

Notice to Readers:

The financial statement (Chinese version) of our company is audited by the CPA Liu, I-ChingLiu 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' Review Report
Q1 2026 and 2025**

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INDEPENDENT AUDITORS' REVIEW REPORT

To Asia Polymer Corporation:

Preface

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 March 31, 2026 and 2025, and the consolidated statements of comprehensive income, consolidated statement of changes in equity and cash flows From January 1 to March 31, 2026 and 2025, and the notes to consolidated financial statements, including a summary of significant accounting policies. It is the responsibility of management to prepare the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting", which have been endorsed by the Financial Supervisory Commission and are effective for issuance.

Scope

We have conducted our review in accordance with Statement of Auditing Standards No. 2410, "Review of the Financial Report," except for the basis of our qualified opinion. The procedures performed in reviewing the consolidated financial statements include inquiries (primarily of persons responsible for financial and accounting matters), analytical procedures and other review procedures. A review is significantly less in scope than an audit and, accordingly, we may not be able to discern all significant matters that could be identified by an audit and, accordingly, we cannot express an audit opinion.

The Basis for the Qualified Conclusion

As stated in Notes 12 and 13 of the consolidated financial statements, the financial statements of the non-significant subsidiaries and certain equity method investments included in the aforementioned consolidated financial statements were not reviewed by CPAs for the same period. The total assets and equity method investment balances as of March 31, 2026 and March 31, 2025 were NT\$2,078,825 thousand and NT\$3,023,320 thousand, respectively, accounting for 17% and 23% of the total consolidated assets. The total liabilities were NT\$35,715 thousand and NT\$31,688 thousand, respectively, both accounting for 2% of the total consolidated liabilities. The unreviewed comprehensive income for the non-significant subsidiaries and certain equity method investments for the period From January 1 to March 31, 2026 and 2025 were (NT\$62,296) thousand and (NT\$228,368) thousand, respectively, representing (8)% and 120% of the total consolidated comprehensive income. The information related to the investees mentioned in the notes to the consolidated financial statements is based on the investees' unreviewed financial statements for the same period.

Qualified Conclusion

Based on our review, we are not aware of any material modifications that might have been made to the consolidated financial statements had we reviewed the financial statements of the immaterial subsidiaries and certain investments accounted for using the equity method, as described in the Basis for Qualified Conclusions, that are not in accordance, in all material respects, with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 as endorsed by the Financial Supervisory Commission and issued in effect. As a result, the consolidated financial statements of Asia Polymer Corporation and its subsidiaries as of March 31, 2026 and 2025, and the consolidated financial performance from January 1 to March 31, 2026 and 2025, as well as the consolidated financial performance and consolidated cash flows from January 1 to March 31, 2026 and 2025 are not fairly stated.

Deloitte & Touche

CPA Liu, I-Ching

CPA Chuang, Pi-Yu

Financial Supervisory Commission,
Approval No. 1100356048

Financial Supervisory Commission,
Approval No. 1070323246

May 5, 2026

ASIA POLYMER CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2026 AND DECEMBER 31 AND MARCH 31, 2025
Unit: In Thousands of New Taiwan Dollars

Code	Assets	March 31, 2026		December 31, 2025		March 31, 2025	
		Amount	%	Amount	%	Amount	%
	Current Assets						
1100	Cash and cash equivalents (Note 6)	\$ 726,414	6	\$ 590,455	5	\$ 1,048,960	8
1110	Financial assets at fair value through profit and loss - current (Note 7)	293,581	2	467,420	4	611,255	5
1120	Financial assets at fair value through other comprehensive income - current (Note 8)	16,984	-	15,973	-	10,968	-
1136	Financial assets at amortized cost - current (Note 9)	303,290	3	383,822	3	101,739	1
1170	Accounts receivable (Notes 10 and 23)	269,732	2	164,855	2	502,707	4
1180	Accounts receivable from related parties (Notes 10, 23 and 29)	68,455	1	58,228	1	70,149	-
1200	Other receivables	4,852	-	11,175	-	2,744	-
1210	Other receivables from related parties (Note 29)	1,363	-	13,747	-	33,060	-
1220	Current tax assets (Note 4)	10,685	-	8,928	-	-	-
1310	Inventories (Note 11)	793,505	6	707,423	6	699,141	5
1410	Prepayments	243,703	2	231,099	2	189,773	1
1470	Other current assets	149	-	142	-	128	-
11XX	Total current assets	<u>2,732,713</u>	<u>22</u>	<u>2,653,267</u>	<u>23</u>	<u>3,270,624</u>	<u>24</u>
	Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non-current (Note 8)	2,861,682	23	2,002,017	17	2,044,385	15
1535	Financial assets at amortized cost - non-current (Note 9)	53,176	-	51,423	-	53,197	1
1550	Investments accounted for using the equity method (Notes 13 and 30)	2,128,882	17	2,210,594	19	3,137,794	24
1600	Property, plant and equipment (Note 14)	3,496,438	28	3,514,866	30	3,595,585	27
1755	Right-of-use assets (Note 15)	7,924	-	8,092	-	8,538	-
1760	Investment properties (Note 16)	554,283	4	556,012	5	568,866	4
1840	Deferred tax assets (Note 4)	699,798	6	703,008	6	702,399	5
1990	Other non-current assets	2,657	-	7,130	-	2,692	-
15XX	Total non-current assets	<u>9,804,840</u>	<u>78</u>	<u>9,053,142</u>	<u>77</u>	<u>10,113,456</u>	<u>76</u>
1XXX	TOTAL ASSETS	<u>\$ 12,537,553</u>	<u>100</u>	<u>\$ 11,706,409</u>	<u>100</u>	<u>\$ 13,384,080</u>	<u>100</u>
	Liabilities and Equity						
	Current Liabilities						
2120	Financial liabilities at fair value through profit or loss - current (Note 7)	\$ 384	-	\$ 676	-	\$ 1,791	-
2170	Accounts payable (Note 18)	272,861	2	202,902	2	351,507	3
2180	Accounts payable to related parties (Notes 18 and 29)	24,083	-	25,263	-	25,013	-
2200	Other payables (Note 19)	183,029	2	178,278	2	243,516	2
2220	Other payables to related parties (Note 29)	30,415	-	10,656	-	73,086	1
2230	Current tax liabilities (Note 4)	8,792	-	2,059	-	1,694	-
2250	Provision for liabilities - current (Note 20)	30,619	-	24,907	-	6,713	-
2280	Lease liabilities - current	6,792	-	6,648	-	6,404	-
2320	Current portion of long-term liabilities (Note 17)	393,022	3	392,774	4	394,010	3
2365	Provision for refunds - current	5,899	-	5,899	-	5,899	-
2399	Other current liabilities (Note 23)	52,166	1	22,719	-	63,620	-
21XX	Total current liabilities	<u>1,008,062</u>	<u>8</u>	<u>872,781</u>	<u>8</u>	<u>1,173,253</u>	<u>9</u>
	Non-current Liabilities						
2540	Long-term borrowings (Note 17)	295,229	2	393,556	3	689,323	5
2570	Deferred tax liabilities (Note 4)	38,548	-	35,767	-	52,355	-
2580	Lease liabilities - non-current	72,446	1	74,376	1	79,083	1
2640	Net defined benefit liabilities - non-current (Note 4)	70,919	1	72,711	1	79,949	1
2670	Other non-current liabilities	19,952	-	20,812	-	16,946	-
25XX	Total non-current liabilities	<u>497,094</u>	<u>4</u>	<u>597,222</u>	<u>5</u>	<u>917,656</u>	<u>7</u>
2XXX	Total liabilities	<u>1,505,156</u>	<u>12</u>	<u>1,470,003</u>	<u>13</u>	<u>2,090,909</u>	<u>16</u>
	Equity attributable to owners of the Company (Notes 8, 22 and 25)						
	Share Capital						
3110	Ordinary shares	5,937,438	48	5,937,438	51	5,937,438	44
3200	Capital Surplus	38,964	-	38,968	-	38,126	-
	Retained Earnings						
3310	Legal Reserve	2,382,202	19	2,382,202	20	2,382,202	18
3320	Special Reserve	552,648	4	552,648	5	552,669	4
3350	Unappropriated Earnings	1,466,862	12	1,587,097	13	2,527,003	19
3300	Total retained earnings	4,401,712	35	4,521,947	38	5,461,874	41
3400	Other Equity	654,283	5	(261,947)	(2)	(144,267)	(1)
3XXX	Total equity	<u>11,032,397</u>	<u>88</u>	<u>10,236,406</u>	<u>87</u>	<u>11,293,171</u>	<u>84</u>
	Total Liabilities and Equity	<u>\$ 12,537,553</u>	<u>100</u>	<u>\$ 11,706,409</u>	<u>100</u>	<u>\$ 13,384,080</u>	<u>100</u>

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

(Please refer to the review report issued by Deloitte Taiwan on May 5, 2026)

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ASIA POLYMER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FROM JANUARY 1 TO MARCH 31, 2026 AND 2025

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

Code		From January 1 to March 31, 2026		From January 1 to March 31, 2025	
		Amount	%	Amount	%
4100	Net revenue (Notes 23 and 29)	\$ 1,301,918	100	\$ 1,534,387	100
5110	Operating costs (Notes 11, 24, and 29)	<u>1,228,207</u>	<u>94</u>	<u>1,432,751</u>	<u>93</u>
5900	Gross Profit	<u>73,711</u>	<u>6</u>	<u>101,636</u>	<u>7</u>
	Operating Expenses (Notes 24 and 29)				
6100	Selling and marketing expenses	32,426	3	32,729	2
6200	General and administrative expenses	<u>27,759</u>	<u>2</u>	<u>32,418</u>	<u>2</u>
6000	Total operating expenses	<u>60,185</u>	<u>5</u>	<u>65,147</u>	<u>4</u>
6900	Net operating profit	<u>13,526</u>	<u>1</u>	<u>36,489</u>	<u>3</u>
	Non-operating income and expenses (Notes 13, 24 and 29)				
7100	Interest income	3,556	-	5,602	-
7010	Other income	15,191	1	15,670	1
7020	Other gains and losses	(4,398)	-	6,012	-
7510	Interest expense	(3,475)	-	(4,047)	-
7060	Share of profit or loss of associates	(<u>140,176</u>)	(<u>11</u>)	(<u>285,057</u>)	(<u>18</u>)
7000	Total non-operating income and expenses	(<u>129,302</u>)	(<u>10</u>)	(<u>261,820</u>)	(<u>17</u>)
7900	Pre-tax Net Loss	(115,776)	(9)	(225,331)	(14)
7950	Income tax expenses (Notes 4 and 25)	<u>4,459</u>	<u>-</u>	<u>11,650</u>	<u>1</u>
8200	Net loss for the period	(<u>120,235</u>)	(<u>9</u>)	(<u>236,981</u>)	(<u>15</u>)
	Other comprehensive income for the period (Notes 4, 13 and 25)				
	Items that will not be reclassified subsequently to profit or loss:				
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	\$ 854,057	65	\$ 16,567	1
8320	Share of the other comprehensive income (loss) of associates accounted for using the equity method	26,607	2	(1,095)	-
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss	(<u>527</u>)	-	<u>689</u>	-
8310		<u>880,137</u>	<u>67</u>	<u>16,161</u>	<u>1</u>

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Code		From January 1 to March 31, 2026		From January 1 to March 31, 2025	
		Amount	%	Amount	%
	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange Differences on Translating the Financial Statements of Foreign Operations	36,199	3	33,964	2
8370	Share of the other comprehensive income (loss) of associates accounted for using the equity method	7,134	1	3,132	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	(<u>7,240</u>)	(<u>1</u>)	(<u>6,793</u>)	-
8360		<u>36,093</u>	<u>3</u>	<u>30,303</u>	<u>2</u>
8300	Other comprehensive income for the period, net of income tax	<u>916,230</u>	<u>70</u>	<u>46,464</u>	<u>3</u>
8500	Total comprehensive income for the period	<u>\$ 795,995</u>	<u>61</u>	(<u>\$ 190,517</u>)	(<u>12</u>)
	Loss per share (Note 26)				
9710	Basic	(<u>\$ 0.20</u>)		(<u>\$ 0.40</u>)	
9810	Diluted	(<u>\$ 0.20</u>)		(<u>\$ 0.40</u>)	

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ASIA POLYMER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FROM JANUARY 1 TO MARCH 31, 2026 AND 2025

Unit: In Thousands of New Taiwan Dollars

		Equity attributable to owners of the Company (Notes 8, 22 and 25)						Other Equity		Total Equity
		Share Capital		Retained Earnings				Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Reviewed Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	
Code		Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings			
A1	Balance on January 1, 2025	593,743	\$ 5,937,438	\$ 38,130	\$ 2,382,202	\$ 554,105	\$ 2,762,548	\$ 7,754	(\$ 198,485)	\$ 11,483,692
C7	Changes in capital surplus from investments in associates accounted for using the equity method	-	-	(4)	-	-	-	-	-	(4)
B17	Reversal for special reserve	-	-	-	-	(1,436)	1,436	-	-	-
D1	Net losses From January 1 to March 31, 2025	-	-	-	-	-	(236,981)	-	-	(236,981)
D3	Other comprehensive income (loss) after tax for the period From January 1 to March 31, 2025	-	-	-	-	-	-	30,303	16,161	46,464
D5	Total comprehensive income (loss) From January 1 to March 31, 2025	-	-	-	-	-	(236,981)	30,303	16,161	(190,517)
Z1	Balance at March 31, 2025	<u>593,743</u>	<u>\$ 5,937,438</u>	<u>\$ 38,126</u>	<u>\$ 2,382,202</u>	<u>\$ 552,669</u>	<u>\$ 2,527,003</u>	<u>\$ 38,057</u>	<u>(\$ 182,324)</u>	<u>\$ 11,293,171</u>
A1	Balance on January 1, 2026	593,743	\$ 5,937,438	\$ 38,968	\$ 2,382,202	\$ 552,648	\$ 1,587,097	(\$ 59,512)	(\$ 202,435)	\$ 10,236,406
C7	Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	(4)	-	-	-	-	-	(4)
D1	Net losses from January 1 to March 31, 2026	-	-	-	-	-	(120,235)	-	-	(120,235)
D3	Other comprehensive income (loss) after tax for the period from January 1 to March 31, 2026	-	-	-	-	-	-	36,093	880,137	916,230
D5	Total comprehensive income (loss) from January 1 to March 31, 2026	-	-	-	-	-	(120,235)	36,093	880,137	795,995
Z1	Balance at March 31, 2026	<u>593,743</u>	<u>\$ 5,937,438</u>	<u>\$ 38,964</u>	<u>\$ 2,382,202</u>	<u>\$ 552,648</u>	<u>\$ 1,466,862</u>	<u>(\$ 23,419)</u>	<u>\$ 677,702</u>	<u>\$ 11,032,397</u>

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ASIA POLYMER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FROM JANUARY 1 TO MARCH 31, 2026 AND 2025

Unit: In Thousands of New Taiwan Dollars

<u>Code</u>		<u>From January 1 to March 31, 2026</u>	<u>From January 1 to March 31, 2025</u>
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Net loss before tax for the period	(\$ 115,776)	(\$ 225,331)
A20010	Adjustments for:		
A20100	Depreciation expenses	90,750	85,308
A20200	Amortization expenses	84	110
A20400	Net gain on fair value change of financial assets at fair value through profit or loss	7,486	(579)
A20900	Interest expense	3,475	4,047
A21200	Interest income	(3,556)	(5,602)
A22300	Share of profit or loss of associates	140,176	285,057
A23700	Allowance for inventory valuation and obsolescence (reversal) loss	333	(15,693)
A24100	Net profit on foreign currency exchange	264	(3,401)
A30000	Changes in operating assets and liabilities		
A31115	Financial assets mandatorily classified as at fair value through profit or loss	166,061	(184,783)
A31150	Accounts receivable	(104,877)	(122,332)
A31160	Accounts receivable from related parties	(10,227)	(10,116)
A31180	Other receivables	4,898	(7)
A31190	Other receivables from related parties	12,387	(13,026)
A31200	Inventories	(85,407)	(89,923)
A31230	Prepayments	(12,570)	36,675
A31240	Other current assets	(7)	(7)
A32150	Accounts payable	69,941	113,720
A32160	Accounts payable from related parties	(1,784)	(4,408)
A32180	Other payables from unrelated parties	(29,184)	(3,893)
A32190	Other payables from related parties	19,759	(68,634)
A32200	Provision for liabilities	5,712	6,713
A32230	Other current liabilities	28,354	8,022
A32240	Net defined benefit liabilities - non- current	(1,792)	(1,259)
A33000	Cash generated from operations	184,500	(209,342)
A33100	Interest received	4,863	5,229
A33300	Interest paid	(2,868)	(4,028)
A33500	Income tax refund (paid)	(1,297)	1,763

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<u>Code</u>		<u>From January 1 to March 31, 2026</u>	<u>From January 1 to March 31, 2025</u>
AAAA	Net cash inflow (outflow) generated from operating activities	<u>\$ 185,198</u>	<u>(\$ 206,378)</u>
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00030	Proceed from capital reduction of financial assets at FVTOCI	-	2,390
B00040	Purchase of financial assets at amortized cost	(186,952)	(112,089)
B00060	Financial assets at amortized cost repayment of principal at maturity	269,403	113,381
B02700	Payments for property, plant and equipment	(35,357)	(115,299)
B03700	Increase in refundable deposits	<u>-</u>	<u>(294)</u>
BBBB	Net cash outflow from investing activities	<u>47,094</u>	<u>(111,911)</u>
	CASH FLOWS FROM FINANCING ACTIVITIES		
C01700	Repayments of long-term borrowings	(98,577)	(98,577)
C03100	Increase (decrease) in guarantee deposits received	(124)	236
C04020	Repayment of the principal portion of lease liabilities	(1,786)	(1,434)
C04300	Other non-current liabilities	14	(27)
C04500	Dividends paid to owners of the Company	(21)	(2,710)
CCCC	Net cash used in financing activities	<u>(100,494)</u>	<u>(102,512)</u>
DDDD	EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>4,161</u>	<u>805</u>
EEEE	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	135,959	(419,996)
E00100	Cash and cash equivalents at the beginning of the period	<u>590,455</u>	<u>1,468,956</u>
E00200	Cash and cash equivalents at the ending of the period	<u>\$ 726,414</u>	<u>\$ 1,048,960</u>

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

(Please refer to the review report issued by Deloitte Taiwan on May 5, 2026)

ASIA POLYMER CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FROM JANUARY 1 TO MARCH 31, 2026 AND 2025
(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 March 31, 2026, 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 May 5, 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).

The Group evaluated the application of the revised IFRS Accounting Standards approved by the FSC and issued into effect will not result in significant changes in the accounting policies of the Group.

- b. IFRSs issued by the IASB but not yet endorsed by the FSC and issued effective IFRS Accounting Standards

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.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of the above 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 IAS 34 Interim Financial Reporting as endorsed and issued into effect by the FSC. The consolidated financial statements do not include all IFRS Accounting Standards disclosures required by the entire annual financial report.

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. 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 3 to 4 for detailed information on subsidiaries (including the percentages of ownership and main businesses).

d. Other significant accounting policies

Except as noted below, please refer to the summary of significant accounting policies in the consolidated financial statements for the year 2025.

1) Defined benefits - Post-employment benefits

Pension cost for the interim period is calculated using the actuarially determined pension cost rate as of the prior year-end, based on the beginning of the year to the end of the current period, which is adjusted for significant market fluctuations, significant plan amendments, liquidations or other significant one-time events during the period.

2) Income tax expense

Income tax expense represents the sum of the tax currently payables and deferred income tax. Income taxes for interim periods are evaluated on an annual basis, and the pre-tax benefit for the period is calculated using the tax rate applicable to the expected total annual earnings.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Please refer to the description of significant accounting judgments, estimates and key sources of assumption uncertainty in the consolidated financial statements for 2025.

6. CASH AND CASH EQUIVALENTS

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Cash on hand and revolving funds	\$ 189	\$ 147	\$ 185
Checking accounts and demand deposits	250,957	227,448	174,101
Cash equivalents			
Time deposits	475,268	362,860	175,987
Reverse repurchase agreements collateralized by bonds	-	-	698,687
	<u>\$ 726,414</u>	<u>\$ 590,455</u>	<u>\$ 1,048,960</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>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Time deposits	0.60%~3.65%	1.61%~4.00%	4.27%~4.50%
Reverse repurchase agreements collateralized by bonds	-	-	1.65%~1.90%

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

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
<u>Financial assets - current</u>			
Mandatorily classified as at FVTPL			
Non-derivative financial assets			
— Domestic listed shares	\$ 161,348	\$ 152,378	\$ 96,632
— Foreign listed shares	32,411	32,069	29,065
— Mutual funds	42,269	224,610	424,682
— Beneficiary securities	<u>57,553</u>	<u>58,363</u>	<u>60,876</u>
	<u>\$ 293,581</u>	<u>\$ 467,420</u>	<u>\$ 611,255</u>
<u>Financial liabilities - current</u>			
Held for trading			
Derivative instruments (not under hedge accounting)			
— Foreign exchange forward contracts	<u>\$ 384</u>	<u>\$ 676</u>	<u>\$ 1,791</u>

The consolidated company generated net income of NT\$(7,486) thousand and NT\$840 thousand for the period from January 1 to March 31 in 2026 and 2025, respectively, from financial assets and liabilities measured at fair value through profit (loss).

At the end of the reporting period, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

March 31, 2026

	<u>Currency</u>	<u>Maturity Date</u>	<u>Notional Amount (thousand)</u>
Sell	USD/NTD	From April 9 to April 28, 2026	USD 1,234 /NTD 39,164

December 31, 2025

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

March 31, 2025

	<u>Currency</u>	<u>Maturity Date</u>	<u>Notional Amount (thousand)</u>
Sell	RMB/NTD	From April 10 to May 22, 2025	RMB 28,700/NTD129,325

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>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
<u>Current</u>			
Domestic investments			
Listed shares	<u>\$ 16,984</u>	<u>\$ 15,973</u>	<u>\$ 10,968</u>
<u>Non-current</u>			
Domestic investments			
Listed shares	\$ 2,636,466	\$ 1,773,779	\$ 1,802,351
Unlisted shares	<u>98,015</u>	<u>105,904</u>	<u>114,761</u>
Subtotal	<u>2,734,481</u>	<u>1,879,683</u>	<u>1,917,112</u>
Foreign investments			
Listed shares	4,792	4,681	4,250
Unlisted preferred shares	<u>122,409</u>	<u>117,653</u>	<u>123,023</u>
Subtotal	<u>127,201</u>	<u>122,334</u>	<u>127,273</u>
	<u>\$ 2,861,682</u>	<u>\$ 2,002,017</u>	<u>\$ 2,044,385</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.

In April 2026, the Group acquired 4,230 thousand shares of privately placed common stock of CTCI Corporation at an issue price of NT\$35.48 per share.

9. FINANCIAL ASSETS AT AMORTIZED COST

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
<u>Current</u>			
Time deposits with original maturities of more than 3 months	\$ 105,039	\$ 86,505	\$ 101,739
Reverse repurchase agreements collateralized by bonds with original maturities of more than 3 months	<u>198,251</u>	<u>297,317</u>	<u>-</u>
	<u>\$ 303,290</u>	<u>\$ 383,822</u>	<u>\$ 101,739</u>
<u>Non-current</u>			
Time deposits with original maturities of more than 12 months	<u>\$ 53,176</u>	<u>\$ 51,423</u>	<u>\$ 53,197</u>
Range of interest rates			
Time deposits with original maturities of more than 3 months	1.45%~3.70%	1.30%~2.75%	1.30%~3.25%
Reverse repurchase agreements collateralized by bonds with original maturities of more than 3 months	1.70%~1.73%	1.70%~1.72%	-
Time deposits with original maturities of more than 12 months	3.00%~3.05%	3.00%~3.05%	3.00%~3.05%

10. ACCOUNTS RECEIVABLE

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
<u>Accounts receivable</u>			
At amortized cost			
Gross carrying amount	\$ 271,732	\$ 166,855	\$ 504,707
Less: Allowance for loss	(<u>2,000</u>)	(<u>2,000</u>)	(<u>2,000</u>)
	<u>\$ 269,732</u>	<u>\$ 164,855</u>	<u>\$ 502,707</u>
Accounts receivable from related parties	<u>\$ 68,455</u>	<u>\$ 58,228</u>	<u>\$ 70,149</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:

March 31, 2026

	Not Past Due	Overdue by 1 to 60 days	Overdue by 61 to 90 days	Total
Gross carrying amount	\$ 340,187	\$ -	\$ -	\$ 340,187
Loss allowance (Lifetime ECL)	(2,000)	-	-	(2,000)
Amortized cost	<u>\$ 338,187</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 338,187</u>

December 31, 2025

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

March 31, 2025

	Not Past Due	Overdue by 1 to 60 days	Overdue by 61 to 90 days	Total
Gross carrying amount	\$ 574,856	\$ -	\$ -	\$ 574,856
Loss allowance (Lifetime ECL)	(2,000)	-	-	(2,000)
Amortized cost	<u>\$ 572,856</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 572,856</u>

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

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

	From January 1 to March 31, 2026	From January 1 to March 31, 2025
Beginning and ending balances	<u>\$ 2,000</u>	<u>\$ 2,000</u>

11. INVENTORIES

	March 31, 2026	December 31, 2025	March 31, 2025
Finished goods	\$ 684,033	\$ 517,670	\$ 523,224
Work in process	21,426	30,288	23,291
Raw materials	29,543	102,929	94,861
Production supplies	<u>58,503</u>	<u>56,536</u>	<u>57,765</u>
	<u>\$ 793,505</u>	<u>\$ 707,423</u>	<u>\$ 699,141</u>

The cost of sales for the year 2026 and from January 1 to March 31 of the year 2025, included inventory write-down and obsolescence losses (reversal gains) in the amounts of NT\$333 thousand and NT\$(15,693) thousand, respectively. The recovery in inventories' net realizable value was due to decreases or increases in the sales of inventories 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			Instruction
			March 31, 2026	December 31, 2025	March 31, 2025	
The Company	APC Investment Corporation (APCI)	Investment	100.00%	100.00%	100.00%	1
The Company	APC (BVI) Holding Co., Ltd.	Reinvestment	100.00%	100.00%	100.00%	1
The Company	USI International Corp. (USIIC)	Reinvestment	70.00%	70.00%	70.00%	1
APC (BVI)	USI International Corp. (USIIC)	Reinvestment	30.00%	30.00%	30.00%	1
APC (BVI)	USI Trading (Shanghai) Co., Ltd (USITA)	Sales of chemical products and equipment, etc.	100.00%	100.00%	100.00%	1

- a. Asia Polymer Investment Corporation, APC (BVI), USIIC and USITA are not material subsidiaries and their financial statements have not been reviewed by an auditor.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Material associates</u>			
Ever Conquest Global Ltd. (ECGL)	\$ 610,342	\$ 711,201	\$ 1,540,094
<u>Associates that are not individually material</u>			
<u>Listed company</u>			
China General Plastics Corporation - (CGPC)	616,449	623,422	683,971
Acme Electronics Corporation (ACME)	94,865	91,434	94,375
<u>Unlisted company</u>			
China General Terminal & Distribution Co (CGTD)	\$ 305,882	\$ 287,145	\$ 292,638
ACME Electronics (Cayman) Corp. (ACME(Cayman))	248,456	245,092	249,533
Swanson Plastics Corp. (SPC)	178,256	177,315	202,539
<u>Unlisted company</u>			
Taiwan United Venture Capital Corp. (TUVC)	2,846	2,745	2,712
USI Optronics Corporation (USIO)	936	1,381	2,613
Zhangzhou USI Corporation (GUL)	21,921	21,348	22,342
Xiamen USI Trading Co., Ltd. (XUL)	36,167	35,977	29,274
Swanson Technologies Corporation (STC)	12,762	13,534	17,703
	<u>\$ 2,128,882</u>	<u>\$ 2,210,594</u>	<u>\$ 3,137,794</u>

a. Material associates

Name of Associates	Nature of Activities	Principal Place of Business	Proportion of Ownership and Voting Rights		
			March 31, 2026	December 31, 2025	March 31, 2025
Ever Conquest Global Ltd.	Reinvestment	British Virgin Islands	40.87%	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.

Ever Conquest Global Ltd.

	March 31, 2026	December 31, 2025	March 31, 2025
Current Assets	\$ 1	\$ 1	\$ 1
Non-current assets	<u>1,493,480</u>	<u>1,740,278</u>	<u>3,768,543</u>

	March 31, 2026	December 31, 2025	March 31, 2025
Current Assets	\$ 1	\$ 1	\$ 1
Equity	<u>\$ 1,493,481</u>	<u>\$ 1,740,279</u>	<u>\$ 3,768,544</u>
Proportion of the Group's ownership	40.87%	40.87%	40.87%
Equity attributable to the Group	<u>\$ 610,342</u>	<u>\$ 711,201</u>	<u>\$ 1,540,094</u>
Carrying amount of investment	<u>\$ 610,342</u>	<u>\$ 711,201</u>	<u>\$ 1,540,094</u>

	From January 1 to March 31, 2026	From January 1 to March 31, 2025
The Group's share of:		
Net loss for the period	(\$ 117,022)	(\$ 249,262)
Other comprehensive gain (loss)	<u>16,163</u>	<u>22,350</u>
Total comprehensive income (loss)	<u>(\$ 100,859)</u>	<u>(\$ 226,912)</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 "Ever Victory Global") and agree to pass the establishment of the 100% owned company named Dynamic Ever Investments Limited in Hong Kong (hereinafter referred to as the "DEIL"), 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) DEIL 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 DEIL 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, Ever Victory Global and Hong Kong Dor Po Investment Company Limited (as “DOR PO”) signed a joint venture contract for an investment in DEIL 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 DEIL. As of March 31, 2026, DOR PO had invested US\$103,915 thousand and acquired 15% ownership interest in DEIL.

As of March 31, 2026, 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 DEIL 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. DEIL cumulatively invested a total of RMB4,657,200 thousand in Gulei Group.

b. Aggregate information of associates that are not individually material

	<u>From January 1 to March 31, 2026</u>	<u>From January 1 to March 31, 2025</u>
The Group’s share of:		
Net loss for the period	(\$ 23,154)	(\$ 35,795)
Other comprehensive gain		
(loss)	<u>36,920</u>	<u>3,627</u>
Total comprehensive income		
(loss)	<u>\$ 13,766</u>	(<u>\$ 32,168</u>)

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

Name of Associates	March 31, 2026	December 31, 2025	March 31, 2025
CGPC	8.07%	8.07%	8.07%
ACME	4.66%	4.66%	4.66%
CGTD	33.33%	33.33%	33.33%
ACME (Cayman)	13.63%	13.63%	13.63%
SPC	7.95%	7.95%	7.95%
TUVC	8.33%	8.33%	8.33%
STC	15.00%	15.00%	15.00%
USIO	9.20%	9.20%	9.20%
GUL	30.00%	30.00%	30.00%
XUL	30.00%	30.00%	30.00%

Please refer to Table 3 “Related Information and Locations on Investees” and Table 4 “Information on Investments in Mainland China” for the nature of activities, principal places of business and countries of incorporation of the associates.

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.

Name of Associates	March 31, 2026	December 31, 2025	March 31, 2025
CGPC	<u>\$ 813,475</u>	<u>\$ 513,404</u>	<u>\$ 562,634</u>
ACME	<u>\$ 227,113</u>	<u>\$ 281,659</u>	<u>\$ 218,683</u>

The calculation of the equity in earnings and other comprehensive income shares of investments and the Group using the equity method is based on unreviewed financial statements for the same period, except for CGPC, ACME and ACME (Cayman), which are based on reviewed financial statements for the same period. The rest is based on the unreviewed financial statements for the same period.

14. **PROPERTY, PLANT AND EQUIPMENT**

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
<u>Carrying amount for each category</u>			
Freehold Land	\$ 228,229	\$ 228,229	\$ 228,229
Buildings and Improvements	381,693	385,904	396,553
Machinery and Equipment	2,357,907	1,516,689	1,583,519
Transportation Equipment	932	997	1,191
Other Equipment	11,028	11,059	6,457
Construction in Progress and Prepayments for Equipment	<u>516,649</u>	<u>1,371,988</u>	<u>1,379,636</u>
	<u>\$3,496,438</u>	<u>\$3,514,866</u>	<u>\$3,595,585</u>

No impairment loss was recognized or reversed from January 1 and March 31, 2026 and 2025.

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), China General Terminal & Distribution Co. (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 quarterly basis. The Board of Directors of the Group resolved to build the Intercontinental Phase II Petrochemical Oil Products Center in 2019.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Carrying amounts of right-of-use assets			
Land	<u>\$ 7,924</u>	<u>\$ 8,092</u>	<u>\$ 8,538</u>
	<u>From January 1 to March 31 2026</u>	<u>From January 1 to March 31 2025</u>	
Depreciation charge for right-of-use assets			
Land	<u>\$ 168</u>	<u>\$ 166</u>	

Except for the depreciation expense recognized listed above, there was no significant sublease or impairment of the Group's right-of-use assets From January 1 to March 31, 2026 and 2025.

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>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Land	1.06%	1.06%	1.06%
Building	2.16%	2.16%	2.16%

c. Other lease information

	<u>From January 1 to March 31, 2026</u>	<u>From January 1 to March 31, 2025</u>
Expenses relating to short-term leases	<u>\$ 1,256</u>	<u>\$ 1,131</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 243</u>	<u>\$ 618</u>
Total cash outflow for leases	<u>(\$ 3,687)</u>	<u>(\$ 3,623)</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>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
<u>Carrying amount for each category</u>			
Land	\$ 370,202	\$ 370,202	\$ 370,202
Buildings and Improvements	115,462	115,432	123,007
Right-of-use assets	<u>68,619</u>	<u>70,378</u>	<u>75,657</u>
	<u>\$ 554,283</u>	<u>\$ 556,012</u>	<u>\$ 568,866</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 from March 31, 2026 and December 31, 2025 and March 31, 2025 was as follows:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Year 1	\$ 25,746	\$ 31,379	\$ 28,165
Year 2	9,407	12,969	12,668
Year 3	<u>-</u>	<u>837</u>	<u>2,775</u>
	<u>\$ 35,153</u>	<u>\$ 45,185</u>	<u>\$ 43,608</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.

The fair values of the proceeds as of March 31, 2026 and December 31, 2025 and March 31, 2025, are as follows:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Fair Value	<u>\$ 1,899,498</u>	<u>\$ 1,955,001</u>	<u>\$ 2,277,584</u>

17. **BORROWINGS**

Long-term borrowings

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Unsecured borrowings	\$ 688,251	\$ 786,330	\$ 1,083,333
Less: Current portion due within one year	(<u>393,022</u>)	(<u>392,774</u>)	(<u>394,010</u>)
Long-term borrowings	<u>\$ 295,229</u>	<u>\$ 393,556</u>	<u>\$ 689,323</u>
Range of interest rates	1.175%~1.675%	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 March 31, 2026.

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 March 31, 2026, 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 March 31, 2026, the Group did not violate these financial ratios and terms.

18. **ACCOUNTS PAYABLE (INCLUDING RELATED PARTIES)**

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Arising from operation	<u>\$ 296,944</u>	<u>\$ 228,165</u>	<u>\$ 376,520</u>

The average credit period was 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>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Payables for utilities	\$ 55,445	\$ 56,908	\$ 57,143
Payables for equipment	43,988	10,151	82,740
Payables for salaries or bonuses	30,454	52,233	35,348
Payables for freight fees	9,342	8,515	10,673
Payables for surrogate shopping	-	12,123	21,030
Others	<u>43,800</u>	<u>38,348</u>	<u>36,582</u>
	<u>\$ 183,029</u>	<u>\$ 178,278</u>	<u>\$ 243,516</u>

20. PROVISION FOR LIABILITIES - CURRENT

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Carbon fee	<u>\$ 30,619</u>	<u>\$ 24,907</u>	<u>\$ 6,713</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

The pension expense related to the defined benefit plan recognized from January 1 to March 31, 2026 and 2025, was calculated based on the pension cost rates actuarially determined as of December 31, 2025 and 2024, respectively, and the amounts were NT\$450 thousand and NT\$536 thousand, respectively.

22. EQUITY**a. Ordinary shares**

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Number of shares authorized (in thousands)	<u>620,000</u>	<u>620,000</u>	<u>620,000</u>
Shares authorized	<u>\$ 6,200,000</u>	<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>	<u>593,743</u>
Shares issued	<u>\$ 5,937,438</u>	<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>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Unpaid dividends	\$ 27,387	\$ 27,387	\$ 26,642
Share of changes in capital surplus of associates	<u>11,577</u>	<u>11,581</u>	<u>11,484</u>
	<u>\$ 38,964</u>	<u>\$ 38,968</u>	<u>\$ 38,126</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 2025 and 2024 approved in the shareholders' meetings on March 10, 2026 and May 28, 2025, respectively, were as follows:

	2025	2024
Cash dividends	<u>\$ 118,749</u>	<u>\$ 148,346</u>
Cash dividends per share (NT\$)	\$ 0.20	\$ 0.25

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

d. Special Reserve

	From January 1 to March 31, 2026	From January 1 to March 31, 2025
Beginning Balance	\$ 552,648	\$ 554,105
Reversal for special reserve		
Disposal of property, plant and equipment	<u>-</u>	<u>(1,436)</u>
Ending balance	<u>\$ 552,648</u>	<u>\$ 552,669</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.

23. REVENUE

a. Revenue from contracts with customers

	From January 1 to March 31, 2026	From January 1 to March 31, 2025
Revenue from sale of goods	<u>\$ 1,301,918</u>	<u>\$ 1,534,387</u>

b. Contract balances

	March 31, 2026	December 31, 2025	March 31, 2025	January 1, 2025
Accounts receivable (Note 10)	<u>\$ 338,187</u>	<u>\$ 223,083</u>	<u>\$ 572,856</u>	<u>\$ 437,032</u>
Contract liabilities (presented in other current liabilities)	<u>\$ 50,413</u>	<u>\$ 21,760</u>	<u>\$ 62,396</u>	<u>\$ 54,560</u>

24. NET LOSS FOR THE PERIOD

a. Interest income

	From January 1 to March 31, 2026	From January 1 to March 31, 2025
Bank deposits	\$ 1,030	\$ 2,029
Financial assets at amortized cost	1,191	800
Financial assets at FVTPL	-	261
Reverse repurchase agreements	<u>1,335</u>	<u>2,512</u>
	<u>\$ 3,556</u>	<u>\$ 5,602</u>

b. Other income

	From January 1 to March 31, 2026	From January 1 to March 31, 2025
Rental income	\$ 13,676	\$ 13,677
Others	<u>1,515</u>	<u>1,993</u>
	<u>\$ 15,191</u>	<u>\$ 15,670</u>

c. Other gains and losses

	From January 1 to March 31, 2026	From January 1 to March 31, 2025
Net gain on fair value changes of financial assets and liabilities at fair value through profit (loss)	(\$ 7,486)	\$ 579
Net foreign exchange gains	7,854	14,182
Others	(4,766)	(8,749)
	<u>(\$ 4,398)</u>	<u>\$ 6,012</u>

d. Interest expense

	From January 1 to March 31, 2026	From January 1 to March 31, 2025
Interest on bank loans	\$ 3,073	\$ 3,607
Interest on lease liabilities	<u>402</u>	<u>440</u>
	<u>\$ 3,475</u>	<u>\$ 4,047</u>

The Group did not capitalize interest for the period From January 1 to March 31, 2026 and 2025.

e. Depreciation and amortization

	From January 1 to March 31, 2026	From January 1 to March 31, 2025
Property, plant and equipment	\$ 87,625	\$ 82,159
Investment properties	2,957	2,983
Right-of-use assets	168	166
Intangible Assets	<u>84</u>	<u>110</u>
Grand total	<u>\$ 90,834</u>	<u>\$ 85,418</u>
An analysis of depreciation expenses by function		
Operating Cost	\$ 87,753	\$ 82,272
Operating Expenses	40	53
Other gains and losses	<u>2,957</u>	<u>2,983</u>
	<u>\$ 90,750</u>	<u>\$ 85,308</u>
An analysis of amortization expenses by function		
Operating Expenses	<u>\$ 84</u>	<u>\$ 110</u>

f. Employee benefits expense

	From January 1 to March 31, 2026	From January 1 to March 31, 2025
Post-employment benefits		
Defined contribution plans	\$ 2,418	\$ 2,459
Defined benefit plans	<u>450</u>	<u>536</u>
	2,868	2,995
Other employee benefits	<u>86,565</u>	<u>76,958</u>
Total employee benefits expense	<u>\$ 89,433</u>	<u>\$ 79,953</u>
An analysis of employee benefits expense by function		
Operating Cost	\$ 76,502	\$ 68,056
Operating Expenses	<u>12,931</u>	<u>11,897</u>
	<u>\$ 89,433</u>	<u>\$ 79,953</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 2026 and from January 1 to March 31, 2025, due to losses, employee and director remuneration was 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

	From January 1 to March 31, 2026	From January 1 to March 31, 2025
Foreign exchange gains	\$ 10,666	\$ 14,841
Foreign exchange losses	(<u>2,812</u>)	(<u>659</u>)
Net gain	<u>\$ 7,854</u>	<u>\$ 14,182</u>

25. TAXATION

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	From January 1 to March 31, 2026	From January 1 to March 31, 2025
Current tax		
In respect of the current period	\$ 7,992	\$ 9,515
Adjustments for prior years	(<u>1,757</u>)	(<u>3,250</u>)
	<u>6,235</u>	<u>6,265</u>
Deferred income tax		
In respect of the current period	(1,776)	3,031
Adjustments for prior years	<u>-</u>	<u>2,354</u>
	(<u>1,776</u>)	<u>5,385</u>
Income tax expense recognized in profit or loss	<u>\$ 4,459</u>	<u>\$ 11,650</u>

b. Income tax recognized in other comprehensive income

	From January 1 to March 31, 2026	From January 1 to March 31, 2025
Deferred income tax		
Generated for the period		
— Translation of foreign operations	\$ 7,240	\$ 6,793
— Unrealized gain (loss) on financial assets at fair value through other comprehensive income	<u>527</u>	(<u>689</u>)
Income tax expense recognized in other comprehensive income	<u>\$ 7,767</u>	<u>\$ 6,104</u>

c. Income tax assessments

The Company and APCIC's income tax declaration through 2024 have been approved by the tax authorities.

26. LOSS PER SHARE

	From January 1 to March 31, 2026	From January 1 to March 31, 2025
Basic loss per share	(<u>\$ 0.20</u>)	(<u>\$ 0.40</u>)
Diluted loss per share	(<u>\$ 0.20</u>)	(<u>\$ 0.40</u>)

Unit: NT\$ Per Share

The net 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 period

	<u>From January 1 to March 31, 2026</u>	<u>From January 1 to March 31, 2025</u>
To calculate the net loss per share for basic and diluted purposes.	(\$ 120,235)	(\$ 236,981)

Unit: In thousand shares

	<u>From January 1 to March 31, 2026</u>	<u>From January 1 to March 31, 2025</u>
<u>Number of Shares</u>		
Weighted average number of ordinary shares used in the computation of basic and diluted 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.

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

March 31, 2026

	Level 1	Level 2	Level 3	Grand total
<u>Financial assets at FVTPL</u>				
Domestic listed shares	\$ 161,348	\$ -	\$ -	\$ 161,348
Foreign listed shares	32,411	-	-	32,411
Mutual funds	42,269	-	-	42,269
Beneficiary securities	57,553	-	-	57,553
	<u>\$ 293,581</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 293,581</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Domestic listed shares	\$ 2,653,450	\$ -	\$ -	\$ 2,653,450
Foreign listed shares	4,792	-	-	4,792
Domestic unlisted shares	-	-	98,015	98,015
Foreign unlisted shares	-	-	122,409	122,409
	<u>\$ 2,658,242</u>	<u>\$ -</u>	<u>\$ 220,424</u>	<u>\$ 2,878,666</u>

Financial liabilities at FVTPL

Derivative instruments	<u>\$ -</u>	<u>\$ 384</u>	<u>\$ -</u>	<u>\$ 384</u>
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December 31, 2025

	Level 1	Level 2	Level 3	Grand total
<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	58,363	-	-	58,363
	<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	-	-	117,653	117,653
	<u>\$ 1,794,433</u>	<u>\$ -</u>	<u>\$ 223,557</u>	<u>\$ 2,017,990</u>

Financial liabilities at FVTPL

Derivative instruments	<u>\$ -</u>	<u>\$ 676</u>	<u>\$ -</u>	<u>\$ 676</u>
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March 31, 2025

	Level 1	Level 2	Level 3	Grand total
<u>Financial assets at FVTPL</u>				
Domestic listed shares	\$ 96,632	\$ -	\$ -	\$ 96,632
Foreign listed shares	29,065	-	-	29,065
Mutual funds	424,682	-	-	424,682
Beneficiary securities	60,876	-	-	60,876
	<u>\$ 611,255</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 611,255</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Domestic listed shares	\$ 1,813,319	\$ -	\$ -	\$ 1,813,319
Foreign listed shares	4,250	-	-	4,250
Domestic unlisted shares	-	-	114,761	114,761
Foreign unlisted shares	-	-	123,023	123,023
	<u>\$ 1,817,569</u>	<u>\$ -</u>	<u>\$ 237,784</u>	<u>\$ 2,055,353</u>

Financial liabilities at FVTPL

Derivative instruments	<u>\$ -</u>	<u>\$ 1,791</u>	<u>\$ -</u>	<u>\$ 1,791</u>
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There were no transfers between Levels 1 and 2 from January 1 to March 31, 2026 and 2025.

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

Financial assets at FVTOCI - Equity instruments

	From January 1 to March 31, 2026	From January 1 to March 31, 2025
Beginning balance	\$ 223,557	\$ 240,856
Recognized in other comprehensive income (included in unrealized gain on financial assets at FVTOCI)	(3,133)	(682)
Decrease for this period	-	(2,390)
Ending balance	<u>\$ 220,424</u>	<u>\$ 237,784</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 by NT\$2,204 thousand and NT\$2,378 thousand from January 1 to March 31, 2026 and 2025.

c. Categories of financial instruments

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Financial assets</u>			
Measured at FVTPL			
Mandatorily classified as at FVTPL	\$ 293,581	\$ 467,420	\$ 611,255
Financial assets at amortized cost (Note 1)	1,429,921	1,276,344	1,815,024
Financial assets at FVTOCI			
Investments in equity instruments	2,878,666	2,017,990	2,055,353
<u>Financial liabilities</u>			
Measured at FVTPL			
Held for trading	384	676	1,791
Financial liabilities at amortized cost (Note 2)	1,168,983	1,155,057	1,745,279

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, other receivables and refundable deposits.

Note 2: The balances include financial liabilities at amortized cost, which comprise accounts payable, other payables, current portion of long-term borrowings, 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. Please refer to Note 7 for the carrying amount of derivative instrument with foreign exchange exposure.

Sensitivity analysis

The Company was mainly exposed to the USD. 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 merged company for the period from January 1 to March 31 in 2026 and 2025 will increase/decrease by NT\$16,773 thousand and NT\$12,490 thousand, respectively.

In management's opinion, this sensitivity analysis is unrepresentative of the Group'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>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Fair value interest rate risk			
— Financial assets	\$ 831,734	\$ 798,105	\$ 1,029,609
— Financial liabilities	79,238	81,024	85,487
Cash flow interest rate risk			
— Financial assets	244,676	218,892	165,753
— Financial liabilities	688,251	786,330	1,083,333

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% 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 are 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\$554 thousand/NT\$1,157 thousand from January 1 to March 31, 2026 and 2025.

c) Other price risk

The Group was exposed to fair value risk through its investments in domestic and foreign stocks, as well as beneficial securities. 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 January 1 to March 31, 2026 and 2025 would increase/decrease by NT\$12,566 thousand and NT\$10,621 thousand respectively 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 From January 1 to March 31, 2026 and 2025 will increase/decrease by NT\$143,933 thousand and NT\$102,768 thousand due to the increase/decrease in fair value of financial assets measured 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.

March 31, 2026

	On Demand or Less than 1 Year	1 to 5 Years	5+ Years
<u>Non-derivative financial liabilities</u>			
Non-interest bearing liabilities	\$ 473,199	\$ -	\$ -
Lease liabilities	8,232	35,108	44,280
Floating interest rate liabilities	<u>396,785</u>	<u>298,149</u>	<u>-</u>
	<u>\$ 878,216</u>	<u>\$ 333,257</u>	<u>\$ 44,280</u>

December 31, 2025

	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	8,232	34,920	46,765
Floating interest rate liabilities	<u>399,411</u>	<u>395,089</u>	<u>-</u>
	<u>\$ 768,756</u>	<u>\$ 430,009</u>	<u>\$ 46,765</u>

March 31, 2025

	On Demand or Less than 1 Year	1 to 5 Years	5+ Years
<u>Non-derivative financial liabilities</u>			
Non-interest bearing liabilities	\$ 653,486	\$ -	\$ -
Lease liabilities	8,091	34,360	53,260
Floating interest rate liabilities	<u>404,497</u>	<u>695,787</u>	<u>-</u>
	<u>\$ 1,066,074</u>	<u>\$ 730,147</u>	<u>\$ 53,260</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.

March 31, 2026

	On Demand or Less than 1 Month	1 to 3 Months
<u>Gross settled</u>		
Foreign exchange forward contracts		
— Inflows	\$ 39,164	\$ -
— Outflows	(<u>39,482</u>)	<u>-</u>
	(<u>\$ 318</u>)	<u>\$ -</u>

December 31, 2025

	On Demand or Less than 1 Month	1 to 3 Months
<u>Gross settled</u>		
Foreign exchange forward contracts		
— Inflows	\$ 21,951	\$ -
— Outflows	(<u>22,630</u>)	<u>-</u>
	(<u>\$ 679</u>)	<u>\$ -</u>

March 31, 2025

	On Demand or Less than 1 Month	1 to 3 Months
<u>Gross settled</u>		
Foreign exchange forward contracts		
— Inflows	\$ 41,946	\$ 87,379
— Outflows	(43,483)	(89,278)
	(\$ 1,537)	(\$ 1,899)

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:

	March 31, 2026	December 31, 2025	March 31, 2025
Unsecured bank facilities			
— Amount used	\$ 690,038	\$ 788,615	\$ 1,084,346
— Amount unused	<u>4,779,999</u>	<u>4,710,000</u>	<u>5,780,000</u>
	<u>\$ 5,470,037</u>	<u>\$ 5,498,615</u>	<u>\$ 6,864,346</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 March 31, 2026 and December 31 and March 31, 2025.

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:

Related Party Name	Relationship with the Group
USI Corporation (USI)	Ultimate parent company
Union Polymer International Investment Corp.	Parent company
China General Plastics Corporation	Associate
China General Terminal & Distribution Corporation (CGTD)	Associate
Acme Electronics Corporation	Associate
USI Optronics Corporation	Associate
Swanson Plastics Corp.	Associate
Swanson Plastics (Kunshan) Corp.	Associate
Taiwan VCM Corporation (TVCM)	Associate

Related Party Name	Relationship with the Group
CGPC Polymer Corporation	Associate
Swanson Technologies Corporation	Associate
Fujian Gulei Petrochemical Co., Ltd.	Associate
Global Green Technology Corporation	Associate
Dynamic Ever Investments Limited (DEIL)	Associate
Zhangzhou USI Trading Co., Ltd.	Associate
Xiamen USI Trading Co., Ltd.	Associate
Swanson Plastics (Malaysia) Sdn. Bhd.	Associate
Swanson Plastics (India) Private Limited	Associate
Taita Chemical Company, Ltd. (TTC)	Fellow subsidiary
Taiwan United Venture Management Corporation (TUVN)	Fellow subsidiary
USI Management Consulting Corporation (UM)	Fellow subsidiary
USI Investment Co., Ltd.	Fellow subsidiary
Chong Loong Trading Co., Ltd.	Fellow subsidiary
USI (Hong Kong) Company Limited	Fellow subsidiary
USI Green Energy Corporation (SG)	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	From January 1 to March 31, 2026	From January 1 to March 31, 2025
Ultimate parent company	\$ 58,223	\$ 72,683
Associate	30,225	20,132
Fellow subsidiary	-	8,338
	<u>\$ 88,448</u>	<u>\$ 101,153</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	From January 1 to March 31, 2026	From January 1 to March 31, 2025
Ultimate parent company	\$ 35,909	\$ 37,263
Associate	9,083	10,125
	<u>\$ 44,992</u>	<u>\$ 47,388</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)

<u>Related Party Category/Name</u>	<u>From January 1 to March 31, 2026</u>	<u>From January 1 to March 31, 2025</u>
Associate		
CGTD	<u>\$ 9,857</u>	<u>\$ 7,854</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)

<u>Related Party Category/Name</u>	<u>From January 1 to March 31, 2026</u>	<u>From January 1 to March 31, 2025</u>
Fellow subsidiary		
SG	<u>\$ 3,529</u>	<u>\$ 2,847</u>

f. Management fee (under general and administrative expenses)

<u>Related Party Category/Name</u>	<u>From January 1 to March 31, 2026</u>	<u>From January 1 to March 31, 2025</u>
Ultimate parent company		
USI	\$ 2,112	\$ 3,095
Fellow subsidiary		
UM	<u>11,726</u>	<u>15,575</u>
	<u>\$ 13,838</u>	<u>\$ 18,670</u>

g. Acquisition of property, plant and equipment

	<u>Receipt of Payment</u>	
<u>Related Party Category</u>	<u>From January 1 to March 31, 2026</u>	<u>From January 1 to March 31, 2025</u>
Essential related party	<u>\$ -</u>	<u>\$ 3,800</u>

h. Lease arrangements - Company is lessee

Lease expense

<u>Related Party Category/Name</u>	<u>From January 1 to March 31, 2026</u>	<u>From January 1 to March 31, 2025</u>
Ultimate parent company	<u>\$ 722</u>	<u>\$ 621</u>

- i. Lease arrangement - Group is lessor

Rental income

<u>Related Party Category</u>	<u>From January 1 to March 31, 2026</u>	<u>From January 1 to March 31, 2025</u>
Ultimate parent company		
USI	\$ 599	\$ 461
Parent entity	18	8
Associate		
TVCM	3,158	3,272
Others	1,655	1,851
	<u>4,813</u>	<u>5,123</u>
Fellow subsidiary		
TTC	1,731	1,736
Others	485	492
	<u>2,216</u>	<u>2,228</u>
	<u>\$ 7,646</u>	<u>\$ 7,820</u>

The associate leased land from the Company under a three-year lease agreement, with a fixed monthly rental amount. At the end of the lease period, the associate has no preferential right to purchase the land it leases.

- j. Donation expenses (under general and administrative expenses)

<u>Related Party Category/Name</u>	<u>From January 1 to March 31, 2026</u>	<u>From January 1 to March 31, 2025</u>
Essential related party		
USIF	\$ 2,500	\$ 3,000

- k. Management income (under other income)

<u>Related Party Category/Name</u>	<u>From January 1 to March 31, 2026</u>	<u>From January 1 to March 31, 2025</u>
Associate		
DEIL	\$ 229	\$ 663

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

<u>Related Party Category/Name</u>	<u>From January 1 to March 31, 2026</u>	<u>From January 1 to March 31, 2025</u>
Fellow subsidiary		
TUVN	\$ 438	\$ 416

m. Accounts receivable

<u>Related Party Category/Name</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Ultimate parent company			
USI	\$ 42,596	\$ 39,761	\$ 53,771
Associate	25,859	18,467	14,147
Fellow subsidiary	-	-	2,231
	<u>\$ 68,455</u>	<u>\$ 58,228</u>	<u>\$ 70,149</u>

n. Other receivables

<u>Related Party Category/Name</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Ultimate parent company	\$ 62	\$ 135	\$ 28,539
Associate	685	13,026	3,833
Fellow subsidiary	616	586	688
	<u>\$ 1,363</u>	<u>\$ 13,747</u>	<u>\$ 33,060</u>

Other receivables - Related party payments mainly include payments from the ultimate parent company, associates, and fellow subsidiaries to the Company for renting offices and management fees.

o. Accounts payable

<u>Related Party Category/Name</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Ultimate parent company			
USI	\$ 22,951	\$ 23,677	\$ 22,326
Associate	1,132	1,586	2,687
	<u>\$ 24,083</u>	<u>\$ 25,263</u>	<u>\$ 25,013</u>

p. Other payables from unrelated parties

<u>Related Party Category/Name</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Ultimate parent company			
USI	\$ 28,117	\$ 3,271	\$ 63,761
Associate	205	6,692	4,252
Essential related party	-	-	3,230
Fellow subsidiary	2,093	693	1,843
	<u>\$ 30,415</u>	<u>\$ 10,656</u>	<u>\$ 73,086</u>

Other payables to related parties mainly refer to the amounts payable for the purchase of Ethylene by the Company from the ultimate parent company.

q. Compensation and bonus of key management personnel

	From January 1 to March 31, 2026	From January 1 to March 31, 2025
Short-term employee benefits	<u>\$ 3,261</u>	<u>\$ 3,256</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 March 31, 2026 was NT\$380,000 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 April 30, 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 April 30, 2026, the victims and victims’ families had written letters or filed civil procedures (and criminal procedures) against LCY Chemical Corp., CGTD and CPC for compensation. To reduce the lawsuit costs, CGTD had reached a settlement on the original claim for NT\$46,677 thousand, and the amount of the compensation was 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 April 30, 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.
March 31, 2026

	Foreign Currency	Exchange Rate	Functional Currency	Carrying Amount
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$ 19,477	31.9950 (USD: NTD)	\$ 623,177	\$ 623,177
USD	558	6.9194 (USD: RMB)	3,861	17,852
RMB	3,552	0.1445 (RMB: USD)	513	16,424
RMB	6,977	4.6240 (RMB: NTD)	32,263	32,263
				<u>\$ 689,716</u>
<u>Non-monetary items</u>				
Associates accounted for using the equity method				
USD	19,076	31.9950 (USD: NTD)	610,342	\$ 610,342
RMB	12,562	0.1445 (RMB: USD)	1,815	58,088
				<u>\$ 668,430</u>
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	2,561	31.9950 (USD: NTD)	81,931	\$ 81,931
JPY	9,110	0.2005 (JPY: NTD)	1,827	1,827
SGD	47	24.8000 (SGD: NTD)	1,157	1,157
				<u>\$ 84,915</u>
<u>Non-monetary items</u>				
Derivative instruments				
USD	1,234	31.9950 (USD: NTD)	384	<u>\$ 384</u>

December 31, 2025

	Foreign Currency	Exchange Rate	Functional Currency	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>

March 31, 2025

	Foreign Currency	Exchange Rate	Functional Currency	Carrying Amount
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$ 15,666	33.205 (USD:NTD)	\$ 520,182	\$ 520,182
USD	504	7.1782 (USD:RMB)	3,618	16,737
RMB	2,888	0.1393 (RMB:USD)	402	13,359
RMB	43,632	4.6258 (RMB:NTD)	201,835	201,835
				<u>\$ 752,113</u>
<u>Non-monetary items</u>				
Associates accounted for using the equity method				
USD	46,381	33.205 (USD:NTD)	1,540,094	\$ 1,540,094
RMB	11,158	0.1393(RMB:USD)	1,554	51,616
				<u>\$ 1,591,710</u>
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	3,632	33.205 (USD:NTD)	120,593	\$ 120,593
EUR	116	35.970 (EUR:NTD)	4,159	4,159
				<u>\$ 124,752</u>

For the period From January 1 to March 31, 2026 and 2025, realized and unrealized net foreign exchange gains of the Group were NT\$7,854 thousand and NT\$14,182 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.

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. (None)
- 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 2)

b. Information about investees. (Table 3)

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 4)
- 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 5)
 - 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

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.

ASIA POLYMER CORPORATION AND SUBSIDIARIES
MARKETABLE SECURITIES HELD
March 31, 2026

TABLE 1

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(s)
				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	98,006	11.90%	98,006	
The Company	USI CORPORATION	Ultimate parent company	"	101,355,673	1,849,741	8.53%	1,849,741	
The Company	CTCI Corporation	—	"	15,893,437	563,422	1.78%	563,422	
The Company	AU Optron Corporation	—	"	7,694,812	111,575	0.10%	111,575	
The Company	PELL Bio-Med Technology Co. Ltd.	—	"	199,158	111,728	0.31%	111,728	
The Company	Wafer Works Corporation	—	Financial assets at fair value through other comprehensive income - current	518,605	16,984	0.09%	16,984	
The Company	Taiwan Cement Corporation	—	Financial assets at fair value through profit or loss - current	2,000,000	46,000	0.03%	46,000	
The Company	EVA Airways Corporation	—	"	300,000	10,185	0.01%	10,185	
The Company	RECHI PRECISION CO., LTD.	—	"	300,000	7,845	0.06%	7,845	
The Company	Tai-Tech Advanced Electronics Co., Ltd.	—	"	200,000	28,400	0.18%	28,400	
The Company	Quanta Storage Corporation	—	"	200,000	17,320	0.08%	17,320	
The Company	Zeon Corp.	—	"	39,500	13,923	0.02%	13,923	
The Company	Kyushu Electric Power Co., Inc.	—	"	20,000	7,250	-	7,250	
	<u>Beneficiary securities</u>							
The Company	Cathay No. 1 Real Estate Investment Trust Fund	—	"	4,053,000	57,553	-	57,553	
	<u>Beneficiary certificate</u>							
The Company	Taishin 1699 Money Market Fund	—	"	1,871,971	27,001	-	27,001	
	<u>Share</u>							
APC (BVI)	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	122,409	2.21%	122,409	
APC (BVI)	NeuroSky, Inc. - series D preference shares	—	"	2,397,364	-	0.37%	-	(Note 1)
APC (BVI)	Solargiga Energy Holdings Ltd.	—	"	14,863,333	4,792	0.45%	4,792	
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)
	<u>Share</u>							
APCIC	USI CORPORATION	Ultimate parent company	Financial assets at fair value through profit or loss - current	44,808	818	-	818	
APCIC	Taiwan Cement Corporation	—	"	1,000,000	23,000	0.01%	23,000	
APCIC	EVA Airways Corporation	—	"	200,000	6,790	-	6,790	
APCIC	RECHI PRECISION CO., LTD.	—	"	200,000	5,230	0.04%	5,230	
APCIC	Quanta Storage Corporation	—	"	100,000	8,660	0.04%	8,660	
APCIC	Tai-Tech Advanced Electronics Co., Ltd.	—	"	50,000	7,100	0.05%	7,100	
APCIC	Zeon Corp.	—	"	21,600	7,613	0.01%	7,613	
APCIC	Kyushu Electric Power Co., Inc.	—	"	10,000	3,625	-	3,625	
	<u>Beneficiary certificate</u>							
APCIC	Cathay Taiwan Money Market Fund	—	"	1,158,802	15,268	-	15,268	

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 3 and 4 for information on investments in subsidiaries and associates.

ASIA POLYMER CORPORATION AND SUBSIDIARIES
INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS

From January 1 to March 31, 2026

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

TABLE 2

Number (Note 1)	Trader Name	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Account	Amount (Note 4)	Transaction Details	% of Total Sales or Assets (Note 3)
0	The Company	USITA	(1)	Accounts receivable from related parties	\$ 19,632	No material discrepancy	0.16%
0	The Company	USITA	(1)	Sales of goods	25,399	No material discrepancy	1.95%

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.

ASIA POLYMER CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES

From January 1 to March 31, 2026

TABLE 3

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	\$ 440,731	\$ 440,731	11,342,594	100.00%	\$ 721,470	(\$ 1,807)	(\$ 1,807)	Subsidiary (Note 1)
The Company	APCIC	Taiwan	Investment	200,000	200,000	20,000,000	100.00%	136,571	(2,546)	(2,546)	Subsidiary (Note 1)
The Company	USIIC	British Virgin Islands	Reinvestment	67,190	67,190	2,100,000	70.00%	67,173	(308)	(216)	Subsidiary (Note 1)
The Company	CGPC	Taiwan	Manufacturing and marketing of plastic products	247,412	247,412	46,886,185	8.07%	616,449	(120,414)	(9,716)	Investments accounted for using the equity method
The Company	CGTD	Taiwan	Warehousing and transportation of petro chemical raw materials	41,082	41,082	25,053,469	33.33%	305,882	(18,025)	(6,008)	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%	178,256	(34,103)	(2,711)	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	3.20%	65,057	22,241	710	Investments accounted for using the equity method
The Company	TUVC	Taiwan	Venture investment	30,309	30,309	832,666	8.33%	2,846	(391)	(33)	Investments accounted for using the equity method
The Company	USIO	Taiwan	Manufacture and marketing of sapphire products	59,725	59,725	5,972,464	9.20%	936	(4,836)	(445)	Investments accounted for using the equity method
The Company	ECGL	British Virgin Islands	Reinvestment	5,454,348	5,454,348	170,475,000	40.87%	610,342	(286,348)	(117,022)	Investments accounted for using the equity method
APC (BVI)	ACME (Cayman)	British Cayman Islands	Reinvestment	220,126	220,126	9,951,820	13.63%	248,456	(23,958)		APC (BVI) investments accounted for using the equity method
APC (BVI)	USIIC	British Virgin Islands	Reinvestment	28,796	28,796	900,000	30.00%	28,788	(308)		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%	29,808	22,241		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%	12,762	(5,592)		APCIC investments accounted for using the equity method
ECGL	EVG	British Virgin Islands	Reinvestment	13,346,554	13,346,554	417,145,000	67.40%	1,493,481	(424,832)		Ever Conquest Global investments accounted for using the equity method
EVG	DEI	Hong Kong	Reinvestment	18,840,256	18,840,256	588,850,000	85.00%	1,080,811	(512,226)		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 4 for information on investee companies in mainland China.

ASIA POLYMER CORPORATION AND SUBSIDIARIES

Information on investments in mainland China

From January 1 to March 31, 2026

TABLE 4

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 the Beginning of the Period (Note 4)	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan at the End of the Period (Note 4)	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 Electronics (Kunshan)	Manufacture and marketing of manganese-zinc soft ferrite core	\$ 983,046	(1)	\$ 133,655	\$ -	\$ -	\$ 133,655	(\$ 1,870)	13.63%	(\$ 255)	\$ 91,617	\$ -
USITA	Sales of chemical products and equipment, etc.	79,988	(2)	97,124	-	-	97,124	2,356	100.00%	2,356	197,300	-
GL	Manufacture of crude oil and petroleum products	43,069,786	(3) (Note 2)	5,051,462	-	-	5,051,462	(1,023,888)	11.71%	(119,865)	193,718	-
GUL	Sale of chemical products	46,240	(2)	13,872	-	-	13,872	(508)	30.00%	(152)	21,921	-
XUL	Sale of chemical products	46,240	(2)	13,872	-	-	13,872	(3,401)	30.00%	(1,020)	36,167	-
DEIP	Property management	97,104	(3)	22,736	-	-	22,736	(7)	23.41%	(2)	23,077	-

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
\$5,485,645 (Note 5)	\$7,327,208	\$ - (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 DEIL (85.00%).

Note 3: The calculation was based on the average exchange rate from January 1, 2026, to March 31, 2026.

Note 4: The calculation was based on the exchange rate as of March 31, 2026.

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.

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

From January 1 to March 31, 2026

TABLE 5

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(s)
					Payment Terms	Comparison with Normal Transactions	Amount	%		
USITA	Sales of goods	\$ 25,399	1.99%	No material discrepancy	T/T 90 days	No material discrepancy	\$ 19,632	7.03%	\$ -	Note

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