

## 11. Implementation Status of internal control system

### (1) Declaration of the Internal Control System

#### **FORMOSAN UNION CHEMICAL CORP.** **Declaration of the Internal Control System**

Date: Mar. 13, 2024

The Company inspected the 2023 internal control system autonomously with the following results:

- 1.The Company is fully aware that the Board of Directors and the management are responsible for the establishment, implementation, and maintenance of the internal control system and it has been established accordingly. The purpose of its establishment was to reasonably ensure the fulfillment of effective operation and efficiency (including profit, performance, and protection of assets safety), and the reliability, timeliness, transparency and regulatory compliance of financial reports.
- 2.The internal control system design has inherent limitations. No matter how perfect such control is, it can only provide reasonable assurance of the fulfillment of the three objectives referred to above. The effectiveness of such an internal control system could be influenced by changes of the environment and other circumstances. Therefore, the Company internal control system has been designed with a self-monitoring mechanism so that corrective action will be activated immediately upon the identification of any nonconformity.
- 3.The Company has assessed the effectiveness of the design and implementation of the internal control system in accordance with criteria provided in the “Regulations Governing the Establishment of Internal Control Systems by Public Companies” (hereinafter referred to as “the Regulations”). The criteria defined in “the Regulations” include five elements that depend on the management control process: (1) environment controls, (2) risk assessment, (3) control processes, (4) information and communications, and (5) supervision. Each of the five elements is then divided into sub-categories. Please refer to “the Regulations” for details.
- 4.The Company has implemented criteria for inspection of the internal control system referred to above to ascertain its effectiveness, design and implementation.
- 5.The Company, based on the inspection results referred to above, declared (on December 31, 2023) that the internal control system, including the supervision and management of subsidiaries, is reasonably effective and achieves the objectives of operation and efficiency, the financial report is of reliability, timeliness, transparency and regulatory compliance.
- 6.The Declaration of Internal Control System is the main content of the Company’s annual report and published prospectus. Any false statement and concealment of the published content referred to above involves liability set out in Article 20, Article 32, Article 171, and Article 174 of the Securities and Exchange Act.
- 7.The Declaration of the Internal Control System was resolved at a meeting of the Board of Directors on March 13, 2024 with with none of the 18 attending directors expressing dissenting opinions, and the remainder all affirming the contents of this Statement.

**FORMOSAN UNION CHEMICAL CORP.**

Chairman : Huang Sheng-Cai



General Manager : Lin Chun-cheng



(2) If CPA Was Engaged to Conduct a Special Audit of Internal Control System, Provide Its Audit Report : None