

Notice to Readers:

The financial statement (Chinese version) of our company is audited by the CPA Cheng-Chun Chiu and CPA Pi-Yu Chuang of Deloitte Taiwan. For the convenience of reading, the statement has been translated from Chinese to English. If there is any difference regarding the context or interpretation in the English version, the Chinese version shall prevail.

**ASIA POLYMER CORPORATION AND
SUBSIDIARIES**

**Consolidated Financial Statements and
Independent Auditors' Report
For the Years Ended December 31, 2025 and 2024**

Address: No. 3, Gongye 1st Rd., Linyuan Dist., Kaohsiung City

Tel: (02)87516888

§CONTENTS§

ITEM	PAGE	NOTE NO. OF FINANCIAL STATEMENTS
1. COVER	1	-
2. TABLE OF CONTENTS	2	-
3. DECLARATION OF CONSOLIDATED FINANCIAL REPORT OF AFFILIATES	3	-
4. INDEPENDENT AUDITORS' REPORT	4-7	-
5. CONSOLIDATED BALANCE SHEETS	8	-
6. CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME	9-10	-
7. CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY	11	-
8. CONSOLIDATED STATEMENTS OF CASH FLOWS	12-13	-
9. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS		
a. GENERAL INFORMATION	14	1
b. APPROVAL OF FINANCIAL STATEMENTS	14	2
c. APPLICATION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS	14-18	3
d. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	18-33	4
e. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY	33	5
f. DETAILS OF MAJOR ACCOUNTING ITEMS	33-66	6-28
g. TRANSACTIONS WITH RELATED PARTIES	66-71	29
h. PLEDGED ASSETS	-	-
i. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS	71-73	30
j. SIGNIFICANT LOSSES FROM DISASTERS	-	-
k. SIGNIFICANT SUBSEQUENT MATTERS	-	-
l. Others	73-75	31
m. SEPARATELY DISCLOSED ITEMS		-
1) Information about significant transactions	75, 77-79	32
2) Information about investees	75, 80	32
3) Information on investments in mainland China	75-76, 81-82	32
n. SEGMENT INFORMATION	76	33

DECLARATION OF CONSOLIDATED FINANCIAL STATEMENT OF AFFILIATES

The entities that are required to be included in the combined financial statements of Asia Polymer Corporation as of and for the year ended December 31, 2025, under the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises,” are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standard 10, “Consolidated Financial Statements.” In addition, the information required to be disclosed in the combined financial statements of affiliates is included in the consolidated financial statements of Asia Polymer Corporation and Subsidiaries. Consequently, we do not prepare a separate set of combined financial statements of affiliates.

Sincerely,

ASIA POLYMER CORPORATION

Responsible person: Wu, Yi-Kuei

March 10, 2026

INDEPENDENT AUDITORS' REPORT

To Asia Polymer Corporation:

Opinion

We have audited the accompanying consolidated financial statements of Asia Polymer Corporation and its subsidiaries (the "Group"), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the consolidated statements of comprehensive income, consolidated statement of changes in equity and cash flows for the years then ended, and the notes to consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China.

Basis for Opinion

We conducted our audit of parent company only financial statements in accordance with the Regulations Governing Auditing and Attestation of Parent Company Only Financial Statements Financial Statements by Certified Public Accountants Engaged and auditing standards in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in the Group's consolidated financial statements for the year ended December 31, 2025 are stated as follows:

Recognition of Sales Revenue from Specific Customers

The amount of sales revenue for the year ended December 31, 2025 was NT\$5,743,172 thousand, which was approximately 4.78% lower than the sales revenue for the year ended December 31, 2024 of NT\$6,031,266 thousand. Nevertheless, the sales revenue from specific customers deviates significantly from the trend of total sales revenue. Therefore, recognition of sales revenue from these specific customers has been identified as a key audit matter.

The audit procedures that we performed in response to the risk were as follows:

1. We obtained an understanding of the design and implementation of internal controls about these specific customers and tested if these controls were performed effectively. Such controls include credit assessments of customers, revenue recognition and receivables collection.
2. We sampled and inspected purchase orders from these specific customers, shipping confirmations and receivables collection receipts in order to verify the accuracy of sales revenue.
3. We reviewed sales returns and discounts recognized and the amounts received in subsequent periods to assess for any abnormalities.

Other Matter

We have also audited the parent company only financial statements of Asia Polymer Corporation as of and for the years ended December 31, 2025 and 2024 on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for 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 IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the FSC of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the audit committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the auditing standards in the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with statements that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2025 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche
CPA Chiu, Cheng-Chun

CPA Chuang, Pi-Yu

Financial Supervisory Commission,
Approval No. 0930160267

Financial Supervisory Commission,
Approval No. 1070323246

March 10, 2026

ASIA POLYMER CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024

Unit: In Thousands of New Taiwan Dollars

Code	Assets	December 31, 2025		December 31, 2024	
		Amount	%	Amount	%
Current Assets					
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 590,455	5	\$ 1,468,956	11
1110	Financial assets at fair value through profit and loss - current (Notes 4 and 7)	467,420	4	424,102	3
1120	Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	15,973	-	14,054	-
1136	Financial assets at amortized cost - current (Notes 4 and 9)	383,822	3	101,152	1
1170	Accounts receivable (Notes 4, 10 and 23)	164,855	2	376,996	3
1180	Accounts receivable from related parties (Notes 4, 10, 23 and 29)	58,228	1	60,036	-
1200	Other receivables (Note 4)	11,175	-	2,336	-
1210	Other receivables from related parties (Notes 4 and 29)	13,747	-	20,031	-
1220	Current tax assets (Notes 4 and 25)	8,928	-	7,538	-
1310	Inventories (Notes 4 and 11)	707,423	6	592,983	4
1410	Prepayments	231,099	2	226,397	2
1470	Other current assets	142	-	121	-
11XX	Total current assets	<u>2,653,267</u>	<u>23</u>	<u>3,294,702</u>	<u>24</u>
Non-current assets					
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	2,002,017	17	2,025,500	15
1535	Financial assets at amortized cost - non-current (Notes 4 and 9)	51,423	-	52,449	1
1550	Investments accounted for using the equity method (Notes 4, 5, 13 and 30)	2,210,594	19	3,393,088	25
1600	Property, plant and equipment (Notes 4 and 14)	3,514,866	30	3,543,326	26
1755	Right-of-use assets (Notes 4 and 15)	8,092	-	8,704	-
1760	Investment properties (Notes 4 and 16)	556,012	5	570,903	4
1840	Deferred income tax assets (Notes 4 and 25)	703,008	6	707,411	5
1990	Other non-current assets (Note 4)	7,130	-	2,507	-
15XX	Total non-current assets	<u>9,053,142</u>	<u>77</u>	<u>10,303,888</u>	<u>76</u>
1XXX	Total Assets	<u>\$ 11,706,409</u>	<u>100</u>	<u>\$ 13,598,590</u>	<u>100</u>
Liabilities and Equity					
Current Liabilities					
2120	Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	\$ 676	-	\$ -	-
2170	Accounts payable (Note 18)	202,902	2	237,771	2
2180	Accounts payable to related parties (Notes 18 and 29)	25,263	-	29,140	-
2200	Other payables (Note 19)	178,278	2	230,980	2
2220	Other payables to related parties (Note 29)	10,656	-	141,777	1
2230	Current tax liabilities (Notes 4 and 25)	2,059	-	1,192	-
2250	Provision for liabilities - current (Notes 4 and 20)	24,907	-	-	-
2280	Lease liabilities - current (Notes 4 and 15)	6,648	-	5,950	-
2320	Current portion of long-term liabilities (Note 17)	392,774	4	393,755	3
2365	Refund liabilities -current	5,899	-	5,899	-
2399	Other current liabilities (Note 23)	22,719	-	55,520	-
21XX	Total current liabilities	<u>872,781</u>	<u>8</u>	<u>1,101,984</u>	<u>8</u>
Non-current Liabilities					
2540	Long-term borrowings (Note 17)	393,556	3	788,155	6
2570	Deferred income tax liabilities (Notes 4 and 25)	35,767	-	45,878	-
2580	Lease liabilities - non-current (Notes 4 and 15)	74,376	1	80,971	1
2640	Net defined benefit liabilities - non-current (Notes 4 and 21)	72,711	1	81,208	1
2670	Other non-current liabilities	20,812	-	16,702	-
25XX	Total non-current liabilities	<u>597,222</u>	<u>5</u>	<u>1,012,914</u>	<u>8</u>
2XXX	Total liabilities	<u>1,470,003</u>	<u>13</u>	<u>2,114,898</u>	<u>16</u>
Equity attributable to owners of the Company (Notes 4, 8, 22 and 25)					
Share capital					
3110	Ordinary shares	5,937,438	51	5,937,438	44
3200	Capital Surplus	38,968	-	38,130	-
Retained earnings					
3310	Legal Reserve	2,382,202	20	2,382,202	18
3320	Special Reserve	552,648	5	554,105	4
3350	Unappropriated Earnings	1,587,097	13	2,762,548	20
3300	Total retained earnings	<u>4,521,947</u>	<u>38</u>	<u>5,698,855</u>	<u>42</u>
3400	Other Equity	(261,947)	(2)	(190,731)	(2)
3XXX	Total equity	<u>10,236,406</u>	<u>87</u>	<u>11,483,692</u>	<u>84</u>
Total Liabilities and Equity		<u>\$ 11,706,409</u>	<u>100</u>	<u>\$ 13,598,590</u>	<u>100</u>

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

Notice to Readers:

The financial statement (Chinese version) of our company is audited by the CPA Cheng-Chun Chiu and CPA Pi-Yu Chuang of Deloitte Taiwan. For the convenience of reading, the statement has been translated from Chinese to English. If there is any difference regarding the context or interpretation in the English version, the Chinese version shall prevail.

ASIA POLYMER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

Unit: In Thousands of New Taiwan Dollars, Except (Losses) Per Share

Code		2025		2024	
		Amount	%	Amount	%
4100	Net revenue (Notes 4, 23 and 29)	\$ 5,743,172	100	\$ 6,031,266	100
5110	Operating costs (Notes 4, 11, 20, 21, 24, and 29)	<u>5,493,838</u>	<u>96</u>	<u>5,896,273</u>	<u>98</u>
5900	Gross Profit	<u>249,334</u>	<u>4</u>	<u>134,993</u>	<u>2</u>
	Operating Expenses (Notes 20, 24 and 29)				
6100	Selling and marketing expenses	129,510	2	125,131	2
6200	General and administrative expenses	116,750	2	115,197	2
6300	Research and development expenses	-	-	<u>4,107</u>	-
6000	Total operating expenses	<u>246,260</u>	<u>4</u>	<u>244,435</u>	<u>4</u>
6900	Net operating profit (loss)	<u>3,074</u>	<u>-</u>	<u>(109,442)</u>	<u>(2)</u>
	Non-operating income and expenses (Notes 4, 13, 24 and 29)				
7100	Interest income	22,962	-	26,340	-
7010	Other income	109,478	2	148,642	3
7020	Other gains and losses	(51,540)	(1)	(13,065)	-
7510	Interest expense	(18,802)	-	(12,461)	-
7060	Share of profit or loss of associates	<u>(1,105,906)</u>	<u>(19)</u>	<u>(960,366)</u>	<u>(16)</u>
7000	Total non-operating income and expenses	<u>(1,043,808)</u>	<u>(18)</u>	<u>(810,910)</u>	<u>(13)</u>
7900	Pre-tax net loss	(1,040,734)	(18)	(920,352)	(15)
7950	Income tax (benefits) expenses (Notes 4 and 25)	<u>3,769</u>	<u>-</u>	<u>(169,852)</u>	<u>(3)</u>
8200	Net loss for the year	<u>(1,044,503)</u>	<u>(18)</u>	<u>(750,500)</u>	<u>(12)</u>

(Continued)

(Continued)

Code		2025		2024	
		Amount	%	Amount	%
	Other Comprehensive Income (Loss) (Notes 4, 13, 21, 22 and 25)				
	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans	\$ 3,144	-	\$ 14,271	-
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	11,861	-	(973,320)	(16)
8330	Share of the other comprehensive income (loss) of associates accounted for using the equity method	(2,622)	-	(23,263)	-
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss	(302)	-	(8,825)	-
8310		<u>12,081</u>	<u>-</u>	<u>(991,137)</u>	<u>(16)</u>
	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating the financial statements of foreign operations	(71,804)	(1)	171,250	3
8370	Share of the other comprehensive income (loss) of associates accounted for using the equity method	(9,823)	-	15,859	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	<u>14,361</u>	<u>-</u>	<u>(34,250)</u>	<u>(1)</u>
8360		<u>(67,266)</u>	<u>(1)</u>	<u>152,859</u>	<u>2</u>
8300	Other comprehensive income (loss) for the year, net of income tax	<u>(55,185)</u>	<u>(1)</u>	<u>(838,278)</u>	<u>(14)</u>
8500	Total Comprehensive Income (Loss) for the Year	<u>(\$ 1,099,688)</u>	<u>(19)</u>	<u>(\$ 1,588,778)</u>	<u>(26)</u>
	Loss per share (Note 26)				
9710	Basic	<u>(\$ 1.76)</u>		<u>(\$ 1.26)</u>	
9810	Diluted	<u>(\$ 1.76)</u>		<u>(\$ 1.26)</u>	

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

Notice to Readers:

The financial statement (Chinese version) of our company is audited by the CPA Cheng-Chun Chiu and CPA Pi-Yu Chuang of Deloitte Taiwan. For the convenience of reading, the statement has been translated from Chinese to English. If there is any difference regarding the context or interpretation in the English version, the Chinese version shall prevail.

ASIA POLYMER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

Unit: In Thousands of New Taiwan Dollars

		Equity attributable to owners of the Company (Notes 4, 8, 22 and 25)						Other Equity		
Code		Share capital		Capital Surplus	Retained earnings			Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Total Equity
		Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings			
A1	Balance on January 1, 2024	593,743	\$ 5,937,438	\$ 37,559	\$ 2,370,208	\$ 554,105	\$ 3,771,456	(\$ 145,105)	\$ 813,423	\$ 13,339,084
	Appropriation and distribution of 2023 retained earnings									
B1	Legal reserve	-	-	-	11,994	-	(11,994)	-	-	-
B5	Cash dividends distributed	-	-	-	-	-	(267,185)	-	-	(267,185)
C7	Changes in capital surplus from investments in associates accounted for using the equity method	-	-	176	-	-	-	-	-	176
C17	Reclassification of past dividends to capital surplus	-	-	395	-	-	-	-	-	395
D1	Net loss for the year ended December 31, 2024	-	-	-	-	-	(750,500)	-	-	(750,500)
D3	Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	-	20,855	152,859	(1,011,992)	(838,278)
D5	Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	(729,645)	152,859	(1,011,992)	(1,588,778)
Q1	Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	(84)	-	84	-
Z1	Balance on December 31, 2024	593,743	5,937,438	38,130	2,382,202	554,105	2,762,548	7,754	(198,485)	11,483,692
	Appropriation and distribution of 2024 retained earnings									
B5	Cash dividends distributed	-	-	-	-	-	(148,436)	-	-	(148,436)
B17	Reversal for special reserve	-	-	-	-	(1,457)	1,457	-	-	-
C7	Changes in capital surplus from investments in associates accounted for using the equity method	-	-	93	-	-	-	-	-	93
C17	Reclassification of past dividends to capital surplus	-	-	745	-	-	-	-	-	745
D1	Net loss for the year ended December 31, 2025	-	-	-	-	-	(1,044,503)	-	-	(1,044,503)
D3	Other comprehensive income (loss) for the year ended December 31, 2025, net of income tax	-	-	-	-	-	3,786	(67,266)	8,295	(55,185)
D5	Total comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	-	(1,040,717)	(67,266)	8,295	(1,099,688)
Q1	Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	12,245	-	(12,245)	-
Z1	Balance at December 31, 2025	593,743	\$ 5,937,438	\$ 38,968	\$ 2,382,202	\$ 552,648	\$ 1,587,097	(\$ 59,512)	(\$ 202,435)	\$ 10,236,406

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

Notice to Readers:

The financial statement (Chinese version) of our company is audited by the CPA Cheng-Chun Chiu and CPA Pi-Yu Chuang of Deloitte Taiwan. For the convenience of reading, the statement has been translated from Chinese to English. If there is any difference regarding the context or interpretation in the English version, the Chinese version shall prevail.

ASIA POLYMER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars)

Code		2025	2024
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Net loss before tax for the year	(\$ 1,040,734)	(\$ 920,352)
A20010	Adjustments for:		
A20100	Depreciation expenses	347,345	338,323
A20200	Amortization expenses	589	532
A20400	Net gain on fair value change of financial assets at fair value through profit or loss	(7,142)	(1,422)
A20900	Interest expense	18,802	12,461
A21200	Interest income	(22,962)	(26,340)
A21300	Dividend income	(47,774)	(85,926)
A22300	Share of profit or loss of associates	1,105,906	960,366
A23700	Allowance for inventory valuation and obsolescence (reversal) loss	(12,563)	11,386
A22500	Scrapping losses of property, plant and equipment	-	9,787
A24100	Net profit on foreign currency exchange	(3,456)	(6,741)
A30000	Changes in operating assets and liabilities		
A31115	Financial assets mandatorily classified as at fair value through profit or loss	(35,500)	360,854
A31150	Accounts receivable	214,548	(76,884)
A31160	Accounts receivable from related parties	3,256	52,229
A31180	Other receivables	(5,036)	26
A31190	Other receivables from related parties	6,256	(17,650)
A31200	Inventories	(103,044)	32,425
A31230	Prepayments	(4,911)	(20,350)
A31240	Other current assets	(21)	(5)
A32150	Accounts payable from unrelated parties	(35,352)	70,972
A32160	Accounts payable from related parties	(3,204)	(22,998)
A32180	Other payables from unrelated parties	5,999	(20,252)
A32190	Other payables from related parties	(131,121)	(83,770)
A32200	Provision for liabilities	24,907	-
A32230	Other current liabilities	(32,879)	976
A32240	Net defined benefit liabilities - non-current	(5,353)	(6,885)
A33000	Cash generated from operations	236,556	560,762
A33100	Interest received	19,137	25,097
A33300	Interest paid	(18,727)	(10,078)
A33500	Income tax refund (paid)	4,050	(236,204)
AAAA	Net cash inflow generated from operating activities	<u>241,016</u>	<u>339,577</u>

(Continued)

(Continued)

Code		2025	2024
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00010	Purchase of financial assets at FVTOCI	\$ -	(\$ 608)
B00020	Disposal of financial assets at FVTOCI	16,495	1,364
B00030	Proceed from capital reduction of financial assets at FVTOCI	11,802	-
B00040	Purchase of financial assets at amortized cost	(385,375)	(173,816)
B00060	Financial assets at amortized cost repayment of principal at maturity	100,659	153,065
B01800	Acquisition of long-term equity investments using the equity method	-	(82,630)
B02400	Proceeds from capital reduction of investee companies accounted for using equity method	-	8,327
B02700	Payments for property, plant and equipment	(359,902)	(399,864)
B03700	Increase in refundable deposits	(759)	(189)
B03800	Decrease in refundable deposits	294	202
B04500	Acquisition of intangible assets	(360)	(171)
B07600	Dividends received	54,807	102,336
B09900	Increase in other non-current assets	(4,389)	-
BBBB	Net cash outflow from investing activities	(<u>566,728</u>)	(<u>391,984</u>)
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00100	Increase in short-term borrowings	-	600,000
C00200	Repayments of short-term borrowings	-	(600,000)
C01600	Proceeds from long-term borrowings	-	682,000
C01700	Repayments of long-term borrowings	(392,696)	(48,077)
C03000	Increase in guarantee deposits received	272	1,459
C03100	Decrease in guarantee deposits received	(761)	-
C04020	Repayment of the principal portion of lease liabilities	(5,951)	(6,422)
C04400	Decrease in other non-current liabilities	(71)	(12)
C04500	Dividends paid to owners of the Group	(<u>151,122</u>)	(<u>270,687</u>)
CCCC	Net cash inflow (outflow) from financing activities	(<u>550,329</u>)	<u>358,261</u>
DDDD	EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES		
		(<u>2,460</u>)	<u>10,111</u>
EEEE	NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		
		(878,501)	315,965
E00100	Cash and cash equivalents at the beginning of the year	<u>1,468,956</u>	<u>1,152,991</u>
E00200	Cash and cash equivalents at the end of the year	<u>\$ 590,455</u>	<u>\$ 1,468,956</u>

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

Notice to Readers:

The financial statement (Chinese version) of our company is audited by the CPA Cheng-Chun Chiu and CPA Pi-Yu Chuang of Deloitte Taiwan. For the convenience of reading, the statement has been translated from Chinese to English. If there is any difference regarding the context or interpretation in the English version, the Chinese version shall prevail.

ASIA POLYMER CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Asia Polymer Corporation (the “Company”) was established in January 1977. The Company designs, develops, manufactures and sells low-density polyethylene (LDPE), medium-density polyethylene (MDPE), and ethylene vinyl acetate copolymer (EVA).

The ordinary shares of the Company have been listed on the Taiwan Stock Exchange. As of December 31, 2025, the ultimate parent company, USI Corporation, held 36.08% of ordinary shares of the Company.

The functional currency of the Company is the New Taiwan dollar, and the consolidated financial statements of the Group and its subsidiaries, collectively referred to as the “Group,” are presented in the Group’s functional currency.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were issued after they had been approved by the Board of Directors on March 10, 2026.

3. APPLICATION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of 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).

1) Amendment to IAS 21 “Lack of Exchangeability”

The amendment to IAS 21 regarding “lack of exchangeability” will not result in significant changes in the accounting policies of the Group.

2) Amendments to IFRS 9 and IFRS 7 for the Classification and Measurement of Financial Instruments regarding the application guidelines for the classification of financial assets.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

New IFRSs	Effective Date Announced by IASB
Amendments to IFRS 9 and IFRS 7 for the Classification and Measurement of Financial Instruments regarding the application guidelines for the debt derecognition	January 1, 2026
“Amendments to IFRS 9 and IFRS 7: Contracts Referencing Nature-dependent Electricity”	January 1, 2026
“Annual Improvements to IFRS Accounting Standards — Volume 11”	January 1, 2026
IFRS 17 “Insurance Contracts” (including amendments from 2020 and 2021)	January 1, 2023

Amendments to IFRS 9 and IFRS 7 for the Classification and Measurement of Financial Instruments

- 1) Revisions to the application guidelines for the classification of financial assets
- The primary revision pertains to the classification regulations of financial assets, which include:
- a) If a financial asset includes a contingent feature that may change the timing or amount of the contractual cash flows, and the nature of the contingent feature is not directly linked to changes in basic lending risks and costs (e.g., whether the debtor achieves a specified reduction in carbon emissions), the contractual cash flows of such a financial asset are still considered solely payments of principal and interest on the principal amount outstanding, provided that the following two conditions are met:
 - All potential scenarios (whether before or after the occurrence of relevant events) generate contract cash flows that consist entirely of interest on the principal amount and the outstanding principal amount.
 - There is no significant difference between the cash flows generated under all possible scenarios of the contract and the cash flows of financial instruments with the same contract terms but without or with certain characteristics.
 - b) Financial assets characterized by the absence of recourse rights refer to the ultimate rights of an enterprise to receive cash flows, which are contractually limited to cash flows generated by specific assets.

- c) The clarification of contract-linked instruments is structured through a waterfall payment mechanism to create multiple tranches of securities, establishing a payment priority for holders of the financial assets. This results in credit risk concentration and causes any shortfall in cash flows from the underlying pool to be allocated disproportionately among the different tranches.
- 2) Revisions to the application guidelines for the classification of financial liabilities
- The revision primarily clarifies that financial liabilities should be derecognized on the settlement date. However, if a company uses an electronic payment system to settle a financial liability in cash and the following conditions are met, the company may elect to derecognize the financial liability before the settlement date:
- The company does not possess the actual ability to withdraw, suspend, or cancel the payment instruction;
 - The company does not have the practical ability to access the cash that will be used to settle the payment instruction; and
 - The settlement risks associated with the electronic payment system are not significant.

The Group shall retrospectively apply the revision without the need to restate comparative periods. The impact of initial application shall be recognized on the date of initial adoption. However, if a company does not utilize foresight when it is able to restate, it may choose to restate during a comparative period.

Aside from the aforementioned impacts, as of the date the financial statements were authorized for issue, according to the Group’s assessment, the amendments to other standards will have no significant impact on the Group’s financial position and financial performance.

- c. IFRS Accounting Standards issued by the IASB but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 18 “Expression and Disclosure in Financial Statements”	January 1, 2027 (Note 2)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures” (including amendments for 2025)	January 1, 2027
Amendment to IAS 21 “Translation to a Hyperinflationary Presentation”	January 1, 2027

Note 1: Unless stated otherwise, the above New/Revised/Amended Standards and Interpretations are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: On September 25, 2025, the Financial Supervisory Commission (FSC) announced that domestic enterprises shall adopt IFRS 18 effective January 1, 2028. Early adoption is permitted following the FSC's recognition of IFRS 18.

IFRS 18 "Expression and Disclosure in Financial Statements" and related amendments

IFRS 18 will replace IAS 1 'Presentation of Financial Statements'. The main changes in this standard include:

- The Group should assess whether it has a specified main business activity of investing in particular types of assets and providing financing to customers, and accordingly classify items of income and expense in the statement of profit or loss into the following categories: operating, investing, financing, income taxes, and discontinued operations.
- The income statement should report operating income, pre-financing income before tax, as well as subtotals and totals of income.
- Provide guidance to strengthen the consolidation and subdivision provisions: The Group must identify assets, liabilities, equity, income, expenses, and cash flows from individual transactions or other matters, and classify and consolidate them based on common characteristics, so that each line item reported in the main financial statements has at least one similar characteristic. The items with dissimilar characteristics should be classified in the main financial statements and notes. When the Group cannot find a more informative name, it will label such items as "Other".
- Disclosure of performance measures defining management levels: When the Group engages in public communication outside of financial statements and communicates the perspective of management levels on the overall financial performance of the Group, relevant information regarding the disclosure of performance measures should be disclosed in a single note to the financial statements. This includes the description of the measures, how they are calculated, adjustments to subtotals or totals as defined by IFRS accounting standards, and the impact of income tax and non-controlling interests related to the adjustments.

In addition, IAS 7 “Statement of Cash Flows” will be amended accordingly as follows:

- When the Group prepares cash flows from operating activities using the indirect method, operating profit or loss shall be used as the starting point for reconciliation.
- Interest and dividends received by the Group shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. If the Group is assessed to have a specified main business activity, it shall consider the classification of dividend income, interest income, and interest expense presented in the statement of profit or loss, and determine the classification of dividends received, interest received, and interest paid in the statement of cash flows accordingly. However, each of the aforementioned cash flows may be classified in only one category of activities in the statement of cash flows.

Except for the above impact, as of the date the financial statements were authorized for issue, the Group is continuously assessing other possible impacts that the application of various standards and interpretations will have on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that 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 are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, which 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. Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorized for issue; and
- 3) On the balance sheet date, there is no substantive right to defer the maturity date of liabilities to at least 12 months after the balance sheet date.

Assets and liabilities that are not classified as current are classified as non-current.

- d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Group and the entities controlled by the Group (i.e., its subsidiaries). When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and

the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Group.

See Note 12 and Tables 4 to 5 for detailed information on subsidiaries (including the percentages of ownership and main businesses).

e. Foreign Currency

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction (i.e., not retranslated).

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including those of the subsidiaries in other countries or currencies which are different from the currency of the Group) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated into NTD at the average exchange rates for each quarter. Exchange differences arising are recognized in other comprehensive income.

f. Inventories

Inventories consist of raw materials, production supplies, finished goods and work in progress and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less

all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

g. Investments in associates

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture.

The Group uses the equity method for its investments in associates. Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Company also recognizes the changes in the Company's share of the equity of associates attributable to the Company.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognized immediately in profit or loss.

When the Group subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates accounted for using the equity method. If the Company's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group

has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Company accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities.

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group's consolidated financial statements only to the extent that interests in the associate are not related to the Group.

h. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Samples of these assets are measured at the lower of cost or net realizable value when the assets are tested for proper functioning before realizing their intended use, and the sales price and cost are recognized in profit or loss. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation

methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Investment properties

Investment properties are properties held to earn rental and/or for capital appreciation (including right-of-use assets if the definition of investment properties is met).

Investment properties also include land held for a currently undetermined future use.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

Investment properties acquired through leases were initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made on or before the commencement date, plus initial direct costs incurred and an estimate of costs needed to restore the underlying assets, less any lease incentives received. These investment properties are subsequently measured at cost less accumulated depreciation and accumulated impairment loss and adjusted for any remeasurement of the lease liabilities.

Depreciation is recognized using the straight-line method.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

j. Intangible Assets

1) Acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each year, with the effects of any changes in the estimates accounted for on a prospective basis.

2) Derecognition

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

k. Impairment of property, plant and equipment, right-of-use assets, investment property and intangible assets

At each balance sheet date, the Group assesses whether there is any indication that property, plant and equipment, right-of-use assets, investment property and intangible assets may have been impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

1. Financial Instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to an acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial asset is classified as at FVTPL when such a financial asset is mandatorily classified. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and liability instrument investments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends or interest earned on such financial assets are recognized in other income and interest income, respectively; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 28.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets measured at amortized cost, including cash and cash equivalents, accounts receivable, other receivables and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method, less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset.

A financial asset is credit impaired when one or more of the following events have occurred: Significant financial difficulty of the issuer or the borrower; Breach of contract, such as a default; It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or the disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable).

The Company always recognizes lifetime expected credit losses (ECLs) for accounts receivable. For all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs

represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Group determines that the following situations indicate that a financial asset is in default:

- i. Internal or external information show that the debtor is unlikely to pay its creditors.
- ii. When a financial asset is past due unless the Company has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without reclassifying to profit or loss.

2) Equity instruments

Debt and equity instruments issued by the Group are classified as either financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Group are recognized at the proceeds received after deducting direct issue costs.

Repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. The carrying amount is calculated as the weighted

average amount by type of stock. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

Except the following situation, all the financial liabilities are measured at amortized cost using the effective interest method:

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when such financial liabilities are held for trading.

Financial liabilities held for trading are stated at fair value, and any gains or losses on such financial liabilities are recognized in other gains or losses.

Fair value is determined in the manner described in Note 28.

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4) Derivative instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

m. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

Revenue from sale of goods

Revenue from the sale of goods comes from sale of LDPE, MDPE and EVA. Sales are recognized as revenue when the goods are delivered to the customer's specific location

or the goods are shipped because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Accounts receivable are recognized concurrently.

n. lease

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

When the Group subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Group, as a lessee, has accounted for applying recognition exemption, the sublease is classified as an operating lease.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets, except for those that meet the definition of investment

properties. With respect to the recognition and measurement of right-of-use assets that meet the definition of investment properties, refer to Note 9 for the accounting policies for investment properties.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. Lease liabilities are presented separately on consolidated balance sheets.

o. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the costs of those assets, until such time as the assets are substantially ready for their intended use or sale. Other than those stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

p. Government grant

A government grant is recognized only when it can be reasonably assured that the Group will comply with the conditions imposed by the government grant and that such grant will be received.

Government grants relating to income are recognized in other income on a systematic basis over the periods in which the Group recognizes expenses for the related costs for which the grants are intended to compensate. Government grants whose condition is that the Group should purchase, construct or otherwise acquire the non-current assets are recognized as deferred income, which should be transferred to profit or loss over the useful lives of the related assets on a reasonable and systematic basis.

If the government grant is used to compensate expenses or losses already incurred or is given to the Group for the purpose of immediate financial support without related costs in the future, it can be recognized in profit or loss within the collectible period.

For government subsidy loan with lower than market interest rates obtained by the Group, the difference between the loan amount received and the fair value of the loan based on the prevailing market interest rate is recognized as a government grant.

q. Provision for carbon fee liabilities

The provision for carbon fee liabilities recognized in accordance with Taiwan's Regulations Governing the Collection of Carbon Fees and related laws are based on the best estimate of expenses required to settle the current year's obligations, and are recognized and measured in proportion to actual emissions relative to total annual emissions.

r. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Post-employment benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered service entitling them to the contributions. Defined benefit costs (including service cost, net interest and rereasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Rereasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Rereasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

s. Taxation

Income tax expense represents the sum of the tax currently payables and deferred income tax.

1) Current tax

The Group determines the income (loss) of the current year in accordance with the laws and regulations in each income tax declaration jurisdiction, and calculates the income tax payable (recoverable) accordingly.

According to the Income Tax Law, an additional tax of unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred income tax

Deferred income tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences.

Deferred income tax liabilities are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilized.

Deferred income tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax asset arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profit against which to utilize the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred income tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred income

tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred income taxes

Current and deferred income taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group’s accounting policies, management is required to make judgments, estimations and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The Group takes into account the potential impacts when developing critical accounting estimates, and the management will continue to review the estimates and underlying assumptions.

Key sources of estimation uncertainty

Estimation of damage compensation for associate’s gas explosion incidents

The Group’s associate, China General Terminal & Distribution Corporation (hereinafter “CGTD”), recognized a provision for civil damages due to gas explosion. The management considered the progress of the relevant civil and criminal procedures, settlements achieved, and legal advice to estimate the amount of the provision. However, the actual amount might differ from the current estimation.

6. CASH AND CASH EQUIVALENTS

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on hand and petty cash	\$ 147	\$ 250
Checking accounts and demand deposits	227,448	229,131
Cash equivalents		
Time deposits	362,860	360,893
Reverse repurchase agreements collateralized by bonds	-	878,682
	<u>\$ 590,455</u>	<u>\$ 1,468,956</u>

At the end of the reporting period, the market rate intervals for bank deposits and reverse repurchase agreements collateralized by bonds were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Time deposits	1.61%~4.00%	1.00%~4.50%
Reverse repurchase agreements collateralized by bonds	-	1.85%~1.93%

7. **FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)**

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets - current</u>		
Mandatorily classified as at FVTPL		
Non-derivative financial assets		
— Domestic listed shares	\$ 152,378	\$ 95,582
— Foreign listed shares	32,069	28,135
— Mutual funds	224,610	238,171
— Beneficiary securities	<u>58,363</u>	<u>62,214</u>
	<u>\$ 467,420</u>	<u>\$ 424,102</u>
<u>Financial liabilities - current</u>		
Held for trading		
Derivative instruments (not under hedge accounting)		
— Foreign exchange forward contracts	<u>\$ 676</u>	<u>\$ -</u>

The net gain and loss on operations of financial assets and liabilities at FVTPL in 2025 and 2024 were gain of \$13,283 thousand and loss of \$8,898 thousand, respectively.

At the end of the reporting period, outstanding foreign exchange forward contracts not under hedge accounting on were as follows (December 31, 2024: None):

December 31, 2025

	<u>Currency</u>	<u>Maturity Date</u>	<u>Notional Amount (thousand)</u>
Sell	USD/NTD	January 6, 2026, to January 8, 2026	USD 720 /NTD 21,951

The Group entered into foreign exchange forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities. However, those contracts did not meet the criteria of hedge effectiveness and, therefore, were not accounted for using hedge accounting.

8. FINANCIAL ASSETS AT FVTOCI

Investments in equity instruments

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Current</u>		
Domestic investments		
Listed shares	\$ <u>15,973</u>	\$ <u>14,054</u>
<u>Non-current</u>		
Domestic investments		
Listed shares	\$ 1,773,779	\$ 1,779,122
Unlisted shares	<u>105,904</u>	<u>117,282</u>
Subtotal	<u>1,879,683</u>	<u>1,896,404</u>
Foreign investments		
Listed shares	4,681	5,522
Unlisted preferred shares	<u>117,653</u>	<u>123,574</u>
Subtotal	<u>122,334</u>	<u>129,096</u>
	<u>\$ 2,002,017</u>	<u>\$ 2,025,500</u>

These investments in equity instruments are held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

The investee, KHL IB Venture Capital Co., Ltd., reduced its capital and returned cash to its shareholders in February and December 2025, respectively. The Group received NT\$11,802 thousand back in total, according to its shareholding ratio.

In August 2025, the Group adjusted the investment position to diversify risks and sold a portion of its common shares of PELL Bio-Med Technology Co. Ltd. at fair value. The related unrealized gains of \$12,245 thousand booked in other equity - financial assets at fair value through other comprehensive income were transferred to retained earnings.

The Group recognized dividend income of NT\$44,210 thousand and NT\$80,799 thousand for 2025 and 2024, respectively.

9. FINANCIAL ASSETS AT AMORTIZED COST

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Current</u>		
Time deposits with original maturities of more than 3 months	\$ 86,505	\$ 101,152
Reverse repurchase agreements collateralized by bonds with original maturities of more than 3 months	<u>297,317</u>	<u>-</u>
	<u>\$ 383,822</u>	<u>\$ 101,152</u>
<u>Non-current</u>		
Time deposits with original maturities of more than 12 months	<u>\$ 51,423</u>	<u>\$ 52,449</u>
Range of interest rates		
Time deposits with original maturities of more than 3 months	1.30%~2.75%	1.60%~3.25%
Reverse repurchase agreements collateralized by bonds with original maturities of more than 3 months	1.70%~1.72%	-
Time deposits with original maturities of more than 12 months	3.00%~3.05%	3.00%~3.05%

10. ACCOUNTS RECEIVABLE

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Accounts receivable</u>		
At amortized cost		
Gross carrying amount	\$ 166,855	\$ 378,996
Less: Allowance for impairment loss	<u>(2,000)</u>	<u>(2,000)</u>
	<u>\$ 164,855</u>	<u>\$ 376,996</u>
Accounts receivable from related parties (Note 29)	<u>\$ 58,228</u>	<u>\$ 60,036</u>

The average credit period of sales of goods was 15-90 days. No interest was charged on accounts receivable since the credit period was short.

In order to minimize credit risk, the management of the Group 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 Group 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 the Group's credit risk was significantly reduced.

The Group applies the simplified approach to providing for expected credit losses, which permits the use of lifetime expected loss provision for all accounts receivable. The expected credit losses on accounts receivable are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date.

The following table details the loss allowance of accounts receivable based on the Group's provision matrix:

December 31, 2025

	<u>Not Past Due</u>	<u>Overdue by 1 to 60 days</u>	<u>Overdue by 61 to 90 days</u>	<u>Grand total</u>
Gross carrying amount	\$ 225,083	\$ -	\$ -	\$ 225,083
Loss allowance (Lifetime ECL)	(<u>2,000</u>)	<u>-</u>	<u>-</u>	(<u>2,000</u>)
Amortized cost	<u>\$ 223,083</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 223,083</u>

December 31, 2024

	<u>Not Past Due</u>	<u>Overdue by 1 to 60 days</u>	<u>Overdue by 61 to 90 days</u>	<u>Grand total</u>
Gross carrying amount	\$ 439,032	\$ -	\$ -	\$ 439,032
Loss allowance (Lifetime ECL)	(<u>2,000</u>)	<u>-</u>	<u>-</u>	(<u>2,000</u>)
Amortized cost	<u>\$ 437,032</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 437,032</u>

The above aging schedule was based on the number of days past due.

The movements of the loss allowance of accounts receivable were as follows:

	<u>2025</u>	<u>2024</u>
Balance at beginning and end of the year	<u>\$ 2,000</u>	<u>\$ 2,000</u>

11. INVENTORIES

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Finished goods	\$ 517,670	\$ 414,046
Work in process	30,288	23,072
Raw materials	102,929	103,772
Production supplies	<u>56,536</u>	<u>52,093</u>
	<u>\$ 707,423</u>	<u>\$ 592,983</u>

The cost of goods sold for the years 2025 and 2024 includes amounts of NT\$(12,563) thousand and NT\$11,386 thousand, respectively, from losses for market price decline and obsolete and slow-moving inventories (gain from price recovery of inventory). The increase in net realizable value of inventory is due to the rise in selling prices in the market.

12. SUBSIDIARY

Subsidiaries included in the consolidated financial statements

The entities included in the consolidated financial statements:

Investor Company	Name of Subsidiary	Nature of Activities	% of Ownership	
			December 31, 2025	December 31, 2024
The Company	APC Investment Corporation (APCIC)	Investment	100.00%	100.00%
The Company	APC (BVI) Holding Co., Ltd. (APC (BVI))	Reinvestment	100.00%	100.00%
The Company	USI International Corp. (USIIC)	Reinvestment	70.00%	70.00%
APC (BVI)	USI International Corp. (USIIC)	Reinvestment	30.00%	30.00%
APC (BVI)	USI Trading (Shanghai) Co., Ltd (USITA)	Sales of chemical products and equipment, etc.	100.00%	100.00%

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31, 2025	December 31, 2024
<u>Material associates</u>		
Ever Conquest Global Ltd.		
Ever Conquest Global Ltd. (ECGL)	\$ 711,201	\$ 1,767,006
<u>Associates that are not individually material</u>		
Listed company		
China General Plastics Corporation (CGPC)	623,422	705,215
Acme Electronics Corporation (ACME)	91,434	94,084
Unlisted company		
China General Terminal & Distribution Corporation (CGTD)	287,145	302,831
ACME Electronics (Cayman) Corp. (ACME (Cayman))	245,092	248,008
Swanson Plastics Corporation (SPC)	177,315	203,817
Taiwan United Venture Capital Corporation (TUVC)	2,745	2,752
USI Optronics Corporation (USIO)	1,381	2,880
Zhangzhou Taiju Trading Co., Ltd. (GUL)	21,348	22,218
Xiamen USI Trading Co., Ltd. (XUL)	35,977	25,672
Swanson Technologies Corporation (STC)	13,534	18,605
	<u>\$ 2,210,594</u>	<u>\$ 3,393,088</u>

a. Material associates

Name of Associates	Nature of Activities	Principal Place of Business	Proportion of Ownership and Voting Rights	
			December 31, 2025	December 31, 2024
ECGL	Reinvestment	British Virgin Islands	40.87%	40.87%

The Group uses the equity method to account for the above associate.

The summarized financial information below represents amounts shown in the associates' consolidated financial statements prepared in accordance with IFRS Accounting Standard and adjusted by the Group for equity accounting purposes.

ECGL

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current Assets	\$ 1	\$ 1
Non-current assets	<u>1,740,278</u>	<u>4,323,787</u>
Equity	<u>\$ 1,740,279</u>	<u>\$ 4,323,788</u>
Proportion of the Company's ownership	40.87%	40.87%
Equity attributable to the Company	<u>\$ 711,201</u>	<u>\$ 1,767,006</u>
Carrying amount of investment	<u>\$ 711,201</u>	<u>\$ 1,767,006</u>
	<u>2025</u>	<u>2024</u>
The Group's share of:		
Net loss for the year	(\$ 992,587)	(\$ 901,988)
Other comprehensive gain (loss)	<u>(63,218)</u>	<u>127,910</u>
Total comprehensive income (loss)	<u>(\$ 1,055,805)</u>	<u>(\$ 774,078)</u>

The Company and USI Corporation signed a joint venture contract for a Fujian Gulei Petrochemical Co., Ltd. investment on April 17, 2014. The related entities of the contract or commitments are Ho Tung Chemical Corporation, LCY Chemical Corporation, Hsin Tay Petroleum Co., Ltd., Chenergy Global Corporation and Lien Hwa Corporation. The main contents of the contract and commitments include: (1) the shareholders establish Ever Victory Global Limited (hereinafter referred to the "EVG") and agree to pass the establishment of the 100% owned company named Dynamic Ever Investments Limited in Hong Kong (hereinafter referred to as the "DEI"), whose purpose is to build oil refineries and produce ethylene as well as seven other products on the Gulei Peninsula in Zhangzhou, Fujian Province, as approved by the Investment Commission at Taiwan's Ministry of Economic Affairs and according to the operating business permitted by the Joint Venture's board of directors; (2) DEI establishes a joint venture company in accordance with the laws of the People's Republic of China between China Petrochemical Corporation or its affiliated enterprises; Fujian Refining and Chemical Co., Ltd. establishes a joint venture company in accordance with the laws of the People's Republic of China in Fujian Province between China Petrochemical

Corporation or its affiliated enterprises (hereinafter referred to as “Gulei Group”) and acquire 50% of the shares of Gulei Group.

Furthermore, due to the increase in the investment amount specified in the “Fujian Gulei Petrochemical Co., Ltd. Joint Venture Agreement” signed by DEI and Fujian Refining and Chemical Co., Ltd., some of the counterparties to the original joint venture agreement or commitment are unable to subscribe or participate in the subsequent capital increase procedures according to the proportion of investment as stipulated in the original joint venture agreement. To ensure the continuity and achievement of the business objectives of the original agreement, a joint venture agreement was re-signed on September 30, 2016, and CTCI Corporation was added as a new contract or commitment counterparty. On December 18, 2019, the new joint venture agreement was signed and new counterparties, Fubon Financial Holding Venture Capital Co. and Hongfu Investment Co., Ltd. were added to the agreement as counterparties.

In order to increase Gulei Group’s operating capital, EVG and Hong Kong Dor Po Investment Company Limited (as “DOR PO”) signed a joint venture contract for an investment in DEI on June 5, 2019. According to the joint venture contract, DOR PO will invest US\$109,215 thousand to participate in the capital increase of DEI. As of December 31, 2025, DOR PO had invested US\$103,915 thousand and acquired 15% ownership interest in DEI.

As of December 31, 2025, the Company and USI Corporation had accumulatively invested US\$170,475 thousand (approximately NT\$5,255,587 thousand) and US\$246,670 thousand (approximately NT\$7,645,981 thousand) in Ever Conquest Global, respectively, and re-invested in DEI through Ever Conquest Global’s reinvestment in Ever Victory Global. The Company and USI Corporation jointly hold a proportion of ownership of 67.4% in Ever Victory Global. DEI cumulatively invested a total of RMB4,657,200 thousand in Gulei Group.

b. Aggregate information of associates that are not individually material

	<u>2025</u>	<u>2024</u>
The Group’s share of:		
Net loss for the year	(\$ 113,319)	(\$ 58,378)
Other comprehensive gain (loss)	<u>5,517</u>	<u>(6,991)</u>
Total comprehensive income (loss)	(\$ <u>107,802</u>)	(\$ <u>65,369</u>)

The group's ownership interest and percentage of voting right in associate at the end of the reporting period were as follows:

<u>Name of Associates</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
CGPC	8.07%	8.07%
ACME	4.66%	4.66%
CGTD	33.33%	33.33%
ACME (Cayman)	13.63%	13.63%
SPC	7.95%	7.95%
TUVC	8.33%	8.33%
STC	15.00%	15.00%
USIO	9.20%	9.20%
GUL	30.00%	30.00%
XUL	30.00%	30.00%

Please refer to Table 4 "Information on Investees" and Table 5 "Information on Investments in Mainland China" for the nature of activities, principal places of business and countries of incorporation of the associates.

ACME (Cayman) carried out a cash capital increase in February 2024 and December 2024, issuing 6,000 thousand new shares. The Group participated in the aforementioned capital increase based on its original ownership percentage of 13.63%, with a capital increase amount of US\$ 818 thousand for each.

TUVC convened a shareholders' meeting on June 5, 2024 and resolved and approved to reduce its capital and return cash to its shareholders, with the base date of the capital reduction on June 18, 2024. The Company received NT\$8,327 thousand back in June 2024.

STC held a shareholders' extraordinary general meeting and board meeting on August 14, 2024, where it was resolved to carry out a capital reduction to offset losses and a cash capital increase. The record dates for the capital reduction and capital increase are August 20, 2024, and August 28, 2024, respectively. The Group's outstanding shares will be reduced by 2,250 thousand shares, and a cash capital increase of NT\$30,000 thousand will be subscribed, maintaining the same ownership percentage.

The Group's percentage of ownership over CGPC, ACME, ACME (Cayman), SPC, TUVC, STC, and USIO was less than 20%. These associates were accounted for using the equity method, as the Group retained significant influence over them due to the ultimate parent company retaining control over them.

The market prices of the investments accounted for using the equity method in publicly traded shares calculated by the closing price at the end of the reporting period are summarized as follows.

<u>Name of Associates</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
CGPC	<u>\$ 513,404</u>	<u>\$ 560,290</u>
ACME	<u>\$ 281,659</u>	<u>\$ 271,742</u>

14. PROPERTY, PLANT AND EQUIPMENT

	<u>Freehold Land</u>	<u>Buildings and Improvements</u>	<u>Machinery and Equipment</u>	<u>Transportation Equipment</u>	<u>Other Equipment</u>	<u>Construction in Progress and Prepayments for Equipment</u>	<u>Grand total</u>
<u>Cost</u>							
Balance on January 1, 2025	\$ 228,229	\$ 781,248	\$ 6,708,798	\$ 9,281	\$ 90,327	\$ 1,264,632	\$ 9,082,515
Additions	-	-	38,513	-	21	267,896	306,430
Disposals	-	-	(41,920)	(149)	(1,066)	-	(43,135)
Internal transfer	-	2,045	152,307	-	6,188	(160,540)	-
Effect of foreign currency exchange differences	-	-	-	(22)	(109)	-	(131)
Balance at December 31, 2025	<u>\$ 228,229</u>	<u>\$ 783,293</u>	<u>\$ 6,857,698</u>	<u>\$ 9,110</u>	<u>\$ 95,361</u>	<u>\$ 1,371,988</u>	<u>\$ 9,345,679</u>
<u>Accumulated depreciation and impairment</u>							
Balance on January 1, 2025	\$ -	\$ 380,266	\$ 5,067,484	\$ 8,025	\$ 83,414	\$ -	\$ 5,539,189
Depreciation expenses	-	17,123	315,445	260	2,057	-	334,885
Disposals	-	-	(41,920)	(149)	(1,066)	-	(43,135)
Effect of foreign currency exchange differences	-	-	-	(23)	(103)	-	(126)
Balance at December 31, 2025	<u>\$ -</u>	<u>\$ 397,389</u>	<u>\$ 5,341,009</u>	<u>\$ 8,113</u>	<u>\$ 84,302</u>	<u>\$ -</u>	<u>\$ 5,830,813</u>
Net amount at December 31, 2025	<u>\$ 228,229</u>	<u>\$ 385,904</u>	<u>\$ 1,516,689</u>	<u>\$ 997</u>	<u>\$ 11,059</u>	<u>\$ 1,371,988</u>	<u>\$ 3,514,866</u>
<u>Cost</u>							
Balance on January 1, 2024	\$ 228,229	\$ 781,248	\$ 6,663,066	\$ 9,382	\$ 91,966	\$ 953,814	\$ 8,727,705
Additions	-	-	43,806	-	52	379,845	423,703
Disposals	-	-	(65,126)	(156)	(3,851)	-	(69,133)
Internal transfer	-	-	67,052	-	1,975	(69,027)	-
Effect of foreign currency exchange differences	-	-	-	55	185	-	240
Balance on December 31, 2024	<u>\$ 228,229</u>	<u>\$ 781,248</u>	<u>\$ 6,708,798</u>	<u>\$ 9,281</u>	<u>\$ 90,327</u>	<u>\$ 1,264,632</u>	<u>\$ 9,082,515</u>
<u>Accumulated depreciation and impairment</u>							
Balance on January 1, 2024	\$ -	\$ 362,294	\$ 4,815,677	\$ 7,866	\$ 85,137	\$ -	\$ 5,270,974
Depreciation expenses	-	17,972	307,146	260	1,953	-	327,331
Disposals	-	-	(55,339)	(156)	(3,851)	-	(59,346)
Effect of foreign currency exchange differences	-	-	-	55	175	-	230
Balance on December 31, 2024	<u>\$ -</u>	<u>\$ 380,266</u>	<u>\$ 5,067,484</u>	<u>\$ 8,025</u>	<u>\$ 83,414</u>	<u>\$ -</u>	<u>\$ 5,539,189</u>
Net amount at December 31, 2024	<u>\$ 228,229</u>	<u>\$ 400,982</u>	<u>\$ 1,641,314</u>	<u>\$ 1,256</u>	<u>\$ 6,913</u>	<u>\$ 1,264,632</u>	<u>\$ 3,543,326</u>

For the years ended December 31, 2025 and 2024, no impairment loss or reversal of impairment loss was recognized.

The accrual of depreciation expenses is conducted on a straight-line basis over the estimated useful lives as follows:

Buildings and Improvements	
Factory and improvements	15 to 40 years
Office building, laboratory and improvements	10 to 40 years
Storage rooms	11 to 45 years
Engineering systems	35 to 40 years
Others	2 to 20 years
Machinery and Equipment	3 to 22 years
Transportation Equipment	4 to 7 years
Other Equipment	3 to 10 years

In order to support the relocation of petrochemical storage facilities in the old port area conducted by Taiwan International Ports Corporation Ltd. (“TIPC”), CGTD leases the terminal facilities and back-line lands of Phase II Petrochemical Oil Storage and Transportation Center of Kaohsiung Port Container Center, with the lease term from August 1, 2017 to July 31, 2042. The rent is paid on a quarterly basis. The Board of Directors of the Group resolved to build the Intercontinental Phase II Petrochemical Oil Products Center in 2019. As of December 31, 2025, the Group has made a construction payment of NT\$866,083 thousand.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Carrying amounts of right-of-use assets		
Land	<u>\$ 8,092</u>	<u>\$ 8,704</u>
	<u>2025</u>	<u>2024</u>
Additions of right-of-use assets	<u>\$ 54</u>	<u>\$ -</u>
Depreciation charge for right-of-use assets		
Land	\$ 666	\$ 664
Transportation Equipment	<u>-</u>	<u>34</u>
	<u>\$ 666</u>	<u>\$ 698</u>

Except for the depreciation expense recognized, there was no significant sublease or impairment of the Group’s right-of-use assets in 2025 and 2024.

The Group has been subleasing its leasehold office spaces located in Taipei to other companies under operating leases. The related right-of-use assets are presented as investment properties (as set out in Note 16). The amounts disclosed above with respect

to the right-of-use assets do not include right-of-use assets that meet the definition of investment properties.

b. Lease liabilities

Range of discount rate for lease liabilities was as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Land	1.06%	1.06%
Building	2.16%	2.16%

c. Other lease information

	<u>2025</u>	<u>2024</u>
Expenses relating to short-term leases	<u>\$ 4,562</u>	<u>\$ 4,155</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 1,142</u>	<u>\$ 935</u>
Total cash outflow for leases	<u>(\$ 13,319)</u>	<u>(\$ 11,667)</u>

The Group leases certain buildings which qualify as short-term lease. The Group has elected to apply the recognition exemption and, thus, did not recognize right-of-use assets and lease liabilities for these leases.

16. INVESTMENT PROPERTIES

	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Right-of-use assets</u>	<u>Grand total</u>
<u>Cost</u>				
Balance on January 1, 2025	\$ 370,202	\$ 271,607	\$ 110,180	\$ 751,989
Effect of foreign currency exchange differences	-	(5,746)	-	(5,746)
Balance at December 31, 2025	<u>\$ 370,202</u>	<u>\$ 265,861</u>	<u>\$ 110,180</u>	<u>\$ 746,243</u>
<u>Accumulated depreciation</u>				
Balance on January 1, 2025	\$ -	\$ 148,322	\$ 32,764	\$ 181,086
Depreciation expenses	-	4,756	7,038	11,794
Effect of foreign currency exchange differences	-	(2,649)	-	(2,649)
Balance at December 31, 2025	<u>\$ -</u>	<u>\$ 150,429</u>	<u>\$ 39,802</u>	<u>\$ 190,231</u>
Net amount at December 31, 2025	<u>\$ 370,202</u>	<u>\$ 115,432</u>	<u>\$ 70,378</u>	<u>\$ 556,012</u>
<u>Cost</u>				
Balance on January 1, 2024	\$ 370,202	\$ 262,786	\$ 34,585	\$ 667,573
Additions	-	-	75,595	75,595
Effect of foreign currency exchange differences	-	8,821	-	8,821
Balance on December 31, 2024	<u>\$ 370,202</u>	<u>\$ 271,607</u>	<u>\$ 110,180</u>	<u>\$ 751,989</u>
<u>Accumulated depreciation</u>				
Balance on January 1, 2024	\$ -	\$ 139,506	\$ 27,303	\$ 166,809
Depreciation expenses	-	4,833	5,461	10,294
Effect of foreign currency exchange differences	-	3,983	-	3,983
Balance on December 31, 2024	<u>\$ -</u>	<u>\$ 148,322</u>	<u>\$ 32,764</u>	<u>\$ 181,086</u>
Net amount at December 31, 2024	<u>\$ 370,202</u>	<u>\$ 123,285</u>	<u>\$ 77,416</u>	<u>\$ 570,903</u>

Right-of-use assets included in investment properties are units of office space and subleased under operating leases.

The investment properties were leased out for 5 years. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating leases of investment properties as of December 31, 2025 and 2024 was as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Year 1	\$ 31,379	\$ 25,009
Year 2	12,969	14,463
Year 3	<u>837</u>	<u>5,312</u>
	<u>\$ 45,185</u>	<u>\$ 44,784</u>

The investment properties held by the Group are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings and Improvements	
Main buildings and improvements	5 to 50 years
Right-of-use assets	10 years

The fair value of the investment property (i.e. the land) located in Linyuan Industrial Park, which is for industrial use, cannot be reliably determined due to infrequent market transactions. The investment properties - land (excluding those located in Linyuan Industrial Park), buildings and improvements were not evaluated by the independent appraisers. The fair values of these investment properties were measured by the Group's management with reference to the transaction prices of similar properties in the neighborhood. The fair value of the right-of-use asset was measured using expected rental income deducting the net amount of all expected payments, plus relevant recognized lease liabilities.

As of December 31, 2025 and 2024, the fair values derived from the valuation were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Fair Value	<u>\$ 1,955,001</u>	<u>\$ 2,206,912</u>

17. **BORROWINGS**

Long-term borrowings

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Unsecured borrowings	\$ 786,330	\$ 1,181,910
Less: Current portion due within one year	(<u>392,774</u>)	(<u>393,755</u>)
Long-term borrowings	<u>\$ 393,556</u>	<u>\$ 788,155</u>
Range of interest rates	1.175%~1.675%	1.175%~1.675%

In order to fund medium to long-term working capital needs, the Group signed medium to long-term loan agreements with banks with total lines of credit of NT\$900,000 thousand. The loan agreements will subsequently expire before November 2028 and these lines of credit are on a revolving basis. The lines of credit have not been used as of December 31, 2025.

Through “Action Plan for Accelerated Investment by Domestic Corporations” the Company obtained a low-interest bank loan, which should be used for subsidized eligible projects. The difference between the market interest rate recognized and measured for the bank loan and the interest paid at preferential rate was recognized as government grant.

As of December 31, 2025, the Company’s bank loan limit can be found in Note 28.

Some of the Group’s loan agreements stipulate that the current ratio and debt ratio as stated on the financial statements shall not be less than a specified percentage, and that if such a percentage fails to be met, the Group shall propose improvement measures to the banks concerned. As of December 31, 2025, the Group did not violate these financial ratios and terms.

18. ACCOUNTS PAYABLE (INCLUDING RELATED PARTIES)

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Arising from operation (Note 29)	<u>\$ 228,165</u>	<u>\$ 266,911</u>

The average credit period was approximately 30 days. The Group had financial risk management policies in place to ensure that all payables were paid within the pre-agreed credit terms.

19. OTHER PAYABLES FROM UNRELATED PARTIES

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Payables for utilities	\$ 56,908	\$ 53,870
Payables for salaries or bonuses	52,233	48,405
Payables for surrogate shopping	12,123	16,421
Payables for equipment	10,151	63,623
Payables for freight fees	8,515	10,886
Payables for dividends	8,090	11,521
Payables for insurance	5,354	2,311
Others	<u>24,904</u>	<u>23,943</u>
	<u>\$ 178,278</u>	<u>\$ 230,980</u>

20. PROVISION FOR LIABILITIES (December 31, 2024: None)

	<u>December 31, 2025</u>
<u>Current</u>	
Carbon fee	<u>\$ 24,907</u>

The Group has recognized provisions for carbon fee liabilities in accordance with Taiwan’s Regulations Governing the Collection of Carbon Fees and related laws starting from 2025. The Group’s provisions for carbon fee liabilities are calculated based on the standard rate.

21. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Group adopted a pension plan under the Labor Pension Act (the “LPA”), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees’ individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

The defined benefit plan adopted by the Company of the Group in accordance with the Labor Standards Law is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contributes amounts equal to 10% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee’s name. If the estimated balance of the account before the end of the year is not enough to pay for the workers who are qualified for retirement in the following year, the contribution of the difference will be made in one lump sum by the end of March of the following year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (“the Bureau”); the Group has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Group’s defined benefit plans were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present Value of the Defined Benefit Obligation	\$ 228,387	\$ 218,464
Fair Value of the Plan Assets	(155,676)	(137,256)
Net defined benefit liabilities	<u>\$ 72,711</u>	<u>\$ 81,208</u>

Movements in net defined benefit liabilities (assets) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Balance on January 1, 2025	<u>\$ 218,464</u>	<u>(\$ 137,256)</u>	<u>\$ 81,208</u>
Service cost			
Current service cost	998	-	998
Net interest expense (income)	<u>3,277</u>	<u>(2,132)</u>	<u>1,145</u>
Recognized in Profit or Loss	<u>4,275</u>	<u>(2,132)</u>	<u>2,143</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	\$ -	(\$ 10,257)	(\$ 10,257)
Actuarial loss - changes in financial assumptions	2,954	-	2,954
Actuarial loss - experience adjustments	<u>4,159</u>	<u>-</u>	<u>4,159</u>
Recognized in Other			
Comprehensive Income	<u>7,113</u>	<u>(10,257)</u>	<u>(3,144)</u>
Contributions from the employer	-	(7,496)	(7,496)
Benefits paid	<u>(1,465)</u>	<u>1,465</u>	<u>-</u>
Balance at December 31, 2025	<u>\$ 228,387</u>	<u>(\$ 155,676)</u>	<u>\$ 72,711</u>
Balance on January 1, 2024	<u>\$ 238,574</u>	<u>(\$ 136,210)</u>	<u>\$ 102,364</u>
Service cost			
Current service cost	1,425	-	1,425
Net interest expense (income)	<u>2,860</u>	<u>(1,643)</u>	<u>1,217</u>
Recognized in Profit or Loss	<u>4,285</u>	<u>(1,643)</u>	<u>2,642</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(13,349)	(13,349)
Actuarial gain - changes in financial assumptions	(3,314)	-	(3,314)
Actuarial loss - experience adjustments	<u>2,392</u>	<u>-</u>	<u>2,392</u>
Recognized in Other			
Comprehensive Income	<u>(922)</u>	<u>(13,349)</u>	<u>(14,271)</u>
Contributions from the employer	-	(9,527)	(9,527)
Benefits paid	<u>(23,473)</u>	<u>23,473</u>	<u>-</u>
Balance on December 31, 2024	<u>\$ 218,464</u>	<u>(\$ 137,256)</u>	<u>\$ 81,208</u>

Through the defined benefit plans under the Labor Standards Law, the Group is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic or foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant

regulations, the return generated by plan assets should not be below the interest rate of a 2-year time deposit with local banks.

- 2) Interest rate risk: A decrease in corporate bond interest rates will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated with reference to the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate	1.25%	1.50%
Expected rate of salary increase	2.75%	2.75%

If possible reasonable changes in each of the significant actuarial assumptions were to occur and all other assumptions were to remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate		
0.25% increase	(<u>\$ 2,954</u>)	(<u>\$ 3,242</u>)
0.25% decrease	<u>\$ 3,016</u>	<u>\$ 3,314</u>
Expected rate of salary increase		
0.25% increase	<u>\$ 2,921</u>	<u>\$ 3,216</u>
0.25% decrease	(<u>\$ 2,876</u>)	(<u>\$ 3,162</u>)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that changes in the assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Expected contributions to the plan for the next year	<u>\$ 7,621</u>	<u>\$ 9,732</u>
Average duration of the defined benefit obligation	5.3 years	6.0 years

22. EQUITY

a. Ordinary shares

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Number of shares authorized (in thousands)	<u>620,000</u>	<u>620,000</u>
Shares authorized	<u>\$ 6,200,000</u>	<u>\$ 6,200,000</u>
Number of shares issued and fully paid (in thousands)	<u>593,743</u>	<u>593,743</u>
Shares issued	<u>\$ 5,937,438</u>	<u>\$ 5,937,438</u>

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

b. Capital Surplus

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Unpaid dividends	\$ 27,387	\$ 26,642
Share of changes in capital surplus of associates	<u>11,581</u>	<u>11,488</u>
	<u>\$ 38,968</u>	<u>\$ 38,130</u>

Capital surplus which arises from unclaimed dividends and the share of changes in capital surplus of associates may be used to offset a deficit only.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the amended Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors after the amendment, refer to "Employees' compensation and remuneration of directors" in Note 24-7.

As the Company is in the maturation stage, for research and development needs and business diversification, the amount of dividends for shareholders shall be no less than 10% of distributable retained earnings for the current year, among which the amount of

cash dividends shall be no less than 10%. If the distributable retained earnings per share of the current year are less than \$0.1, the retained earnings are not to be distributed.

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

The appropriations of earnings for 2024 and 2023 approved in the shareholders' meetings on May 28, 2025 and May 30, 2024, respectively, were as follows:

	<u>2024</u>	<u>2023</u>
Legal Reserve	\$ <u> -</u>	\$ <u>11,994</u>
Cash dividends	\$ <u>148,436</u>	\$ <u>267,185</u>
Cash dividends per share (NT\$)	\$ 0.25	\$ 0.45

The appropriation of earnings for 2025 had been proposed by the Company's Board of Directors on March 10, 2026 were as follows:

	<u>2025</u>
Cash dividends	\$ <u>118,749</u>
Cash dividends per share (NT\$)	\$ 0.20

The appropriation of earnings for 2025 is subject to resolution in the shareholders' meeting to be held on May 28, 2026.

d. Special Reserve

	<u>2025</u>	<u>2024</u>
Balance at January 1	\$ 554,105	\$ 554,105
Reversal for special reserve		
Disposal of property, plant and equipment	(<u>1,457</u>)	<u> -</u>
Balance at December 31	\$ <u>552,648</u>	\$ <u>554,105</u>

The special reserve established for property, plant and equipment, excluding land, shall be reversed upon disposal upon first-time adoption of IFRS accounting standards.

e. Other Equity

1) Exchange Differences on Translating the Financial Statements of Foreign Operations

	<u>2025</u>	<u>2024</u>
Balance at January 1	\$ 7,754	(\$ 145,105)
Recognized for the year		
Exchange Differences on Translating the Financial Statements of Foreign Operations	(71,804)	171,250
Share of associates accounted for using the equity method	(9,823)	15,859
Related income tax	<u>14,361</u>	<u>(34,250)</u>
Other Comprehensive Income (Loss) for the Year	<u>(67,266)</u>	<u>152,859</u>
Balance at December 31	<u>(\$ 59,512)</u>	<u>\$ 7,754</u>

2) Unrealized gain (loss) on financial assets at fair value through other comprehensive income

	<u>2025</u>	<u>2024</u>
Balance at January 1	(\$ 198,485)	\$ 813,423
Recognized for the year		
Unrealized (Gain) Loss Equity instruments	11,861	(973,320)
Share of associates accounted for using the equity method	(\$ 3,893)	(\$ 32,771)
Related income tax	<u>327</u>	<u>(5,971)</u>
Other Comprehensive Income (Loss) for the Year	<u>8,295</u>	<u>(1,011,992)</u>
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal		
Recognized for the year	(12,245)	(250)
Share of associates accounted for using the equity method	<u>-</u>	<u>334</u>
Balance at December 31	<u>(\$ 202,435)</u>	<u>(\$ 198,485)</u>

23. REVENUE

a. Revenue from contracts with customers

	<u>2025</u>	<u>2024</u>
Revenue from sale of goods	<u>\$ 5,743,172</u>	<u>\$ 6,031,266</u>

b. Contract balances

	December 31, 2025	December 31, 2024	January 1, 2024
Accounts receivable (Note 10)	<u>\$ 223,083</u>	<u>\$ 437,032</u>	<u>\$ 404,551</u>
Contract liabilities (presented in other current liabilities)	<u>\$ 21,760</u>	<u>\$ 54,560</u>	<u>\$ 53,244</u>

24. NET LOSS FOR THE YEAR

a. Interest income

	2025	2024
Bank deposits	\$ 10,901	\$ 9,745
Financial assets at amortized cost	2,866	3,345
Financial assets at FVTPL	2,577	2,349
Reverse repurchase agreements collateralized by bonds	<u>6,618</u>	<u>10,901</u>
	<u>\$ 22,962</u>	<u>\$ 26,340</u>

b. Other income

	2025	2024
Rental income	<u>\$ 54,611</u>	<u>\$ 53,285</u>
Dividend income		
Financial assets at FVTPL	3,564	5,127
Investments in equity instruments at FVTOCI	<u>44,210</u>	<u>80,799</u>
	<u>47,774</u>	<u>85,926</u>
Others	<u>7,093</u>	<u>9,431</u>
	<u>\$ 109,478</u>	<u>\$ 148,642</u>

c. Other gains and losses

	2025	2024
Net gain on fair value changes of financial assets and liabilities at FVTPL	\$ 7,142	\$ 1,422
Scrapping losses of property, plant and equipment	-	(9,787)
Net foreign exchange (losses) gains	(17,737)	29,266
Others	<u>(40,945)</u>	<u>(33,966)</u>
	<u>(\$ 51,540)</u>	<u>(\$ 13,065)</u>

d. Interest expense

	<u>2025</u>	<u>2024</u>
Interest on bank loans	\$ 17,084	\$ 12,306
Interest on lease liabilities	<u>1,718</u>	<u>155</u>
	<u>\$ 18,802</u>	<u>\$ 12,461</u>

There was no capitalization of interest costs between 2025 and 2024.

e. Depreciation and amortization

	<u>2025</u>	<u>2024</u>
Property, plant and equipment	\$ 334,885	\$ 327,331
Investment properties	11,794	10,294
Right-of-use assets	666	698
Intangible Assets	<u>589</u>	<u>532</u>
Grand total	<u>\$ 347,934</u>	<u>\$ 338,855</u>

An analysis of depreciation expenses by function

Operating Cost	\$ 335,342	\$ 327,837
Operating expenses	209	192
Other gains and losses	<u>11,794</u>	<u>10,294</u>
	<u>\$ 347,345</u>	<u>\$ 338,323</u>

An analysis of amortization expenses by function

Operating expenses	<u>\$ 589</u>	<u>\$ 532</u>
--------------------	---------------	---------------

f. Employee benefits expense

	<u>2025</u>	<u>2024</u>
Post-employment benefits (Note 21)		
Defined contribution plans	\$ 9,835	\$ 9,505
Defined benefit plans	<u>2,143</u>	<u>2,642</u>
	11,978	12,147
Other employee benefits	<u>313,165</u>	<u>306,897</u>
Total employee benefits expense	<u>\$ 325,143</u>	<u>\$ 319,044</u>

An analysis of employee benefits expense by function

Operating Cost	\$ 276,538	\$ 267,786
Operating expenses	<u>48,605</u>	<u>51,258</u>
	<u>\$ 325,143</u>	<u>\$ 319,044</u>

g. Employees' compensation and remuneration of directors

The Company accrued employees' compensation and remuneration of directors and supervisors at rates of no less than 1% and no higher than 1%, respectively, of net profit

before income tax. In accordance with the August 2024 amendments to the Securities and Exchange Act, the Company obtained shareholder approval at the 2025 shareholders' meeting to amend the Articles, stipulating that when the Company makes profit for the year, entry-level employees shall receive no less than 40% of the total employees' compensation to be distributed. In both 2025 and 2024, due to losses, employee and director remuneration were not estimated.

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

h. Gains or losses on foreign currency exchange

	<u>2025</u>	<u>2024</u>
Foreign exchange gains	\$ 50,009	\$ 58,159
Foreign exchange losses	(<u>67,746</u>)	(<u>28,893</u>)
Net (losses) gains	(<u>\$ 17,737</u>)	<u>\$ 29,266</u>

25. TAXATION

a. Income tax recognized in profit or loss

Major components of income tax (benefits) expenses are as follows:

	<u>2025</u>	<u>2024</u>
Current tax		
In respect of the current year	\$ 4,501	\$ 3,996
Adjustments for prior years	(<u>9,083</u>)	<u>2,522</u>
	(<u>4,582</u>)	<u>6,518</u>
Deferred income tax		
In respect of the current year	5,997	(176,370)
Adjustments for prior years	<u>2,354</u>	<u>-</u>
	<u>8,351</u>	(<u>176,370</u>)
Income tax (benefits) expenses recognized in profit or loss	<u>\$ 3,769</u>	(<u>\$ 169,852</u>)

A reconciliation of accounting profit and income tax (gain) expense is as follows:

	<u>2025</u>	<u>2024</u>
Pre-tax net loss	<u>\$ 1,040,734</u>	<u>\$ 920,352</u>
Income tax benefit calculated on pre-tax net loss at the statutory tax rate	(\$ 206,120)	(\$ 181,145)
Items which should be adjusted according to statutory taxable income	29,846	22,971
Tax-exempt income	(13,888)	(18,337)
Loss offset	(223)	-
Difference payable of basic tax	899	-
Unrecognized loss offsets	1,468	4,137
Unrecognized temporary differences	198,516	-
Adjustments for prior years	(<u>6,729</u>)	<u>2,522</u>
Income tax (benefits) expenses recognized in profit or loss	<u>\$ 3,769</u>	(<u>\$ 169,852</u>)

b. Income tax recognized in other comprehensive income

	<u>2025</u>	<u>2024</u>
<u>Deferred income tax</u>		
In respect of current year		
— Translation of foreign operations	(\$ 14,361)	\$ 34,250
— Unrealized gain (loss) on financial assets at fair value through other comprehensive income	(327)	5,971
— Remeasurement on defined benefit plans	<u>629</u>	<u>2,854</u>
Total income tax expense (gain) recognized in other comprehensive income	(\$ <u>14,059</u>)	<u>\$ 43,075</u>

c. Deferred income tax assets and liabilities

The movements of deferred income tax assets and liabilities were as follows:

2025

	<u>Balance at January 1</u>	<u>Recognized in Profit or Loss</u>	<u>Recognized in Other Comprehensive Income</u>	<u>Balance at December 31</u>
<u>Deferred income tax assets</u>				
Temporary differences				
Allowance for inventory valuation and obsolescence losses	\$ 4,566	(\$ 2,737)	\$ -	\$ 1,829
Allowance for office supplies impairment losses	10,765	240	-	11,005
Provision for sales rebates	1,179	-	-	1,179
Allowance for production supplies losses	849	(25)	-	824
Unrealized gain/loss on financial instruments at FVTPL	218	(218)	-	-
Payables for annual leave	2,425	(25)	-	2,400
Defined benefit obligation	16,668	(1,071)	(629)	14,968
Inventory tax differences	90	(16)	-	74
Depreciation tax differences	29	18	-	47
Exchange differences on foreign operations	-	-	5,456	5,456
Investment loss recognized by the equity method	663,934	(3,042)	-	660,892
Unappropriated earnings of Controlled Foreign Company	<u>6,688</u>	<u>(2,354)</u>	<u>-</u>	<u>4,334</u>
	<u>\$ 707,411</u>	<u>(\$ 9,230)</u>	<u>\$ 4,827</u>	<u>\$ 703,008</u>
<u>Deferred income tax liabilities</u>				
Temporary differences				
Land value increment tax reserve	\$ 21,469	\$ -	\$ -	\$ 21,469
Loss allowance for accounts receivable	267	-	-	267
Unrealized foreign exchange gains	1,215	(516)	-	699
Unrealized gain/loss on financial instruments at FVTPL	-	160	-	160
Financial assets at FVTOCI	13,433	-	(327)	13,106
Exchange differences on foreign operations	8,905	-	(8,905)	-
Unrealized gross loss on sales	<u>589</u>	<u>(523)</u>	<u>-</u>	<u>66</u>
	<u>\$ 45,878</u>	<u>(\$ 879)</u>	<u>(\$ 9,232)</u>	<u>\$ 35,767</u>

2024

	Balance at January 1	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Balance at December 31
<u>Deferred income tax assets</u>				
Temporary differences				
Unrealized foreign exchange losses	\$ 1,777	(\$ 1,777)	\$ -	\$ -
Allowance for inventory valuation and obsolescence losses	2,254	2,312	-	4,566
Allowance for office supplies impairment losses	9,626	1,139	-	10,765
Provision for sales rebates	1,179	-	-	1,179
Allowance for production supplies losses	1,077	(228)	-	849
Unrealized gain/loss on financial instruments at FVTPL	-	218	-	218
Payables for annual leave	2,273	152	-	2,425
Defined benefit obligation	20,899	(1,377)	(2,854)	16,668
Inventory tax differences	111	(21)	-	90
Depreciation tax differences	-	29	-	29
Exchange differences on foreign operations	25,345	-	(25,345)	-
Investment loss recognized by the equity method	488,883	175,051	-	663,934
Unappropriated earnings of Controlled Foreign Company	<u>4,636</u>	<u>2,052</u>	<u>-</u>	<u>6,688</u>
	<u>\$ 558,060</u>	<u>\$ 177,550</u>	<u>(\$ 28,199)</u>	<u>\$ 707,411</u>
<u>Deferred income tax liabilities</u>				
Temporary differences				
Land value increment tax reserve	\$ 21,469	\$ -	\$ -	\$ 21,469
Loss allowance for accounts receivable	267	-	-	267
Unrealized foreign exchange gains	-	1,215	-	1,215
Unrealized gain/loss on financial instruments at FVTPL	191	(191)	-	-
Depreciation tax differences	15	(15)	-	-
Financial assets at FVTOCI	7,462	-	5,971	13,433
Exchange differences on foreign operations	-	-	8,905	8,905
Unrealized gross loss on sales	<u>418</u>	<u>171</u>	<u>-</u>	<u>589</u>
	<u>\$ 29,822</u>	<u>\$ 1,180</u>	<u>\$ 14,876</u>	<u>\$ 45,878</u>

- d. Deductible temporary differences and unused tax losses for which no deferred tax assets have been recognized in the consolidated balance sheet

	<u>2025</u>	<u>2024</u>
Deductible temporary differences		
Share of losses from associates accounted for using the equity method	<u>\$ 198,516</u>	<u>\$ -</u>
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Loss offset		
Expired by 2034	<u>\$ 19,571</u>	<u>\$ 20,688</u>

e. Information related to unutilized loss offset

As of December 31, 2025, the information related to the loss offset is as follows:

APC Investment Corporation

Remaining balance to be offset	Final offset year
<u>\$ 19,571</u>	<u>2034</u>

f. Income tax assessments

The Company and APCIC's income tax declaration through 2023 have been approved by the tax authorities.

26. LOSS PER SHARE

	Unit: NT\$ Per Share	
	<u>2025</u>	<u>2024</u>
Basic loss per share	(\$ <u>1.76</u>)	(\$ <u>1.26</u>)
Diluted loss per share	(\$ <u>1.76</u>)	(\$ <u>1.26</u>)

The loss and weighted average number of ordinary shares used to calculate the loss per share from continuing operations were as follows:

Net loss for the year

	<u>2025</u>	<u>2024</u>
To calculate the net loss per share for basic and diluted purposes.	(\$ <u>1,044,503</u>)	(\$ <u>750,500</u>)

(In thousand shares)

	<u>2025</u>	<u>2024</u>
<u>Number of Shares</u>		
Weighted average number of ordinary shares used in the computation of basic losses per share	<u>593,743</u>	<u>593,743</u>

If the Group offered to settle compensation paid to employees in cash or shares, the Group assumed the entire amount of the compensation would be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, if the effect is dilutive. 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.

As the Group incurred losses in both 2025 and 2024, potential dilution was anti-dilutive and was therefore not included in the calculation of diluted loss per share.

27. CAPITAL MANAGEMENT

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Group (comprising issued capital, reserves, retained earnings, and other equity).

28. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

The Group's management believes that the carrying amounts of financial assets and financial liabilities which are recognized in the consolidated financial statements approximate their fair values.

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

1) Fair value hierarchy

December 31, 2025

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Grand total</u>
<u>Financial assets at FVTPL</u>				
Domestic listed shares	\$ 152,378	\$ -	\$ -	\$ 152,378
Foreign listed shares	32,069	-	-	32,069
Mutual funds	224,610	-	-	224,610
Beneficiary securities	<u>58,363</u>	<u>-</u>	<u>-</u>	<u>58,363</u>
	<u>\$ 467,420</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 467,420</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Domestic listed shares	\$1,789,752	\$ -	\$ -	\$1,789,752
Foreign listed shares	4,681	-	-	4,681
Domestic unlisted shares	-	-	105,904	105,904
Foreign unlisted shares	<u>-</u>	<u>-</u>	<u>117,653</u>	<u>117,653</u>
	<u>\$1,794,433</u>	<u>\$ -</u>	<u>\$ 223,557</u>	<u>\$2,017,990</u>
<u>Financial liabilities at FVTPL</u>				
Derivative instruments	<u>\$ -</u>	<u>\$ 676</u>	<u>\$ -</u>	<u>\$ 676</u>

December 31, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Grand total</u>
<u>Financial assets at FVTPL</u>				
Domestic listed shares	\$ 95,582	\$ -	\$ -	\$ 95,582
Foreign listed shares	28,135	-	-	28,135
Mutual funds	238,171	-	-	238,171
Beneficiary securities	<u>62,214</u>	<u>-</u>	<u>-</u>	<u>62,214</u>
	<u>\$ 424,102</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 424,102</u>
 <u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Domestic listed shares	\$1,793,176	\$ -	\$ -	\$1,793,176
Foreign listed shares	5,522	-	-	5,522
Domestic unlisted shares	-	-	117,282	117,282
Foreign unlisted shares	<u>-</u>	<u>-</u>	<u>123,574</u>	<u>123,574</u>
	<u>\$1,798,698</u>	<u>\$ -</u>	<u>\$ 240,856</u>	<u>\$2,039,554</u>

There were no transfers between Levels 1 and 2 in 2025 and 2024.

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

Financial assets at FVTOCI - Equity instruments

	<u>2025</u>	<u>2024</u>
Balance at January 1	\$ 240,856	\$ 224,960
Recognized in other comprehensive income (included in unrealized gain on financial assets at FVTOCI)	(5,497)	35,871
Transfer out of Level 3	-	(19,975)
Cash reduction of capital	(<u>11,802</u>)	<u>-</u>
Balance at December 31	<u>\$ 223,557</u>	<u>\$ 240,856</u>

3) Valuation techniques and inputs applied for Level 2 fair value measurement

<u>Type of Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
Derivatives - foreign exchange forward contracts	Discounted cash flow: Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

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

The Group's financial department used valuation techniques in measuring Level 3 fair value of financial instruments. The assumptions of and the inputs to the measurement are based on information from independent resources. The results of the measurement are evaluated against the market state and reviewed periodically to ensure that they are reasonable. The fair values of domestic and foreign unlisted equity securities were determined using the asset-based approach. In this approach,

the fair value is determined by the latest net value of the investee company and the financial and business conditions of an observable company. If the discount for the lack of marketability decreases, the fair value of investments will increase. When the net asset value of the investee company increased/decreased by 1%, it increased/decreased the fair value for 2025 and 2024 by NT\$2,236 thousand and NT\$2,409 thousand, respectively.

c. Categories of financial instruments

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets</u>		
Measured at FVTPL		
Mandatorily classified as at FVTPL	\$ 467,420	\$ 424,102
Financial assets at amortized cost (Note 1)	1,276,344	2,084,130
Financial assets at FVTOCI		
Investments in equity instruments	2,017,990	2,039,554
<u>Financial liabilities</u>		
Measured at FVTPL		
Held for trading	676	-
Financial liabilities at amortized cost (Note 2)	1,155,057	1,779,402

Note 1: The balances include financial assets at amortized cost, which comprise cash and cash equivalents, time deposits and RS with original maturities exceeding three months, accounts receivable (including related parties), other receivables (including related parties and excluding tax refund receivables) and refundable deposits.

Note 2: The balances include financial liabilities at amortized cost, which comprise, accounts payable (including related parties), other payables (including related parties and excluding payables for salaries and taxes), current portion of long-term liabilities, long-term borrowings, and guarantee deposits received.

d. Financial risk management objectives and policies

The Group's risk control and hedging strategy are influenced by its operational environment. The Group properly monitors and manages the risks related to business nature and according to the principle of risk diversification. These risks include market

risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

There has been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk. In order to avoid the impact of foreign currency exchange rate changes, which lead to deductions in foreign currency denominated assets and fluctuations in their future cash flows, the Group used the natural offset between foreign currency assets and liabilities and foreign exchange forward contracts on the net position. The Group sought to minimize the effects of these risks by using foreign exchange forward contracts to hedge risk exposures. The use of foreign exchange forward contracts was governed by the Group's policies approved by the board of directors. Compliance with policies and exposure limits was reviewed by internal auditors on a continuous basis. The Group did not enter into or trade foreign exchange forward contracts for speculative purposes.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities is set out in Note 31. See Note 7 for the carrying value of derivative instruments with additional exposure to foreign exchange rate risk.

Sensitivity analysis

The Group was mainly exposed to the USD and RMB. The sensitivity analysis includes only outstanding foreign currency denominated monetary items at the end of the reporting period. When the functional currency of the Group appreciates/depreciates against the US dollar by 3%, the pre-tax net loss of the Group for 2025 and 2024 will increase/decrease by NT\$6,301 thousand and NT\$8,849 thousand, respectively. When the functional currency of the Group appreciates/depreciates against the RMB by 3%, the pre-tax net loss of the Group for 2025 and 2024 will increase/decrease by NT\$1,345 thousand and NT\$2,230 thousand, respectively.

In management's opinion, this sensitivity analysis is unrepresentative of the Company's inherent foreign exchange risk because the exposure at the end of the reporting period did not reflect the exposure during the period.

b) Interest rate risk

The Group was exposed to fair value interest rate risk because the Group held financial assets and financial liabilities at fixed rates; the Group was exposed to cash flow interest rate risk because the Group held financial assets and financial liabilities at floating rates. The Group's management personnel monitors the changes in the market rates on a regular basis and adjusts the floating rate financial liabilities to make the Group's rates approach market rates in response to the risk caused by changing market rates.

The carrying amount of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Fair value interest rate risk		
— Financial assets	\$ 798,105	\$ 1,393,176
— Financial liabilities	81,024	86,921
Cash flow interest rate risk		
— Financial assets	218,892	228,145
— Financial liabilities	786,330	1,190,303

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for both financial assets and liabilities at the end of the reporting period. A 0.5% point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. With all other variables held constant, a 0.5% increase/decrease in market interest rates, financial assets and liabilities exposed to cash flow interest rate risk would increase/decrease the Group's net loss before income tax by NT\$2,837 thousand/NT\$4,811 thousand for 2025 and 2024.

c) Other price risk

The Group was exposed to securities price risk through its investments in securities listed in the ROC or other countries. The Group manages this

exposure by maintaining a portfolio of investments with different risks. In addition, the Group has appointed a special team to monitor price risk.

Sensitivity analysis

The following sensitivity analysis was based on the prices of securities as of the balance sheet date. However, in the financial assets at fair value through profit or loss in which the Group invested, the risk of price fluctuation of money market funds was very limited, so it was not included in the analysis.

If the marketable securities price increases/decreases by 5%, the net loss before tax for 2025 and 2024 would increase/decrease by NT\$12,141 thousand and NT\$10,543 thousand due to the increase/decrease in the fair value of financial assets (excluding investment in money market funds) measured through profit or loss. Other comprehensive income before tax for 2025 and 2024 would increase/decrease by \$100,900 thousand and \$101,978 thousand, respectively, due to the increase/decrease in the fair value of financial assets at fair value through other comprehensive income.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Group, could be equal to the total of the following:

- a) The carrying amount of the respective recognized financial assets as stated in the balance sheets; and
- b) The maximum amount the entity would have to pay if the financial guarantee is called upon, irrespective of the likelihood of the guarantee being exercised.

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored.

The Group transacted with a large number of unrelated customers in a variety of areas, and, thus, no concentration of credit risk was observed. Ongoing credit evaluations are performed on the financial conditions of trade receivables; therefore, the Group's credit risk is limited.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

As such cash and cash equivalents are sufficient to finance the Group's operations, there is no liquidity risk arising from the deficiency of funds to fulfill contractual obligations.

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

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods based on the probable earliest repayment dates. The table was drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

December 31, 2025

	Weighted Average Interest Rate (%)	On Demand or Less than 1 Year	1 to 5 Years	5+ Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing liabilities		\$ 361,113	\$ -	\$ -
Lease liabilities	1.06%~2.16%	8,232	34,920	46,765
Floating interest rate liabilities	1.35%	399,411	395,089	-
		<u>\$ 768,756</u>	<u>\$ 430,009</u>	<u>\$ 46,765</u>

December 31, 2024

	Weighted Average Interest Rate (%)	On Demand or Less than 1 Year	1 to 5 Years	5+ Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing liabilities		\$ 589,304	\$ -	\$ -
Lease liabilities	1.06%~2.16%	7,668	34,173	55,744
Floating interest rate liabilities	1.05%	404,810	796,491	-
		<u>\$ 1,001,782</u>	<u>\$ 830,664</u>	<u>\$ 55,744</u>

b) Liquidity and interest rate risk table for derivative financial liabilities

Liquidity analysis of derivative financial instruments with gross delivery is prepared on the basis of undiscounted gross cash inflows and outflows. When

the amount payable or receivable is not fixed, the amount disclosed is determined by the expected interest rate derived from the yield curve on the balance sheet date (as of December 31, 2024: none).

December 31, 2025

<u>Gross settled</u>	<u>On Demand or Less than 1 Month</u>
Foreign exchange forward contracts	
— Inflows	\$ 21,951
— Outflows	(22,630)
	<u>(\$ 679)</u>

c) Financing facilities

Bank loans are an essential source of liquidity for the Group. The table below details the used and unused amount of bank loans at the end of the reporting period:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Unsecured bank facilities		
— Amount used	\$ 788,615	\$ 1,182,923
— Amount unused	<u>4,710,000</u>	<u>5,870,000</u>
	<u>\$ 5,498,615</u>	<u>\$ 7,052,923</u>

29. TRANSACTIONS WITH RELATED PARTIES

The Company's ultimate parent is USI Corporation, which held 36.08% of the ordinary shares of the Company as of December 31, 2025 and 2024.

Balances and transactions between the Group and its subsidiaries (which are related parties of the Group) have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed below.

a. Names and relationships of the related parties which have significant transactions with the Company are summarized as follows:

<u>Related Party Name</u>	<u>Relationship with the Group</u>
USI Corporation (USI)	Ultimate parent company
Union Polymer International Investment Corporation ("UPIIC")	Parent entity
China General Plastics Corporation (CGPC)	Associate
China General Terminal & Distribution Corporation (CGTD)	Associate
Acme Electronics Corporation (ACME)	Associate

Related Party Name	Relationship with the Group
Acme Electronics (Guang-Zhou) Co., Ltd. (ACME GZ)	Associate
ACME Electronics (Kunshan) Co., Ltd. (ACME KS)	Associate
USI Optronics Corporation (USIOO)	Associate
Swanson Plastics Corporation (SPC)	Associate
Swanson Plastics (Kunshan) Corporation (SPK)	Associate
Taiwan VCM Corporation (TVCM)	Associate
CGPC Polymer Corporation (CGPCPOL)	Associate
Forever Young Company Limited (FY)	Associate
Swanson Technologies Corporation (STC)	Associate
Fujian Gulei Petrochemical Co., Ltd. (Gulei)	Associate
Global Green Technology Corporation (GGT)	Associate
Dynamic Ever Investments Limited (DEI)	Associate
Zhangzhou USI Trading Co., Ltd. (GUL)	Associate
Xiamen USI Trading Co., Ltd. (XUL)	Associate
Swanson Plastics (Malaysia) Sdn. Bhd.	Associate
Swanson Plastics (India) Private Limited	Associate
PT Swanson Plastics Indonesia	Associate
Taita Chemical Company, Ltd. (TTC)	Fellow subsidiary
Taiwan United Venture Management Corporation (TUVM)	Fellow subsidiary
USI Management Consulting Corporation (UM)	Fellow subsidiary
USI Investment Co., Ltd. (USII)	Fellow subsidiary
INOMA Corporation (INOMA)	Fellow subsidiary
Chong Loong Trading Co., Ltd. (CLT)	Fellow subsidiary
USI (Hong Kong) Company Limited [USI (HK)]	Fellow subsidiary
USI Green Energy Corporation (SG)	Fellow subsidiary
TUTS Trading (Shanghai) Co., Ltd.	Fellow subsidiary
USI Education Foundation (USIF)	Essential related party
Delmind Inc.	Essential related party (as of September 12, 2025, classified as an unrelated party)

b. Sales of goods

Related Party Category/Name	2025	2024
Ultimate parent company		
USI	\$ 320,265	\$ 395,335
Associate	82,772	83,294
Fellow subsidiary	<u>15,152</u>	<u>44,292</u>
	<u>\$ 418,189</u>	<u>\$ 522,921</u>

Sales of goods to related parties were made at the Group's usual prices and conditions which were the same as those to unrelated parties.

c. Purchases

Related Party Category/Name	2025	2024
Ultimate parent company		
USI	<u>\$ 169,829</u>	<u>\$ 245,543</u>
Associate		
Gulei	43,941	501,628
SPC	<u>25,762</u>	<u>34,066</u>
	<u>69,703</u>	<u>535,694</u>
	<u>\$ 239,532</u>	<u>\$ 781,237</u>

Purchases from related parties were made at market prices which were at the Group's usual prices and conditions which were the same as those from unrelated parties.

d. Operating service fees (classified under operating costs)

Related Party Category/Name	2025	2024
Associate		
CGTD	<u>\$ 34,173</u>	<u>\$ 41,720</u>

The Company has engaged CGTD to handle the transportation, storage, and loading/unloading operations of ethylene. The operating service fees are paid on a monthly basis.

e. Green energy electricity expenses (classified under operating costs)

Related Party Category/Name	2025	2024
Fellow subsidiary		
SG	<u>\$ 12,550</u>	<u>\$ -</u>

f. Management fee (under general and administrative expenses)

Related Party Category/Name	2025	2024
Ultimate parent company		
USI	\$ 12,051	\$ 11,798
Fellow subsidiary		
UM	<u>54,818</u>	<u>54,536</u>
	<u>\$ 66,869</u>	<u>\$ 66,334</u>

g. Acquisition of property, plant and equipment

Related Party Category	Receipt of Payment	
	2025	2024
Essential related party		
Delmind Inc.	<u>\$ 7,486</u>	<u>\$ 1,345</u>

h. Lease arrangements - Company is lessee

Lease expense

Related Party Category/Name	2025	2024
Ultimate parent company		
USI	<u>\$ 2,459</u>	<u>\$ 2,325</u>

i. Lease arrangement - Group is lessor

Rental income

Related Party Category/Name	2025	2024
Ultimate parent company		
USI	<u>\$ 1,858</u>	<u>\$ 3,597</u>
Parent entity		
UPIIC	<u>8</u>	<u>1</u>
Associate		
TVCM	13,087	12,529
CGPCPPOL	3,050	3,024
Others	<u>4,261</u>	<u>3,413</u>
	<u>20,398</u>	<u>18,966</u>
Fellow subsidiary		
TTC	6,673	7,477
Others	<u>1,946</u>	<u>2,071</u>
	<u>8,619</u>	<u>9,548</u>
	<u>\$ 30,883</u>	<u>\$ 32,112</u>

Affiliated enterprises lease land from the Company for a term of three years. If the lease is not declared upon expiration, it shall be deemed renewed.

j. Donation expenses (under general and administrative expenses)

Related Party Category/Name	2025	2024
Essential related party		
USIF	<u>\$ 3,000</u>	<u>\$ 3,000</u>

k. Management income (under other income)

Related Party Category/Name	2025	2024
Associate		
DEI	<u>\$ 699</u>	<u>\$ 2,650</u>

l. Investment consultant fees (under other gains and losses)

Related Party Category/Name	2025	2024
Fellow subsidiary		
TUVVM	<u>\$ 1,666</u>	<u>\$ 1,683</u>

m. Accounts receivable

<u>Related Party Category/Name</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Ultimate parent company		
USI	\$ 39,761	\$ 52,140
Associate	18,467	2,944
Fellow subsidiary	<u>-</u>	<u>4,952</u>
	<u>\$ 58,228</u>	<u>\$ 60,036</u>

n. Other receivables

<u>Related Party Category/Name</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Ultimate parent company		
USI	<u>\$ 135</u>	<u>\$ 18,132</u>
Associate		
TVCM	12,743	-
Others	<u>283</u>	<u>1,111</u>
	<u>13,026</u>	<u>1,111</u>
Fellow subsidiary		
TTC	586	705
Others	<u>-</u>	<u>83</u>
	<u>586</u>	<u>788</u>
	<u>\$ 13,747</u>	<u>\$ 20,031</u>

Other receivables – related party amounts mainly include payments from related companies for the allocation of ethylene to the Company, as well as payments from the ultimate parent company and related companies, including sibling companies, for office rentals and management service fees.

o. Accounts payable

<u>Related Party Category/Name</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Ultimate parent company		
USI	\$ 23,677	\$ 26,581
Associate	<u>1,586</u>	<u>2,559</u>
	<u>\$ 25,263</u>	<u>\$ 29,140</u>

p. Other payables

<u>Related Party Category/Name</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Ultimate parent company		
USI	\$ 3,271	\$ 132,927
Associate	6,692	6,640
Essential related party	-	1,412
Fellow subsidiary	<u>693</u>	<u>798</u>
	<u>\$ 10,656</u>	<u>\$ 141,777</u>

Other payables - amounts due to related parties mainly represent operating service fees provided by associates.

q. Compensation of key management personnel

Total remuneration for directors and other key management personnel is as follows:

	<u>2025</u>	<u>2024</u>
Short-term employee benefits	<u>\$ 18,639</u>	<u>\$ 18,479</u>

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

30. SIGNIFICANT COMMITMENTS, CRITICAL EVENTS AFTER THE REPORTING DATE AND CONTINGENCIES

a. Significant commitments

The amount available under unused letters of credit as of December 31, 2025 was \$314,686 thousand.

b. Key contingencies

With regard to the gas explosions in the evening on July 31, 2014, where the Company's investee company accounted for using the equity method China General Terminal & Distribution Corporation (CGTD) was contracted by LCY Chemical Corp. (LCY) to operate the propene pipelines, the criminal part of the gas explosion case was also dismissed on appeal by the Supreme Court on September 15, 2021, and all three of CGTD's employees were acquitted.

CGTD arrived at an agreement with the Kaohsiung City Government on February 12, 2015, pledging certificates of bank deposits of NT\$238,306 thousand, interest included, to the Kaohsiung City Government as collateral for the loss caused by the gas explosion. The Kaohsiung City Government also filed civil procedure requests in succession against LCY Chemical Corp., CGTD and CPC Corporation, Taiwan ("CPC"). In addition, Taiwan Power Company Limited separately applied to the court on August 27, 2015 and November 26, to execute a provisional attachment on the assets of CGTD. CGTD has deposited a cash amount of NT\$ 99,207 thousand with the court, thereby avoiding the provisional attachment. Similarly, Taiwan Water Corporation also separately applied to the court on February 3, 2017 and March 2, to execute a provisional attachment on the assets of CGTD. At the end of February 28, 2026, the bank deposit seized from CGTD was worth NT\$ 6,401 thousand.

As for the victims of the gas explosion, CGTD, LCY Chemical Corp. and the Kaohsiung City Government signed a tripartite agreement on July 17, 2015, agreeing to negotiate compensation in advance for all the heirs and claimants of the 32 victims (hereinafter referred to as “the families of the victims”). Each victim’s family received NT\$12,000 thousand, and the total compensation was NT\$384,000 thousand. The compensation was advanced by LCY Chemical Corp. LCY Chemical Corp. was in charge of negotiating the compensation with the victims’ families and signing the settlement agreement on behalf of the three parties. In accordance with the tripartite agreement, CGTD paid NT\$157,347 thousand to LCY Chemical Corp. on August 10, 2022 according to the proportion of fault liability of 30% in the first-instance judgments of this case. After settling the civil litigation later, compensation will be made according to the determined liability proportion.

As for the seriously injured, CGTD, LCY Chemical Corp. and the Kaohsiung City Government signed a tripartite agreement for the compensation of the 65 seriously injured victims’ families on October 25, 2017. Compensation was paid by CGTD and the Kaohsiung City Government, and CGTD was in charge of negotiating the compensation with the seriously injured victims’ families and signing the settlement agreement on behalf of the three parties with the 64 seriously injured victims’ families.

As of February 28, 2026, victims, injured parties, or their relatives affected by the Kaohsiung gas explosion incident have filed civil (including criminal - related civil) lawsuits claiming compensation from LCY Chemical Corp., CGTD and CPC Corporation, among others. In order to reduce litigation costs, CGTD has reached a settlement regarding a claim amounting to NT\$ 46,677 thousand, settling for a compensation amount of NT\$4,519 thousand. The total amount of compensation sought in the ongoing litigation and the settlement amount agreed upon for the deceased and severely injured individuals, as mentioned earlier, is approximately NT\$ 3,831,211 thousand. The first instance judgments of some of the above-mentioned civil cases (the amount of compensation requested is approximately NT\$1,616,883 thousand) have been gradually announced, starting from June 22, 2018. The proportion of fault liability of the Kaohsiung City Government, LCY Chemical Corp. and CGTD is 4:3:3 in most judgments. The total amount of compensation that CGTD, LCY Chemical Corp. and the other defendants should pay is about NT\$489,861 thousand, of which CGTD was exempted to pay NT\$6,194 thousand.

For the civil cases that have been adjudicated in the first instance and have not been settled, an appeal has been filed for the second instance. Starting from July 10, 2024, the second instance has been adjudicated continuously. For the second instance cases ruled by February 28, 2026, there are 9 cases involving the Kaohsiung City Government's claims for compensation (total claim amount of approximately NT\$1,137,677 thousand). Among these, 8 cases determined that CGTD, together with LCY Chemical Corp., should jointly bear 10% (5 cases) or 20% (3 cases) of the liability for negligence. CGTD's joint compensation amount with LCY Chemical Corp. totals NT\$79,726 thousand. In one case, CGTD was found to be solely responsible for 10% of the negligence and should compensate NT\$297 thousand on its own. Additionally, in the second-instance cases ruled regarding Taiwan Power Company's claim (claim amount NT\$265,822 thousand), National Health Insurance Administration's claim (claim amount NT\$35,688 thousand), and Taiwan Water Corporation's claim (claim amount NT\$28,643 thousand), it was determined that CGTD, together with LCY Chemical Corp., should jointly compensate NT\$120,143 thousand. The aforementioned second-instance cases have been adjudicated, and except for those that cannot be appealed to the third instance, CGTD has filed appeals to the third instance for all other cases. The rest of the cases are still under trial in the Court of First Instance (the amount of compensation requested is approximately NT\$1,711,504 thousand).

The proportion of liability for negligence determined in relation to this gas explosion incident, according to the relevant rulings is used to estimate the amount of settlement for victims and seriously injured and the civil litigation compensation amount (including settled cases). The maximum amount of the insurance compensation was deducted to calculate the amount payable by CGTD and the NT\$ 136,375 thousand has been included in the estimate on the account. However, the actual amount of such settlement and compensation shall not be confirmed until the proportion of liability to be shared by CGTD is determined in accordance with the civil action.

31. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information is expressed in aggregate in foreign currencies other than the functional currency of the Group, and the exchange rates disclosed refer to the exchange rates at which these foreign currencies were translated into the functional currency. Significant assets and liabilities denominated in foreign currencies are as follows:

Units: The foreign currency / carrying amount is in thousand dollars, except the exchange rate in dollars.

December 31, 2025

	Foreign Currency	Exchange Rate	Functional Currency (In Thousands)	Carrying Amount
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$ 7,716	31.4300 (USD:NTD)	\$ 242,504	\$ 242,504
USD	597	7.0288 (USD:RMB)	4,199	18,777
RMB	3,386	0.1423 (RMB:USD)	482	15,143
RMB	6,642	4.4716 (RMB:NTD)	29,699	29,699
				<u>\$ 306,123</u>
<u>Non-monetary items</u>				
Associates accounted for using the equity method				
USD	\$ 22,628	31.4300 (USD:NTD)	\$ 711,201	\$ 711,201
RMB	12,820	0.1423 (RMB:USD)	1,824	57,325
				<u>\$ 768,526</u>
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	1,631	31.4300 (USD:NTD)	51,264	<u>\$ 51,264</u>
<u>Non-monetary items</u>				
Derivative instruments				
USD	720	31.4300 (USD:NTD)	676	<u>\$ 676</u>

December 31, 2024

	Foreign Currency	Exchange Rate	Functional Currency (In Thousands)	Carrying Amount
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$ 15,597	32.7850 (USD:NTD)	\$ 511,343	\$ 511,343
USD	477	7.1884 (USD:RMB)	3,429	15,639
RMB	2,722	0.1391 (RMB:USD)	379	12,426
RMB	13,575	4.5608 (RMB:NTD)	61,912	61,912
				<u>\$ 601,320</u>
<u>Non-monetary items</u>				
Associates accounted for using the equity method				
USD	53,897	32.7850 (USD:NTD)	1,767,006	\$ 1,767,006
RMB	10,500	0.1391 (RMB:USD)	1,461	47,890
				<u>\$ 1,814,896</u>
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	7,076	32.7850 (USD:NTD)	231,999	<u>\$ 231,999</u>

For 2025 and 2024, realized and unrealized net foreign exchange losses and gains were NT\$17,737 thousand and NT\$29,266 thousand, respectively. It is impractical to disclose net

foreign exchange (losses) gains by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the Group.

32. SEPARATELY DISCLOSED ITEMS

- a. Information on significant transactions:
 - 1) Financing provided to others. (None)
 - 2) Endorsements/guarantees provided. (None)
 - 3) Material marketable securities held (excluding investments in subsidiaries, associates and interests in joint ventures). (Table 1)
 - 4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 2)
 - 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (None)
 - 6) Others: Intercompany relationships and significant intercompany transactions. (Table 3)
- b. Information about investees. (Table 4)
- 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, investment income or 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 5)
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (Table 6)
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes.

- e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to financing of funds.
- 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.

33. **SEGMENT INFORMATION**

- a. Operating segments: According to IFRS 8 “Operating Segments,” the Group is a single operating segment that produces and sells petrochemical products, and therefore, there is no need to disclose the information of operating segments.
- b. Geographical information

The Group’s revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

	<u>Revenue from External Customers</u>		<u>Non-current assets</u>	
	<u>2025</u>	<u>2024</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Taiwan	\$ 1,552,988	\$ 1,620,168	\$ 4,010,205	\$ 4,048,332
Asia	3,894,079	4,116,815	68,867	74,601
Others	<u>296,105</u>	<u>294,283</u>	<u>-</u>	<u>-</u>
	<u>\$ 5,743,172</u>	<u>\$ 6,031,266</u>	<u>\$ 4,079,072</u>	<u>\$ 4,122,933</u>

Non-current assets exclude financial instruments, deferred income tax assets and refundable deposits.

- c. Information about major customers:

For the years ended December 31, 2025 and 2024, no single customer accounted for 10% or more of the Group’s net sales revenue.

TABLE 1

ASIA POLYMER CORPORATION AND SUBSIDIARIES
MARKETABLE SECURITIES HELD
DECEMBER 31, 2025

Unit: In Thousands of New Taiwan Dollars, Unless Stated Otherwise

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Group	Financial Statement Account	Ending Balance				Remark
				Unit/Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Company	<u>Share</u> Harbinger Venture Capital Corp.	-	Financial assets at fair value through other comprehensive income - non-current	2,377	\$ 9	1.20%	\$ 9	
The Company	KHL IB Venture Capital Co., Ltd.	-	"	11,951,984	105,895	11.90%	105,895	
The Company	USI Corporation	Ultimate parent company	"	101,355,673	1,125,048	8.53%	1,125,048	
The Company	CTCI Corporation	-	"	15,893,437	491,107	1.78%	491,107	
The Company	AU Optron Corporation	-	"	7,694,812	94,261	0.10%	94,261	
The Company	PELL Bio-Med Technology Co. Ltd.	-	"	185,000	63,363	0.32%	63,363	
The Company	Wafer Works Corporation	-	Financial assets at fair value through other comprehensive income - current	518,605	15,973	0.09%	15,973	
The Company	Taiwan Cement Corporation	-	Financial assets at fair value through profit or loss - current	2,000,000	46,400	0.03%	46,400	
The Company	EVA Airways Corporation	-	"	300,000	10,965	0.01%	10,965	
The Company	RECHI PRECISION CO., LTD.	-	"	300,000	7,440	0.06%	7,440	
The Company	Tai-Tech Advanced Electronics Co., Ltd.	-	"	200,000	29,300	0.18%	29,300	
The Company	Quanta Storage Corporation	-	"	85,000	9,095	0.03%	9,095	
The Company	Zeon Corp.	-	"	39,500	14,194	0.02%	14,194	
The Company	Kyushu Electric Power Co., Inc.	-	"	20,000	6,743	-	6,743	
The Company	<u>Beneficiary securities</u> Cathay No. 1 Real Estate Investment Trust Fund	-	"	4,053,000	58,363	-	58,363	
The Company	<u>Beneficiary certificate</u> FSITC Taiwan Money Market Fund	-	"	2,474,054	40,101	-	40,101	
The Company	UPAMC James Bond Money Market Fund	-	"	5,676,078	100,251	-	100,251	
The Company	Fubon Money Market Fund	-	"	4,395,332	69,045	-	69,045	
APC (BVI)	<u>Share</u> Budworth Investment Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	40,467	-	4.45%	-	(Note 1)
APC (BVI)	Silicon Technology Investment (Cayman) Corp. - preference shares	-	"	1,139,776	117,653	2.21%	117,653	
APC (BVI)	NeuroSky, Inc. - series D preference shares	-	"	2,397,364	-	0.37%	-	(Note 1)
APC (BVI)	Solargiga Energy Holdings Ltd.	-	"	14,863,333	4,681	0.45%	4,681	
APC (BVI)	Teratech Corp.	-	"	112,000	-	0.67%	-	(Note 1)
APC (BVI)	TGF Linux Communication, Inc. - preference shares	-	Financial assets at fair value through profit or loss - non-current	300,000	-	-	-	(Note 1)
APC (BVI)	Sohoware, Inc. - preference shares	-	"	450,000	-	-	-	(Note 1)
APC (BVI)	Boldworks, Inc. - preference shares	-	"	100,000	-	-	-	(Note 1)
APCI	<u>Share</u> USI Corporation	Ultimate parent company	Financial assets at fair value through profit or loss - current	44,808	498	-	498	
APCI	Taiwan Cement Corporation	-	"	1,000,000	23,200	0.01%	23,200	
APCI	EVA Airways Corporation	-	"	200,000	7,310	-	7,310	
APCI	RECHI PRECISION CO., LTD.	-	"	200,000	4,960	0.04%	4,960	
APCI	Quanta Storage Corporation	-	"	55,000	5,885	0.02%	5,885	
APCI	Tai-Tech Advanced Electronics Co., Ltd.	-	"	50,000	7,325	0.05%	7,325	
APCI	Zeon Corp.	-	"	21,600	7,761	0.01%	7,761	
APCI	Kyushu Electric Power Co., Inc.	-	"	10,000	3,371	-	3,371	
APCI	<u>Beneficiary certificate</u> Cathay Taiwan Money Market Fund	-	"	1,158,802	15,213	-	15,213	

Note 1: The carrying amount of long-term equity investments in the company was zero due to the investment losses recognized in prior years.

Note 2: Please refer to Tables 4 and 5 for information on investments in subsidiaries and associates.

TABLE 2

ASIA POLYMER 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 YEAR ENDED DECEMBER 31, 2025

Unit: In Thousands of New Taiwan Dollars, Unless Stated Otherwise

Buyer/Seller	Counterparty	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)			Remark
			Purchase/Sale	Amount	% of Total	Credit period	Unit Price	Credit period	Cash balance		% of Total	
The Company	USI	Ultimate parent company	Sales of goods	(\$ 319,842)	(5.70%)	60 days	No material discrepancy	No material discrepancy	Accounts receivable from related parties	\$ 39,761	15.73%	-
The Company	USITA	Subsidiary	Sales of goods	(121,746)	(2.17%)	60 days	No material discrepancy	No material discrepancy	Accounts receivable from related parties	29,646	11.73%	-

TABLE 3

ASIA POLYMER CORPORATION AND SUBSIDIARIES
 INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
 FOR THE YEAR ENDED DECEMBER 31, 2025

Unit: In Thousands of New Taiwan Dollars, Unless Stated Otherwise

Number (Note 1)	Trader Name	Counterparty	Relationship (Note 2)	Transactions Details			% of Total Sales or Assets (Note 3)
				Financial Statement Account	Amount (Note 4)	Transaction Details	
0	The Company	USITA	(1)	Accounts receivable from related parties	\$ 29,646	No material discrepancy	0.25%
0	The Company	USITA	(1)	Commission expenses	1,713	No material discrepancy	0.03%
0	The Company	USITA	(1)	Sales of goods	121,746	No material discrepancy	2.12%
1	USIIC	USITA	(3)	Other receivables from related parties	1,334	No material discrepancy	0.01%
1	USIIC	USITA	(3)	Other payables from related parties	1,455	No material discrepancy	0.01%
1	USIIC	USITA	(3)	Non-operating income and expenses - rental income	1,573	No material discrepancy	0.03%

Note 1: The information about the transactions between the parent company and the subsidiaries should be marked in the note column as follows:

- (1) The Group: 0.
- (2) The subsidiaries: 1 onward.

Note 2: The direction of the investment is as follows:

- (1) The Group to the subsidiaries.
- (2) The subsidiaries to the Group.
- (3) Between subsidiaries.

Note 3: The following numerals indicate the manner of ratio calculation of the respective transaction type: Asset or liability: The ratio was calculated based on the ending balance of total consolidated assets; Income or loss: The ratio was calculated based on the midterm accumulated amounts of total consolidated sales revenue.

Note 4: All intercompany transactions have been eliminated on consolidation.

TABLE 4

ASIA POLYMER CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES

FOR THE YEAR ENDED DECEMBER 31, 2025

Unit: In Thousands of New Taiwan Dollars, Unless Stated Otherwise

Investor Company	Investee	Location	Main Businesses and Products	Original Investment Amount		Holding at the End of Period			Net Income (Loss) of Investee	Share of Profits (Loss)	Remark(s)
				Ending of current year	Ending of previous year	Number of Shares	Percentage	Carrying Amount			
The Company	APC (BVI)	British Virgin Islands	Reinvestment	\$ 432,948	\$ 432,948	11,342,594	100.00%	\$ 701,792	\$ 15,650	\$ 15,650	Subsidiary (Note 1)
The Company	APCIC	Taiwan	Investment	200,000	200,000	20,000,000	100.00%	138,297	(3,803)	(3,803)	Subsidiary (Note 1)
The Company	USIIC	British Virgin Islands	Reinvestment	66,003	66,003	2,100,000	70.00%	66,201	(626)	(438)	Subsidiary (Note 1)
The Company	CGPC	Taiwan	Manufacturing and marketing of plastic products	247,412	247,412	46,886,185	8.07%	623,422	(918,980)	(74,154)	Investments accounted for using the equity method
The Company	CGTD	Taiwan	Warehousing and transportation of petrochemical raw materials	41,082	41,082	25,053,469	33.33%	287,145	(37,788)	(12,596)	Investments accounted for using the equity method
The Company	SPC	Taiwan	Manufacture and marketing of stretch films and industrial use multi-layer films	75,242	75,242	12,266,779	7.95%	177,315	(218,155)	(17,342)	Investments accounted for using the equity method
The Company	ACME	Taiwan	Manufacture and marketing of manganese-zinc and ferrite core	76,241	76,241	6,801,315	3.19%	62,704	(66,382)	(2,120)	Investments accounted for using the equity method
The Company	TUVC	Taiwan	Venture investment	30,309	30,309	832,666	8.33%	2,745	(1,334)	(111)	Investments accounted for using the equity method
The Company	USIOO	Taiwan	Manufacture and marketing of sapphire products	59,725	59,725	5,972,464	9.20%	1,381	(16,290)	(1,499)	Investments accounted for using the equity method
The Company	ECGL	British Virgin Islands	Reinvestment	5,358,029	5,358,029	170,475,000	40.87%	711,201	(2,428,817)	(992,587)	Investments accounted for using the equity method
APC (BVI)	ACME (Cayman)	British Cayman Islands	Reinvestment	216,238	216,238	9,951,820	13.63%	245,092	(70,700)		APC (BVI) investments accounted for using the equity method
APC (BVI)	USIIC	British Virgin Islands	Reinvestment	28,287	28,287	900,000	30.00%	28,372	(626)		APC (BVI) investments accounted for using the equity method (Note 1)
APCIC	ACME	Taiwan	Manufacture and marketing of manganese-zinc and ferrite core	39,523	39,523	3,116,262	1.46%	28,730	(66,382)		APCIC investments accounted for using the equity method
APCIC	STC	Taiwan	Farming, sales, research and development of agricultural products and production and sales of EVA packaging films and other high value-added plastic products	52,500	52,500	3,000,015	15.00%	13,534	(33,533)		APCIC investments accounted for using the equity method
ECGL	EVG	British Virgin Islands	Reinvestment	13,110,867	13,110,867	417,145,000	67.40%	1,740,278	(3,603,444)		Ever Conquest Global investments accounted for using the equity method
EVG	DEI	Hong Kong	Reinvestment	18,507,556	18,507,556	588,850,000	85.00%	1,477,499	(4,292,809)		Ever Victory Global investments accounted for using the equity method

Note 1: All intercompany transactions have been eliminated on consolidation.

Note 2: Please refer to Table 5 for information on investee companies in mainland China.

TABLE 5

ASIA POLYMER CORPORATION AND SUBSIDIARIES
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2025

Unit: In Thousands of New Taiwan Dollars, Unless Stated Otherwise

Investee Company	Main Businesses and Products	Paid-in Capital (Note 4)	Method and Medium of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of April 1, 2023	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan at the End of the Period	Net Income (Loss) of Investee (Note 3)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 3)	Carrying Amount at the End of the Period (Note 4)	Accumulated Repatriation of Investment Income at the End of the Period
					Outflow	Inflow						
ACME (KS)	Manufacture and marketing of manganese-zinc soft ferrite core	\$ 965,687	(1)	\$ 131,295	\$ -	\$ -	\$ 131,295	\$ 3,085	13.63%	\$ 420	\$ 88,848	\$ -
USITA	Sales of chemical products and equipment, etc.	78,575	(2)	95,409	-	-	95,409	8,051	100.00%	8,051	188,482	-
Gulei	Manufacture of crude oil and petroleum products	41,650,271	(3) (Note 2)	4,962,259	-	-	4,962,259	(8,576,846)	11.71%	(1,004,078)	305,109	-
GUL	Sale of chemical products	44,716	(2)	13,415	-	-	13,415	(1,428)	30.00%	(428)	21,348	-
XUL	Sale of chemical products	44,716	(2)	13,415	-	-	13,415	35,226	30.00%	10,568	35,977	-
DEIP	Property management	93,904	(3)	21,986	-	-	21,986	491	23.41%	115	22,318	-

Accumulated Outward Remittance for Investment in Mainland China as of the end of the period	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$5,388,774 (Note 5)	\$7,197,817	\$ - (Note 6)

Note 1: Method and Medium of Investment:

- (1) APC holds indirect investments through ACME (Cayman).
- (2) APC holds indirect investments through APC (BVI).
- (3) APC holds indirect investments through Ever Conquest Global.

Note 2: The Company reinvested in 50% of the outstanding shares of Gulei via Ever Conquest Global (40.87%), then via Ever Victory Global (67.40%), and finally via DEI (85.00%).

Note 3: The calculation was based on the average exchange rate from January 1, 2025, to December 31, 2025.

Note 4: The calculation was based on the exchange rate as of December 31, 2025.

Note 5: This includes the Company's investment in Silicon Technology Investment (Cayman) Corp. through APC (BVI). (STIC) and Solargiga Energy Holdings Ltd., who make indirect investments in companies located in China.

Note 6: As the Company has obtained the certificate of compliance with the operational scope issued by the Industrial Development Bureau, MOEA in Order No. 11451021970 on July 14, 2025, the upper limit on investments is not applicable.

TABLE 6

ASIA POLYMER CORPORATION AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS,
AND UNREALIZED GAINS OR LOSSES

FOR THE YEAR ENDED DECEMBER 31, 2025

Unit: In Thousands of New Taiwan Dollars, Unless Stated Otherwise

Investee Company	Transaction Type	Amount	%	Price	Transaction Details		Notes/Accounts Receivable (Payable) Amount		Unrealized (Gain) Loss	Remark
					Payment Terms	Comparison with Normal Transactions	Amount	%		
USITA	Sales of goods	\$ 121,746	2.17%	No material discrepancy	T/T 90 days	No material discrepancy	\$ 29,646	11.73%	\$ -	Note

Note: All the transactions were written off when preparing the consolidated financial statements.