

Notice to Readers:

The consolidated financial statements (Chinese version) of our company have been audited by the CPA Chang, Cheng-Hsiu and CPA Liu, Yi-Ching of Deloitte Taiwan. For the convenience of reading, the statements have 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.

China General Plastics Corporation and Subsidiaries

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

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Declaration of Consolidated Financial Statements of Affiliates

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

Very truly yours,

China General Plastics Corporation

Chairman: Wu, Yi- Gui

March 4, 2026

Independent Auditors' Report

The Board of Directors and Shareholders

China General Plastics Corporation

Opinion

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

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

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China ("The Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

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

Authenticity of sales revenue recognition for specific customers

The Group's consolidated sales revenue in 2025 reduced compared to the same period of last year, but the sales revenue from specific customers increased significantly compared to the same period of last year, which had a significant impact on the sales revenue and financial results of the Group. Therefore, authenticity of revenue recognition for sales to those customers is identified as one of the key audit matters.

Please refer to Notes 4 and 23 to the consolidated financial statements for relevant accounting policies and information in relation to revenue recognition.

We have performed the following audit procedures to validate authenticity of revenue recognition:

1. We studied and tested the internal control mechanism to monitor authenticity of revenue recognition, and assessed the effectiveness of its design and implementation. We evaluated the appropriateness of revenue recognition accounting policies adopted by management.
2. We reviewed original orders, shipping documents, and invoice to verify the authenticity of revenue recognition.
3. We inspected the receipt documents and the occurrence of sales returns and allowances subsequent to the balance sheet date, and sent letters to confirm whether there were any irregularities in accounts receivable at year-end.

Other Matters

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

To ensure that the Consolidated Financial Statements do not contain material misstatements caused by fraud or errors, the management is responsible for preparing prudent consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as the IFRS, IAS, law and regulation reviews and their announcements recognized and announced by the Financial Supervisory Commission, and for preparing and maintaining necessary internal control procedures pertaining to the consolidated financial statements.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and evaluate the risk of material misstatements due to fraud or error in the consolidated financial statements; design and carry out appropriate countermeasures for the evaluated risk; and obtain sufficient and appropriate evidence as the basis for audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Group.
3. Assess the appropriateness of the accounting policies adopted by the management, as well as the reasonableness of their accounting estimates and relevant disclosures.
4. Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to operate as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall expression, structure and contents of the consolidated financial statements (including relevant Notes), and whether the consolidated financial statements fairly present relevant transactions and items.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit and for expressing an opinion on the financial statements of the Group.

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

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

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

Deloitte & Touche, Taipei, Taiwan,
Republic of China
CPA Chang, Cheng-Hsiu

CPA Liu, Yi-Ching

Financial Supervisory Commission
Approval Document No.
Jin Guan Zheng Shen Zi No. 1120349008

Financial Supervisory Commission
Approval Document No.
Jin Guan Zheng Shen Zi No. 1100356048

March 4, 2026

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China General Plastics Corporation and Subsidiaries

Consolidated Balance Sheets

December 31, 2025 and 2024

Unit: NT\$ thousands

CODE	ASSETS	December 31, 2025		December 31, 2024	
		Amount	%	Amount	%
	CURRENT ASSETS				
1100	Cash and cash equivalents (Note 6)	\$ 512,420	3	\$ 1,523,912	9
1110	Financial assets at fair value through profit or loss (FVTPL) - current (Note 7)	396,283	2	609,197	3
1136	Financial assets at amortized cost - current (Notes 9 and 30)	497,386	3	943,234	5
1150	Notes receivable (Note 10)	91,172	-	118,682	1
1170	Trade receivables (Note 10)	739,579	4	762,506	4
1200	Other receivables (Notes 10 and 29)	96,434	1	69,885	-
1220	Current tax assets (Note 25)	5,842	-	17,186	-
1310	Inventories (Note 11)	1,924,343	11	2,522,089	14
1410	Prepayments	137,510	1	133,905	1
1470	Other current assets	497	-	2,139	-
11XX	Total current assets	4,401,466	25	6,702,735	37
	NON-CURRENT ASSETS				
1517	Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Note 8)	54,660	-	60,406	-
1550	Investments accounted for using the equity method (Notes 5 and 13)	320,026	2	336,665	2
1600	Property, plant and equipment (Notes 14, 29, and 30)	11,062,510	64	9,753,364	54
1755	Right-of-use assets (Notes 15 and 29)	92,869	1	112,967	1
1760	Investment properties (Note 16)	414,241	2	443,562	2
1840	Deferred tax assets (Note 25)	918,809	5	581,799	3
1990	Other non-current assets (Notes 21 and 30)	162,548	1	83,578	1
15XX	Total non-current assets	13,025,663	75	11,372,341	63
1XXX	TOTAL ASSETS	\$ 17,427,129	100	\$ 18,075,076	100
	LIABILITIES AND EQUITY				
	CURRENT LIABILITIES				
2100	Short-term borrowings (Note 17)	\$ 760,000	5	\$ 1,280,000	7
2110	Short-term notes and bills payable (Note 17)	-	-	299,872	2
2120	Financial liabilities at fair value through profit or loss (FVTPL) - current (Note 7)	354	-	688	-
2150	Notes Payable (Note 18)	24,185	-	36,559	-
2170	Trade payables (Note 18)	512,985	3	799,456	4
2180	Trade payables to related parties (Notes 18 and 29)	20,471	-	125,173	1
2200	Other payables (Note 19)	753,434	4	727,652	4
2220	Other payables to related parties (Note 29)	13,453	-	25,493	-
2230	Current tax liabilities (Note 25)	6,085	-	5,695	-
2250	Current provisions (Note 20)	17,136	-	-	-
2280	Lease liabilities (Notes 15 and 29)	21,208	-	20,928	-
2322	Long-term borrowings due within one year or one operating cycle (Note 17)	1,688,296	10	1,438,743	8
2399	Other current liabilities (Note 23)	211,816	1	164,587	1
21XX	Total current liabilities	4,029,423	23	4,924,846	27
	NON-CURRENT LIABILITIES				
2540	Long-term borrowings (Note 17)	4,214,762	24	2,851,015	16
2570	Deferred tax liabilities (Note 25)	602,856	4	602,255	3
2580	Lease liabilities (Notes 15 and 29)	77,673	1	98,296	1
2640	Net defined benefit liabilities (Note 21)	191,382	1	214,148	1
2670	Other non-current liabilities	72,691	-	68,676	-
25XX	Total non-current liabilities	5,159,364	30	3,834,390	21
2XXX	TOTAL LIABILITIES	9,188,787	53	8,759,236	48
	Equity attributable to owners of the Company (Note 22)				
3110	Ordinary share	5,810,505	33	5,810,505	32
3200	Capital surplus	21,077	-	20,018	-
	Retained Earnings				
3310	Legal reserve	1,150,504	7	1,150,504	7
3320	Special reserve	408,223	2	408,223	2
3350	Unappropriated retained earnings	316,746	2	1,315,487	7
3300	Total retained earnings	1,875,473	11	2,874,214	16
3400	Other equity	18,876	-	34,845	1
31XX	Total equity attributable to owners of the Company	7,725,931	44	8,739,582	49
36XX	Non-controlling Interests	512,411	3	576,258	3
3XXX	TOTAL EQUITY	8,238,342	47	9,315,840	52
	TOTAL LIABILITIES AND EQUITY	\$ 17,427,129	100	\$ 18,075,076	100

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

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China General Plastics Corporation and Subsidiaries
Consolidated Statements of Comprehensive Income
For the Years Ended December 31, 2025 and 2024

Unit: NT\$ thousands, Except Loss Per Share

<u>CODE</u>		<u>2025</u>		<u>2024</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4100	Net revenue (Notes 23 and 29 and 35)	\$ 9,220,952	100	\$ 11,086,725	100
5110	Cost of revenue (Notes 11, 24, and 29)	<u>9,570,867</u>	<u>104</u>	<u>10,876,143</u>	<u>98</u>
5900	Gross (loss) profit	(<u>349,915</u>)	(<u>4</u>)	<u>210,582</u>	<u>2</u>
	Operating expenses (Notes 24 and 29)				
6100	Selling and marketing expenses	638,944	7	726,926	7
6200	General and administrative expenses	236,386	3	275,773	2
6300	Research and development expenses	<u>34,697</u>	<u>-</u>	<u>50,590</u>	<u>-</u>
6000	Total operating expenses	<u>910,027</u>	<u>10</u>	<u>1,053,289</u>	<u>9</u>
6900	Net operating loss	(<u>1,259,942</u>)	(<u>14</u>)	(<u>842,707</u>)	(<u>7</u>)
	Non-operating income and expenses (Notes 13, 24 and 29)				
7100	Interest income	27,311	-	39,539	-
7010	Other income	146,785	1	97,206	1
7020	Other gains and losses	(117,489)	(1)	(122,505)	(1)
7510	Interest expenses	(110,243)	(1)	(93,594)	(1)
7060	Share of (loss) profit of associates accounted for using the equity method	(<u>13,708</u>)	<u>-</u>	<u>2,107</u>	<u>-</u>
7000	Total non-operating income and expenses	(<u>67,344</u>)	(<u>1</u>)	(<u>77,247</u>)	(<u>1</u>)
7900	Net loss before income tax	(1,327,286)	(15)	(919,954)	(8)
7950	Income tax benefit (Note 25)	(<u>345,057</u>)	(<u>4</u>)	(<u>168,591</u>)	(<u>1</u>)
8200	Net Loss for the Year	(<u>982,229</u>)	(<u>11</u>)	(<u>751,363</u>)	(<u>7</u>)

(Continued)

CODE		2025		2024	
		Amount	%	Amount	%
	Other comprehensive income (loss) (Notes 13, 21, 22, and 25)				
	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurements of defined benefit plans	\$ 9,798	-	\$ 92,383	1
8316	Unrealized gains (losses) on investments in equity instruments at FVTOCI	155	-	(3,115)	-
8321	Share of the other comprehensive income of associates accounted for using the equity method - remeasurement of defined benefit plans	625	-	2,903	-
8326	Share of the other comprehensive income of associates accounted for using the equity method - unrealized losses on investments in equity instruments at FVTOCI	(3,710)	-	(29,516)	-
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss	(1,960)	-	(18,477)	-
8310		<u>4,908</u>	<u>-</u>	<u>44,178</u>	<u>1</u>
	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating the financial statements of foreign operations	(15,719)	-	31,974	-
8371	Share of the other comprehensive income of associates accounted for using the equity method - exchange differences on translating the financial statements of foreign operations	154	-	1,570	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	3,144	-	(6,395)	-
8360		<u>(12,421)</u>	<u>-</u>	<u>27,149</u>	<u>-</u>
8300	Other comprehensive income (loss) for the year, net of income tax	<u>(7,513)</u>	<u>-</u>	<u>71,327</u>	<u>1</u>
8500	Total comprehensive loss for the year	<u>(\$ 989,742)</u>	<u>(11)</u>	<u>(\$ 680,036)</u>	<u>(6)</u>

(Continued)

CODE		2025		2024	
		Amount	%	Amount	%
	Net loss attributable to:				
8610	Owners of the Company	(\$ 918,980)	(10)	(\$ 709,967)	(7)
8620	Non-controlling Interests	(63,249)	(1)	(41,396)	-
8600		<u>(\$ 982,229)</u>	<u>(11)</u>	<u>(\$ 751,363)</u>	<u>(7)</u>
	Total comprehensive loss attributable to:				
8710	Owners of the Company	(\$ 927,552)	(10)	(\$ 640,560)	(6)
8720	Non-controlling Interests	(62,190)	(1)	(39,476)	-
8700		<u>(\$ 989,742)</u>	<u>(11)</u>	<u>(\$ 680,036)</u>	<u>(6)</u>
	Loss per share (Note 26)				
9750	Basic	<u>(\$ 1.58)</u>		<u>(\$ 1.22)</u>	
9850	Diluted	<u>(\$ 1.58)</u>		<u>(\$ 1.22)</u>	

(Concluded)

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China General Plastics Corporation and Subsidiaries
Consolidated Statements of Changes in Equity
For the Years Ended December 31, 2025 and 2024

Unit: NT\$ thousands

CODE		Equity Attributable to Owners of the Company											Non-Controlling Interests	Total Equity	
		Capital Surplus				Retained Earnings				Other Equity					
		Ordinary Share	Unpaid Dividends	Others	Total	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Total	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gains (Losses) on Financial Assets at FVTOCI	Total			
A1	Balance at January 1, 2024	\$ 5,810,505	\$ 15,939	\$ 2,047	\$ 17,986	\$ 1,117,245	\$ 408,223	\$ 2,187,353	\$ 3,712,821	(\$ 21,141)	\$ 61,306	\$ 40,165	\$ 9,581,477	\$ 646,011	\$10,227,488
	Appropriation and distribution of earnings for 2023														
B1	Legal reserve	-	-	-	-	33,259	-	(33,259)	-	-	-	-	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	-	-	(203,367)	(203,367)	-	-	-	(203,367)	-	(203,367)
O1	Cash dividends distributed by the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(30,282)	(30,282)
C17	Other changes in capital surplus	-	1,999	33	2,032	-	-	-	-	-	-	-	2,032	5	2,037
D1	Net loss in 2024	-	-	-	-	-	-	(709,967)	(709,967)	-	-	-	(709,967)	(41,396)	(751,363)
D3	Other comprehensive income (loss) in 2024, net of income tax	-	-	-	-	-	-	74,727	74,727	27,149	(32,469)	(5,320)	69,407	1,920	71,327
D5	Total comprehensive income (loss) in 2024	-	-	-	-	-	-	(635,240)	(635,240)	27,149	(32,469)	(5,320)	(640,560)	(39,476)	(680,036)
Z1	Balance at December 31, 2024	5,810,505	17,938	2,080	20,018	1,150,504	408,223	1,315,487	2,874,214	6,008	28,837	34,845	8,739,582	576,258	9,315,840
	Appropriation and distribution of earnings for 2024														
B5	Cash dividends distributed by the Company	-	-	-	-	-	-	(87,158)	(87,158)	-	-	-	(87,158)	-	(87,158)
C17	Other changes in capital surplus	-	704	24	728	-	-	-	-	-	-	-	728	4	732
M5	Acquisition of a partial equity interest in a subsidiary	-	-	331	331	-	-	-	-	-	-	-	331	(1,661)	(1,330)
D1	Net loss in 2025	-	-	-	-	-	-	(918,980)	(918,980)	-	-	-	(918,980)	(63,249)	(982,229)
D3	Other comprehensive income (loss) in 2025, net of income tax	-	-	-	-	-	-	7,397	7,397	(12,421)	(3,548)	(15,969)	(8,572)	1,059	(7,513)
D5	Total comprehensive income (loss) in 2025	-	-	-	-	-	-	(911,583)	(911,583)	(12,421)	(3,548)	(15,969)	(927,552)	(62,190)	(989,742)
Z1	Balance at December 31, 2025	\$ 5,810,505	\$ 18,642	\$ 2,435	\$ 21,077	\$ 1,150,504	\$ 408,223	\$ 316,746	\$ 1,875,473	(\$ 6,413)	\$ 25,289	\$ 18,876	\$ 7,725,931	\$ 512,411	\$ 8,238,342

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

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China General Plastics Corporation and Subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2025 and 2024

Unit: NT\$ thousands

CODE		2025	2024
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Net loss before income tax	(\$ 1,327,286)	(\$ 919,954)
A20010	Adjustments for:		
A20100	Depreciation expense	808,372	854,660
A20200	Amortization expense	19,649	19,630
A20400	Net loss (gain) on fair value change on financial instruments at FVTPL	28,065	(37,396)
A20900	Interest expense	110,243	93,594
A21200	Interest income	(27,311)	(39,539)
A21300	Dividend income	(2,033)	(3,057)
A22300	Share of loss (profit) of associates accounted for using the equity method	13,708	(2,107)
A22500	Loss on disposal of property, plant, and equipment	1,013	118,843
A22700	Gain on disposal of investment property	(47,086)	-
A23700	(Reversal) provision of write-downs of inventories and obsolescence losses	(24,602)	89,248
A29900	Gains on lease modifications	-	(35)
A30000	Net changes in operating assets and liabilities		
A31115	Financial instruments at FVTPL	184,515	369,643
A31130	Notes receivable	27,510	20,380
A31150	Trade receivables (including related parties)	19,804	262,088
A31180	Other receivables (including related parties)	(9,563)	13,285
A31200	Inventories	612,704	(68,988)
A31230	Prepayments	(3,605)	(41,158)
A31240	Other current assets	1,642	(1,301)
A32130	Notes payable	(12,374)	(5,459)
A32150	Trade payables (including related parties)	(390,669)	188,115
A32180	Other payables (including related parties)	(57,026)	(8,211)
A32200	Provisions	17,136	-
A32230	Other current liabilities	47,229	72,350
A32240	Net defined benefit liabilities	(32,773)	(31,457)
A33000	Cash (used in) generated from operations	(42,738)	943,174
A33100	Interest received	29,750	38,615
A33300	Interest paid	(96,060)	(98,477)
A33500	Income tax refund (paid)	21,566	(107,044)
AAAA	Net cash (used in) generated from operating activities	(87,482)	776,268

(Continued)

CODE		2025	2024
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00030	Proceed from capital reduction of financial assets at FVTOCI	\$ 5,901	\$ -
B00040	Acquisition of financial assets at amortized cost	(1,325,445)	(1,139,623)
B00050	Proceeds from disposal of financial assets at amortized cost	1,768,583	1,161,297
B02700	Acquisition of property, plant and equipment	(2,014,089)	(1,512,348)
B02800	Proceeds from disposal of property, plant and equipment	7,893	37,848
B03700	Increase in refundable deposits	(47,396)	(15,156)
B03800	Decrease in refundable deposits	8,672	14,960
B04500	Acquisition of intangible assets	(103)	(438)
B05400	Acquisition of investment properties	-	(665)
B05500	Proceeds from disposal of investment property	32,404	-
B06700	Increase in other non-current assets	(40,112)	(10,512)
B07600	Dividends received	<u>2,033</u>	<u>3,057</u>
BBBB	Net cash used in investing activities	(<u>1,601,659</u>)	(<u>1,461,580</u>)
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00200	Decrease in short-term borrowings	(520,000)	(100,000)
C00500	(Decrease) increase in short-term notes and bills payable	(300,000)	300,000
C01600	Proceeds from long-term borrowings	3,207,017	1,287,100
C01700	Repayments of long-term borrowings	(1,608,011)	(208,045)
C03000	Increase in guarantee deposits received	2,256	4,159
C03100	Decrease in guarantee deposits received	(4,566)	(13,619)
C04020	Repayment of the principal portion of lease liabilities	(20,059)	(30,817)
C04300	Increase (Decrease) in other non-current liabilities	6,425	(41)
C04500	Dividends paid	(86,494)	(203,498)
C05400	Acquisition of ownership interests in subsidiary	(1,330)	-
C05800	Cash dividends paid on non-controlling interests	(<u>4</u>)	(<u>30,287</u>)
CCCC	Net cash generated from financing activities	<u>675,234</u>	<u>1,004,952</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>2,415</u>	<u>1,086</u>
EEEE	Net (decrease) increase in cash and cash equivalents	(1,011,492)	320,726
E00100	Cash and cash equivalents at the beginning of the year	<u>1,523,912</u>	<u>1,203,186</u>
E00200	Cash and cash equivalents at the end of the year	<u>\$ 512,420</u>	<u>\$ 1,523,912</u>

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

Notice to Readers:

(Concluded)

The consolidated financial statements (Chinese version) of our company have been audited by the CPA Chang, Cheng-Hsiu and CPA Liu, Yi-Ching of Deloitte Taiwan. For the convenience of reading, the statements have 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.

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China General Plastics Corporation and Subsidiaries

Notes to Consolidated Financial Statements

For the Years Ended December 31, 2025 and 2024

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

1. Company History

China General Plastics Corporation ("the Company") was incorporated and began operations on April 29, 1964. The Company mainly engages in the production and sale of PVC films, PVC leather, PVC pipes, PVC compounds, PVC resins, construction products, chlor-alkali products and other related products.

The Company's ordinary shares have been listed on the Taiwan Stock Exchange since March 1973.

The consolidated financial statements of the Company and its subsidiaries (collectively referred to as "the Group") are presented in the Company's functional currency, the New Taiwan dollar (NT\$).

2. Date and Procedures of Authorization of Financial Statements

The consolidated financial statements have been approved by the Board of Directors on March 4, 2026.

3. Application of New and Amended Standards and Interpretations

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

The initial application of the IFRSs endorsed and issued into effect by the FSC will not have a material impact on the Group's accounting policies.

(2) IFRSs endorsed by the FSC that are applicable in 2026

<u>New / Amended / Revised Standards and Interpretations</u>	<u>Effective Date Issued by IASB</u>
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Involving Nature-dependent Electricity"	January 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
IFRS 17 "Insurance Contracts" (Including the amendments in 2020 and 2021)	January 1, 2023

As of the date the consolidated financial statements were authorized for issue, the Group assessed that the amendments to other standards will not have a material impact on the financial position and financial performance.

(3) International Financial Reporting Standards (IFRS) Accounting Standard that have been issued by IASB but not yet endorsed and issued into effect by the FSC

New / Amended / Revised Standards and Interpretations	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 - "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note 2)
IFRS 19 - "Subsidiaries without Public Accountability: Disclosures" (Including the amendments in 2025)	January 1, 2027
Amendments to IAS 21 "Restated in terms of a hyperinflationary reporting currency"	January 1, 2027

Note 1: Unless otherwise specified, the aforementioned New/Amended/Revised Standards and Interpretations shall be effective for the annual reporting period after the specified dates.

Note 2: The Financial Supervisory Commission announced on September 25, 2025, that Taiwanese enterprises shall apply IFRS 18 effective January 1, 2028. Enterprises may also elect to adopt IFRS 18 early upon the Commission's approval.

IFRS 18 - "Presentation and Disclosure in Financial Statements" and consequential amendments

IFRS 18 will replace IAS 1 "Presentation of Financial Statements", the main changes comprise:

- To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Group shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash

flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

In addition, the following consequential amendments have been made to IAS 7 "Statement of Cash Flows":

- The Group shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.
- Interest and dividends received by the Group shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Group has a specific main operating activity, it shall determine how to classify dividends received, interest received and interest paid in the statement of cash flows by referring to how it classifies dividend income, interest income and interest expense in the statement of profit or loss. The total of each of these cash flows shall be classified in a single category in the statement of cash flows.

Except for the above impact as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing other impacts of above amended standards and interpretations 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

(1) Statement of Compliance

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

(2) Basis of preparation

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

The fair value measurement is classified into three levels based on the observability and importance of related inputs:

- 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., prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

(3) Standards for assets and liabilities classified as current and non-current

Current assets include:

- 1) Assets held primarily for trading purposes ;
- 2) Assets expected to be realized within 12 months after the end of the reporting period; and
- 3) Cash and cash equivalents (excluding assets restricted from being exchange or used to settle a liabilities for at least 12 months after the reporting period).

Current liabilities include:

- 1) Liabilities held primarily for trading purposes ;
- 2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and
- 3) Liabilities for which the Group does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

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

(4)Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (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. The total comprehensive income of subsidiaries is attributed to the owners of the Company and 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 Company.

Please refer to Note 12 and Table 7 and Table 8 for detailed information on subsidiaries (including the percentages of ownership and main businesses).

(5)Foreign currencies

In the preparation of financial statements, transactions denominated in a currency other than the Group's functional currency (i.e., foreign currency) are translated into the Group's functional currency by using the exchange rate at the date of the transaction. Monetary items denominated in foreign currencies are translated at the closing rates on the balance sheet date. Exchange differences arising from settlement or translation of monetary items are recognized in profit or loss in the year in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. The resulting exchange difference is recognized in profit or loss. For items whose changes in fair value are recognized in other comprehensive income, the resulting exchange difference is recognized in other comprehensive income.

Non-monetary items measured at historical cost that are denominated in foreign currencies are translated at the rates of exchange prevailing on the transaction dates and are not re-translated.

In the preparation of the consolidated financial statements, the assets and liabilities of foreign operations (including subsidiaries and associates that operate in a country or currency different from the Company) are translated into the New Taiwan dollar at the closing rate of exchange prevailing on the balance sheet date. Income and expenses are translated at the average rate of the year. The exchange differences arising are recognized in other comprehensive income and are attributable to owners of the Company and non-controlling interests respectively.

(6) Inventories

Inventories comprise raw materials, finished goods and work in process. Inventories are measured at the lower of cost and net realizable value. The comparison between costs and net realizable values is based on individual items except for the same type of inventory. The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs to completion and the estimated cost necessary to make the sale. Inventory costs are calculated using the weighted average method.

(7) Investment in associates

An associate is an entity over which the Group has significant influence other than a subsidiary.

When associates issue new shares and the Group does not subscribe to such shares to the extent that its original shareholding ratio can be changed, the difference is recorded as an adjustment to capital surplus - changes in the net value of shares in associates accounted for using the equity method and other investments accounted for using the equity method. If the amount of ownership interests in associates is not subscribed for or obtained in proportion to the shareholding ratio, the amount of the related assets or liabilities shall be recognized in other comprehensive income. The basis of the accounting treatment is the same as that of the associates. The difference in the balance of the capital reserve accounted for using the equity method shall be recognized in retained earnings.

Under the equity method, the investment is initially recognized at cost. The carrying amount of investment is adjusted thereafter for the post-acquisition changes in the Group's share of profit or loss and other comprehensive income and profit distribution of the associates. In addition, equity changes in associates are recognized based on the shareholding ratio.

When the Group's share of losses of an associate equals or exceeds its interest in that associate (including any carrying amount of the investment accounted for using the

equity method and long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payment on behalf of that associate.

To assess impairment, the Group has to consider the overall carrying amount of the investment as a single asset to compare the recoverable and carrying amounts. The impairment loss recognized is not allocated to any asset that forms part of the carrying amount of the investment. Reversal of the impairment loss is recognized to the extent of subsequent increases in the recoverable amount of investment.

The Group shall cease the use of equity method from the date when its investment is no longer an associate. Its retained interest in the associate is measured at fair value, and the difference between the fair value and the carrying amount of the investment and the carrying amount of the investment at the date of acquisition of the equity method is included in profit or loss for the current period. In addition, the Group shall account for all the amounts recognized in other comprehensive income in relation to that associate on the same basis as would be required if an associate had directly disposed of the related assets or liabilities.

Profits and losses in upstream, downstream and side-stream transactions between the Group and associates are recognized in the consolidated financial statements only to the extent that the profits and losses are irrelevant to the Group's interests in the associates.

(8) Property, plant and equipment

Property, plant and equipment shall be recognized at cost and subsequently at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment under construction are recognized at cost less accumulated impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except freehold land, each significant part of property, plant, and equipment is separately depreciated over its useful life on a straight-line basis. The estimated useful lives, residual values and depreciation method are reviewed at the end of each

reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When property, plant and equipment are derecognized, the difference between the net disposal proceeds and the carrying amount of the assets shall be recognized in profit or loss.

(9) Investment property

Investment property are real estate held to rent or capital appreciation or both.

Investment property is initially measured at cost, including transaction costs. Subsequently to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment losses.

The investment properties are depreciated on a straight-line basis.

When investment properties are derecognized, the difference between the net disposal proceeds and the carrying amount of the property shall be recognized in profit or loss of the current year.

(10) Impairment of property, plant and equipment, right-of-use assets and investment properties

At the end of each reporting date, the Group reviews the carrying amounts of its property, plant, and equipment as well as right-of-use assets and investment property to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. If it is not possible to determine the recoverable amount for an individual asset, the Group shall estimate the recoverable amount of the asset's cash-generating unit. Shared assets are allocated to individual cash-generating units when they can be allocated to the cash-generating units on a reasonable and consistent basis. Otherwise, they can be allocated to the smallest group of cash-generating units on a reasonable and consistent basis.

The recoverable amount is the fair value minus cost of sales or its value in use, whichever is higher. If the recoverable amount of individual asset or the cash-generating unit is lower than its carrying amount, the carrying amount of the asset or the cash-generating unit shall be reduced to the recoverable amount and the impairment loss shall be recognized in profit or loss.

When the impairment loss is subsequently reversed, the carrying amount of the asset or the related asset of the cash-generating unit will be reduced to the extent of recoverable amount prior to revision, provided the increased carrying amount does not

exceed the carrying amount (minus amortization or depreciation) of the asset or of the related asset of the cash-generating unit not declared as impairment loss in the previous years. A reversal of an impairment loss is recognized in profit or loss.

(11) Financial Instruments

Financial assets and financial liabilities shall be recognized in the consolidated balance sheets when the Group becomes a party of the financial instrument contract.

When showing the original financial assets and liabilities, if their fair value was not assessed based on profit or loss, it is the fair value plus the cost of transaction, that is, of its acquisition or issuance of the financial assets or financial liabilities. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

Regular trading of financial assets shall be recognized and derecognized in accordance with trade date accounting.

a) Type of measurement

The types of financial assets held by the Group are financial assets at FVTPL, financial assets at amortized cost, and investments in equity instruments at FVTOCI.

A. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified as at FVTPL. Financial assets that are mandatorily measured at FVTPL include investments in equity instruments that are not designated to be measured at FVTOCI and investments in debt instruments that do not qualify for classification as measured at amortized cost or measured at FVTOCI.

Financial assets at FVTPL are measured at fair value. Any gain or loss of remeasurements (excluding any stock dividends or interests from the said assets) are recognized in profit or loss. Fair value is determined in the manner described in Note 28.

B. Financial assets at amortized cost

When the Group's investments in financial assets match the following two conditions simultaneously, they are classified as financial assets at amortized cost:

- a. Financial assets are under a business model whose purpose is to hold financial assets and collecting contractual cash flows; and
- b. The terms of the contract generate a cash flow on a specified date that is solely for the payment of interest on the principal and the amount of principal outstanding.
- c. After initial recognition, financial assets measured at amortized (including cash and cash equivalents, notes receivable, trade receivable, other receivables, pledged time deposits, and refundable deposits) are measured at amortized cost using the effective interest method, less any impairment loss, and any foreign currency exchange gain or loss is recognized in profit or loss.

Except in the following two circumstances, interest income is calculated at the value of effective interest rate times by the gross carrying amount of financial assets:

- a. For purchased or originated credit-impaired financial assets, interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial assets.
- b. Financial assets that are not credit impairment from purchases or at the time of founding but subsequently become credit impairments shall be calculated by multiplying the effective interest rate in the reporting period after the credit impairment by the cost after the amortization of financial assets.

A credit-impaired financial asset refers to the situation where the issuer or debtor has experienced significant financial difficulties or defaults, the debtor is likely to file for bankruptcy or declare financial restructuring, or the disappearance of an active market for that financial asset due to financial difficulties has occurred.

Cash equivalents include time deposits with high liquidity and relatively low price changes convertible to cash any time. They are used for meeting short-term cash commitments.

C. Equity instruments at FVTOCI

The Group may, at initial recognition, make an irrevocable decision to designate an equity instrument that is neither held for trading nor

contingent consideration arising from a business combination to be measured at fair value through other comprehensive income.

Investments in equity instruments at fair value through other comprehensive income are measured at fair value, and any subsequent fair value changes are recognized in other comprehensive income and accumulated in other equity. When the investment is disposed of, the cumulative profit or loss is directly transferred to retained earnings and not reclassified to profit or loss.

Dividends of investments in equity instruments at fair value through other comprehensive income are recognized in profit or loss when the Group's right to receive payment is confirmed unless such dividends clearly represent the recovery of a part of the investment cost.

b) Impairment of financial assets

The impairment loss of financial assets at amortized cost (including trade receivables) is measured by the Group on the balance sheet date based on the expected credit losses.

Allowances shall be appropriated for accounts receivable for expected credit losses for the duration of their existence. A loss allowance for the 12-month expected credit losses is required for a financial asset if its credit risk has not increased significantly since initial recognition. A loss allowance for full lifetime expected credit losses is required for a financial asset if its credit risk has increased significantly since initial recognition.

The expected credit loss is the weighted average credit loss determined by the risk of default. The 12-month expected credit losses represent the expected credit losses arising from the possible default of the financial instrument in the 12 months after the balance sheet date, and the expected credit losses during the lifetime represent the expected credit losses arising from all possible defaults of the financial instrument during the expected existence period.

For the purpose of internal credit risk management, under the premise that the collateral held is not under consideration, the Group determines that the financial assets have breached the contract by the following circumstances:

- A. Internal or external information indicates that the debtor is unlikely to pay its creditors.
- B. The underlying debt is overdue for a specified number of days, unless there is reasonable and supportable information indicating that a delayed basis of default is more appropriate.

The impairment loss of all financial assets is reduced based on the allowance account

c) Derecognition of financial assets

The Group derecognizes the financial assets when the contractual rights to the cash flow from the said financial assets expire or when the Group transfers almost all the risks and rewards of ownership of the financial assets to other enterprises.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received is recognized in profit or loss. Through the full derecognition of the investments in equity instruments at fair value through other comprehensive income, the cumulative profit or loss is directly transferred to retained earnings and not reclassified to profit or loss.

2) Equity instruments

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

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

3) Financial liabilities

a) Subsequent measurement

Except in the following circumstances, financial liabilities are assessed at amortized cost using the effective interest method.

Financial liabilities at FVTPL

Financial liabilities at FVTPL are held for trading.

Financial liabilities held for trading are measured at fair value, and their gains or losses arising from remeasurement are recognized in other gains and losses. Fair value is determined in the manner described in Note 28.

b) Derecognition of financial liabilities

When financial liabilities are derecognized, the difference between their carrying amount and the paid consideration (including any transferred non-cash assets or liabilities assumed) shall be recognized in profit or loss.

4) Derivative financial liabilities

Derivative financial instruments entered into by the Group are forward foreign exchange contracts, which are used to manage the Group's exchange rate risk.

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

(12) Provisions

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting year, taking into account the risks and uncertainties surrounding the obligation. Provisions are measured using the cash flows estimated to settle the present obligation.

Carbon fee provisions

In accordance with the Regulations Governing the Collection of Carbon Fees and related regulations of the ROC, the carbon fee provisions are recognized and measured on the basis of the best estimate of the expenditure required to settle the obligation for the current year.

(13) Revenue recognition

After the Group identifies its performance obligations in contracts with customers, it shall amortize the transaction costs to each obligation in the contract and recognize revenue upon satisfaction of performance obligations. Refund liabilities are provided based on past experience and other relevant factors to reasonably estimate the amount of future returns.

Sales revenue of commodities

Sales revenue of commodities comes from the sale of VCM, chlor-alkali products, PVC resins, PVC compounds, and other related plastic products. When commodities are delivered to the customers, the customers have already obtained the rights to

establish the price and usage of the commodities and are primarily liable for the resale of the commodities. The customers shall undertake the related obsolescence risk and the Group will recognize revenue and accounts receivable at that time.

(14) Leases

The Group assesses whether the contract is (or includes) a lease on the date of its establishment.

1) The Group as lessor

Under operating leases, revenue is recognized on a straight-line basis over the relevant lease term.

2) The Group as lessee

Except that the lease payments of the low-value subject-matter assets and short-term leases applicable to recognition exemption are recognized as expenses on a straight-line basis during the lease period, other leases are recognized as right-of-use assets and lease liabilities on the lease commencement date.

The right-of-use asset is initially measured at cost (including the original measured amount of lease liability, the lease payment paid before the lease commencement date minus the lease incentives received, the original direct cost, and estimated cost of the recovery target asset), and subsequently measured at cost minus accumulated depreciation and accumulated impairment loss and adjusted for the remeasurement of lease liability. Right-of-use asset is separately expressed in the consolidated balance sheets.

The right-of-use assets shall be depreciated on a straight-line basis from lease commencement date to the end of the useful life or the end of the lease term.

Lease liabilities are initially measured at the present value of lease payments (including fixed payments). If the implicit interest rate of lease is easy to determine, the interest rate is used to discount the lease payment. If the interest rate is not easy to determine, the lessee's incremental borrowing rate shall be used.

Subsequently, the lease liability is measured on the basis of amortized cost using the effective interest method, and the interest expense is apportioned during the lease period. Lease liabilities are presented separately in the consolidated balance sheets.

(15) Borrowing costs

Borrowing costs directly attributable to an acquisitions, construction, or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Other than that which is stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(16) Government subsidies

Government subsidies are recognized only when there is reasonable assurance that the Group will comply with the conditions associated with the subsidies and that the subsidies will be received.

Government subsidies whose condition is that the Group should purchase, construct or otherwise acquire the assets are recognized as deferred income, which should be transferred to profit or loss over the useful lives of the related assets on a reasonable and systematic basis.

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

(17) Employee benefits

1) Short-term employee benefits

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

2) Post-employment benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered service entitling them to the contributions.

The costs of defined benefits under the defined benefit pension plan (including service cost, net interest, and the remeasurement) are calculated based on the projected unit credit method. The cost of services (including the cost of services of the current period) and the net interest of the net defined benefit liabilities (assets) are recognized as employee benefit expenses. The remeasurement amount (including actuarial gains and losses and the return on plan assets after deducting interest) is recognized in other comprehensive income and presented in retained earnings when it occurs. It shall not be reclassified to profit or loss in subsequent periods.

Net defined benefit liabilities (assets) are the deficit (surplus) of the contribution made according to the defined benefit pension plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

(18) Taxation

The income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

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

A tax is levied on the unappropriated earnings pursuant to the Income Tax Act of the Republic of China and is recorded as an income tax expense in the year when the shareholders' meeting resolves to appropriate the earnings.

Adjustments to prior year income taxes are shown in the taxes of the current year.

2) Deferred tax

Deferred tax is calculated based on the temporary difference between the carrying amount of the assets and liabilities and the taxable basis of the taxable income.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized when there are likely taxable income for the deducting temporary differences and loss carryforwards.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. For deductible temporary differences associated with such investment, when it is probable that sufficient taxable income will be available to realize such temporary difference, a deferred income tax asset is recognized, but only to the extent of the amount that is expected to be reversed in the foreseeable future.

The carrying amount of the deferred tax assets is re-examined at the end of each reporting period and the carrying amount is reduced for assets that are no longer likely to generate sufficient taxable income to recover all or part of the assets. A

previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rate of the period of expected repayment of liabilities or realization of assets. The rate is based on the tax rate and tax laws that have been enacted prior to the balance sheet date or have been substantially legislated. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred tax for the year

Current and deferred taxes are recognized in profit or loss except for those related to items recognized in other comprehensive income or equity that shall be recognized in other comprehensive income or equity, respectively.

5. Critical Accounting Judgments and Key Sources of Estimation and Uncertainty

When the Group adopts accounting policies, the management must make judgments, estimates, and assumptions based on historical experience and other critical factors for related information that are not readily available from other sources. Actual results may differ from these estimates.

The Group incorporates the potential effects of significant estimates into the development of critical accounting estimates, and the estimates and assumptions are reviewed on an ongoing basis by the management.

Key sources of estimation and uncertainty

Associate's estimated of damage compensation for gas explosion incident

The associate, China General Terminal & Distribution Corporation, has recognized the liability provision for civil damages compensation arising from the gas explosion incident. The management has considered the progress of the relevant civil and criminal litigation and settlement with reference to legal advice to estimate the amount of the liability provision. However, actual results may differ from current estimates.

6. Cash and cash equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on hand and petty cash	\$ 443	\$ 366
Checking accounts and demand deposits	386,994	629,968
Cash equivalents		
Time deposits	25,144	53,686
Reverse repurchase agreements collateralized by bonds	99,839	839,892
	<u>\$ 512,420</u>	<u>\$ 1,523,912</u>

The market rate intervals of time deposits in banks and reverse repurchase agreements collateralized by bonds at the end of the reporting period were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Time deposits	3.82%	1.00%-4.72%
Reverse repurchase agreements collateralized by bonds	1.68%	1.44%-1.91%

7. Financial instruments at FVTPL

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets mandatorily classified as at FVTPL</u>		
Derivative financial liabilities (not under hedge accounting)		
- Foreign exchange forward contracts	\$ 864	\$ 3,799
Non-derivative financial assets		
- Mutual funds	291,937	481,151
- Beneficiary securities	57,082	60,847
- Domestic listed equity investments	46,400	63,400
- Overseas unlisted equity investments	-	-
	<u>\$ 396,283</u>	<u>\$ 609,197</u>
<u>Financial liabilities held for trading</u>		
Derivative financial liabilities (not under hedge accounting)		
- Foreign exchange forward contracts	\$ 354	\$ 688

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

	<u>Currency</u>	<u>Maturity Date</u>	<u>Contract Amount (In Thousands)</u>		
<u>December 31, 2025</u>					
Sell	USD/NTD	2026.01.19-2026.03.30	USD	2,460/ NTD	76,777
Buy	NTD/USD	2026.01.06	NTD	25,561/ USD	840
<u>December 31, 2024</u>					
Sell	USD/NTD	2025.01.02-2025.01.06	USD	1,210 /NTD	38,941
Buy	NTD/USD	2025.01.03-2025.01.14	NTD	161,290 /USD	5,040

The Group entered into foreign exchange forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities. These contracts did not meet the criteria for hedge accounting. Therefore, the Group did not apply a hedge accounting treatment for these contracts.

8. Financial assets at FVTOCI - non-current

Investments in equity instruments

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Domestic equity investments		
Listed ordinary shares		
Asia Polymer Corporation	\$ 1,713	\$ 1,771
Unlisted ordinary share		
KHL IB Venture Capital Co., Ltd.	<u>52,947</u>	<u>58,635</u>
	<u>\$ 54,660</u>	<u>\$ 60,406</u>

The Group invested in equity instruments for medium to long-term strategic purposes and expects to make a profit via long-term investment. Accordingly, the management elected to designate these investments in equity instruments at FVTOCI as it believes 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.

9. Financial assets at amortized cost - current

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Domestic equity investments		
Pledged time deposits	\$ 285,780	\$ 284,672
Time deposits with maturity over 3 months	62,860	65,570
Reverse repurchase agreements collateralized by bonds with maturity over 3 months	<u>148,746</u>	<u>592,992</u>
	<u>\$ 497,386</u>	<u>\$ 943,234</u>

The market rate intervals of financial assets at amortized cost- current at the end of the reporting period were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Domestic equity investments		
Pledged time deposits	0.660%-1.655%	0.660%-1.655%
Time deposits with maturity over 3 months	4.090%	4.880%
Reverse repurchase agreements collateralized by bonds with maturity over 3 months	1.690%	1.800%-1.920%

Refer to Note 30 for information related to financial assets at amortized cost pledged as security.

10. Notes Receivable, Trade Receivables and Other Receivables

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Notes receivable</u>		
Notes receivable - operating	<u>\$ 91,172</u>	<u>\$ 118,682</u>
 <u>Trade receivables</u>		
At amortized cost		
Gross carrying amount	\$ 752,597	\$ 775,626
Less: Allowance for impairment loss	(13,018)	(13,120)
	<u>\$ 739,579</u>	<u>\$ 762,506</u>
 <u>Other receivables (including related parties) (Note 29)</u>		
Tax refunds receivables	\$ 50,467	\$ 55,143
Interest receivable	3,095	5,534
Others	<u>42,872</u>	<u>9,208</u>
	<u>\$ 96,434</u>	<u>\$ 69,885</u>

Notes / trade receivables

The Group's credit period for the sale of goods ranges from 10 days to 120 days. 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. Before accepting a new customer, the Group surveys the customers' credit history and measures the potential customer's credit quality to set a credit limit. A customer's credit limit and rating are reviewed annually. In addition, the Group reviews the recoverable amount of trade debt at the end of the reporting period to ensure that adequate allowance of impairment loss is made for possible

irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated referencing to past default experience with the respective debtors and an analysis of the debtors' current financial positions, adjusted for general economic conditions of the industry and an assessment of economic conditions at the reporting date.

The Group writes off a trade receivable when there is information indicating that the debtor is experiencing severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the due receivables. Where recoveries are made, they are recognized in profit or loss.

The following table details the loss allowance of notes and trade receivables based on the Group's allowance matrix:

December 31, 2025

	Credit Rating A	Credit Rating B	Credit Rating C	Others	Total
Gross carrying amount	\$ 154,336	\$ 199,860	\$ 154,447	\$ 335,126	\$ 843,769
Loss allowance (lifetime ECLs)	-	(2,104)	(3,153)	(7,761)	(13,018)
Amortized cost	<u>\$ 154,336</u>	<u>\$ 197,756</u>	<u>\$ 151,294</u>	<u>\$ 327,365</u>	<u>\$ 830,751</u>

December 31, 2024

	Credit Rating A	Credit Rating B	Credit Rating C	Others	Total
Gross carrying amount	\$ 165,924	\$ 238,926	\$ 141,165	\$ 348,293	\$ 894,308
Loss allowance (lifetime ECLs)	-	(2,217)	(2,865)	(8,038)	(13,120)
Amortized cost	<u>\$ 165,924</u>	<u>\$ 236,709</u>	<u>\$ 138,300</u>	<u>\$ 340,255</u>	<u>\$ 881,188</u>

The aging of notes receivable and trade receivables was as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Not past due	\$ 827,639	\$ 871,141
Less than and including 60 days	15,694	21,566
Over 60 days	436	1,601
	<u>\$ 843,769</u>	<u>\$ 894,308</u>

The above aging schedule was based on the number of days past due from the end of the credit term.

The movements of the loss allowance of notes receivable and trade receivables were as follows:

	<u>2025</u>	<u>2024</u>
Balance at January 1	\$ 13,120	\$ 12,964
Foreign currency exchange gains and losses	(<u>102</u>)	<u>156</u>
Balance at December 31	<u>\$ 13,018</u>	<u>\$ 13,120</u>

11. Inventories

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Finished goods	\$ 1,161,281	\$ 1,483,902
Work in process	45,006	61,355
Raw materials	<u>718,056</u>	<u>976,832</u>
	<u>\$ 1,924,343</u>	<u>\$ 2,522,089</u>

For the years ended December 31, 2025 and 2024, the costs of goods sold for inventories amounted to \$9,570,867 thousand and \$10,876,143 thousand, respectively. For the years ended December 31, 2025 and 2024, the costs of goods sold included (reversals) provisions of allowance for write-downs of inventories and obsolescence losses amounted to \$(24,602) thousand, and \$89,248 thousand, respectively. The reversal of the write-down of inventory to its net realizable value is mainly due to the decrease of inventory.

12. Subsidiary

Subsidiaries included in the consolidated financial statements:

Investor Company	Subsidiary	Nature of Activities	Proportion of Ownership (%)		Note
			December 31, 2025	December 31, 2024	
The Corporation	CGPC Polymer Corporation ("CGPCPOL")	Manufacturing and marketing of PVC resins	100.00%	100.00%	Subsidiary (Note 1)
The Corporation	Taiwan VCM Corporation ("TVCM")	Manufacturing and marketing of VCM	87.31%	87.27%	Subsidiary (Note 2)
The Corporation	CGPC (BVI) Holding Co., Ltd. ("CGPC (BVI)")	Reinvestment	100.00%	100.00%	Subsidiary
The Corporation	CGPC America Corporation ("CGPC-America")	Marketing of PVC film and leather products	100.00%	100.00%	Subsidiary
TVCM	Global Green Technology Corporation ("GGTC")	Environmental detection services	100.00%	100.00%	Subsidiary of TVCM (Note 3)
CGPC (BVI)	Continental General Plastics (Zhong Shan) Co., Ltd. ("CGPC (ZS)")	Manufacturing and marketing of PVC film and consumer products	100.00%	100.00%	Subsidiary of CGPC (BVI)

Note 1: On August 5, 2025, the board of directors of CGPCPOL resolved to reduce capital by \$476,620 thousand to offset accumulated deficits and to eliminate 47,662 thousand issued shares. The capital reduction record date was August 7, 2025. On the same day, the board of directors also approved a cash capital increase of \$500,000 thousand and issuance of 50,000 thousand shares. The capital increase record date was August 14, 2025.

Note 2: Pursuant to its medium-to-long-term investment strategy, the Company acquired 116 thousand shares of TVCM from external shareholders in July 2025 for \$1,330 thousand, increasing its ownership stake from 87.27% to 87.31%. As this transaction did not alter the Group's control over the subsidiary, it was accounted for as an equity transaction. The resulting difference from this equity transaction was recognized by increasing capital surplus by \$331 thousand.

Note 3: The board of directors acting for the shareholders' meeting of GGTC resolved on May 12, 2025 and May 15, 2024 to approve earnings capitalization of \$663 thousand and \$1,152 thousand, and the issuance of 66 thousand shares and 115 thousand shares, respectively, with capital increase record dates of August 4, 2025 and August 5, 2024, respectively.

The subsidiaries included in the consolidated financial statements are recognized according to the audited financial statements of each subsidiary for the same years..

13. Investments accounted for using the equity method

Investments in associates that are not individually material

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Listed companies		
Acme Electronics Corporation ("ACME")	\$ 32,881	\$ 33,834
Unlisted companies		
China General Terminal & Distribution Corporation ("CGTD")	<u>287,145</u>	<u>302,831</u>
	<u>\$ 320,026</u>	<u>\$ 336,665</u>

Aggregate information of associates that are not individually material

	<u>2025</u>	<u>2024</u>
The Group's share of		
(Loss) profit for the year	(\$ 13,708)	\$ 2,107
Other comprehensive loss	(2,931)	(25,043)
Total comprehensive loss	<u>(\$ 16,639)</u>	<u>(\$ 22,936)</u>

At the end of the reporting periods, the percentage of ownership and voting rights held by the Group in the associates were as follows:

<u>Company Name</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
ACME	1.67%	1.67%
CGTD	33.33%	33.33%

Refer to Table 7 “Information on Reinvestment” for the nature of activities, principal places of business and countries of incorporation of the associates.

The Group in conjunction with its affiliates jointly held more than 20% of each of the shareholdings of ACME and had significant influence over each entity. Therefore, the Group adopted the equity method to evaluate the above investments.

Fair values (Level 1) of investments in associates with open market quotations are summarized as follows:

<u>Company Name</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
ACME	<u>\$ 101,289</u>	<u>\$ 97,723</u>

14. Property, plant and equipment

	<u>Freehold Land</u>	<u>Building and improvement</u>	<u>Machinery and equipment</u>	<u>Transportation Equipment</u>	<u>Miscellaneous Equipment</u>	<u>Construction in Progress and Machinery in Transit</u>	<u>Total</u>
<u>Cost</u>							
Balance at January 1, 2025	\$ 2,090,707	\$ 1,807,673	\$ 12,079,889	\$ 77,083	\$ 388,930	\$ 3,382,570	\$ 19,826,852
Additions	-	-	514	-	180	2,085,427	2,086,121
Disposal	-	(10,621)	(113,955)	(3,366)	(7,133)	-	(135,075)
Reclassification	-	81,836	537,559	4,526	19,834	(643,755)	-
Effect of foreign currency exchange differences	-	(50)	(888)	(104)	(365)	(1,196)	(2,603)
Balance at December 31, 2025	<u>\$ 2,090,707</u>	<u>\$ 1,878,838</u>	<u>\$ 12,503,119</u>	<u>\$ 78,139</u>	<u>\$ 401,446</u>	<u>\$ 4,823,046</u>	<u>\$ 21,775,295</u>
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2025	\$ -	\$ 1,138,656	\$ 8,551,819	\$ 59,582	\$ 322,990	\$ 441	\$ 10,073,488
Depreciation expense	-	67,564	670,278	5,388	23,402	-	766,632
Disposal	-	(9,970)	(107,626)	(2,305)	(6,268)	-	(126,169)
Effect of foreign currency exchange differences	-	(7)	(828)	(104)	(218)	(9)	(1,166)
Balance at December 31, 2025	<u>\$ -</u>	<u>\$ 1,196,243</u>	<u>\$ 9,113,643</u>	<u>\$ 62,561</u>	<u>\$ 339,906</u>	<u>\$ 432</u>	<u>\$ 10,712,785</u>
Net amount at December 31, 2025	<u>\$ 2,090,707</u>	<u>\$ 682,595</u>	<u>\$ 3,389,476</u>	<u>\$ 15,578</u>	<u>\$ 61,540</u>	<u>\$ 4,822,614</u>	<u>\$ 11,062,510</u>
<u>Cost</u>							
Balance at January 1, 2024	\$ 2,090,707	\$ 1,873,218	\$ 12,616,326	\$ 74,373	\$ 440,348	\$ 2,457,864	\$ 19,552,836
Additions	-	311	22,923	100	5,417	1,436,023	1,464,774
Disposal	-	(81,140)	(973,342)	(6,206)	(80,972)	(44,481)	(1,186,141)
Reclassification	-	15,215	411,987	8,621	23,586	(467,215)	(7,806)
Effect of foreign currency exchange differences	-	69	1,995	195	551	379	3,189
Balance at December 31, 2024	<u>\$ 2,090,707</u>	<u>\$ 1,807,673</u>	<u>\$ 12,079,889</u>	<u>\$ 77,083</u>	<u>\$ 388,930</u>	<u>\$ 3,382,570</u>	<u>\$ 19,826,852</u>
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2024	\$ -	\$ 1,137,859	\$ 8,749,676	\$ 59,872	\$ 355,218	\$ 420	\$ 10,303,045
Depreciation expense	-	72,407	691,757	5,641	27,602	-	797,407
Disposal	-	(71,623)	(891,514)	(6,126)	(60,187)	-	(1,029,450)
Effect of foreign currency exchange differences	-	13	1,900	195	357	21	2,486

(Continued)

	Freehold Land	Building and improvement	Machinery and equipment	Transportation Equipment	Miscellaneous Equipment	Construction in Progress and Machinery in Transit	Total
Balance at December 31, 2024	\$ -	\$ 1,138,656	\$ 8,551,819	\$ 59,582	\$ 322,990	\$ 441	\$ 10,073,488
Net amount at December 31, 2024	\$ 2,090,707	\$ 669,017	\$ 3,528,070	\$ 17,501	\$ 65,940	\$ 3,382,129	\$ 9,753,364

(Concluded)

The additions to the construction in progress and machinery to be inspected were mainly due to the engineering works of the Company's new reactors and associated equipment, and terminal facilities and the back-line land works of the petrochemical oil storage and transportation center of the subsidiary, TVCM, for phase II of the Port of Kaohsiung Intercontinental Container Terminal.

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Building and improvement	3~60 years
Machinery and equipment	2~26 years
Transportation Equipment	2~10 years
Miscellaneous Equipment	2~21 years

No impairment loss was recognized or reversed for the years ended December 31, 2025 and 2024.

Please refer to Note 30 for the amount of property, plant and equipment pledged as collaterals for loans.

15. Lease arrangements

1) Right-of-use assets

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Carrying amounts of right-of-use assets		
Land	\$ 82,104	\$ 96,348
Buildings	<u>10,765</u>	<u>16,619</u>
	<u>\$ 92,869</u>	<u>\$ 112,967</u>
	<u>2025</u>	<u>2024</u>
Additions to right-of-use assets	<u>\$ 508</u>	<u>\$ -</u>
Depreciation expense of right-of-use assets		
Land	\$ 14,752	\$ 20,165
Buildings	5,125	5,278
Machinery and equipment	<u>-</u>	<u>5,735</u>
	<u>\$ 19,877</u>	<u>\$ 31,178</u>

Except for the recognition of depreciation expense, the Group's right-of-use assets did not experience significant sub-lease and impairment for 2025 and 2024.

2) Lease liabilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Carrying amounts of lease liabilities		
Current	<u>\$ 21,208</u>	<u>\$ 20,928</u>
Non-current	<u>\$ 77,673</u>	<u>\$ 98,296</u>

Ranges of discount rates for lease liabilities are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Land	0.8244%-2.0500%	0.8244%-2.0500%
Buildings	5.7000%-8.0000%	5.7000%-8.0000%

3) Material lease activities and contractual terms and conditions

The Group has leased certain land and buildings from others for use as factories and offices, with lease term ranging from 4 to 14 years. At the end of the lease term, the Group has no preferential right to purchase the leased land and buildings.

The Group has also leased certain machinery and equipment from others for use as product manufacturing and company operations, with a lease term of 5 years. The lease was terminated at the end of 2024 and was not renewed.

The Group adjusted its lease payments arising from the lease contract of land located in Kaohsiung for the change in the publicly announced land price.

4) Other lease information

	<u>2025</u>	<u>2024</u>
Expenses relating to short-term leases	<u>\$ 15,786</u>	<u>\$ 14,814</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 65,947</u>	<u>\$ 67,352</u>
Total cash outflow for leases	<u>(\$ 103,721)</u>	<u>(\$ 115,541)</u>

The Group has elected to apply the exemptions to recognize the leases of land, buildings, transportation equipment, and office equipment that eligible for short term leases so no corresponding right-of-use assets and lease liabilities are recognized for these leases.

16. Investment property

	<u>Land</u>	<u>Building and improvement</u>	<u>Right-of-use assets</u>	<u>Total</u>
<u>Cost</u>				
Balance at January 1, 2025	\$ 118,597	\$ 629,511	\$ 100,457	\$ 848,565
Disposal	-	-	(7,137)	(7,137)
Effect of foreign currency exchange differences	-	(6,430)	(2,274)	(8,704)
Balance at December 31, 2025	<u>\$ 118,597</u>	<u>\$ 623,081</u>	<u>\$ 91,046</u>	<u>\$ 832,724</u>
<u>Accumulated depreciation</u>				
Balance at January 1, 2025	\$ -	\$ 383,990	\$ 21,013	\$ 405,003
Disposal	-	-	(2,554)	(2,554)
Depreciation expense	-	18,717	3,146	21,863
Effect of foreign currency exchange differences	-	(5,381)	(448)	(5,829)
Balance at December 31, 2025	<u>\$ -</u>	<u>\$ 397,326</u>	<u>\$ 21,157</u>	<u>\$ 418,483</u>
Net amount at December 31, 2025	<u>\$ 118,597</u>	<u>\$ 225,755</u>	<u>\$ 69,889</u>	<u>\$ 414,241</u>
<u>Cost</u>				
Balance at January 1, 2024	\$ 117,932	\$ 605,442	\$ 95,488	\$ 818,862
Additions	665	-	-	665
Reclassification	-	7,806	-	7,806
Effect of foreign currency exchange differences	-	16,263	4,969	21,232
Balance at December 31, 2024	<u>\$ 118,597</u>	<u>\$ 629,511</u>	<u>\$ 100,457</u>	<u>\$ 848,565</u>
<u>Accumulated depreciation</u>				
Balance at January 1, 2024	\$ -	\$ 347,735	\$ 16,690	\$ 364,425
Depreciation Expense	-	22,659	3,416	26,075
Effect of foreign currency exchange differences	-	13,596	907	14,503
Balance at December 31, 2024	<u>\$ -</u>	<u>\$ 383,990</u>	<u>\$ 21,013</u>	<u>\$ 405,003</u>
Net amount at December 31, 2024	<u>\$ 118,597</u>	<u>\$ 245,521</u>	<u>\$ 79,444</u>	<u>\$ 443,562</u>

The Group's investment properties are located in industrial districts. Due to the characteristics of the districts, the market for comparable properties is inactive and alternative reliable measurements of fair value were not available. Therefore, the Group determined that the fair value of its investment properties is not reliably measurable.

CGPC (ZS), a subsidiary of CGPC (BVI), which is a subsidiary of the Group, leases land located in Huoju Development Zone, Zhongshan City, Guangdong Province and sub-leases to other companies under operating leases. The corresponding right-of-use assets are accounted for as investment properties.

The total future lease payments to be collected under operating leases for investment properties as of December 31, 2025, and December 31, 2024 are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Year 1	\$ 52,450	\$ 48,290
Year 2	41,208	41,503
Year 3	40,934	41,241
Year 4	36,174	41,219
Year 5	26,655	36,364
Over 5 years	<u>66,638</u>	<u>93,293</u>
	<u>\$264,059</u>	<u>\$301,910</u>

Except for the recognition of depreciation expense, the Group's investment properties did not experience significant additions, disposals, and impairments in 2025 and 2024.

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

Building and improvement	5~26 years
Right-of-use assets	50 years

17. Borrowings

1) Short-term borrowings

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Unsecured borrowings</u>		
Bank loans	<u>\$ 760,000</u>	<u>\$ 1,280,000</u>
The range of interest rate	0.380%-1.980%	1.846%-2.025%

Based on "Support Program for Taiwan's Export Supply Chains Amid US Tariffs Measures", CGPCPOL obtained a special low-interest bank loan, which was to be used for projects eligible for the subsidy, and it recognized and measured the loan according to the market interest rate. The difference between the actual interest paid and the preferential interest rate shall be treated as government subsidies.

2) Short-term notes and bills payable (December 31, 2025: None.)

	<u>December 31, 2024</u>
Commercial note payable	\$ 300,000

		<u>December 31, 2024</u>
Less: Discount on commercial notes payable		(<u>128</u>) <u>\$ 299,872</u>
The range of interest rate		1.740%-1.840%
3) Long-term borrowings		
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Secured borrowings (Note 30)</u>		
Bank loans	\$ 2,971,331	\$ 289,821
<u>Unsecured borrowings</u>		
Bank loans	<u>2,931,727</u>	<u>3,999,937</u>
	5,903,058	4,289,758
Less: Portion listed as due within 1 year	(<u>1,688,296</u>)	(<u>1,438,743</u>)
	<u>\$ 4,214,762</u>	<u>\$ 2,851,015</u>
The range of interest rate	1.075%-2.200%	1.025%-2.200%

Based on "Action Plan for Accelerated Investment by Domestic Corporations", "Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan", and "Support Program for Taiwan's Export Supply Chains Amid US Tariffs Measures", the Company obtained a special low-interest bank loan, which must be used for qualifying subsidized purposes. The loan was recognized and measured at market interest rates, and the difference between the market rate and the preferential repayment rate is accounted for as a government grant.

Based on "Action Plan for Accelerated Investment by SMEs", TVCM obtained a special low-interest bank loan, which was to be used for projects eligible for the subsidy, and it recognized and measured the loan according to the market interest rate. The difference between the actual interest paid and the preferential interest rate shall be treated as government subsidies.

The Group has certain loan agreements that stipulate the financial statements that must maintain current ratios and debt ratios not below specific ratios. In the event of non-compliance, the Group must submit improvement measures to the banks. As of December 31, 2025, the Group has not violated any of the aforementioned financial ratios.

18. Notes/Trade Payables

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Notes payable</u>		
Operating	<u>\$ 24,185</u>	<u>\$ 36,559</u>
<u>Trade payables (including related parties) (Note 29)</u>		
Operating	<u>\$ 533,456</u>	<u>\$ 924,629</u>

The average payment period of trade payables was 2 months. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

19. Other Payables - Non-Related Parties

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Payables for purchases of equipment	\$ 242,922	\$ 170,890
Salary and bonus payable	154,009	159,781
Payables for utilities and fuel fees	147,231	164,518
Payables for freight	60,691	52,205
Dividends payable	10,094	10,183
Miscellaneous tax payable	7,718	7,749
Others	<u>130,769</u>	<u>162,326</u>
	<u>\$ 753,434</u>	<u>\$ 727,652</u>

20. Provisions

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Current</u>		
Carbon fee	<u>\$ 17,136</u>	<u>\$ -</u>

Since 2025, the Group has recognized a provision for carbon fee liabilities in accordance with Taiwan's Carbon Fee Charging Regulations and other related laws. The Group assesses that it is highly probable to obtain approval from the competent authority for its voluntary emission reduction plan and is likely to achieve the designated target for 2025. Furthermore, the Group expects to submit the 2025 voluntary emission reduction progress report by April 30, 2026. Therefore, the provision for carbon fee liabilities is calculated based on the preferential rate.

21. Retirement Benefit Plans

1) Defined contribution plans

The Company, CGPCPOL and TVCM adopt a pension plan under the Labor Pension Act, which is a state-managed defined contribution plan. According to the Labor

Pension Act, and make monthly contributions to employees' individual pension accounts at 6% of their monthly salaries.

The employees of the Group's CGPC-America are the members of a retirement benefit plan operated by the local government. The subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit plan to fund the plan. The obligation of the Group with respect to the state-run retirement benefit plan is merely to make the specified contributions

2) Defined benefit plans

The pension system adopted by the Company and TVCM under the "Labor Standards Act" is a state-managed defined benefit plan. The payment of the employee's pension is based on the period of service and the average salary in a specific period before the approved retirement date. The Company and TVCM allocate 10% of employees' monthly salaries respectively to the Supervisory Committee of Labor Retirement Reserve's dedicated account in the Bank of Taiwan as pension reserve funds. The Bureau of Labor Funds, Ministry of Labor administers the account. The Group has no right over its investment and administration strategies.

The amounts for defined benefit plans included in the consolidated balance sheets are illustrated below:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present value of the defined benefit obligation	\$ 899,528	\$ 985,069
Fair value of plan assets	(758,471)	(801,441)
Net defined benefit liabilities	<u>\$ 141,057</u>	<u>\$ 183,628</u>

The summary by financial statement account was as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Net defined benefit assets - non-current	(\$ 50,325)	(\$ 30,520)
Net defined benefit liabilities - non-current	<u>191,382</u>	<u>214,148</u>
Net defined benefit plans	<u>\$ 141,057</u>	<u>\$ 183,628</u>

Changes of net defined benefit liabilities (assets) were as follows:

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities (assets)
Balance at January 1, 2024	\$ 1,139,930	(\$ 832,462)	\$ 307,468
Service costs for the current period	6,592	-	6,592
Interest expenses (income)	<u>13,567</u>	<u>(10,008)</u>	<u>3,559</u>
Components recognized in profit or loss	<u>20,159</u>	<u>(10,008)</u>	<u>10,151</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest expense)	-	(77,626)	(77,626)
Actuarial gains - changes in financial assumptions	(6,111)	-	(6,111)
Actuarial gains - experience adjustment	<u>(8,646)</u>	<u>-</u>	<u>(8,646)</u>
Components recognized in other comprehensive income	<u>(14,757)</u>	<u>(77,626)</u>	<u>(92,383)</u>
Contributions by the employer	-	(41,608)	(41,608)
Benefits paid from plan assets	<u>(160,263)</u>	<u>160,263</u>	<u>-</u>
Balance at December 31, 2024	<u>985,069</u>	<u>(801,441)</u>	<u>183,628</u>
Current service cost	5,220	-	5,220
Interest expenses (revenue)	<u>12,927</u>	<u>(10,738)</u>	<u>2,189</u>
Recognized in profit or loss	<u>18,147</u>	<u>(10,738)</u>	<u>7,409</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest expense)	-	(61,224)	(61,224)
Actuarial losses - changes in financial assumptions	9,716	-	9,716
Actuarial losses - experience adjustment	<u>41,710</u>	<u>-</u>	<u>41,710</u>
Components recognized in other comprehensive income	<u>51,426</u>	<u>(61,224)</u>	<u>(9,798)</u>
Contributions by the employer	-	(37,790)	(37,790)
Benefits paid from plan assets	(152,722)	152,722	-
Benefits paid from company	<u>(2,392)</u>	<u>-</u>	<u>(2,392)</u>
Balance at December 31, 2025	<u>\$ 899,528</u>	<u>(\$ 758,471)</u>	<u>\$ 141,057</u>

Amounts recognized in profit or loss for defined benefit plan are summarized by function as follows:

	<u>2025</u>	<u>2024</u>
Operating costs	\$ 6,060	\$ 8,581
Selling and marketing expenses	879	993
General and administrative expenses	107	186
Research and development expenses	<u>363</u>	<u>391</u>
	<u>\$ 7,409</u>	<u>\$ 10,151</u>

The Group has the following risks owing to the implementation of the pension system under the Labor Standards Act:

- a) Investment risk: The Bureau of Labor Funds, Ministry of Labor invests the labor pension fund in domestic (foreign) equity securities, debt securities, and bank deposits conducted by itself or commissioned operations. However, the distributed amount from the plan assets received by the Group shall not be lower than interest on a two-year time deposit at a local bank.
- b) Interest rate risk: The decrease in the interest rate of government bonds/corporate bonds will increase the present value of defined benefit obligations, but the yield on debt investment of plan assets will also increase accordingly, which will partially offset the impact on net defined benefit liabilities
- c) Salary risk: The present value of defined benefit obligations is calculated with reference to future salaries of plan members. Therefore, the salary increase of plan members will increase the present value of the defined benefit obligation.

The present value of the Group's defined benefit obligations is calculated by certified actuaries and the major assumptions on the assessment date are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate	1.250%	1.375%-1.500%
Average long-term salary adjustment rate	2.500%-3.000%	2.500%-3.000%

If changes occur in major actuarial assumptions with other assumptions unchanged, the present value of defined benefit obligations will increase (decrease) as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate		
Increase of 0.25%	(<u>\$ 15,198</u>)	(<u>\$ 15,959</u>)
Decrease of 0.25%	<u>\$ 15,613</u>	<u>\$ 16,397</u>
Average long-term salary adjustment rate		
Increase of 0.25%	<u>\$ 15,143</u>	<u>\$ 15,910</u>
Decrease of 0.25%	(<u>\$ 14,818</u>)	(<u>\$ 15,566</u>)

As actuarial assumptions may be related to one another, the likelihood of fluctuation in a single assumption is not high. Therefore, the aforementioned sensitivity analysis may not reflect the actual fluctuations of the present value of defined benefit obligations.

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Expected amounts of contribution within 1 year	<u>\$ 38,051</u>	<u>\$ 42,692</u>
Average duration of defined benefit obligation	6.5-8.2 years	6.2-8.0 years

22. Equity

1) Ordinary share

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Number of shares authorized (in thousands)	<u>650,000</u>	<u>650,000</u>
Share authorized	<u>\$ 6,500,000</u>	<u>\$ 6,500,000</u>
Number of shares issued and fully paid (in thousands)	<u>581,050</u>	<u>581,050</u>
Share issued	<u>\$ 5,810,505</u>	<u>\$ 5,810,505</u>

The holders of issued ordinary shares with a par value of \$10 are entitled to the right to one vote and to receive dividends.

2) Capital surplus

Capital surplus relating to unclaimed dividends of which the claim period has expired and which generated from investments in associates accounted for using the equity method may be used only to offset previous deficits.

Capital surplus generated from the difference between the acquisition price of a subsidiary's equity and the book value may be used to offset deficits, be distributed in cash, or be appropriated to share capital.

3) Retained earnings and dividend policy

Under the dividends policy as set forth in the Company's Articles of Incorporation, where the Company makes a net income in a fiscal year, the profit shall be used first for offsetting losses of previous years, setting aside as 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. The shareholders' meeting may retain part or all of such earnings depending on the operating circumstances. The industry that the Company operates in is in the maturity stage. Consequently, in order to take R&D needs and diversification into consideration, shareholders' dividends shall not be less than 10% of the distributable earnings in the current year, of which the cash dividends shall not be less than 10% of the total dividends. However, if the distributable earnings of the year are less than \$0.1 per share, it shall not be distributed. For the policies on the distribution of employees' compensation and remuneration of directors after amendment, refer to "Employees' compensation and remuneration of directors" in Note 24(7).

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

The appropriations of earnings for 2024 and 2023 as approved in the shareholders' meetings held on May 27, 2025 and May 28, 2024, respectively, are as follows:

	<u>Appropriation of Earnings</u>		<u>Dividends Per Share (NT\$)</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Legal reserve	\$ -	\$ 33,259		
Cash dividends	87,158	203,367	\$ 0.15	\$ 0.35

On March 4, 2026, the Board of Directors proposed the distribution of earnings for the year ended December 31, 2025 as follows:

	<u>Appropriation of Earnings</u>	<u>Dividends Per Share (NT\$)</u>
Cash dividends	\$ 58,105	\$ 0.1

The distribution of earnings for the year ended December 31, 2025 is subject to the resolution in the shareholders' meeting on May 26, 2026.

4) Special reserve

The Company appropriated a special reserve in the amount of \$408,223 thousand after offsetting a deficit of \$428,727 thousand, which was from the net increase of retained earnings arising from the initial adoption of IFRS Accounting Standards. As of December 31, 2025, such amount has not changed.

5) Other equity items

a) Exchange differences on translating the financial statements of foreign operations

	<u>2025</u>	<u>2024</u>
Balance at January 1	\$ 6,008	(\$ 21,141)
Recognized for the year		
Exchange differences on translating the financial statements of foreign operations	(15,719)	31,974
Share of exchange of differences of associates accounted for using the equity method	154	1,570
Related income tax	<u>3,144</u>	<u>(6,395)</u>
Balance at December 31	<u>(\$ 6,413)</u>	<u>\$ 6,008</u>

b) Unrealized Gains (Losses) on financial assets at FVTOCI

	<u>2025</u>	<u>2024</u>
Balance as of January 1	\$ 28,837	\$ 61,306
Recognized for the year		
Unrealized gains (losses) equity instruments	162	(2,953)
Share of unrealized losses of associates accounted for using the equity method	<u>(3,710)</u>	<u>(29,516)</u>
Balance at December 31	<u>\$ 25,289</u>	<u>\$ 28,837</u>

6) Non-controlling Interests

	<u>2025</u>	<u>2024</u>
Balance at January 1	\$ 576,258	\$ 646,011
Net Loss for the Year	(63,249)	(41,396)
Other comprehensive income		
Unrealized losses on financial assets at FVTOCI	(7)	(162)
Remeasurement of defined benefit plans	1,066	2,082
Changes in capital surplus	4	5
Acquisition of a partial equity interest in a subsidiary	(1,661)	-
Distribution of Cash dividends	<u>-</u>	<u>(30,282)</u>
Balance at December 31	<u>\$ 512,411</u>	<u>\$ 576,258</u>

23. Revenue

1) Revenue from contracts with customers

	<u>2025</u>	<u>2024</u>
Revenue from sale of goods		
PVC products	\$ 8,272,001	\$ 10,456,003
VCM Products	<u>948,951</u>	<u>630,722</u>
	<u>\$ 9,220,952</u>	<u>\$ 11,086,725</u>

Revenue of the Group mainly comes from the sale of VCM, chlor-alkali products, PVC resins, PVC compounds and other related products.

Please refer to Note 35 for details about revenue from contracts with customers.

2) Contract balances

Please refer to Note 10 for information related to notes receivable and trade receivables.

	<u>December 31, 2025</u>	<u>December 31, 2024</u>	<u>January 1, 2024</u>
Contract liabilities (presented in other current liabilities)	<u>\$ 66,802</u>	<u>\$ 110,791</u>	<u>\$ 47,011</u>

The changes in the balance of contract liabilities primarily result from the timing difference between the Company's fulfillment of performance obligation and the respective customers' payment.

3) Refunds Liabilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Refunds liabilities (presented in other current liabilities)	\$ <u>22,382</u>	\$ <u>34,816</u>

Refund liabilities relating to sales return and discount are estimated based on historical experience, management judgment, and other known factors, and are presented as a deduction to operating revenue in the period in which the goods are sold.

24. Net Loss for the Year

1) Interest income

	<u>2025</u>	<u>2024</u>
Bank deposits	\$ 8,543	\$ 10,613
Financial Assets at FVTPL	2,277	2,065
Financial assets at amortized costs	9,953	12,072
Others	<u>6,538</u>	<u>14,789</u>
	<u>\$ 27,311</u>	<u>\$ 39,539</u>

2) Other income

	<u>2025</u>	<u>2024</u>
Rental income	\$ 67,617	\$ 52,471
Indemnity income	8,340	239
Dividend income	2,033	3,057
Others	<u>68,795</u>	<u>41,439</u>
	<u>\$ 146,785</u>	<u>\$ 97,206</u>

3) Other gains and losses

	<u>2025</u>	<u>2024</u>
Net losses on disposal of property, plant, and equipment	(\$ 1,013)	(\$ 118,843)
Net gains on disposal of investment property	47,086	-
Gross foreign exchange gains	137,309	134,441
Gross foreign exchange losses	(183,703)	(76,486)
Net (losses) gains on fair value change on financial instruments at FVTPL	(28,065)	37,396
Depreciation expense of investment properties	(21,863)	(26,075)
Depreciation expenses of property, plant and equipment	(5,205)	(4,652)
Others	<u>(62,035)</u>	<u>(68,286)</u>
	<u>(\$ 117,489)</u>	<u>(\$ 122,505)</u>

4) Interest expenses

	<u>2025</u>	<u>2024</u>
Interest on bank loans	\$ 118,571	\$ 91,691
Interest on lease liabilities	1,929	2,558
Less: Capitalized interest (presented under construction in progress)	(<u>10,257</u>)	(<u>655</u>)
	<u>\$ 110,243</u>	<u>\$ 93,594</u>

Information about capitalized interest was as follows:

	<u>2025</u>	<u>2024</u>
Capitalized interest	\$ 10,257	\$ 655
Capitalization rate	1.250%-1.450%	1.250%-1.275%

5) Depreciation and amortization

	<u>2025</u>	<u>2024</u>
Property, plant and equipment	\$ 766,632	\$ 797,407
Right-of-use assets	19,877	31,178
Investment property	21,863	26,075
Intangible assets	2,174	2,144
Others	<u>17,475</u>	<u>17,486</u>
	<u>\$ 828,021</u>	<u>\$ 874,290</u>

Analysis of depreciation by
function

Operating costs	\$ 768,666	\$ 806,876
Operating expenses	12,638	17,057
Other gains and losses	<u>27,068</u>	<u>30,727</u>
	<u>\$ 808,372</u>	<u>\$ 854,660</u>

Analysis of amortization by
function

Operating costs	\$ 19,470	\$ 19,481
Operating expenses	<u>179</u>	<u>149</u>
	<u>\$ 19,649</u>	<u>\$ 19,630</u>

6) Employee benefits expenses

	<u>2025</u>	<u>2024</u>
Post-employment benefits (Note 21)		
Defined contribution plans	\$ 33,503	\$ 33,337
Defined benefit plans	<u>7,409</u>	<u>10,151</u>
	40,912	43,488
Other employee benefits	<u>956,303</u>	<u>1,016,362</u>
Total employee benefits expenses	<u>\$ 997,215</u>	<u>\$ 1,059,850</u>
Analysis of employee benefits expense by function		
Operating costs	\$ 818,361	\$ 852,935
Operating expenses	<u>178,854</u>	<u>206,915</u>
	<u>\$ 997,215</u>	<u>\$ 1,059,850</u>

7) The remuneration of employees and directors

The Company accrued remuneration of employees and directors at rates of no less than 1% and no higher than 1%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. Following the amendment of the Securities and Exchange Act in August 2024, the Company passed a resolution to amend its Articles of Incorporation at the 2025 shareholders' meeting, stipulating that no less than 40% of the employee remuneration appropriated for the current year shall be allocated as grassroots employee remuneration. No remuneration for employees (including grassroots employee remuneration) and directors has been estimated for the years ended December 31, 2025 and 2024 due to losses.

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

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

25. Taxation

Income tax expense recognized in profit or loss

Major components of income tax benefits are as follows:

	<u>2025</u>	<u>2024</u>
Current tax		
In respect of the current year	\$ 9,235	(\$ 2,004)
Adjustments for prior periods	(<u>19,067</u>)	(<u>13,425</u>)
	(<u>9,832</u>)	(<u>15,429</u>)
Deferred tax		
In respect of the current year	(334,984)	(153,046)
Adjustments for prior periods	(<u>241</u>)	(<u>116</u>)
	(<u>335,225</u>)	(<u>153,162</u>)
Income tax benefits recognized in profit or loss	(<u>\$ 345,057</u>)	(<u>\$ 168,591</u>)

Reconciliation between accounting loss and income tax benefits is as follows:

	<u>2025</u>	<u>2024</u>
Net loss before income tax	(<u>\$ 1,327,286</u>)	(<u>\$ 919,954</u>)
Income tax benefits calculated at the statutory tax rate	(\$ 399,649)	(\$ 287,750)
Domestic investments recognized under equity method	56,471	90,677
Tax-exempt income	(1,189)	(3,214)
Gains on financial assets	4,598	1,863
Nondeductible expenses in determining taxable income	1,031	998
Unrecognized deductible temporary differences	400	42,134
Adjustments for prior years	(19,308)	(13,541)
Timing difference in revenue recognition of advance receipts	20,000	-
Loss carryforward	(<u>7,411</u>)	<u>242</u>
Income tax benefits recognized in profit or loss	(<u>\$ 345,057</u>)	(<u>\$ 168,591</u>)

1) Income tax recognized in other comprehensive income

	<u>2025</u>	<u>2024</u>
<u>Deferred tax</u>		
In respect of the current year		
-Translation of foreign operations	\$ 3,144	(\$ 6,395)
- Remeasurement of defined benefit plans	(<u>1,960</u>)	(<u>18,477</u>)
Income tax recognized in other comprehensive income	<u>\$ 1,184</u>	<u>(\$ 24,872)</u>

2) Current tax assets and liabilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Current tax assets</u>		
Tax refunds receivables	<u>\$ 5,842</u>	<u>\$ 17,186</u>
<u>Current tax liabilities</u>		
Income tax payable	<u>\$ 6,085</u>	<u>\$ 5,695</u>

3) Deferred tax assets and liabilities

Changes in deferred tax assets and liabilities were as follows:

2025

	<u>Opening balance</u>	<u>Recognized in profit or loss</u>	<u>Recognized in other comprehensive income</u>	<u>Closing balance</u>
<u>Deferred tax assets</u>				
<u>Temporary differences</u>				
Allowance for inventory write-down	\$ 57,080	(\$ 6,466)	\$ -	\$ 50,614
Investment accounted for equity method	111,553	(4,416)	3,144	110,281
Deferred income	7,471	(1,629)	-	5,842
Refund liabilities	6,813	(2,292)	-	4,521
Defined benefit pension plans	42,829	(4,695)	141	38,275
Payables for annual leave	10,017	(1,357)	-	8,660
Loss carryforward	342,551	354,944	-	697,495
Others	<u>3,485</u>	<u>(364)</u>	<u>-</u>	<u>3,121</u>
	<u>\$ 581,799</u>	<u>\$ 333,725</u>	<u>\$ 3,285</u>	<u>\$ 918,809</u>
<u>Deferred tax liabilities</u>				
<u>Temporary differences</u>				
Revaluation increments of land	\$ 592,084	\$ -	\$ -	\$ 592,084
Others	10,171	(1,500)	2,101	10,772
	<u>\$ 602,255</u>	<u>(\$ 1,500)</u>	<u>\$ 2,101</u>	<u>\$ 602,856</u>

2024

	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Closing balance
<u>Deferred tax assets</u>				
Temporary differences				
Allowance for inventory write-down	\$ 40,044	\$ 17,036	\$ -	\$ 57,080
Investment accounted for equity method	115,705	2,243	(6,395)	111,553
Deferred income	8,090	(619)	-	7,471
Refund Liabilities	4,645	2,168	-	6,813
Defined benefit pension plans	62,399	(5,185)	(14,385)	42,829
Payables for annual leave	10,289	(272)	-	10,017
Loss carryforward	196,475	146,076	-	342,551
Others	7,941	(4,456)	-	3,485
	<u>\$ 445,588</u>	<u>\$ 156,991</u>	<u>(\$ 20,780)</u>	<u>\$ 581,799</u>
<u>Deferred tax liabilities</u>				
Temporary differences				
Revaluation increments of land	\$ 592,084	\$ -	\$ -	\$ 592,084
Others	2,250	3,829	4,092	10,171
	<u>\$ 594,334</u>	<u>\$ 3,829</u>	<u>\$ 4,092</u>	<u>\$ 602,255</u>

- 4) Deductible temporary differences and unused loss carryforwards, which were not recognized in deferred tax assets of the consolidated balance sheets.

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Loss carryforwards	<u>\$ 208,352</u>	<u>\$ 194,651</u>
Deductible temporary differences		
Write-downs of inventories and obsolescence losses	\$ 29,132	\$ 22,155
Others	<u>21,981</u>	<u>19,719</u>
	<u>\$ 51,113</u>	<u>\$ 41,874</u>

- 5) Relevant information on unused loss carryforward
As of December 31, 2025, the Group's unused loss carryforwards were \$3,695,831 thousand which will expire in succession before 2045.
- 6) Income tax examination
The income tax returns of the Company, CGPCPOL and TVCM through 2023 have been assessed by the tax authorities.

26. Loss Per Share

	Unit: NT\$ Per Share	
	<u>2025</u>	<u>2024</u>
Basic loss per share	(<u>\$ 1.58</u>)	(<u>\$ 1.22</u>)
Diluted loss per share	(<u>\$ 1.58</u>)	(<u>\$ 1.22</u>)

Loss and weighted average number of ordinary shares used to calculate loss per share were as follows:

Net loss for the year

	<u>2025</u>	<u>2024</u>
The net loss used to calculate basic and diluted loss per share	(<u>\$ 918,980</u>)	(<u>\$ 709,967</u>)

Shares

	Unit: Thousand Shares	
	<u>2025</u>	<u>2024</u>
Weighted average number of ordinary shares used to calculate basic loss per share	581,050	581,050
Effect of potentially dilutive ordinary shares:		
Remuneration of employees	<u>-</u>	<u>28</u>
Weighted average number of ordinary shares used in the computation of diluted loss per share	<u>581,050</u>	<u>581,078</u>

If the Group offered to settle remuneration paid to employees in cash or shares, the Group assumed the entire amount of the remuneration 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, as the effect is dilutive. The dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year. For the year ended December 31, 2025 and 2024, the remuneration of employees was not accrued due to the state of deficit.

27. Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance.

28. Financial instruments

1) Fair value of financial instruments not measured at fair value

The management of the Group believes the carrying amounts of financial assets and financial liabilities not measured at fair value approximate their fair value or their fair value cannot be reliably measured.

2) Fair value of financial instruments measured at fair value on a recurring basis

1. Fair value hierarchy

December 31, 2025

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial Assets at</u>				
<u>FVTPL</u>				
Derivative financial assets	\$ -	\$ 864	\$ -	\$ 864
Mutual funds	291,937	-	-	291,937
Beneficiary securities	57,082	-	-	57,082
Investments in equity instruments				
- Domestic listed equity instruments	46,400	-	-	46,400
- Overseas unlisted equity investments	-	-	-	-
	<u>\$ 395,419</u>	<u>\$ 864</u>	<u>\$ -</u>	<u>\$ 396,283</u>
 <u>Financial assets at</u>				
<u>FVTOCI</u>				
Investments in equity instruments				
- Domestic listed equity instruments	\$ 1,713	\$ -	\$ -	\$ 1,713
- Domestic unlisted equity investments	-	-	52,947	52,947
	<u>\$ 1,713</u>	<u>\$ -</u>	<u>\$ 52,947</u>	<u>\$ 54,660</u>
 <u>Financial liabilities at</u>				
<u>FVTPL</u>				
Derivative financial liabilities	\$ -	\$ 354	\$ -	\$ 354

December 31, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial Assets at</u>				
<u>FVTPL</u>				
Derivative financial assets	\$ -	\$ 3,799	\$ -	\$ 3,799
Mutual funds	481,151	-	-	481,151
Beneficiary securities	60,847	-	-	60,847
Investments in equity instruments				
- Domestic listed equity instruments	63,400	-	-	63,400
- Overseas unlisted equity investments	-	-	-	-
	<u>\$ 605,398</u>	<u>\$ 3,799</u>	<u>\$ -</u>	<u>\$ 609,197</u>
<u>Financial assets at</u>				
<u>FVTOCI</u>				
Investments in equity instruments				
- Domestic listed equity instruments	\$ 1,771	\$ -	\$ -	\$ 1,771
- Domestic unlisted equity investments	-	-	58,635	58,635
	<u>\$ 1,771</u>	<u>\$ -</u>	<u>\$ 58,635</u>	<u>\$ 60,406</u>
<u>Financial liabilities at</u>				
<u>FVTPL</u>				
Derivative financial liabilities	\$ -	\$ 688	\$ -	\$ 688

There were no transfers between Levels 1 and 2 fair value measurements for the years ended December 31, 2025 and 2024.

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

2025

	<u>Financial assets at</u>
	<u>FVTOCI</u>
Balance at January 1, 2025	\$ 58,635
Refund of capital reduction	(5,901)
Components recognized in other comprehensive income	<u>213</u>
Balance at December 31, 2025	<u>\$ 52,947</u>

2024

	<u>Financial assets</u>
	<u>measured at FVTOCI</u>
Balance at January 1, 2024	\$ 60,474
Components recognized in other comprehensive income	(1,839)
Balance at December 31, 2024	<u>\$ 58,635</u>

3. Valuation techniques and inputs applied for Level 2 fair value measurements

Financial Instruments Category	Valuation Technique and Inputs
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 measurements

To determine the fair value for Level 3 financial instruments, the Group's financial department conducts independent fair value verification using independent sources so as to better reflect the market conditions, as well as periodically reviewing the valuation results in order to guarantee the rationality of the measurement. For unlisted domestic equity investments, the Group utilizes the asset approach and takes into account the most recent net asset value, observable financial status as well as the financing activities of investees in order to determine their net asset value. The unobservable input used was a discount for the lack of marketability of 15% on December 31, 2025 and December 31, 2024. When other inputs remain unchanged, the fair value will decrease by \$623 thousand and \$690 thousand, respectively, if the discount for lack of marketability increases by 1%.

3) Categories of financial instruments

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets</u>		
Financial assets at FVTPL		
Mandatorily classified at FVTPL	\$ 396,283	\$ 609,197
Financial assets at amortized costs		
Cash and cash equivalents	512,420	1,523,912
Pledged time deposits	285,780	284,672
Time deposits with maturity over 3 months	62,860	65,570
Reverse repurchase agreements collateralized by bonds with maturity over 3 months	148,746	592,992
Notes receivable	91,172	118,682
Trade receivables (including related parties)	739,579	762,506

(Continued)

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Other receivables (including related parties and excluding tax refund receivable)	\$ 45,967	\$ 14,742
Refundable deposits	69,975	31,376
Financial assets at FVTOCI- Equity instruments	54,660	60,406
<u>Financial liabilities</u>		
Financial liabilities at FVTPL -		
Held for trading	354	688
Amortized cost		
Short-term notes and bills payable	-	299,872
Short-term borrowings	760,000	1,280,000
Notes payable	24,185	36,559
Trade payables (including related parties)	533,456	924,629
Other payables (Note)	605,160	585,615
Long-term borrowings (including due within one year)	5,903,058	4,289,758
Guarantee deposits	14,814	17,224
		(Concluded)

Note: Other payables (including related parties) do not include the amount of salary and bonus payable and miscellaneous tax payable.

4) Financial risk management objectives and policies

The Group's conduct of risk control and hedging strategy is influenced by the operational environment. The Group monitors and manages the financial risk by business nature and risk dispersion. These risks include market risk (including foreign currency risk, interest rate risk and other price risks), credit risk and liquidity risk.

a) Market risk

The Group's operating activities exposed itself primarily to the market 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 conducted 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 maintains a balance of hedged net foreign currency denominated assets and liabilities. The Group also utilizes foreign exchange forward contracts to hedge the currency exposure. The use of foreign exchange forward contracts is regulated by the policies passed by the Group's board of directors. Internal auditors focus on reviewing the observance of the policies and the quota of risk exposures. The foreign exchange forward contracts that the Group engaged in were not for speculation purposes.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities measured at the end of the reporting period are set out in Note 33.

Sensitivity analysis

The Group's sensitivity analysis mainly focuses on the foreign currency risk of U.S. dollars at the end of the reporting period. Assuming a 3% strengthening/weakening of the functional currency of the Group against U.S. dollars, net loss before tax for the years ended December 31, 2025 and 2024 would have increased/decreased by \$9,251 thousand and \$1,763 thousand, respectively.

In management's opinion, the sensitivity analysis was unrepresentative of the inherent foreign currency 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 the fair value risk of interest rate fluctuations for the fixed interest rate bearing financial assets and financial liabilities; the Group was exposed to the cash flow risk of interest rate fluctuations for the floating interest rate bearing financial assets and financial liabilities. The Group's management regularly monitors the fluctuations in market rates and then adjusted its balance of floating rate bearing financial liabilities to make the Group's interest rates more closely approach market rates in response to the interest rate risk.

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Fair value interest rate risk		
- Financial assets	\$ 621,112	\$ 1,843,299
- Financial liabilities	628,881	1,469,096
Cash flow interest rate risk		
- Financial assets	381,512	620,144
- Financial liabilities	6,133,057	4,570,888

Sensitivity analysis

The fixed-rate financial assets and liabilities held by the Group are not included in the analysis as they are all measured at amortized cost. For floating rate assets and liabilities, the analysis was prepared to assume that the amount of the assets and liabilities outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point fluctuation in interest rate 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.

When reporting to the management, the Group considers any interest rate fluctuation within 50 basis points reasonable. If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's net loss before income tax for the years 2025 and 2024 would have increased/decreased by \$28,758 thousand and \$19,754 thousand, respectively.

C. Other price risks

The Group was exposed to the equity price risk through its investments in domestic listed shares, domestic unlisted shares, mutual funds and other equity securities investments. 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 the price risk.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to securities price risk at the end of the reporting period. As such, the Group's money market funds recognized under financial assets at FVTPL were not included in the analysis because their price fluctuation risk is extremely low.

If the price of marketable securities had increase/decrease by 5%, net loss before tax for the years ended December 31, 2025 and 2024, would have decrease/increase by \$5,174 thousand and \$7,043 thousand, respectively, as a result of the changes in the fair value of financial assets at FVTPL (excluding investments in money market funds). Other comprehensive income for the years ended December 31, 2025 and 2024 would have increased/decreased by \$2,733 thousand and \$3,020 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations and result 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 counterparties to discharge an obligation and financial guarantees provided by the Group, could arise from:

- A. The carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets; and
- B. The maximum amount the Group 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 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 counterparties of the Group's trade receivable included numerous clients distributed over a variety of areas and were not centered on a single client or location. Furthermore, the Group continuously assesses the financial condition of its clients, and then the Group's credit risk was limited. As of the end of the reporting period, the Group's largest exposure to credit risk is approximately that of the carrying amounts of its financial assets.

c) Liquidity risk

The Group managers maintain working capital and mitigate liquidity risk by maintaining a level of cash and cash equivalents and financing facilities deemed adequate.

- A. Liquidity and interest rate risk tables

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

December 31, 2025

	Effective interest rate (%)	On demand or less than 1 years	1~5 years	Over 5 years
<u>Non-derivative</u>				
<u>financial</u>				
<u>liabilities</u>				
Non-interest bearing liabilities				
Lease liabilities	0.824-8.000	\$ 1,162,801	\$ -	\$ -
Floating interest rate liabilities	0.380-2.200	22,207	70,777	9,790
Fixed interest rate liabilities	1.920-1.980	1,995,747	2,672,644	1,861,167
		<u>531,632</u>	<u>-</u>	<u>-</u>
		<u>\$ 3,712,387</u>	<u>\$ 2,743,421</u>	<u>\$ 1,870,957</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 year	1~5 years	5~10 years	Over 10 years
Lease liabilities	<u>\$ 22,207</u>	<u>\$ 70,777</u>	<u>\$ 4,827</u>	<u>\$ 4,963</u>

December 31, 2024

	Effective interest rate (%)	On demand or less than 1 years	1~5 years	Over 5 years
<u>Non-derivative</u>				
<u>financial</u>				
<u>liabilities</u>				
Non-interest bearing liabilities				
Lease liabilities	0.824-8.000	\$ 1,546,802	\$ -	\$ -
Floating interest rate liabilities	1.025-2.200	22,193	77,228	25,616
Fixed interest rate liabilities	1.840-2.025	1,723,466	2,782,369	149,897
		<u>1,351,883</u>	<u>-</u>	<u>-</u>
		<u>\$ 4,644,344</u>	<u>\$ 2,859,597</u>	<u>\$ 175,513</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 year	1~5 years	5~10 years	Over 10 years
Lease liabilities	<u>\$ 22,193</u>	<u>\$ 77,228</u>	<u>\$ 19,961</u>	<u>\$ 5,655</u>

B. Financing facilities

The Group relies on bank loans as a significant source of liquidity. As of the date of balance sheet, the unused amounts of bank loan facilities were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Bank loan facilities		
- Amount unused	<u>\$ 12,834,880</u>	<u>\$ 12,304,820</u>

29. Transactions with Related Parties

As of December 31, 2025 and 2024, USI Corporation held, through its subsidiary Union Polymer International Investment Corporation, 24.97% of the Company's outstanding ordinary shares.

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

1) Related party names and categories

<u>Related Party Name</u>	<u>Related Party Category</u>
USI Corporation	Ultimate parent company
Union Polymer International Investment Corporation	Parent company
Taita Chemical Company, Limited ("TTC")	Investor with significant influence
Asia Polymer Corporation ("APC")	Investor with significant influence
CGTD	Associate
ACME	Associate
USI Optronics Corporation ("USIO")	Fellow subsidiary
USI Management Consulting Corporation ("UM")	Fellow subsidiary
Swanson Plastics Corporation	Fellow subsidiary
Swanson Technologies Corporation	Fellow subsidiary
Taiwan United Venture Management Corporation	Fellow subsidiary
Chong Loong Trading Co., Ltd.	Fellow subsidiary
USI Green Energy Corporation	Fellow subsidiary
Taita Chemical (Zhong Shan) Co., Ltd.	Subsidiary of investor with significant influence
APC Investment Corporation	Subsidiary of investor with significant influence
USI Educational Foundation ("USIF")	Related party in substance
Fujian Gulei Petrochemical Co., Ltd.	Related party in substance
Delmind Inc.	Related party in substance (Non-related party since September 12, 2025)

2) Sales

Related Party Category	2025	2024
Ultimate parent company	\$ 2,879	\$ -
Fellow subsidiary	463	232
Associate	395	1,535
Investor with significant influence	-	2,562
	\$ 3,737	\$ 4,329

The sales of goods to related parties had no material differences from those of general sales transactions.

3) Purchases

Related Party Category	2025	2024
Related party in substance	\$ 18,457	\$ 341,918
Fellow subsidiary	11,347	22,156
Ultimate parent company	829	1,052
Investor with significant influence	-	116
	\$ 30,633	\$ 365,242

Purchases from related parties had no material differences from those of general purchase transactions.

4) Trade payables to related parties

Related Party Category	December 31, 2025	December 31, 2024
Investor with significant influence	\$ 12,729	\$ -
Ultimate parent company	7,380	121,146
Fellow subsidiary	362	4,027
	\$ 20,471	\$ 125,173

TVCM appointed the ultimate parent company to import ethylene, and the trade payables to the ultimate parent company are to be paid off when the ultimate parent company makes a payment.

The outstanding trade payables to related parties were unsecured.

5) Other receivables from related parties

Related Party Category	December 31, 2025	December 31, 2024
Associate	\$ 12,233	\$ 8
Investor with significant influence	812	1,458
Ultimate parent company	220	1,194
Fellow subsidiary	9	39
	\$ 13,274	\$ 2,699

6) Other payables to related parties

<u>Related Party Categories</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Associate	\$ 10,887	\$ 23,318
Fellow subsidiary	1,279	283
Ultimate parent company	927	1,290
Investor with significant influence	222	257
Subsidiary of investor with significant influence	138	-
Related party in substance	-	345
	<u>\$ 13,453</u>	<u>\$ 25,493</u>

7) Acquisitions of property, plant and equipment

<u>Related Party Category</u>	<u>Purchase Price</u>	
	<u>2025</u>	<u>2024</u>
Ultimate parent company	\$ 384	\$ -
Related party in substance	-	144
	<u>\$ 384</u>	<u>\$ 144</u>

8) Disposal of property, plant and equipment

<u>Related Party Category</u>	<u>Proceeds</u>	<u>Gains (losses)</u>
	<u>2025</u>	<u>2024</u>
Fellow subsidiary	<u>\$ 232</u>	<u>\$ 11</u>

9) Lease arrangements

<u>Related Party Category/Name</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Lease liabilities</u>		
Investor with significant influence		
APC	\$ 70,166	\$ 83,767
TTC	1,792	2,047
	<u>\$ 71,958</u>	<u>\$ 85,814</u>
<u>Interest expenses</u>		
Investor with significant influence		
APC	\$ 806	\$ 946
TTC	20	93
Associate	-	65
	<u>\$ 826</u>	<u>\$ 1,104</u>
<u>Lease expenses</u>		
Ultimate parent company	\$ 6,612	\$ 6,900
Investor with significant influence	3,848	2,923
	<u>\$ 10,460</u>	<u>\$ 9,823</u>

The Company leases offices in Neihu from Ultimate parent company and APC. The rentals are paid on a monthly basis.

The factory belonging to the Company's subsidiaries located on the land in Linyuan was rented from APC. The original lease term expired in December 2011. However, if neither counterparties argued, the lease term would automatically extend for another year.

The Company's subsidiaries leased storage tanks for vinyl chloride monomer from TTC. The original lease term expired in December 2024 and will not be renewed.

The Company's subsidiary leased land for their warehouses from APC. The lease term will expire in May 2026. The lease contract is renewable, and the rental is paid on a monthly basis.

10) Storage tank operating service expenses

<u>Related Party Category/Name</u>	<u>2025</u>	<u>2024</u>
Associate		
CGTD	<u>\$ 98,630</u>	<u>\$ 172,978</u>

The Company's subsidiaries appointed CGTD to handle the storage tank used to transport, store and load vinyl chloride monomer, ethylene and dichloroethane. The storage tank operating service expenses are paid each month.

11) Management service revenue

<u>Related Party Categories</u>	<u>2025</u>	<u>2024</u>
Ultimate parent company	<u>\$ 47</u>	<u>\$ 804</u>

12) Management service expenses

<u>Related Party Category/Name</u>	<u>2025</u>	<u>2024</u>
Fellow subsidiary		
UM	\$ 123,232	\$ 128,225
Ultimate parent company	<u>1,464</u>	<u>2,610</u>
	<u>\$ 124,696</u>	<u>\$ 130,835</u>

UM and the ultimate parent company provide labor support, equipment and other related services to the Company and its subsidiaries. The service expenses were based on the actual quarterly expenses which should be paid in the subsequent quarter following the related service.

13) Donations

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

14) Rental income

Related Party Categories	2025	2024
Fellow subsidiary	\$ 5,489	\$ 5,492
Subsidiary of investor with significant influence	1,103	1,198
Investor with significant influence	<u>266</u>	<u>266</u>
	<u>\$ 6,858</u>	<u>\$ 6,956</u>

USIO signed a factory lease contract with the Company with a lease term until April 15, 2026. The Company collects fixed rental amounts on a monthly basis. USIO does not have a bargain purchase option to acquire the leased factory at the expiry of the lease period.

15) Other income

Related Party Category/Name	2025	2024
Associate		
CGTD	\$ 11,650	\$ -
Investor with significant influence	<u>1,036</u>	<u>1,005</u>
	<u>\$ 12,686</u>	<u>\$ 1,005</u>

16) Other expenses

Related Party Category/Name	2025	2024
Associate		
CGTD	\$ 25,625	\$ -
Fellow subsidiary	9,017	484
Related party in substance	<u>-</u>	<u>185</u>
	<u>\$ 34,642</u>	<u>\$ 669</u>

17) Compensation of key management personnel

The compensation to directors and other key management personnel for 2025 and 2024 were as follows:

	2025	2024
Salaries and others	\$ 21,446	\$ 26,942
Post-employment benefits	<u>162</u>	<u>216</u>
	<u>\$ 21,608</u>	<u>\$ 27,158</u>

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

30. Assets Pledged as Collateral or for Security

The following assets of the Group were provided as collateral for the performance guarantee for the tariffs of imported raw materials, use of fuel, and borrowings:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Pledge time deposits (classified as financial assets at amortized cost and refundable deposits under other non-current assets)	\$ 314,117	\$ 309,931
Property, plant and equipment	<u>1,508,388</u>	<u>1,507,016</u>
	<u>\$ 1,822,505</u>	<u>\$ 1,816,947</u>

31. Significant Contingent Liabilities and Unrecognized Contract Commitments

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of the end of the reporting period were as follows:

(1) As of December 31, 2025, and December 31, 2024, the Group's unused letters of credit amounted to \$412,781 thousand and \$569,797 thousand, respectively.

(2) Description of Kaohsiung gas explosions:

Regarding the equity-accounted investee, China General Terminal & Distribution Corporation (hereinafter "CGTD"), which was commissioned to operate LCY Chemical Corp.'s propylene pipeline resulting in a gas explosion on July 31, 2014, the appeal was dismissed by the Supreme Court on September 15, 2021, and all three employees of CGTD were innocent.

CGTD reached an agreement with Kaohsiung City Government on February 12, 2015 and pledged a term deposit of \$238,306 thousand (including interest) to the Government as a guarantee for losses caused by the gas explosions. The Kaohsiung City Government has also filed civil litigation against LCY Chemical Corp. CGTD, and CPC Corporation, Taiwan. Taiwan Power Company applied for provisional attachment against CGTD's property on August 27 and November 26, 2015. CGTD had deposited cash of \$99,207 thousand to the court to avoid provisional attachment. Taiwan Water Corporation also applied for provisional attachment against CGTD's property on February 3 and March 2, 2017. As of February 28, 2026, CGTD had assets approximating \$6,401 thousand in value seized in relation to the accident.

As for the victims, CGTD, LCY Chemical Corp. and Kaohsiung City Government signed a tripartite agreement on July 17, 2015 agreeing to negotiate the compensation first with the 32 victims' successors and persons entitled to the claims ("family of the victim"). Each victim's family was entitled to \$12,000 thousand and the total

compensation was \$384,000 thousand. The compensation was first paid by LCY Chemical Corp. who also represent the three parties in the settlement negotiation and the signing of settlement agreements with family of the victim. CGTD also agreed to pay \$157,347 thousand to LCY Chemical Corp. on August 10, 2022 in accordance with 30% of the proportion of fault liability in the first instance judgment in accordance with a tripartite agreement. After that, when the civil litigation is determined, it will be compensated according to the determined liability ratio.

As for the seriously injured victims, CGTD, LCY Chemical Corp. and the Kaohsiung City Government signed a tripartite agreement for serious injuries on October 25, 2017 agreeing to negotiate the compensation first with the 65 seriously injured victims. The compensation was first paid by CGTD and the Kaohsiung City Government. CGTD also represents the three parties in negotiating settlements with victims who suffered serious injuries in the incident. It has signed settlement agreements with 64 of the victims.

As of February 28, 2026, victims and their families have filed civil (including supplementary civil action) lawsuits against LCY Chemical Corp., CGTD and CPC Corp. for compensation. To reduce the lawsuit costs, CGTD had reached a settlement on the original claim of \$46,677 thousand, and the amount of the settlement was \$4,519 thousand. Along with the case still under litigation and the above-mentioned compensation, the accumulated amount of compensation is \$3,831,211 thousand. The first-instance judgments of some of the above-mentioned civil cases (with a total amount of compensation of approximately \$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 other defendants should pay is around \$489,861 thousand. (In particular, CGTD was exempted to pay \$6,194 thousand according to the court's judgment.)

For civil cases that were adjudicated at the first instance but not settled, CGTD filed appeals to the second instance. Second-instance judgments have been issued progressively since July 10, 2024. As of February 28, 2026, the second-instance rulings on claims filed by the Kaohsiung City Government (with a total claim amount of approximately \$1,137,677 thousand) cover nine cases. Among them, eight cases determined that CGTD is jointly liable with LCY Chemical Corp. for negligence—10% in five cases and 20% in three cases—with a total joint compensation amount of

\$79,726 thousand. In one case, CGTD was found solely liable for 10% negligence, with an independent compensation amount of \$297 thousand. Additionally, second-instance rulings have been issued for claims filed by Taiwan Power Company (claim amount: \$265,822 thousand), the National Health Insurance Administration (claim amount: \$35,688 thousand), and Taiwan Water Corporation (claim amount: \$28,643 thousand), in which CGTD and LCY Chemical Corp. were held jointly liable for a total compensation amount of \$120,143 thousand. For the aforementioned second-instance rulings, CGTD has filed an appeal to the third instance for all cases eligible for further appeal. Other cases remain under first-instance court proceedings, with total claims amounting to approximately \$1,711,504 thousand.

The estimated settlement amounts for fatalities and serious injuries, as well as compensation amounts for civil litigation cases (including settled cases) related to this gas explosion incident, are calculated based on the negligence liability ratios determined in the relevant judgments. After deducting the insurance payout limit, the estimated self-borne amount has been recorded at \$136,375 thousand. However, the actual settlement and compensation amount described above can only be verified after the proportion of fault liability is determined in the civil judgments.

- (3) TVCM signed an ethylene or dichloroethane purchase contract with CPC Corporation, Taiwan, Formosa Plastics Corporation, Blue Water Alliance JV LLP, and Mitsubishi Corporation. The purchase price was negotiated by both parties according to a pricing formula.

32. Significant Losses Attributed to Critical Incidents or Disasters

On October 19, 2024, a fire accident of the calendar plant of the Company, resulting in damage to some equipment and inventory. The carrying amount of the property loss as of December 31, 2025 was \$158,602 thousand, which was recorded under other gains and losses. The Company has secured relevant property insurance and is negotiating the claims process with the insurance provider. However, as insurance claims involve disaster assessment, subsequent insurance compensation will only be recognized when it can be reasonably confirmed by the Company. Based on the Company's preliminary assessment of the fire-related losses and subsequent claims, the incident has no significant impact on overall operations.

12. Significant Assets and Liabilities Denominated in Foreign Currencies

The group entities' significant financial assets and liabilities denominated in foreign currencies and aggregated by foreign currencies other than functional currencies and the related exchange rates. Assets and liabilities with significant impact recognized in foreign currencies are as follows:

Unit: Except for the exchange rate, all in thousands

December 31, 2025

	Foreign Currencies	Exchange Rate (In Single Dollars)	Functional Currencies	NT\$
<u>Foreign currency assets</u>				
<u>Monetary items</u>				
USD	\$ 18,758	31.430 (USD : NTD)	\$ 589,561	\$ 589,561
AUD	934	21.010 (AUD : NTD)	19,616	19,616
USD	301	7.0288 (USD : RMB)	2,116	9,461
EUR	148	36.900 (EUR : NTD)	5,471	5,471
GBP	8	42.330(GBP : NTD)	319	319
<u>Foreign currency liabilities</u>				
<u>Monetary items</u>				
USD	\$ 9,240	31.430 (USD : NTD)	\$ 290,423	\$ 290,423
EUR	42	36.900 (EUR : NTD)	1,547	1,547
GBP	30	42.330(GBP : NTD)	1,262	1,262
JPY	4,700	0.2008 (JPY : NTD)	944	944
RMB	159	4.4716 (RMB : NTD)	713	713
USD	8	7.0288 (USD : RMB)	56	249

December 31, 2024

	Foreign Currencies	Exchange Rate (In Single Dollars)	Functional Currencies	NT\$
<u>Foreign currency assets</u>				
<u>Monetary items</u>				
USD	\$ 18,633	32.785 (USD : NTD)	\$ 610,894	\$ 610,894
AUD	494	20.390 (AUD : NTD)	10,064	10,064
USD	301	7.1884 (USD : RMB)	2,164	9,864
EUR	146	34.140 (EUR : NTD)	4,994	4,994
GBP	83	41.190(GBP : NTD)	3,422	3,422
<u>Foreign currency liabilities</u>				
<u>Monetary items</u>				
USD	17,134	32.785 (USD : NTD)	561,742	561,742
JPY	10,068	0.2099 (JPY : NTD)	2,113	2,113
GBP	48	41.190(GBP : NTD)	1,987	1,987
RMB	140	4.5608 (RMB : NTD)	640	640
EUR	17	34.140 (EUR : NTD)	580	580
USD	8	7.1884 (USD : RMB)	58	260

For the years ended 2025 and 2024, net foreign exchange (losses) gains were (\$46,394) thousand and \$57,955 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the group entities.

13. Separately disclosed items

(1) Information on Significant Transactions

- 1) Financing provided to others: Table 1.
- 2) Endorsements / guarantees provided: Table 2.
- 3) Marketable securities held: Table 3.
- 4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 4.
- 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 5.
- 6) Others: Intercompany relationships and significant Intercompany transactions: Table 6.

(2) Information on reinvestment: Table 7.

(3) Information on investments in Mainland China

- 1) Information on any investee company in Mainland China, including the company names, major 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: Table 8.
- 2) The following information on 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/losses involved: None.
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.

- d) The balance of negotiable instrument offered as endorsement or guarantee or pledges of collateral at the end of the period and their purposes.
- e) The highest balance during the period, the end of period balance, the interest rate range, and total current period interest with respect to the financing of funds.
- f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.

14. Segment information

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Group's reportable segments, mainly including departments of VCM products and PVC products, under IFRS 8 "Operating Segments" were as follows:

(1) Segment revenue and results

The following was an analysis of the Group's revenue and results from operations by reportable segments:

2025

	<u>VCM Products</u>	<u>PVC products</u>	<u>Total</u>
Revenue from external customers	\$ 948,951	\$ 8,272,001	\$ 9,220,952
Inter-segment revenue	<u>4,143,794</u>	<u>463,207</u>	<u>4,607,001</u>
Segment revenue	<u>\$ 5,092,745</u>	<u>\$ 8,735,208</u>	13,827,953
Eliminations			(4,607,001)
Consolidated revenue			<u>\$ 9,220,952</u>
Segment loss	(<u>\$ 119,061</u>)	(<u>\$ 1,140,881</u>)	(\$ 1,259,942)
Interest income			27,311
Other income			146,785
Other gains and losses			(117,489)
Interest expenses			(110,243)
Share of loss of associates accounted for using the equity method			(<u>13,708</u>)
Net loss before income tax			(<u>\$ 1,327,286</u>)

2024

	<u>VCM Products</u>	<u>PVC products</u>	<u>Total</u>
Revenue from external customers	\$ 630,722	\$ 10,456,003	\$ 11,086,725
Inter-segment revenue	<u>6,694,522</u>	<u>421,119</u>	<u>7,115,641</u>
Segment revenue	<u>\$ 7,325,244</u>	<u>\$ 10,877,122</u>	18,202,366
Eliminations			(<u>7,115,641</u>)
Consolidated revenue			<u>\$ 11,086,725</u>
Segment loss	(<u>\$ 40,941</u>)	(<u>\$ 801,766</u>)	(\$ 842,707)
Interest income			39,539
Other income			97,206
Other gains and losses			(122,505)
Interest expenses			(93,594)
Share of profit of associates accounted for using the equity method			<u>2,107</u>
Net loss before income tax			(<u>\$ 919,954</u>)

Segment profit represented the profit before tax earned by each segment without the share of profit (loss) of associates, interest income, rental income, gains (losses) on disposal of property, plant and equipment, foreign exchange gains (losses), gains (losses) arising from the valuation of financial instruments, and financing costs. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

Since the Group's individual segment assets and liabilities were not included in the segment information provided to the chief operating decision-maker, the measured amount of operating segment assets and liabilities was not disclosed herein.

(2) Product information

The Company and its subsidiaries are mainly engaged in the manufacturing and marketing of petrochemical products, which is a single product category. As a result, there is no need to disclosure product information.

(3) Region information

The amounts of the Group's revenue from continuing operations from external customers and non-current assets by location are detailed below:

	Revenue from External Customers		Non-Current Assets	
	2025	2024	December 31, 2025	December 31, 2024
Asia	\$ 7,500,341	\$ 9,531,813	\$ 11,648,018	\$ 10,341,516
The Americas	1,460,268	1,144,846	14,175	20,578
Middle East	100,205	210,128	-	-
Europe	82,940	77,354	-	-
Africa	13,425	50,942	-	-
Oceania	63,773	71,642	-	-
	<u>\$ 9,220,952</u>	<u>\$ 11,086,725</u>	<u>\$ 11,662,193</u>	<u>\$ 10,362,094</u>

Non-current assets exclude those which were classified as financial instruments, investment accounted for equity method, deferred income tax assets, and guarantee deposits.

(4) Information about major customers

No revenue from a single customer amounted to 10% of the Group's revenue for the years ended December 31, 2025 and 2024.

China General Plastics Corporation and Subsidiaries
 Financing Provided to Others
 For the Year Ended December 31, 2025

Table 1

Unit: NT\$ thousands, Unless Stated Otherwise

No.	Lender	Borrower	Financial Statement Account	Related Party (Yes/No)	Highest Balance for the Period	Balance at the end of the period	Actual Borrowing Amount	Range of Interest Rate (%)	Nature for Financing	Business Transaction Amounts	Reasons for Short-term Financing Necessity	Allowance for Bad Debts	Collateral		Financing Limits for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)
													Item	Value		
0	CGPC	CGPCPOL	Other receivables from related parties	Yes	\$ 500,000	\$ 500,000	\$ -	-	Short-term financing	\$ -	Business turnover	\$ -	-	\$ -	\$ 3,090,372	\$ 3,090,372

Note 1: The total amount of the Company's financing provided to others shall not exceed 40% of the Company's net worth on the latest financial statements audited or reviewed by certified public accountants.

China General Plastics Corporation and Subsidiaries
Endorsements/Guarantees Provided
For the Year Ended December 31, 2025

Table 2

Unit: NT\$ thousands

No.	Endorser/ Guarantor	Endorsee/ Guarantee		Limits on Endorsement/ Guarantee Made for Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement Guarantee at End of year	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%) (Note 1)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent for Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries for Parent	Endorsement/ Guarantee Given for Companies in Mainland China
		Company	Relationship										
0	CGPC	CGPCPOL	Subsidiary	\$ 4,635,559	\$ 1,100,314	\$ 1,100,314	\$ 240,314	None	14.24%	\$ 7,725,931	Yes	No	No

Note 1: The ratio is calculated using the ending balance of equity of the Company as of December 31, 2025.

Note 2: The total amount of guarantee that may be provided by the Company shall not exceed 100% of the Company's net worth stated on the latest financial statements; the total amount of guarantee provided by the Company to any single entity shall not exceed 60% of the Company's net worth stated on the latest financial statements.

China General Plastics Corporation and Subsidiaries
Marketable Securities Held
December 31, 2025

Table 3

Unit: NT\$ thousands

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2025				Note
				Unit / Share	Carrying Amount	Shareholding ratio	Fair Value	
CGPC	<u>Beneficiary securities</u> Cathay No. 1 Real Estate Investment Trust	-	Financial assets measured at FVTPL - current	3,964,000	\$ 57,082	-	\$ 57,082	(Note 1)
	<u>Mutual funds</u> UPAMC James Bond Money Market Fund	-	Financial assets measured at FVTPL - current	12,797,468	226,029	-	226,029	(Note 1)
	<u>Ordinary shares</u> Taiwan Cement Corporation	-	Financial assets measured at FVTPL - current	2,000,000	46,400	-	46,400	(Note 1)
TVCM	<u>Ordinary shares</u> KHL IB Venture Capital Co., Ltd.	-	Financial assets measured at FVTOCI - non-current	5,975,992	52,947	5.95%	52,947	(Note 1)
	<u>Mutual funds</u> Fubon Money Market Fund	-	Financial assets measured at FVTPL - current	636,618	10,000	-	10,000	(Note 1)
	<u>Ordinary shares</u> Asia Polymer Corporation	The major shareholders are the same as those of the Company	Financial assets measured at FVTOCI - non-current	130,244	1,713	0.02%	1,713	(Note 1)
CGPCPOL	<u>Mutual funds</u> Fubon Money Market Fund	-	Financial assets measured at FVTPL - current	2,419,042	38,000	-	38,000	(Note 1)
CGPC (BVI)	<u>Ordinary shares</u> Teratech Corporation	-	Financial assets measured at FVTPL - non-current	112,000	-	0.65%	-	(Notes 1 and 3)
	<u>Ordinary shares</u> SOHWARE, Inc.- preferred shares	-	"	100,000	-	-	-	(Notes 1, 2, and 3)
GGTC	<u>Mutual funds</u> Taishin 1699 Money Market Fund	-	Financial assets measured at FVTPL - current	1,246,254	17,908	-	17,908	(Note 1)

Note 1: The marketable securities were not pledged as guarantees or collateral for borrowings and are not subject to restrictions.

Note 2: The preferred shares are not used in the calculation of the shareholding ratio.

Note 3: As of December 31, 2025, the Group evaluated the fair value of the equity instrument at \$0.

China General Plastics Corporation and Subsidiaries
Total Purchases from or Sales to Related Parties Amounting to at Least NT\$100 Million or 20% of the Paid-in Capital
For the Year Ended December 31, 2025

Table 4

Unit: NT\$ thousands

Buyer/Seller	Counterparty	Relationship	Transaction Details				Abnormal Transaction		Notes/Trade Receivables (Payables)		Note
			Purchases/ Sales	Amount	Ratio to Total Purchases / Sales	Payment Terms	Unit Price	Payment Terms	Balance	Ratio to Total Notes or Trade Receivables (Payables)	
CGPC	CGPC-America	Subsidiary	Sales	(\$ 460,288)	(10%)	90 days	No major difference	No major difference	\$ 189,049	34%	Note.
TVCM	CGPC	Parent company	Sales	(1,737,192)	(34%)	45 days	"	"	340,715	33%	Note.
	CGPCPOL	Fellow subsidiary	Sales	(2,399,941)	(47%)	75 days	"	"	621,365	60%	Note.

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

China General Plastics Corporation and Subsidiaries
Receivables from Related Parties Amounting to at Least NT\$100 Million or 20% of the Paid-in Capital
December 31, 2025

Table 5

Unit: NT\$ thousands

Company Name	Counterparty	Relationship	Financial Statement Account and Ending Balance	Turnover Rate	Overdue receivables from related parties		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Action Taken		
CGPC	CGPC-America	Subsidiary	Trade receivables - related parties \$ 189,049	2.84	\$ -	-	\$ 52,524	Note 1
TVCM	CGPC	Parent company	Trade receivables - related parties 340,715	4.37	-	-	340,715	Note 1
	CGPCPOL	Fellow subsidiary	Trade receivables - related parties 621,365	2.80	-	-	423,874	Note 1

Note 1: There is no allowance for impairment loss after an impairment assessment.

Note 2: The subsequent period is between January 1 and February 23, 2026.

Note 3: All the transactions were written off when preparing the consolidated financial statements.

China General Plastics Corporation and Subsidiaries
Intercompany Relationships and Significant Intercompany Transactions
For the Year Ended December 31, 2025

Table 6

Unit: NT\$ thousands

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount	Transaction Terms	% of Total Sales or Asset (Note 3)
0	CGPC	TVCM	1	Trade payables to related parties	\$ 340,715	No major difference	2%
			1	Purchases	1,737,192	"	19%
		CGPC-America	1	Trade receivables from related parties	189,049	"	1%
			1	Sales revenue	460,288	"	5%
1	TVCM	GGTC	3	Other expenses	42,596	"	-
2	CGPCPOL	TVCM	3	Trade payables to related parties	621,365	"	4%
			3	Other payables to related parties	19,802	"	-
			3	Purchases	2,399,941	"	26%

Note 1: The information correlation between the numeral and the entity are stated as follows:

1. The parent company is "0".
2. The subsidiaries: 1 onward.

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

1. The parent company to its subsidiary.
2. The subsidiary to the parent company.
3. Between subsidiaries.

Note 3: The ratio of transactions related to total sales revenue or assets is calculated as follows: a. Assets or liabilities: The ratio was calculated based on the ending balance of total consolidated assets; and b. Income or loss: The ratio was calculated based on the midterm accumulated amount of total consolidated sales revenue.

Note 4: Disclosure of transaction amounts of NT\$10,000 thousand or more.

China General Plastics Corporation and Subsidiaries
Information on Investees
For the Year Ended December 31, 2025

Table 7

Unit: NT \$thousands

Investor Company	Investee Company	Location	Business Content	Original Investment Amount		As of December 31, 2025			Net Income (Loss) of Investee	Share of Profit (Loss)	Note
				December 31, 2025	January 1, 2025	Shares	%	Carrying Amount			
CGPC	TVCM	No. 1, Gongye 1st Rd., Linyuan Dist., Kaohsiung City 832, Taiwan (R.O.C.)	Manufacturing and marketing of VCM	\$ 2,934,978	\$ 2,933,648	259,707,456	87.31%	\$ 3,526,607	(\$ 497,671)	(\$ 434,424)	Subsidiary, Note
	CGPCPOL	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Manufacturing and marketing of PVC resins	1,300,000	800,000	72,508,657	100%	643,205	(311,346)	(311,346)	Subsidiary, Note
	CGPC (BVI)	Citco Building, Wickhams Cay, P.O. Box 662, Road Town, Tortola, British Virgin Islands	Reinvestment	1,059,344	1,059,344	14,808,258	100%	383,279	61,112	61,112	Subsidiary, Note
	CGTD	No. 1, Jianji St., Qianzhen Dist., Kaohsiung City 806, Taiwan (R.O.C.)	Warehousing and transportation of petrochemical raw materials	41,106	41,106	25,053,469	33.33%	287,145	(37,788)	(12,596)	Associate accounted for using the equity method
	CGPC-America	4 Latitude Way, Suite 108 Corona, CA 92881, U.S.A	Marketing of PVC film and leather products	648,931	648,931	100	100%	132,543	(39,030)	(39,030)	Subsidiary, Note
	ACME	8F., No. 39, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Manufacturing and selling manganese-zinc ferrite, soft ferrite, magnetic powder, magnetic cores	41,805	41,805	3,566,526	1.67%	32,881	(66,382)	(1,112)	Associate accounted for using the equity method
TVCM	GGTC	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Environmental detection services	50,000	50,000	5,381,447	100%	54,788	500	-	Subsidiary, Note

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

China General Plastics Corporation and Subsidiaries
Information on investments in Mainland China
For the Year Ended December 31, 2025

Table 8

Unit: NT\$ thousands, Unless Stated Otherwise

Investee Company	Business Content	Paid-in Capital (Note 1)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2025 (Note 1)	Current Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2025 (Note 1)	Net Income of Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Note 4)	Carrying Amount as of December 31, 2025 (Notes 1 and 4)	Accumulated Repatriation of Investment Income as of December 31, 2025
					Outflow	Inflow						
CGPC (ZS)	Manufacturing and marketing of PVC film and consumer products	\$ 628,600 (USD 20,000 thousand)	Investment through CGPC (BVI) Holding Co., Ltd.	\$ 628,600 (USD 20,000 thousand)	\$ -	\$ -	\$ 628,600 (USD 20,000 thousand)	\$ 57,446 (USD 1,865 thousand)	100%	\$ 57,446 (USD 1,865 thousand)	\$ 290,086 (USD 9,230 thousand)	\$ -

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2025 (Notes 1 and 3)	Investment Amounts Authorized by Investment Commission, MOEA (Note 1)	Upper Limit on the Amount of Investment Stipulated in Mainland China by Investment Commission, MOEA (Note 2)
\$ 804,042 (USD 25,582 thousand)	\$ 939,757 (USD 29,900 thousand)	\$ -

Note 1: The calculation was based on spot exchange rate as of December 31, 2025.

Note 2: As the Company has obtained the certificate of qualification for operating headquarters issued by the Industrial Development Bureau, MOEA No. 11251035580 on September 6, 2023, the upper limit on investment is not applicable.

Note 3: QuanZhou Continental General Plastics Co., Ltd. ("CGPC (QZ)") and Union (Zhong Shan) Co., Ltd. ("Union (ZS)") completed dissolution procedures, and CGPC (BVI) retrieved the residual assets. The shares of China General Plastics (SanHe) Co., Ltd. ("CGPC (SH)") were fully sold, and CGPC (BVI) retrieved the residual assets. However, the amount of capital has not been wired back to Taiwan. The accumulated amount includes the investment amount of CGPC (QZ) of USD684 thousand, the investment amount of Union (ZS) of USD898 thousand, the investment amount of CGPC (SH) of USD 4,000 thousand.

Note 4: All the transactions were written off when preparing the consolidated financial statements; the investment income was based on the financial statements audited by the CPAs of the parent company in Taiwan. Please refer to Note 12.