tax profit for the nine months ended September 30, 2024 and 2023 would have been higher/lower by NT\$17,928 thousand and NT\$15,534 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, 2024 and 2023 would have been higher/lower by NT\$18,270 thousand and NT\$15,984 thousand, respectively, as a result of the changes in fair value of FVTOCI.

2) Credit risk

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

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

	September 30, 2024	December 31, 2023	September 30, 2023
Customer A	\$ 77,300	\$ 90,333	\$ 106,439
Customer B	65,585	172,389	194,364
Customer C	<u>-</u>	<u>170,175</u>	<u>-</u>
	<u>\$ 142,885</u>	<u>\$ 432,897</u>	<u>\$ 300,803</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, 2024, December 31, 2023 and September 30, 2023, the Corporation and its subsidiaries had available unutilized short-term bank loan facilities in the amounts of NT\$ billion, NT\$6.3 billion and NT\$7.3 billion, respectively.

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

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

September 30, 2024

	1 Year	1-5 Years	5+ Years	Total
Non-interest bearing liabilities	\$ 673,768	\$ 3,910	\$ -	\$ 677,678
Lease liabilities	46,131	148,541	526,156	720,828
Variable interest rate liabilities	<u>897,401</u>	<u>604,524</u>	<u>-</u>	<u>1,501,925</u>
	<u>\$ 1,617,300</u>	<u>\$ 756,975</u>	<u>\$ 526,156</u>	<u>\$ 2,900,431</u>

December 31, 2023

	1 Year	1-5 Years	5+ Years	Total
Non-interest bearing liabilities	\$ 690,677	\$ 3,910	\$ -	\$ 694,587
Lease liabilities	42,944	145,247	541,269	729,460
Variable interest rate liabilities	113,455	968,174	-	1,081,629
Fixed interest rate liabilities	<u>350,158</u>	<u>-</u>	<u>-</u>	<u>350,158</u>
	<u>\$ 1,197,234</u>	<u>\$ 1,117,331</u>	<u>\$ 541,269</u>	<u>\$ 2,855,834</u>

September 30, 2023

	1 Year	1-5 Years	5+ Years	Total
Non-interest bearing liabilities	\$ 766,717	\$ 5,117	\$ -	\$ 771,834
Lease liabilities	43,570	146,945	545,661	736,176
Variable interest rate liabilities	183,930	256,195	-	440,125
Fixed interest rate liabilities	<u>300,447</u>	<u>-</u>	<u>-</u>	<u>300,447</u>
	<u>\$ 1,294,664</u>	<u>\$ 408,257</u>	<u>\$ 545,661</u>	<u>\$ 2,248,582</u>

d. Transfers of financial assets

The Corporation's subsidiary, CCSNM entered into a notes receivable discount agreement of NT\$11,252 thousand and NT\$135,884 thousand with the bank for the nine months ended September 30, 2024 and 2023, respectively. In accordance with the agreement, if the notes receivable recoverable at maturity, the bank has the right to request that CCSNM pays the unsettled balance. As the Corporation's subsidiary, CCSNM has not transferred the significant risks and rewards relating to these notes receivables, it continues to recognize the full carrying amounts of these notes receivables and treats these notes receivables that have been transferred to the bank as collateral for borrowings (see Note 17).

As of September 30, 2024, December 31, 2023 and September 30, 2023, the carrying amount of these notes receivables that have been transferred but not derecognized was NT\$11,456 thousand, NT\$12,595 thousand and NT\$53,084 thousand, respectively. The carrying amount of the related liabilities was NT\$11,456 thousand, NT\$12,595 thousand and NT\$53,084 thousand, respectively.

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
China Steel Structure Corporation (CSSC)	Fellow subsidiary
Dragon Steel Corporation (DSC)	Fellow subsidiary
Chung Hung Steel Corporation (CHS)	Fellow subsidiary
China Ecotek Corporation (CEC)	Fellow subsidiary
CHC Resources Corporation	Fellow subsidiary
China Steel Machinery Corporation (CSMC)	Fellow subsidiary
China Steel Precision Materials Corporation (CSPM)	Fellow subsidiary
Himag Magnetic Corporation	Fellow subsidiary
China Steel Global Trading Corporation	Fellow subsidiary
Steel Castle Technology Corporation	Fellow subsidiary
China Steel Security Corporation	Fellow subsidiary
Thintech Materials Technology Co., Ltd.	Fellow subsidiary
Infochamp Systems Corporation (ICSC)	Fellow subsidiary
Betacera Inc.	Fellow subsidiary
CSC Solar Corporation	Fellow subsidiary

(Continued)

Related Party Name	Relationship with the Corporation
Pro-Ascentek Investment Corporation	Fellow subsidiary
Eminent Venture Capital Corporation	Fellow subsidiary
United Steel Engineering & Construction Corporation	Fellow subsidiary
Formosa Ha Tinh Steel Corporation (Formosa Ha Tinh)	Other related party
Eminent III Venture Capital Corporation	Associate

(Concluded)

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

a. Operating revenues

Account Items	Related Parties Category/Name	For the Three Months Ended September 30		For the Nine months Ended September 30	
		2024	2023	2024	2023
Revenue from sales of goods	The Corporation as key management personnel of subsidiaries				
	Linyuan Advanced	\$ 218,195	\$ 290,122	\$ 716,764	\$ 813,707
	Parent entity	4,101	2,830	12,201	9,791
	Fellow subsidiaries	<u>3,454</u>	<u>3,129</u>	<u>9,450</u>	<u>11,984</u>
		<u>\$ 225,750</u>	<u>\$ 296,081</u>	<u>\$ 738,415</u>	<u>\$ 835,482</u>
Revenue from the rendering of services	Parent entity	\$ 11,029	\$ 12,057	\$ 31,224	\$ 39,477
	Fellow subsidiaries	<u>3,007</u>	<u>1,810</u>	<u>6,916</u>	<u>4,766</u>
		<u>\$ 14,036</u>	<u>\$ 13,867</u>	<u>\$ 38,140</u>	<u>\$ 44,243</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	
	2024	2023	2024	2023
Parent entity				
CSC	<u>\$ 675,040</u>	<u>\$ 574,373</u>	<u>\$ 1,936,806</u>	<u>\$ 1,706,333</u>
Fellow subsidiaries				
DSC	304,451	281,931	880,868	797,212
Others	<u>384</u>	<u>640</u>	<u>1,152</u>	<u>1,283</u>
	<u>304,835</u>	<u>282,571</u>	<u>882,020</u>	<u>798,495</u>
Other related party				
Formosa Ha Tinh	<u>-</u>	<u>-</u>	<u>-</u>	<u>521,259</u>
	<u>\$ 979,875</u>	<u>\$ 856,944</u>	<u>\$ 2,818,826</u>	<u>\$ 3,026,087</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 entered into agreements for purchase of light oil products and coal tar (including coal tar (refined)) with Formosa Ha Tinh. The agreement would be extended automatically according to the negotiation. Prices were negotiated between both sides and paid 10 days after shipment. If any price adjustments occurred due to market volatilities, it shall be settled separately.

c. Receivables from related parties

Account Items	Related Parties Category/Name	September 30, 2024	December 31, 2023	September 30, 2023
Accounts receivable - related parties	Parent entity	\$ 7,643	\$ 7,765	\$ 6,282
	Fellow subsidiaries	2,055	800	781
	The Corporation as key management personnel of subsidiaries			
	Linyuan Advanced	<u>77,300</u>	<u>90,333</u>	<u>106,439</u>
		<u>\$ 86,998</u>	<u>\$ 98,898</u>	<u>\$ 113,502</u>
Other receivables	Parent entity			
	CSC	\$ 7,065	\$ 9,347	\$ 368
	Fellow subsidiaries	<u>1,142</u>	<u>1,309</u>	<u>996</u>
		<u>\$ 8,207</u>	<u>\$ 10,656</u>	<u>\$ 1,364</u>

No guarantee had been received for receivables from related parties. For the nine months ended September 30, 2024 and 2023, no impairment loss was recognized on receivables from related parties.

d. Payables to related parties

Account Items	Related Parties Category/Name	September 30, 2024	December 31, 2023	September 30, 2023
Accounts payable - related parties	Parent entity			
	CSC	\$ 247,214	\$ 255,186	\$ 319,695
	Fellow subsidiaries	<u>-</u>	<u>-</u>	<u>184</u>
		<u>\$ 247,214</u>	<u>\$ 255,186</u>	<u>\$ 319,879</u>
Other payables	Parent entity	\$ 5,800	\$ 13,990	\$ 6,936
	Fellow subsidiaries	668	1,020	569
	The Corporation as key management personnel of other related parties	2,900	4,354	3,454
		<u></u>	<u></u>	<u></u>
		<u>\$ 9,368</u>	<u>\$ 19,364</u>	<u>\$ 10,959</u>

The outstanding accounts payable to related parties were unsecured.

e. Contract liabilities

Account Items	Related Parties Category/Name	September 30, 2024	December 31, 2023	September 30, 2023
Contract liabilities	Fellow subsidiaries	\$ <u> - </u>	\$ <u> - </u>	\$ <u>28,380</u>

f. Acquisitions of property, plant and equipment

Related Parties Category/Name	Purchase Price For the Nine months Ended September 30	
	2024	2023
Parent entity	\$ -	\$ 1,800
Fellow subsidiaries		
CSSC	110,209	39,535
CEC	50,400	14,400
CSMC	18,360	2,980
ICSC	<u>10,355</u>	<u>380</u>
	<u>\$ 189,324</u>	<u>\$ 59,095</u>

g. Lease agreement

Related Parties Category/Name	For the Nine months Ended September 30	
	2024	2023
Acquisition of right-of-use assets		
Parent entity	\$ -	\$ 15,477
Fellow subsidiaries		
CHS	<u>6,833</u>	<u>-</u>
	<u>\$ 6,833</u>	<u>\$ 15,477</u>

Account Items	Related Parties Category/Name	September 30, 2024	December 31, 2023	September 30, 2023
Lease liabilities	Parent entity - CSC	\$ <u>553,285</u>	\$ <u>564,557</u>	\$ <u>566,938</u>
	Fellow subsidiaries			
	CSPM	49,518	48,317	48,924
	CHS	<u>6,259</u>	<u>1,164</u>	<u>1,745</u>
		<u>55,777</u>	<u>49,481</u>	<u>50,669</u>
		<u>\$ 609,062</u>	<u>\$ 614,038</u>	<u>\$ 617,607</u>

Related Parties Category/Name	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2024	2023	2024	2023
Interest expense				
Parent entity - CSC	<u>\$ 2,045</u>	<u>\$ 2,088</u>	<u>\$ 6,208</u>	<u>\$ 6,331</u>

(Continued)

Related Parties Category/Name	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2024	2023	2024	2023
Fellow subsidiaries				
CSPM	\$ 383	\$ 372	\$ 1,133	\$ 1,121
CHS	<u>10</u>	<u>4</u>	<u>13</u>	<u>15</u>
	<u>393</u>	<u>376</u>	<u>1,146</u>	<u>1,136</u>
	<u>\$ 2,438</u>	<u>\$ 2,464</u>	<u>\$ 7,354</u>	<u>\$ 7,467</u>
				(Concluded)

Leases of land and plants

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

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

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

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

Leased of office building

The Corporation leased office buildings from its parent entity. The lease term of the contract will end in December, 2025. 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.

h. Lease agreements

As described in Note 16, the Corporation leased out land, which was located in the Xiaogang District, Kaohsiung City to its parent entity. The rental was calculated by an annual rate of 3% based on the current land value. The rental was paid every half year. The lease term of the contract will end in December, 2025. As of September 30, 2024, December 31, 2023 and September 30, 2023, the gross lease payments to be received were NT\$16,141 thousand, NT\$25,826 thousand and NT\$29,054 thousand, respectively. The amounts of lease income recognized for the three months and nine months ended September 30, 2024 and 2023 were both NT\$3,229 thousand and NT\$9,685 thousand, respectively.

i. Other related party transactions

1) Public fluid

The Corporation's factory was located inside the parent entity's plant; the primary energy needed for production was supplied by the parent entity. The Corporation paid on a monthly basis for expense on public, including electricity, wastewater treatment, waste gas treatment, consumption of steam, and coke ovens, based on market price or cost plus percentage. The expense mentioned above amounted to NT\$112,019 thousand, NT\$108,098 thousand, NT\$313,654 thousand and NT\$307,535 thousand for the three months and nine months ended September 30, 2024 and 2023, 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 the fees for technical services amounted to NT\$0 thousand, NT\$0 thousand, NT\$5,110 thousand and NT\$5,211 thousand for the three months and nine months ended September 30, 2024 and 2023, respectively.

3) Compensation of key management personnel

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2024	2023	2024	2023
Short-term employee benefits	\$ 9,305	\$ 9,999	\$ 26,038	\$ 30,549
Post-employment benefits	<u>258</u>	<u>216</u>	<u>627</u>	<u>650</u>
	<u>\$ 9,563</u>	<u>\$ 10,215</u>	<u>\$ 26,665</u>	<u>\$ 31,199</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.

29. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACTUAL COMMITMENTS

Significant commitments and contingencies of the Corporation and its subsidiaries' as of September 30, 2024 were as follow:

- In order to obtain subsidy from the Government, the financial institution provided a guarantee amounted to NT\$20,664 thousand. Guarantee notes provided to sellers for purchase of goods and performance amounted to NT\$123,026 thousand.
- Unused letter of credit issued by the Corporation for the purchase of raw materials and goods in the amount of NT\$1,126,318 thousand.
- Property, plant and equipment construction contract signed for total amount of NT\$396,117 thousand, within which about NT\$118,502 thousand were not yet completed.

30. 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, 2024				
Financial assets				
Monetary items				
USD	\$ 6,123	31.65	(USD:NTD)	\$ 193,793
RMB	33,811	4.523	(RMB:NTD)	152,929
JPY	171,606	0.2223	(JPY:NTD)	38,148
Non-monetary items				
Financial assets mandatorily designated as FVTPL				
USD	1,135	31.65	(USD:NTD)	35,921
Financial assets mandatorily designated as FVTOCI				
USD	3,365	31.65	(USD:NTD)	106,511
Financial liabilities				
Monetary items				
USD	237	31.65	(USD:NTD)	7,500
RMB	7,267	4.523	(RMB:NTD)	32,870
JPY	5,600	0.2223	(JPY:NTD)	12,449
December 31, 2023				
Financial assets				
Monetary items				
USD	11,112	30.705	(USD:NTD)	341,208
RMB	61,849	4.327	(RMB:NTD)	267,620
JPY	128,477	0.2172	(JPY:NTD)	27,905
Non-monetary items				
Financial assets mandatorily designated as FVTPL				
USD	1,081	30.705	(USD:NTD)	33,204
Financial assets mandatorily designated as FVTOCI				
USD	1,938	30.705	(USD:NTD)	59,519
Financial liabilities				
Monetary items				
USD	296	30.705	(USD:NTD)	9,088
September 30, 2023				
Financial assets				
Monetary items				
USD	12,989	32.27	(USD:NTD)	419,155
RMB	70,284	4.415	(RMB:NTD)	310,303
JPY	110,395	0.2162	(JPY:NTD)	23,867

(Continued)

	Foreign Currencies (In Thousands)		Exchange Rate	Carrying Amount
Non-monetary items				
Financial assets mandatorily designated as FVTPL				
USD	\$ 398	32.27	(USD:NTD)	\$ 12,856
Financial assets mandatorily designated as FVTOCI				
USD	2,317	32.27	(USD:NTD)	74,775
Financial liabilities				
Monetary items				
USD	509	32.27	(USD:NTD)	16,417
RMB	582	4.415	(RMB:NTD)	2,567
EURO	140	33.91	(EURO:NTD)	4,750
				(Concluded)

For the three months and nine months ended September 30, 2024 and 2023, realized and unrealized net foreign exchange gains and losses were gains of NT\$2,087 thousand, gains of NT\$25,474 thousand, gains of NT\$29,162 thousand and gains of NT\$27,448 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.

31. 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 (None)
- 9) Trading in derivative instruments: The Corporation entered into non-designated hedged foreign exchange forward contracts amounted to NT\$67,650 thousand which generated realized exchange gain NT\$200 thousand for the nine months ended September 30, 2024. As of September 30, 2024, the Corporation and its subsidiaries did not hold any derivative instruments.
- 10) Intercompany relationships and significant intercompany transactions (Table 4)

11) Information on investees (Table 5)

c. 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 6)
- 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 4)
 - 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)

d. Information of major shareholders (Table 7)

32. SEGMENT INFORMATION

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

- a. CSCC/CCSNM - Production and marketing of chemical products.
- b. CSCCC (liquidation in April, 2023) - Trade of chemical products.
- c. EWI - Investments.

d. The Corporation and its subsidiaries have the reporting segments analyzed as follows:

	CSCC/ CCSNM	EWI	Adjustment and write-off	Consolidated
For the nine months ended September 30, 2024				
Revenue from external customers	\$ 5,832,262	\$ 26,587	\$ -	\$ 5,858,849
Inter segment revenue	<u>124,914</u>	<u>22,391</u>	<u>(147,305)</u>	<u>-</u>
Segment revenue	<u>\$ 5,957,176</u>	<u>\$ 48,978</u>	<u>\$ (147,305)</u>	<u>\$ 5,858,849</u>
Segment income	\$ 959,241	\$ 48,146	\$ (14,723)	\$ 992,664
Interest income	9,832	2,780	(1,357)	11,255
Share of profits of associates	101,834	-	(36,061)	65,773
Other income	68,386	403	(7,667)	61,122
Interest expense	(11,732)	-	1,357	(10,375)
Other gains and losses	<u>27,684</u>	<u>4,149</u>	<u>-</u>	<u>31,833</u>
Profit before income tax	1,155,245	55,478	(58,451)	1,152,272
Income tax expense	<u>184,491</u>	<u>403</u>	<u>-</u>	<u>184,894</u>
Net profit for the period	<u>\$ 970,754</u>	<u>\$ 55,075</u>	<u>\$ (58,451)</u>	<u>\$ 967,378</u>

	CSCC/CCSNM	CSCCC	EWI	Adjustment and write-off	Consolidated
For the nine months ended September 30, 2023					
Inter segment revenue	\$ 6,376,233	\$ -	\$ 27,444	\$ -	\$ 6,403,677
	<u>189,555</u>	<u>-</u>	<u>31,775</u>	<u>(221,330)</u>	<u>-</u>
Segment revenue	<u>\$ 6,565,788</u>	<u>\$ -</u>	<u>\$ 59,219</u>	<u>\$ (221,330)</u>	<u>\$ 6,403,677</u>
Segment income (loss)	\$ 1,165,769	\$ (827)	\$ 57,900	\$ (16,359)	\$ 1,206,484
Interest income	13,673	1,758	2,579	(1,521)	16,489
Share of profits of associates	120,715	-	-	(36,736)	83,979
Other income	73,608	-	1,028	(15,416)	59,220
Interest expense	(19,147)	-	(3)	1,521	(17,629)
Other gains and losses	<u>40,875</u>	<u>-</u>	<u>1,057</u>	<u>-</u>	<u>41,932</u>
Profit before income tax	1,395,493	931	62,562	(68,511)	1,390,475
Income tax expense	<u>242,110</u>	<u>-</u>	<u>2,521</u>	<u>-</u>	<u>244,631</u>
Net profit for the period	<u>\$ 1,153,383</u>	<u>\$ 931</u>	<u>\$ 60,041</u>	<u>\$ (68,511)</u>	<u>\$ 1,145,844</u>

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

e. Segment total assets and liabilities

	September 30, 2024	December 31, 2023	September 30, 2023
Segment assets			
Chemicals segment			
Production and sales	\$ 11,459,178	\$ 11,791,382	\$ 10,876,770
Trading	1,740,394	1,830,381	1,785,537
Investment segment	<u>(2,071,647)</u>	<u>(2,237,305)</u>	<u>(2,182,161)</u>
Adjustment and write-off			
	<u>\$ 11,127,925</u>	<u>\$ 11,384,458</u>	<u>\$ 10,480,146</u>
Segment liabilities			
Chemicals segment			
Production and sales	\$ 3,141,841	\$ 3,386,553	\$ 2,821,832
Trading	-	2,446	2,421
Investment segment	<u>(128,834)</u>	<u>(219,011)</u>	<u>(210,523)</u>
Adjustment and write-off			
	<u>\$ 3,013,007</u>	<u>\$ 3,169,988</u>	<u>\$ 2,613,730</u>

TABLE 1

CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE PERIOD ENDED SEPTEMBER 30, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Financing Company	Counter-party	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn (Note 3)	Interest Rate	Nature for Financing	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company	Financing Company's Total Financing Amount Limits	Note
													Item	Value			
1	Ever Wealthy International Corporation	Changzhou China Steel New Materials Technology Co., Ltd.	Other receivables	Yes	\$ 162,468	\$ 94,983	\$ 94,983	2	Note1	\$ -	Operating capital	\$ -	-	\$ -	\$ 348,078	\$ 522,118	Note 2

Note 1: The need for short-term financing.

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

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

TABLE 2

CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

SEPTEMBER 30, 2024

(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, 2024				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
China Steel Chemical Corporation	Financial bond	BACR 6.224 05/09/34	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	-	\$ 10,244	-	\$ 10,244	
China Steel Chemical Corporation	Financial bond	BAC 5.288 04/25/34	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	-	6,584	-	6,584	
China Steel Chemical Corporation	Subordinated financial bond	CATLIF 5.95 07/05/34	No relation	Financial assets at fair value through other comprehensive income - current	-	23,751	-	23,751	
China Steel Chemical Corporation	Subordinated financial bond	CATLIF 5.3 09/05/39	No relation	Financial assets at fair value through other comprehensive income - current	-	12,782	-	12,782	
China Steel Chemical Corporation	Subordinated financial bond	C 6.174 05/25/34	No relation	Financial assets at fair value through other comprehensive income - current	-	10,140	-	10,140	
China Steel Chemical Corporation	Financial bond	BPCEGP 6.508 01/18/2035	No relation	Financial assets at fair value through other comprehensive income - current	-	8,342	-	8,342	
China Steel Chemical Corporation	Financial bond	BACR 6.224 05/09/34	No relation	Financial assets at fair value through other comprehensive income - current	-	6,818	-	6,818	
China Steel Chemical Corporation	Financial bond	STANLN 6.17 01/09/27	No relation	Financial assets at fair value through other comprehensive income - current	-	6,449	-	6,449	
China Steel Chemical Corporation	Financial bond	SOCGEN 6.447 01/12/27	No relation	Financial assets at fair value through other comprehensive income - current	-	6,448	-	6,448	
China Steel Chemical Corporation	Common stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income - current	3,746,915	86,741	-	86,741	
China Steel Chemical Corporation	Preferred stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income - current	229,000	9,756	-	9,756	
China Steel Chemical Corporation	Preferred stock	SiLican Inc.	No relation	Financial assets at fair value through other comprehensive income - non-current	400,000	25,320	12	25,320	
Ever Wealthy International Corporation	Mutual fund	UPAMC Taiwan High Dividend and Growth-Acc	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	500,000	6,285	-	6,285	

(Continued)

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	SEPTEMBER 30, 2024				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Ever Wealthy International Corporation	Mutual fund	Allianz Global Investors Taiwan Technology Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	19,277	\$ 4,021	-	\$ 4,021	
Ever Wealthy International Corporation	Mutual fund	FT SinoAm Global Infrastructure Income Securities Investment Trust Fund A TWD	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	790,698	9,038	-	9,038	
Ever Wealthy International Corporation	Mutual fund	Eastspring Investments India Equity Fund TWD	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	108,849	7,061	-	7,061	
Ever Wealthy International Corporation	Mutual fund	Jih Sun Global Smart Car Fund (TWD A)	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	321,750	5,994	-	5,994	
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)	250,473	5,315	-	5,315	
Ever Wealthy International Corporation	Mutual fund	FTGF ClearBridge Infrastructure Value Fund Class A US\$ Accumulating	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	11,591	5,283	-	5,283	
Ever Wealthy International Corporation	Mutual fund	Jih Sun Global Essential Semiconductor Fund (TWD)	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	500,000	4,955	-	4,955	
Ever Wealthy International Corporation	Mutual fund	Jih Sun Vietnam Opportunity Fund (NTD)	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	400,000	3,860	-	3,860	
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)	99,544	8,470	-	8,470	
Ever Wealthy International Corporation	Mutual fund	PineBridge Rate Response Multi-Asset Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	500,000	5,787	-	5,787	
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)	33,940	3,616	-	3,616	
Ever Wealthy International Corporation	Mutual fund	Franklin Strategic Income Fund A(acc)USD	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	12,812	6,950	-	6,950	
Ever Wealthy International Corporation	Mutual fund	FTGF Western Asset Short Duration Blue Chip Bond Fund Class A US\$ Accumulating	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	1,638	6,860	-	6,860	
Ever Wealthy International Corporation	Mutual fund	SinoPac Global Infrastructure and Utilities Investment Grade Bond Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	500,000	5,457	-	5,457	
Ever Wealthy International Corporation	Mutual fund	KGI Fund Taiwan Multi-Asset Income Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	1,789,199	22,902	-	22,902	
Ever Wealthy International Corporation	Mutual fund	Jih Sun Taiwan Multi-Asset Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	965,255	11,892	-	11,892	

(Continued)

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	SEPTEMBER 30, 2024				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Ever Wealthy International Corporation	Mutual fund	SinoPac Innovative Healthcare Multi-Asset Fund-Accumulation-TWD	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	500,000	\$ 5,040	-	\$ 5,040	
Ever Wealthy International Corporation	Mutual fund	Taishin TIP Customized Taiwan ESG High Dividend Small/Mid-Cap ETF	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	300,000	4,947	-	4,947	
Ever Wealthy International Corporation	Mutual fund	Taishin Taiwan IC Design and Momentum ETF	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	300,000	4,149	-	4,149	
Ever Wealthy International Corporation	Mutual fund	Jih Sun Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	2,531,929	39,025	-	39,025	
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)	1,539,666	25,293	-	25,293	
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)	1,394,339	18,156	-	18,156	
Ever Wealthy International Corporation	Mutual fund	KGI Victory Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	1,252,139	15,048	-	15,048	
Ever Wealthy International Corporation	Mutual fund	Taishin 1699 Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	894,794	12,610	-	12,610	
Ever Wealthy International Corporation	Mutual fund	UPAMC James Bond Money Market	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	296,620	5,139	-	5,139	
Ever Wealthy International Corporation	Mutual fund	Nomura Taiwan Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	194,538	3,289	-	3,289	
Ever Wealthy International Corporation	Mutual fund	SinoPac TWD Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	21,150	306	-	306	
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)	190,868	6,614	-	6,614	
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)	141,411	5,557	-	5,557	
Ever Wealthy International Corporation	Common stock	Avalue Technology Incorporation	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	40,000	4,340	-	4,340	
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)	62,953	4,186	-	4,186	
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)	108,787	2,002	-	2,002	
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)	7,000	921	-	921	

(Continued)

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	SEPTEMBER 30, 2024				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Ever Wealthy International Corporation	Preferred stock	Fubon Financial Holding Co., Ltd. Ltd. Preferred Shares C	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	175,000	\$ 9,152	-	\$ 9,152	
Ever Wealthy International Corporation	Preferred stock	TAISHIN FINANCIAL HOLDING CO., LTD. Class E Preferred Shares II	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	164,139	7,575	-	7,575	
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	724	-	724	
Ever Wealthy International Corporation	Preferred stock	WPG HOLDINGS LIMITED – Preferred Shares A	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	10,000	505	-	505	
Ever Wealthy International Corporation	Preferred stock	Chailease Holding Company Limited.Shares A	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	5,000	477	-	477	
Ever Wealthy International Corporation	Common stock	YEONG LONG TECHNOLOGIES CO., LTD.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - non-current (including measurement)	1,540,000	54,302	4	54,302	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 - non-current (including measurement)	322,484	3,001	-	3,001	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 - non-current (including measurement)	126,000	491	8	491	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 - non-current (including measurement)	1,000	27	1	27	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 - non-current (including measurement)	133,300	-	2	-	Impairment loss has been recognized fully
Ever Wealthy International Corporation	Common stock	JU-KAO ENGINEERING CO., LTD	No relation	Financial assets mandatorily classified as at fair value through profit or loss - non-current (including measurement)	2,157,642	23,654	7	23,654	Note 1
Ever Wealthy International Corporation	Financial bond	BACR 5.829% 05/09/2027	No relation	Financial assets at fair value through other comprehensive income - current	2,000	6,461	-	6,461	
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	482,484	-	482,484	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	97,838	-	97,838	
Ever Wealthy International Corporation	Common stock	EVERGREEN AVIATION TECHNOLOGIES CORPORATION	No relation	Financial assets at fair value through other comprehensive income - non-current	800,000	78,160	-	78,160	

(Continued)

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	SEPTEMBER 30, 2024				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Ever Wealthy International Corporation	Common stock	JIH SUN International Leasing & Finance Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income - non-current	1,000,000	\$ 32,000	-	\$ 32,000	Impairment loss has been recognized fully
Ever Wealthy International Corporation	Financial bond	Taiwan Life Insurance Co. Ltd Series 112-1 Unsecured Subordinated Corporate Bond	No relation	Financial assets at amortized cost - non-current	-	10,000	-	10,000	
Ever Wealthy International Corporation	Financial bond	Cathay Life Insurance Co., Ltd Series 112 Unsecured Subordinated Financial bond	No relation	Financial assets at amortized cost - non-current	-	10,000	-	10,000	
Ever Wealthy International Corporation	Financial bond	CNH Bond Offering by ITNL Offshore Pte Limited	No relation	Financial assets at amortized cost - non-current	-	-	-	-	

(Concluded)

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

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

TABLE 3

CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE PERIOD ENDED SEPTEMBER 30, 2024
(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	\$ (716,764)	(13)	Receivables are collected as the end of every month of when invoice is issued	Note 1	Note 1	\$ 77,300	15	
China Steel Chemical Corporation	Changzhou China Steel New Materials Technology Co., Ltd.	Subsidiary	Sales	(117,418)	(2)	Receivables were collected within 150 days after shipment date	Note 2	Note 2	32,225	6	Note 3
China Steel Chemical Corporation	China Steel Corporation	Parent company	Purchases	1,936,806	64	Letter of credit at sight	Note 1	Note 1	(247,214)	(87)	
China Steel Chemical Corporation	Dragon Steel Corporation	Fellow subsidiary	Purchases	880,868	29	Letter of credit at sight	Note 1	Note 1	-	-	
Changzhou China Steel New Materials Technology Co., Ltd.	China Steel Chemical Corporation	Parent company	Purchases	132,180	71	Payment within 150 days after shipment date	Note 2	Note 2	(32,225)	(100)	Note 3

Note 1: Refer to Note 28.

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

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

TABLE 4

CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE PERIOD ENDED SEPTEMBER 30, 2024
(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	\$ 132,180 (Note)	Charged at the cost plus additional percentage, receivables were collected withinn 150 days after shipment date.	2
0	China Steel Chemical Corporation	Changzhou China Steel New Materials Technology Co., Ltd.	Parent to subsidiaries	Accounts receivable	32,225		-
1	Ever Wealthy International Corporation	Changzhou China Steel New Materials Technology Co., Ltd.	Subsidiaries to subsidiaries	Other receivables	95,061	According to the contract and the resolution approved in the board of director.	1

Note: Sales amount includes sales of trial product NT\$5,837 thousand and sale of supplies NT\$8,925 thousand, the Corporation recognizes them as other income and manufacturing expense deduction, respectively.

TABLE 5

CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE PERIOD ENDED SEPTEMBER 30, 2024
(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, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				SEPTEMBER 30, 2024	DECEMBER 31, 2023	Number of Shares	%	Carrying Amount			
China Steel Chemical Corporation	CHC Resources Corporation	Republic of China	Manufacture and sale of Ground-Granulated Blast-Furnace Slag and Blast-Furnace Slag Cement, Air-cooled Blast Furnace Slag and Basic Oxygen Furnace Slag, reutilization of resources	\$ 91,338	\$ 91,338	15,019,341	6	\$ 370,938	\$ 865,148	\$ 52,277	Subsidiary (Note)
China Steel Chemical Corporation	China Steel Structure Co., Ltd.	Republic of China	Manufacture and sale of products of steel structure	13,675	13,675	600,069	-	15,996	400,307	1,201	
China Steel Chemical Corporation	Ever Wealthy International Corporation	Republic of China	General investment	300,083	300,083	107,712,232	100	1,375,548	55,075	36,061	
China Steel Chemical Corporation	Transglory Investment Corporation	Republic of China	General investment	450,000	450,000	75,911,726	9	636,576	104,847	9,331	
China Steel Chemical Corporation	CSC Solar Corporation	Republic of China	Solar energy generation	261,600	261,600	26,160,000	15	306,702	132,124	19,819	
China Steel Chemical Corporation	Eminent III Venture Capital Corporation	Republic of China	General investment	160,000	160,000	16,000,000	9	107,613	(46,674)	(4,122)	
China Steel Chemical Corporation	Pro-Ascentek Investment Corporation	Republic of China	General investment	60,000	60,000	6,000,000	5	70,467	19,067	953	
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	35,858	(180,216)	(14,111)	
China Steel Chemical Corporation	Gau Ruei Investment Corporation	Republic of China	General investment	15,070	15,070	1,196,000	40	27,480	1,004	402	
China Steel Chemical Corporation	Li-Ching-Long Investment Corporation	Republic of China	General investment	7,000	7,000	700,000	35	13,326	557	195	
China Steel Chemical Corporation	TaiAn Technologies Corporation	Republic of China	Bio-Tech consultants and management	2,295	2,295	499,998	5	6,768	10,194	510	
China Steel Chemical Corporation	Eminent Venture Capital Corporation	Republic of China	General Investment	3,375	3,375	337,500	5	2,602	(13,647)	(682)	
Ever Wealthy International Corporation	China Steel Structure Co., Ltd.	Republic of China	Manufacture and sale of products of steel structure	29,281	29,281	532,000	-	14,397	400,307	1,065	
Ever Wealthy International Corporation	ThinTech Materials Technology Co., Ltd.	Republic of China	Sputtering target manufacturing and sales	44,673	45,987	5,944,748	6	100,007	27,074	1,928	
Ever Wealthy International Corporation	Honley Auto. Parts Co., Ltd.	Republic of China	Manufacture of automotive components	70,985	70,985	6,269,823	6	60,948	(93,370)	(6,905)	
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	26,286	(180,216)	(10,344)	
Ever Wealthy International Corporation	Hung-Chuan Investment Corporation	Republic of China	General investment	9,000	9,000	900,000	45	17,135	558	250	
Ever Wealthy International Corporation	Sheng Lih Dar Investment Corporation	Republic of China	General investment	8,400	8,400	840,000	35	17,186	2,228	780	
Ever Wealthy International Corporation	Ding Da Investment Corporation	Republic of China	General investment	10,495	10,495	897,000	30	16,258	2,463	739	

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

TABLE 6

CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE PERIOD ENDED SEPTEMBER 30, 2024
(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, 2023 (Note 1)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of SEPTEMBER 30, 2024 (Note 1)	Net Income of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Note 2)	Carrying Amount as of SEPTEMBER 30, 2024	Accumulated Repatriation of Investment Income as of SEPTEMBER 30, 2024	Note
					Outward	Inward							
Changzhou China Steel New Materials Technology Co., Ltd.	Mesophase sales and trading	\$ 180,694	Direct investment	\$ 205,915	\$ -	\$ -	\$ 205,915	\$ 3,376	100	\$ 3,376	\$ 202,419	\$ -	Note 4

Investee Company	Accumulated Outward Remittance for Investment in Mainland China as of SEPTEMBER 30, 2024 (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	\$ 205,915	\$ 205,915	\$ 4,868,950

Note 1: The amounts were calculated based on the foreign exchange rate as of SEPTEMBER 30, 2024.

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

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

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

TABLE 7**CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES****INFORMATION OF MAJOR SHAREHOLDERS****SEPTEMBER 30, 2024**

Name of The Shareholder	Shares	
	Number of Shares Owned	Percentage of Ownership
CHINA STEEL CORPORATION	68,787,183	29.04

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

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