

**Notice to Readers:**

The 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**

## **Parent Company Only Financial Statements for the Years Ended December 31, 2025 and 2024 and Independent Auditors' Report**

**Address: 12F. , No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)**

**Tel: (02)87516888**

## §Table of Contents§

ITEM	PAGE	NOTE
<b>I. Cover Page</b>	1	-
<b>II. Table of Contents</b>	2	-
<b>III. Independent Auditors' report</b>	3~6	-
<b>IV. Parent Company Only Balance Sheets</b>	7	-
<b>V. Parent Company Only Statements of Comprehensive Income</b>	8~10	-
<b>VI. Parent Company Only Statements of Changes in Equity</b>	11	-
<b>VII. Parent Company Only Statements of Cash Flows</b>	12~13	-
<b>VIII. Notes to Parent Company Only Financial Statements</b>		
1. Company History	14	1
2. Date and Procedures of Authorization of Financial Statements	14	2
3. Application of New and Amended Standards and Interpretations	14~17	3
4. Summary of Significant Accounting Policies	17~29	4
5. Critical Accounting Judgments and Key Sources of Estimation and Uncertainty	29~30	5
6. Descriptions of Important Accounting Items	30~58	6~25
7. Transactions with Related Parties	58~63	26
8. Assets Pledged as Collateral or for Security	63	27
9. Significant Contingent Liabilities and Unrecognized Commitments	63~65	28
10. Significant Losses Attributed to Critical Incidents or Disasters	65	29
11. Critical Events after the Reporting Date	-	-
12. Significant Assets and Liabilities Denominated in Foreign Currencies	65~66	30
13. Supplementary Disclosures		
(1) Information on Significant Transactions	67, 68~72	31
(2) Information on Reinvestment	67, 73	31
(3) Information on Investments in Mainland China	67, 74	31
14. Segment Information	-	-
<b>IX. Description of Important Accounting Items</b>	75~85	-

## **Independent Auditors' Report**

The Board of Directors and Shareholders

China General Plastics Corporation

### **Opinion**

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

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2024 and 2023, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **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 Parent Company Only Financial Statements section of our report. We are independent of the Company in 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 parent company only financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the parent company only 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 Company's parent company only financial statements for the year ended December 31, 2025 are stated as follows:

Authenticity of sales revenue recognition for specific customers

The Company's 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 Company. Therefore, authenticity of revenue recognition for the sales to those customers is identified as one of the key audit matters.

Please refer to Notes 4 and 20 to the parent company only 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

**Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements**

To ensure that the parent company only financial statements do not contain material misstatements caused by fraud or errors, the management is responsible for preparing prudent parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for preparing and maintaining necessary internal control procedures pertaining to the parent company only financial statements.

In preparing the parent company only financial statements, the management is responsible for assessing the Company'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 Company 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 Company's financial reporting process.

**Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements**

Our objectives are to obtain reasonable assurance about whether the parent company only 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 parent company only 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 assess the risks of material misstatement in the individual financial statements due to fraud or error; design and implement appropriate responses to the assessed risks; and obtain sufficient and appropriate audit evidence to provide a basis for the audit opinion. Because fraud may involve collusion, forgery, intentional omissions, misstatements, or the override of internal control, the risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error.
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 Company.
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 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 parent company only 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 Company to cease to continue as a going concern.
5. Evaluate the overall expression, structure and contents of the parent company only financial statements (including relevant Notes), and whether the parent company only 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 Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the group audit and for expressing an opinion on the parent company only financial statements of the Company.

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 Company's parent company only 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

**Notice to Readers:**

The 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**  
**Parent Company Only Balance Sheets**  
**December 31, 2025 and 2024**

Unit: NT\$ thousands

CODE	ASSETS	December 31, 2025		December 31, 2024	
		Amount	%	Amount	%
	<b>CURRENT ASSETS</b>				
1100	Cash and cash equivalents (Note 6)	\$ 337,044	2	\$ 500,569	4
1110	Financial assets at fair value through profit or loss (FVTPL) - current (Note 7)	329,511	2	140,864	1
1150	Notes receivable (Note 9)	84,948	1	64,159	-
1170	Accounts receivable (Notes 9 and 26)	474,056	3	482,269	4
1200	Other receivables (Notes 9 and 26)	30,045	-	24,737	-
1220	Current tax assets (Note 22)	732	-	14,004	-
1310	Inventories (Note 10)	840,826	6	1,027,702	8
1410	Prepayments	56,787	1	38,165	-
1470	Other current assets	406	-	1,899	-
11XX	Total current assets	<u>2,154,355</u>	<u>15</u>	<u>2,294,368</u>	<u>17</u>
	<b>NON-CURRENT ASSETS</b>				
1517	Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Note 8)	52,947	-	58,635	1
1550	Investments accounted for using the equity method (Notes 5 and 11)	5,005,660	35	5,247,675	40
1600	Property, plant and equipment (Notes 12, 26, and 27)	6,513,521	45	5,012,342	38
1760	Investment properties (Note 13)	216,600	2	228,174	2
1840	Deferred tax assets (Notes 5 and 22)	401,468	3	270,392	2
1990	Other non-current assets (Note 27)	51,430	-	16,003	-
15XX	Total non-current assets	<u>12,241,626</u>	<u>85</u>	<u>10,833,221</u>	<u>83</u>
1XXX	<b>TOTAL ASSETS</b>	<u>\$ 14,395,981</u>	<u>100</u>	<u>\$ 13,127,589</u>	<u>100</u>
	<b>LIABILITIES AND EQUITY</b>				
	<b>CURRENT LIABILITIES</b>				
2100	Short-term borrowings (Note 14)	\$ 150,000	1	\$ 650,000	5
2110	Short-term notes and bills payable (Note 14)	-	-	199,929	2
2120	Financial liabilities at fair value through profit or loss (FVTPL) - current (Note 7)	354	-	-	-
2150	Notes payable (Note 15)	24,185	-	36,559	-
2170	Trade payables (Note 15)	109,826	1	132,441	1
2180	Trade payables to related parties (Notes 15 and 26)	340,856	2	459,549	3
2200	Other Payables (Note 16)	470,550	3	398,989	3
2220	Other payables to related parties (Note 26)	1,045	-	2,239	-
2250	Current provisions (Note 17)	5,923	-	-	-
2300	Other current liabilities (Note 20)	187,382	1	110,418	1
2322	Long-term borrowings due within one year or one operating cycle (Notes 14 and 27)	631,609	5	229,929	2
21XX	Total current liabilities	<u>1,921,730</u>	<u>13</u>	<u>2,220,053</u>	<u>17</u>
	<b>NON-CURRENT LIABILITIES</b>				
2540	Long-term borrowings (Notes 14 and 27)	4,037,101	28	1,444,168	11
2570	Deferred tax liabilities (Note 22)	483,557	4	485,641	4
2640	Net defined benefit liabilities (Note 18)	191,382	1	214,148	1
2670	Other non-current liabilities	36,280	-	23,997	-
25XX	Total non-current liabilities	<u>4,748,320</u>	<u>33</u>	<u>2,167,954</u>	<u>16</u>
2XXX	<b>TOTAL LIABILITIES</b>	<u>6,670,050</u>	<u>46</u>	<u>4,388,007</u>	<u>33</u>
	<b>EQUITY (Note 19)</b>				
3110	Ordinary share	5,810,505	41	5,810,505	44
3200	Capital surplus	21,077	-	20,018	-
	Retained Earnings				
3310	Legal reserve	1,150,504	8	1,150,504	9
3320	Special reserve	408,223	3	408,223	3
3350	Unappropriated retained earnings	316,746	2	1,315,487	10
3300	Total retained earnings	1,875,473	13	2,874,214	22
3400	Other equity	18,876	-	34,845	1
3XXX	<b>TOTAL EQUITY</b>	<u>7,725,931</u>	<u>54</u>	<u>8,739,582</u>	<u>67</u>
	<b>TOTAL LIABILITIES AND EQUITY</b>	<u>\$ 14,395,981</u>	<u>100</u>	<u>\$ 13,127,589</u>	<u>100</u>

The accompanying notes are an integral part of the parent company only financial statements.

**Notice to Readers:**

The 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**  
**Parent Company Only 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 20 and 26)	\$ 4,733,650	100	\$ 5,998,454	100
5110	Cost of revenue (Notes 10, 21, and 26)	<u>4,584,333</u>	<u>97</u>	<u>5,697,959</u>	<u>95</u>
5900	Gross profit	149,317	3	300,495	5
5910	Realized profit from sales	<u>5,059</u>	<u>-</u>	<u>1,599</u>	<u>-</u>
5950	Realized gross profit	<u>154,376</u>	<u>3</u>	<u>302,094</u>	<u>5</u>
	Operating expenses (Notes 21 and 26)				
6100	Selling and marketing expenses	225,121	5	289,756	5
6200	General and administrative expenses	127,618	2	146,062	2
6300	Research and development expenses	<u>34,697</u>	<u>1</u>	<u>32,634</u>	<u>1</u>
6000	Total operating expenses	<u>387,436</u>	<u>8</u>	<u>468,452</u>	<u>8</u>
6900	Net operating loss	( <u>233,060</u> )	( <u>5</u> )	( <u>166,358</u> )	( <u>3</u> )
	Non-operating income and expenses (Notes 11, 21, 26 and 29)				
7100	Interest income	4,293	-	4,360	-
7010	Other income	62,085	1	51,580	1
7020	Other gains and losses	( 96,425 )	( 2 )	( 128,867 )	( 2 )
7510	Interest expenses	( 55,197 )	( 1 )	( 32,559 )	-
7060	Share of loss of subsidiaries and associates accounted for using the equity method	( <u>737,396</u> )	( <u>16</u> )	( <u>465,418</u> )	( <u>8</u> )
7000	Total non-operating income and expenses	( <u>822,640</u> )	( <u>18</u> )	( <u>570,904</u> )	( <u>9</u> )

(Continued)

<u>CODE</u>		<u>2025</u>		<u>2024</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
7900	Net loss before income tax	(\$ 1,055,700)	( 23)	(\$ 737,262)	( 12)
7950	Income tax benefit (Note 22)	( 136,720)	( 3)	( 27,295)	-
8200	Net Loss for the Year	( 918,980)	( 20)	( 709,967)	( 12)
	Other comprehensive income (loss) (Notes 18, 19, and 22)				
	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurements of defined benefit plans	( 707)	-	71,924	1
8316	Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	213	-	( 1,839)	-
8326	Share of the other comprehensive income of subsidiaries and associates accounted for using the equity method - unrealized losses on investments in equity instruments at fair value through other comprehensive income	( 3,761)	-	( 30,630)	-
8331	Share of the other comprehensive income of subsidiaries and associates accounted for using the equity method - Remeasurements of defined benefit plans	7,963	-	17,188	-
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss	141	-	( 14,385)	-
8310		<u>3,849</u>	<u>-</u>	<u>42,258</u>	<u>1</u>

(Continued)

CODE		2025		2024	
		Amount	%	Amount	%
	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		(12,421)	-	27,149	-
8300	Other comprehensive (loss) income for the year, net of income tax	(8,572)	-	69,407	1
8500	Total comprehensive loss for the year	(\$ 927,552)	(20)	(\$ 640,560)	(11)
	Loss per share (Note 23)				
9750	Basic	(\$ 1.58)		(\$ 1.22)	
9850	Diluted	(\$ 1.58)		(\$ 1.22)	

(Concluded)

The accompanying notes are an integral part of the parent company only financial statements.

**Notice to Readers:**

The 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**  
**Parent Company Only Statements of Changes in Equity**  
**For the Years Ended December 31, 2025 and 2024**

Unit: NT\$ thousands

CODE		Capital surplus				Retained Earnings				Other Equity			Total 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
	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)
C17	Other changes in capital surplus	-	1,999	33	2,032	-	-	-	-	-	-	-	2,032
D1	Net Loss in 2024	-	-	-	-	-	-	( 709,967)	( 709,967)	-	-	-	( 709,967)
D3	Other comprehensive income (loss) in 2024, net of income tax	-	-	-	-	-	-	74,727	74,727	27,149	( 32,469)	( 5,320)	69,407
D5	Total comprehensive income (loss) in 2024	-	-	-	-	-	-	( 635,240)	( 635,240)	27,149	( 32,469)	( 5,320)	( 640,560)
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
	Appropriation and distribution of earnings for 2024												
B5	Cash dividends distributed by the Company	-	-	-	-	-	-	( 87,158)	( 87,158)	-	-	-	( 87,158)
C17	Other changes in capital surplus	-	704	24	728	-	-	-	-	-	-	-	728
M5	Acquisition of a partial equity interest in a subsidiary	-	-	331	331	-	-	-	-	-	-	-	331
D1	Net Loss in 2025	-	-	-	-	-	-	( 918,980)	( 918,980)	-	-	-	( 918,980)
D3	Other comprehensive income (loss) in, net of income tax	-	-	-	-	-	-	7,397	7,397	( 12,421)	( 3,548)	( 15,969)	( 8,572)
D5	Total comprehensive income (loss) in 2025	-	-	-	-	-	-	( 911,583)	( 911,583)	( 12,421)	( 3,548)	( 15,969)	( 927,552)
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

The accompanying notes are an integral part of the parent company only financial statements.

**Notice to Readers:**

The 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**  
**Parent Company Only 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	(\$ 1,055,700)	(\$ 737,262)
A20010	Adjustments for:		
A20100	Depreciation expense	322,031	320,464
A20200	Amortization expense	2,136	2,106
A20400	Net loss on fair value change on financial instruments at FVTPL	24,129	2,280
A20900	Interest expense	55,197	32,559
A21200	Interest income	( 4,293)	( 4,360)
A21300	Dividend income	( 2,000)	( 2,998)
A22400	Share of loss of subsidiaries and associates accounted for using the equity method	737,396	465,418
A22500	(Gain) loss on disposal of property, plant and equipment	( 4,483)	122,926
A23700	(Reversal) provision of write-downs of inventories and obsolescence losses	( 2,752)	66,144
A23900	Realized profit from sales	( 5,059)	( 1,599)
A30000	Net changes in operating assets and liabilities		
A31115	Financial instruments at FVTPL	( 212,422)	153,765
A31130	Notes receivable	( 20,789)	23,622
A31150	Trade receivables (including related parties)	8,213	175,860
A31180	Other receivables (including related parties)	( 5,377)	11,588
A31200	Inventories	189,628	( 89,076)
A31230	Prepayments	( 18,622)	( 5,485)
A31240	Other current assets	1,493	( 1,663)
A32130	Notes payable	( 12,374)	( 5,459)
A32150	Trade payables (including related parties)	( 141,308)	( 215,936)
A32180	Other payables (including related parties)	( 11,266)	( 30,116)
A32200	Provisions	5,923	-
A32230	Other current liabilities	76,964	32,429
A32240	Net defined benefit liabilities	( 23,473)	( 25,924)
A33000	Cash (used in) generated from operations	( 96,808)	289,283
A33100	Interest received	4,259	4,375

(Continued)

<u>CODE</u>		<u>2025</u>	<u>2024</u>
A33300	Interest paid	(\$ 32,997)	(\$ 30,680)
A33500	Income tax refund (paid)	<u>20,117</u>	<u>( 364)</u>
AAAA	Net cash (used in) generated from operating activities	<u>( 105,429)</u>	<u>262,614</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
B00030	Proceed from capital reduction of financial assets at FVTOCI	5,901	-
B00040	Acquisition of financial assets at amortized cost	-	10,000
B02700	Acquisition of property, plant and equipment	( 1,732,966)	( 994,401)
B02800	Proceeds from disposal of property, plant and equipment	6,717	9,645
B03700	Increase in refundable deposits	( 46,075)	( 14,789)
B03800	Decrease in refundable deposits	8,615	14,957
B04500	Acquisition of intangible assets	( 103)	( 438)
B07600	Dividends received	<u>2,000</u>	<u>210,670</u>
BBBB	Net cash used in investing activities	<u>( 1,755,911)</u>	<u>( 764,356)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
C00200	Decrease in short-term borrowings	( 500,000)	( 130,000)
C00500	(Decrease) increase in short-term notes and bills payable	( 200,000)	200,000
C01600	Proceeds from long-term borrowings	3,207,017	1,048,000
C01700	Repayments of long-term borrowings	( 218,453)	-
C03000	Increase in guarantee deposits received	1,174	1,032
C03100	Decrease in guarantee deposits received	( 4,119)	( 11,496)
C04400	Increase in other non-current liabilities	20	( 48)
C04500	Dividends paid	( 86,494)	( 203,498)
C05400	Acquisition of ownership interests in subsidiary	<u>( 501,330)</u>	<u>-</u>
CCCC	Net cash generated from financing activities	<u>1,697,815</u>	<u>903,990</u>
EEEE	Net (decrease) increase in cash and cash equivalents	( 163,525)	402,248
E00100	Cash and cash equivalents at the beginning of the year	<u>500,569</u>	<u>98,321</u>
E00200	Cash and cash equivalents at the end of the year	<u>\$ 337,044</u>	<u>\$ 500,569</u>

(Concluded)

The accompanying notes are an integral part of the parent company only financial statements.

**Notice to Readers:**

The 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.

**Notice to Readers:**

The 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**

**Notes to Parent Company Only 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 parent company only financial statements of the Company (collectively referred to as "the Company") are presented in the Company's functional currency, the New Taiwan dollar (NT\$).

2. Date and Procedures of Authorization of Financial Statements

The parent company only 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 Company'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 parent company only financial statements were authorized for issue, the Company is assessing the above standards and interpretations, and the modifications to the above standards and interpretations may have no significant 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

<u>New / Amended / Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
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 related conforming 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 Company 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 Company 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 Company as a whole, the Company 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 Company 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 Company shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Company 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 Company is continuously assessing other impacts of above

amended standards and interpretations on the Company'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 parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

##### (2) Basis of preparation

The parent company only 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.

When preparing the parent company only financial statements, the Company adopts the equity method for investments in subsidiaries and associates. In order to align profit or loss, other comprehensive income, and equity from the current year in the parent company only financial statements with those attributable to the Company's owners, the differences in accounting treatment with individual and consolidated basis have led to adjustments in "investments accounted for using the equity method", "share of profit or loss of subsidiaries and associates accounted for using the equity method", "share of other comprehensive income of subsidiary and associates accounted for using the equity method" and related equity items.

##### (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 reporting period; and
- 3) Cash and cash equivalents (excluding those restricted from being exchanged or used to settle a liability for at least 12 months after of the reporting period).

Current liabilities include:

- 1) Liabilities held primarily for trading purposes;
- 2) 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) Foreign Currencies

In the preparation of parent company only financial statements, transactions denominated in a currency other than the Company's functional currency (i.e., foreign currency) are translated into the Company'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 Company's parent company only 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.

#### (5) 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.

(6) Investment in subsidiaries

The Company has adopted the equity method for investments in subsidiaries.

Subsidiaries refer to entities controlled by the Company.

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 Company's share of profit or loss and other comprehensive income and profit distribution of the subsidiaries. In addition, changes in the Company's share of subsidiaries' other equity are recognized in proportion to its shareholding ratio.

Changes in the Company's ownership interest in subsidiaries that do not result in the Company losing control of the subsidiaries are accounted for as equity transactions. Any difference between the carrying amount of the investment and the fair value of the consideration paid or received is recognized directly in equity.

When the Company's share of losses of a subsidiary equals or exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company shall continue to recognize losses based on the shareholding percentage.

When the Company assesses impairment, the test shall be performed on the basis of cash generating units within the parent company only financial statements. The recoverable amount and the carrying amount of cash generating units shall be compared. Subsequently, if the recoverable amount of an asset increases, the recovery of the impairment loss shall be recognized as an advantage, provided that the carrying amount of the asset recovered from the impairment loss shall not exceed the carrying amount of the asset to be amortized if the impairment loss is not recognized.

The unrealized profit or loss in downstream transactions between the Company and the subsidiary shall be eliminated in the parent company only financial statements. Profits and losses in upstream and side-stream transactions between the Company and the subsidiaries are recognized in the parent company only financial statements only to the extent that the profits and losses are irrelevant to the Company's interests in the subsidiaries.

(7) Investment in associates

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

The Company accounts for investments in associates using the equity method.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate. In addition, equity changes in associates are recognized based on the shareholding ratio.

When associates issue new shares and the Company 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.

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

To assess impairment, the Company 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 Company 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 Company 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 Company and associates are recognized in the parent company only financial statements only to the extent that the profits and losses are irrelevant to the Company'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 in the course of 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 is derecognized, the difference between the net disposal proceeds and the carrying amount of the asset shall be recognized in profit or loss.

(9) Investment property

Investment properties are real estate held for rent or capital appreciation or both.

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

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 and investment properties

At the end of each reporting date, the Company reviews the carrying amounts of its property, plant, and equipment 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 Company 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 balance sheets when the Company 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) Types of measurement

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

##### A. Financial assets at FVTPL

Financial Assets measured at FVTPL are financial assets mandatorily measured at FVTPL. Financial assets mandatorily measured at FVTPL include investments in equity instruments not

designated as measured at FVTOCI, and investments in debt 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 25.

B. Financial assets at costs

When the Company'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.

After initial recognition, financial assets measured at amortized (including cash and cash equivalents, notes receivable, trade receivable, other receivables, 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 for the following two circumstances, interest income is calculated at the value of effective interest rate times 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 and therefore 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 Company 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 Company'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 Company 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 Company 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 Company derecognizes the financial assets when the contractual rights to the cash flow from the said financial assets expire or when the Company 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 Company are classified as either financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

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

3) Financial liabilities

a) Subsequent measurement

The Company's financial liabilities are assessed at amortized cost using the effective interest method

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 Company include forward foreign exchange contracts, which are used to manage the Company'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 Company 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 chlor-alkali products, PVC resins, PVC compounds and other related 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 Company will recognize revenue and accounts receivable at that time.

#### (14) Leases

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

##### 1) Where the Company is a lessor.

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

##### 2) Where the Company is a 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

#### (15) Borrowing costs

Borrowing costs directly attributable to an acquisition, 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 Company will comply with the conditions associated with the subsidies and that the subsidies will be received.

Government subsidies whose condition is that the Company 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 Company, 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 Company determines the income (loss) of the current year in accordance with the Income Tax Act of the ROC, 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.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Company 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 Company 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 Company 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 Company 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	\$ 105	\$ 37
Checking accounts and demand deposits	237,100	410,532
Cash equivalents		
Reverse repurchase agreements collateralized by bonds	99,839	90,000
	<u>\$ 337,044</u>	<u>\$ 500,569</u>

The market rate intervals of 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>
Reverse repurchase agreements collateralized by bonds	1.68%	1.44%

7. Financial instruments at FVTPL

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets mandatorily classified as at FVTPL</u>		
Non-derivative financial assets		
- Mutual funds	\$ 226,029	\$ 16,617
- Beneficiary securities	57,082	60,847
- Domestic listed equity investments	46,400	63,400
	<u>\$ 329,511</u>	<u>\$ 140,864</u>

Financial liabilities held for trading

Derivative financial liabilities (not under hedge accounting)

(Continued)

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
- Foreign exchange forward contracts	<u>\$ 354</u>	<u>\$ -</u> (Concluded)

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

	<u>Currency</u>	<u>Maturity</u>	<u>Contract Amount (In Thousands)</u>	
<u>December 31, 2025</u>				
Sell	USD/NTD	2026.01.30- 2026.03.30	USD	1,750/ NTD 54,454

The Company entered into foreign exchange forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities. These forward exchange contracts did not meet the criteria for hedge accounting. Therefore, the Company did not apply hedge accounting treatment for these forward exchange 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		
Unlisted ordinary share		
KHL IB Venture Capital		
Co., Ltd.	<u>\$ 52,947</u>	<u>\$ 58,635</u>

The Company 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 as 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 Company's strategy of holding these investments for long-term purposes.

9. 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>\$ 84,948</u>	<u>\$ 64,159</u>
<u>Trade receivables (including related parties) (Note 26)</u>		
Amortized cost		
Gross carrying amount	\$ 484,708	\$ 492,921
Less: Allowance for impairment loss	( <u>10,652</u> )	( <u>10,652</u> )
	<u>\$ 474,056</u>	<u>\$ 482,269</u>
<u>Other receivables (including related parties) (Note 26)</u>		
Tax refunds receivables	\$ 27,511	\$ 22,691
Others	<u>2,534</u>	<u>2,046</u>
	<u>\$ 30,045</u>	<u>\$ 24,737</u>

Notes and Trade receivables

The Company'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 Company 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 Company 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 Company 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 Company's credit risk was significantly reduced.

The Company 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 Company 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 Company 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 Company's allowance matrix:

December 31, 2025

	Credit Rating A	Credit Rating B	Credit Rating C	Others	Total
Gross carrying amount	\$ 5,564	\$ 159,231	\$ 147,263	\$ 257,598	\$ 569,656
Loss allowance (lifetime ECLs)	-	( 2,006)	( 3,011)	( 5,635)	( 10,652)
Amortized cost	<u>\$ 5,564</u>	<u>\$ 157,225</u>	<u>\$ 144,252</u>	<u>\$ 251,963</u>	<u>\$ 559,004</u>

December 31, 2024

	Credit Rating A	Credit Rating B	Credit Rating C	Others	Total
Gross carrying amount	\$ -	\$ 174,522	\$ 132,395	\$ 250,163	\$ 557,080
Loss allowance (lifetime ECLs)	-	( 1,973)	( 2,821)	( 5,858)	( 10,652)
Amortized cost	<u>\$ -</u>	<u>\$ 172,549</u>	<u>\$ 129,574</u>	<u>\$ 244,305</u>	<u>\$ 546,428</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	\$ 501,586	\$ 540,357
Less than and including 60 days	68,070	16,723
Over 60 days	-	-
	<u>\$ 569,656</u>	<u>\$ 557,080</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 and December 31	<u>\$ 10,652</u>	<u>\$ 10,652</u>

10. Inventories

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Finished goods	\$ 456,747	\$ 644,262
Work in process	45,007	61,355
Raw materials	<u>339,072</u>	<u>322,085</u>
	<u>\$ 840,826</u>	<u>\$ 1,027,702</u>

For the years ended December 31, 2025 and 2024, the costs of goods sold for inventories amounted to \$4,584,333 thousand and \$5,697,959 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 \$(2,752) thousand, and \$66,144 thousand, respectively. The reversal of the write-down of inventory to its net realizable value is mainly due to the decrease of inventory.

11. Investments accounted for equity method

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Investment in subsidiaries	\$ 4,685,634	\$ 4,911,010
Investment in associates	<u>320,026</u>	<u>336,665</u>
	<u>\$ 5,005,660</u>	<u>\$ 5,247,675</u>

1) Investment in subsidiaries

<u>Subsidiary</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Unlisted companies		
Taiwan VCM Corporation ("TVCM")	\$ 3,526,607	\$ 3,952,059
CGPC Polymer Corporation ("CGPCPOL")	643,205	454,551
CGPC (BVI) Holding Co., Ltd. ("CGPC (BVI)")	383,279	328,082
CGPC America Corporation ("CGPC- America")	<u>132,543</u>	<u>176,318</u>
	<u>\$ 4,685,634</u>	<u>\$ 4,911,010</u>

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

<u>Subsidiary</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
TVCM	87.31%	87.27%
CGPCPOL	100%	100%
CGPC (BVI)	100%	100%
CGPC-America	100%	100%

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.

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 Company'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.

2) Investment in associates

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 Company's share of:		
(Loss) profit for the period	(\$ 13,708)	\$ 2,107
Other comprehensive loss	( <u>2,931</u> )	( <u>25,043</u> )
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 Company 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 6 "Information on Reinvestment" for the nature of activities, principal places of business and countries of incorporation of the associates.

The Company 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 Company 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>

## 12. Property, plant and equipment

	Freehold Land	Building and improvement	Machinery and equipment	Transportation Equipment	Miscellaneous Equipment	Construction in Progress and Machinery in Transit	Total
<u>Cost</u>							
Balance at January 1, 2025	\$1,629,671	\$ 968,013	\$5,132,452	\$ 66,963	\$ 174,952	\$1,588,603	\$9,560,654
Additions	-	-	-	-	-	1,813,870	1,813,870
Disposal	-	( 8,719 )	( 17,811 )	( 3,366 )	( 4,587 )	-	( 34,483 )
Reclassification	-	78,663	298,271	4,526	3,754	( 385,214 )	-
Balance at December 31, 2025	<u>\$1,629,671</u>	<u>\$1,037,957</u>	<u>\$5,412,912</u>	<u>\$ 68,123</u>	<u>\$ 174,119</u>	<u>\$3,017,259</u>	<u>\$11,340,041</u>
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2025	\$ -	\$ 684,004	\$3,657,348	\$ 50,578	\$ 156,382	\$ -	\$4,548,312
Depreciation expense	-	40,351	258,543	5,054	6,509	-	310,457
Disposal	-	( 8,192 )	( 17,165 )	( 2,305 )	( 4,587 )	-	( 32,249 )
Balance at December 31, 2025	<u>\$ -</u>	<u>\$ 716,163</u>	<u>\$3,898,726</u>	<u>\$ 53,327</u>	<u>\$ 158,304</u>	<u>\$ -</u>	<u>\$4,826,520</u>
Net amount at December 31, 2025	<u>\$1,629,671</u>	<u>\$ 321,794</u>	<u>\$1,514,186</u>	<u>\$ 14,796</u>	<u>\$ 15,815</u>	<u>\$3,017,259</u>	<u>\$6,513,521</u>
<u>Cost</u>							
Balance at January 1, 2024	\$1,629,671	\$1,027,714	\$5,658,281	\$ 63,299	\$ 166,127	\$963,978	\$9,509,070
Additions	-	-	-	-	-	971,928	971,928
Disposal	-	( 74,794 )	( 785,084 )	( 4,957 )	( 3,222 )	( 44,481 )	( 912,538 )
Reclassification	-	15,093	259,255	8,621	12,047	( 302,822 )	( 7,806 )
Balance at December 31, 2024	<u>\$1,629,671</u>	<u>\$ 968,013</u>	<u>\$5,132,452</u>	<u>\$ 66,963</u>	<u>\$ 174,952</u>	<u>\$1,588,603</u>	<u>\$9,560,654</u>
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2024	\$ -	\$ 704,321	\$4,111,426	\$ 50,321	\$ 153,042	\$ -	\$5,019,110
Depreciation expense	-	44,960	252,812	5,135	6,262	-	309,169
Disposal	-	( 65,277 )	( 706,890 )	( 4,878 )	( 2,922 )	-	( 779,967 )
Balance at December 31, 2024	<u>\$ -</u>	<u>\$ 684,004</u>	<u>\$3,657,348</u>	<u>\$ 50,578</u>	<u>\$ 156,382</u>	<u>\$ -</u>	<u>\$4,548,312</u>
Net amount at December 31, 2024	<u>\$1,629,671</u>	<u>\$ 284,009</u>	<u>\$1,475,104</u>	<u>\$ 16,385</u>	<u>\$ 18,570</u>	<u>\$1,588,603</u>	<u>\$5,012,342</u>

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. 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 27 for the amount of property, plant and equipment pledged as collaterals for loans.

13. Investment property

	<u>Land</u>	<u>Building and improvement</u>	<u>Total</u>
<u>Cost</u>			
Balance at January 1 and December 31, 2025	<u>\$ 27,715</u>	<u>\$ 300,738</u>	<u>\$ 328,453</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2025	\$ -	\$ 100,279	\$ 100,279
Depreciation expense	<u>-</u>	<u>11,574</u>	<u>11,574</u>
Balance at December 31, 2025	<u>\$ -</u>	<u>\$ 111,853</u>	<u>\$ 111,853</u>
Net amount at December 31, 2025	<u>\$ 27,715</u>	<u>\$ 188,885</u>	<u>\$ 216,600</u>
<u>Cost</u>			
Balance at January 1, 2024	\$ 27,715	\$ 292,932	\$ 320,647
Reclassification	<u>-</u>	<u>7,806</u>	<u>7,806</u>
Balance at December 31, 2024	<u>\$ 27,715</u>	<u>\$ 300,738</u>	<u>\$ 328,453</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2024	\$ -	\$ 88,984	\$ 88,984
Depreciation expense	<u>-</u>	<u>11,295</u>	<u>11,295</u>
Balance at December 31, 2024	<u>\$ -</u>	<u>\$ 100,279</u>	<u>\$ 100,279</u>
Net amount at December 31, 2024	<u>\$ 27,715</u>	<u>\$ 200,459</u>	<u>\$ 228,174</u>

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

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	\$ 28,238	\$ 28,238
Year 2	26,655	26,655
Year 3	26,656	26,656
Year 4	26,655	26,655
Year 5	26,656	26,656
Over 5 years	<u>66,638</u>	<u>93,293</u>
	<u>\$ 201,498</u>	<u>\$ 228,153</u>

Except for the recognition of depreciation expense, the Company's investment properties did not experience significant additions, disposals, and impairments for the years ended December 31, 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
--------------------------	------------

#### 14. Borrowings

##### 1) Short-term borrowings

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Unsecured borrowings</u>		
Bank loans	<u>\$ 150,000</u>	<u>\$ 650,000</u>
The range of interest rate	1.848%	1.846%-2.025%

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

	<u>December 31, 2024</u>
<u>Commercial note payable</u>	\$ 200,000
Less: Discount on commercial notes payable	( <u>71</u> )
	<u>\$ 199,929</u>
The range of interest rate	1.840%

3) Long-term borrowings

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Secured borrowings</u> (Note 27)		
Bank loans	\$ 2,971,331	\$ 289,821
<u>Unsecured borrowings</u>		
Bank loans	<u>1,697,379</u>	<u>1,384,276</u>
	4,668,710	1,674,097
Less: Portion listed as due within 1 year	( <u>631,609</u> )	( <u>229,929</u> )
	<u>\$ 4,037,101</u>	<u>\$ 1,444,168</u>
Interest Rate Range	1.225%-2.200%	1.225%-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.

The Company 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 Company had not breached any of the aforementioned financial ratio commitments.

15. 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)</u> (Note 26)		
Operating	<u>\$ 450,682</u>	<u>\$ 591,990</u>

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

16. Other Payables - Non-Related Parties

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Payables for purchases of equipment	\$ 227,372	\$ 146,468
Salary and bonus payable	110,507	117,359
Payables for utilities and fuel fees	44,631	48,231
Payables for freight	25,793	21,623
Dividends payable	9,797	9,856
Miscellaneous tax payable	4,494	4,037
Others	<u>47,956</u>	<u>51,415</u>
	<u>\$ 470,550</u>	<u>\$ 398,989</u>

17. Provisions

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Current</u>		
Carbon fee	<u>\$ 5,923</u>	<u>\$ -</u>

Since 2025, the Company has recognized a provision for carbon fee liabilities in accordance with Taiwan's Carbon Fee Charging Regulations and other related laws. The Company 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 Company 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.

18. Retirement Benefit Plans

1) Defined contribution plans

The Company adopts 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.

2) Defined benefit plans

The pension system adopted by the Company 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 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 Company has no right over its investment and administration strategies.

The amounts of the defined benefit plans included in the balance sheet are as below:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present value of the defined benefit obligation	\$ 692,154	\$ 769,381
Fair value of plan assets	( <u>500,772</u> )	( <u>555,233</u> )
Net defined benefit liabilities	<u>\$ 191,382</u>	<u>\$ 214,148</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	\$ 903,170	( \$ 591,174 )	\$ 311,996
Service costs for the current period	4,832	-	4,832
Interest expenses (income)	<u>10,756</u>	( <u>7,093</u> )	<u>3,663</u>
Components recognized in profit or loss	<u>15,588</u>	( <u>7,093</u> )	<u>8,495</u>
Recognized in profit or loss			
Remeasurement			
Return on plan assets (excluding amounts included in net interest expense)	-	( 54,802 )	( 54,802 )
Actuarial losses - changes in financial assumptions	( 5,984 )	-	( 5,984 )
Actuarial losses - experience adjustment	( <u>11,138</u> )	<u>-</u>	( <u>11,138</u> )
Components recognized in other comprehensive income	( <u>17,122</u> )	( <u>54,802</u> )	( <u>71,924</u> )
Contributions by the employer	-	( 34,419 )	( 34,419 )
Benefits paid from plan assets	( <u>132,255</u> )	<u>132,255</u>	<u>-</u>
Balance at December 31, 2024	<u>769,381</u>	( <u>555,233</u> )	<u>214,148</u>
Service costs for the current period	3,673	-	3,673
Interest expenses (revenue)	<u>9,754</u>	( <u>7,053</u> )	<u>2,701</u>
Recognized in profit or loss	<u>13,427</u>	( <u>7,053</u> )	<u>6,374</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest expense)		( 43,439 )	( 43,439 )
Actuarial gains - changes in financial assumptions	5,555	-	5,555
Actuarial gains - experience adjustment	<u>38,591</u>	<u>-</u>	<u>38,591</u>
Components recognized in other comprehensive income	<u>44,146</u>	( <u>43,439</u> )	<u>707</u>
Contributions by the employer	-	( 29,847 )	( 29,847 )
Benefits paid from plan assets	( <u>134,800</u> )	<u>134,800</u>	<u>-</u>
Balance at December 31, 2025	<u>\$ 692,154</u>	( <u>\$ 500,772</u> )	<u>\$ 191,382</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	\$ 5,040	\$ 6,976
Selling and marketing expenses	879	993
General and administrative expenses	92	135
Research and development expenses	<u>363</u>	<u>391</u>
	<u>\$ 6,374</u>	<u>\$ 8,495</u>

The Company 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 Company 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 Company'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%
Average long-term salary adjustment rate	2.500%	2.500%

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>\$ 11,038</u> )	( <u>\$ 11,732</u> )
Decrease of 0.25%	<u>\$ 11,334</u>	<u>\$ 12,047</u>
Average long-term salary adjustment rate		
Increase of 0.25%	<u>\$ 11,006</u>	<u>\$ 11,701</u>
Decrease of 0.25%	( <u>\$ 10,774</u> )	( <u>\$ 11,453</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 amount of contribution within 1 year	<u>\$ 30,742</u>	<u>\$ 35,451</u>
Average duration of defined benefit obligations	6.5 years	6.2 years

19. 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 thousand)	<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 21(7)..

The appropriation of earnings to the legal reserve shall be made until the legal reserve reaches 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:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	2024	2023	2024	2023
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:

	Appropriation of Earnings	Dividends Per Share (NT\$)
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

- Exchange differences on translating the financial statements of foreign operations

	2025	2024
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	3,144	( 6,395)
Balance at December 31	(\$ 6,413)	\$ 6,008

- Unrealized Gains (Losses) on financial assets at FVTOCI

	2025	2024
Balance at January 1	\$ 28,837	\$ 61,306

(Continued)

	<u>2025</u>	<u>2024</u>
Recognized for the year		
Unrealized gains (losses) equity instruments	213	( 1,839)
Share of unrealized losses of subsidiaries and associates accounted for using the equity method	( 3,761)	( 30,630)
Balance at December 31	<u>\$ 25,289</u>	<u>\$ 28,837</u> (Concluded)

20. Revenue

1) Revenue from contracts with customers

	<u>2025</u>	<u>2024</u>
Revenue from sale of goods		
PVC products	<u>\$ 4,733,650</u>	<u>\$ 5,998,454</u>

Please refer to Schedule 6 for the revenue from the sale of goods of the Company.

2) Contract balances

Please refer to Note 9 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>\$ 49,774</u>	<u>\$ 62,572</u>	<u>\$ 39,241</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>\$ 22,169</u>	<u>\$ 32,164</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.

21. Net Loss for the Year

1) Interest income

	<u>2025</u>	<u>2024</u>
Bank deposits	\$ 1,356	\$ 1,697
Financial assets at FVTPL	2,277	2,065
Others	660	598
	<u>\$ 4,293</u>	<u>\$ 4,360</u>

2) Other income

	<u>2025</u>	<u>2024</u>
Rental income	\$ 32,700	\$ 32,313
Dividend income	2,000	2,998
Indemnity revenue	156	239
Others	<u>27,229</u>	<u>16,030</u>
	<u>\$ 62,085</u>	<u>\$ 51,580</u>

3) Other gains and losses

	<u>2025</u>	<u>2024</u>
Gains (losses) on the disposal of property, plant and equipment (Note 29)	\$ 4,483	(\$ 122,926)
Gross foreign exchange gains	83,199	72,059
Gross foreign exchange losses	( 119,205)	( 25,277)
Net losses on financial instruments at FVTPL	( 24,129)	( 2,280)
Depreciation expenses from investment properties	( 11,574)	( 11,295)
Depreciation expenses of property, plant and equipment	( 5,205)	( 4,652)
Others	<u>( 23,994)</u>	<u>( 34,496)</u>
	<u>(\$ 96,425)</u>	<u>(\$ 128,867)</u>

4) Interest expenses

	<u>2025</u>	<u>2024</u>
Interest on bank loans	\$ 65,454	\$ 33,214
Less: Capitalized interest (presented under construction in progress)	<u>( 10,257)</u>	<u>( 655)</u>
	<u>\$ 55,197</u>	<u>\$ 32,559</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	\$ 310,457	\$ 309,169
Investment property	11,574	11,295
Intangible assets	<u>2,136</u>	<u>2,106</u>
	<u>\$ 324,167</u>	<u>\$ 322,570</u>
Analysis of depreciation by function		
Operating costs	\$ 301,041	\$ 300,470
Operating expenses	4,211	4,047
Other gains and losses	<u>16,779</u>	<u>15,947</u>
	<u>\$ 322,031</u>	<u>\$ 320,464</u>
Analysis of amortization by function		
Operating costs	\$ 1,956	\$ 1,957
Operating expenses	<u>180</u>	<u>149</u>
	<u>\$ 2,136</u>	<u>\$ 2,106</u>

6) Employee benefits expenses

	<u>2025</u>	<u>2024</u>
Post-employment benefits (Note 18)		
Defined contribution plans	\$ 19,209	\$ 19,466
Defined benefit plans	<u>6,374</u>	<u>8,495</u>
	25,583	27,961
Other employee benefits	<u>637,049</u>	<u>690,075</u>
Total employee benefits expenses	<u>\$ 662,632</u>	<u>\$ 718,036</u>
Analysis of employee benefits expense by function		
Operating costs	\$ 561,735	\$ 597,267
Operating expenses	<u>100,897</u>	<u>120,769</u>
	<u>\$ 662,632</u>	<u>\$ 718,036</u>

Please refer to Schedule 10 for the details related to employee benefits expense.

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 parent company only 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.

## 22. Taxation

### 1) 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	\$ -	\$ -
Adjustments for prior periods	( <u>6,845</u> )	( <u>13,350</u> )
	( <u>6,845</u> )	( <u>13,350</u> )
Deferred tax		
In respect of the current year	( 129,840 )	( 13,947 )
Adjustments for prior periods	( <u>35</u> )	<u>2</u>
	( <u>129,875</u> )	( <u>13,945</u> )
Income tax benefits recognized in profit or loss	( <u>\$ 136,720</u> )	( <u>\$ 27,295</u> )

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

	<u>2025</u>	<u>2024</u>
Net loss before income tax	( <u>\$ 1,055,700</u> )	( <u>\$ 737,262</u> )
Income tax benefits calculated at the statutory tax rate	( \$ 211,140 )	( \$ 147,452 )
Domestic investments recognized under equity method	56,571	90,841
Tax-exempt income	( 174 )	( 2,059 )
Gains on financial assets	4,053	1,915
Nondeductible expenses in determining taxable income	450	674
Unrecognized deductible temporary differences	400	42,134
Adjustments for prior years	( 6,880 )	( 13,348 )

(Continued)

	<u>2025</u>	<u>2024</u>
Timing difference in revenue recognition of advance receipts	<u>20,000</u>	<u>-</u>
Income tax benefits recognized in profit or loss	<u>(\$ 136,720)</u>	<u>(\$ 27,295)</u> (Concluded)
2) 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>141</u>	<u>(14,385)</u>
Income tax recognized in other comprehensive income	<u>\$ 3,285</u>	<u>(\$ 20,780)</u>
3) Current tax assets and liabilities		
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current tax assets		
Tax refunds receivables	<u>\$ 732</u>	<u>\$ 14,004</u>

4) Deferred tax assets and liabilities

Changes in deferred tax assets and liabilities were as follows:

2025

	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	\$ 36,252	(\$ 550)	\$ -	\$ 35,702
Investment accounted for equity method	111,553	( 4,416)	3,144	110,281
Deferred income	8,695	( 2,133)	-	6,562
Refund liabilities	6,172	( 1,738)	-	4,434
Defined benefit pension plans	42,829	( 4,695)	141	38,275
Payables for annual leave	7,968	( 1,207)	-	6,761
Loss carryforward	55,331	141,658	-	196,989
Others	<u>1,592</u>	<u>872</u>	<u>-</u>	<u>2,464</u>
	<u>\$ 270,392</u>	<u>\$ 127,791</u>	<u>\$ 3,285</u>	<u>\$ 401,468</u>
<u>Deferred tax liabilities</u>				
Temporary differences				
Revaluation increments of land	\$ 483,213	\$ -	\$ -	\$ 483,213
Others	<u>2,428</u>	<u>( 2,084)</u>	<u>-</u>	<u>344</u>
	<u>\$ 485,641</u>	<u>( \$ 2,084)</u>	<u>\$ -</u>	<u>\$ 483,557</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	\$ 23,023	\$ 13,229	\$ -	\$ 36,252
Investment accounted for equity method	115,705	2,243	( 6,395)	111,553
Deferred income	8,737	( 42)	-	8,695
Refund liabilities	4,390	1,782	-	6,172
Defined benefit pension plans	62,399	( 5,185)	( 14,385)	42,829
Payables for annual leave	8,140	( 172)	-	7,968
Loss carryforward	48,578	6,753	-	55,331
Others	<u>4,331</u>	<u>( 2,739)</u>	<u>-</u>	<u>1,592</u>
	<u>\$ 275,303</u>	<u>\$ 15,869</u>	<u>( \$ 20,780)</u>	<u>\$ 270,392</u>
<u>Deferred tax liabilities</u>				
Temporary differences				
Revaluation increments of land	\$ 483,213	\$ -	\$ -	\$ 483,213
Others	<u>504</u>	<u>1,924</u>	<u>-</u>	<u>2,428</u>
	<u>\$ 483,717</u>	<u>\$ 1,924</u>	<u>\$ -</u>	<u>\$ 485,641</u>

5) Information on unused loss carryforward

As of December 31, 2025, the Company's unused loss carryforwards were \$984,944 thousand which will expire in succession before 2035.

6) Income tax examination

The income tax returns of the Company through 2023 have been assessed by the tax authorities.

23. 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 Company offered to settle remuneration paid to employees in cash or shares, the Company 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.

24. Capital management

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

25. Financial instruments

- 1) Fair value of financial instruments not measured at fair value  
The management of the Company 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 FVTPL</u>				
Mutual funds	\$ 226,029	\$ -	\$ -	\$ 226,029
Beneficiary securities	57,082	-	-	57,082
Investments in equity instruments				
- Domestic listed equity instruments	<u>46,400</u>	<u>-</u>	<u>-</u>	<u>46,400</u>
	<u>\$ 329,511</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 329,511</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
- Domestic unlisted equity investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,947</u>	<u>\$ 52,947</u>
<u>Financial liabilities at FVTPL</u>				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 354</u>	<u>\$ -</u>	<u>\$ 354</u>

December 31, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial Assets at FVTPL</u>				
Mutual funds	\$ 16,617	\$ -	\$ -	\$ 16,617
Beneficiary securities	60,847	-	-	60,847
Investments in equity instruments				
- Domestic listed equity instruments	<u>63,400</u>	<u>-</u>	<u>-</u>	<u>63,400</u>
	<u>\$ 140,864</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 140,864</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
- Domestic unlisted equity investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,635</u>	<u>\$ 58,635</u>

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 measured at 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 measured at FVTOCI</u>
Balance at January 1, 2025	\$ 60,474
Components recognized in other comprehensive income	( <u>1,839</u> )
Balance, at December 31, 2025	<u>\$ 58,635</u>

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

<u>Financial Instruments</u>	<u>Valuation Technique and Inputs</u>
Category	
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 Company's financial department conducts independent fair value verification using independent sources to better reflect the market conditions and periodically reviewing the valuation results to ensure rationality. For unlisted domestic equity investments, the Company utilizes the asset approach, referencing the investee company's most recent net asset value and observable financial condition to make fair value decisions. The unobservable input used was a discount for the lack of marketability of 15% on December 31, 2025, and December 31, 2024. When all other input values remain unchanged, the fair value would decrease by \$623 thousand and \$690 thousand, respectively, if the liquidity discount 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	\$ 329,511	\$ 140,864
Financial assets at amortized costs		
Cash and cash equivalents	337,044	500,569
Notes receivable	84,948	64,159
Trade receivables (including related parties)	474,056	482,269
Other receivables (including related parties and excluding tax refund receivable)	2,534	2,046
Refundable deposits	46,144	8,684
Financial assets at FVTOCI-Equity instruments	52,947	58,635
<u>Financial liabilities</u>		
Financial liabilities at FVTPL -		
Held for trading	354	-
Amortized cost		
Short-term notes and bills payable	-	199,929
Short-term borrowings	150,000	650,000
Notes payable	24,185	36,559
Trade payables (including related parties)	450,682	591,990
Other payables (Note)	356,594	279,832
Long-term borrowings (including due within one year)	4,668,710	1,674,097
Guarantee deposits	8,812	11,757

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 Company's conduct of risk control and hedging strategy is influenced by the operational environment. The Company 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 Company'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 Company's exposure to market risks or the manner in which these risks were managed and measured.

A. Foreign currency risk

The Company conducted foreign currency sales and purchases, which exposed the Corporation 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 Company maintains a balance of hedged net foreign currency denominated assets and liabilities. The Company 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 Company's board of directors. Internal auditors focus on reviewing the observance of the policies and the quota of risk exposures. The Company did not engage in forward exchange contracts for speculative purposes.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities measured at the end of the reporting period are set out in Note 30.

Sensitivity analysis

The Company'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 Company's functional currency against the USD, the Company's pre-tax loss for 2025 and 2024 would have increased/decreased by \$8,149 thousand and \$8,333 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 Company was exposed to the fair value risk of interest rate fluctuations for the fixed interest rate bearing financial assets and financial liabilities; The Company was exposed to the cash flow risk of interest rate fluctuations for the floating interest rate bearing financial assets and

financial liabilities. The Company's management regularly monitors the fluctuations in market rates and then adjusts its balance of floating rate financial liabilities to make the Company's interest rates more closely approach market rates in response to the interest rate risk.

The carrying amount of the Company'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	\$ 100,519	\$ 98,615
- Financial liabilities	-	699,929
Cash flow interest rate risk		
- Financial assets	237,048	397,764
- Financial liabilities	4,818,710	1,836,043

#### Sensitivity analysis

The fixed-rate financial assets and liabilities held by the Company 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 Company 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 Company's net loss before income tax for the years ended December 31, 2025 and 2024 would have increased/decreased by \$22,908 thousand and \$7,191 thousand, respectively.

#### C. Other price risks

The Company was exposed to the equity price risk through its investments in domestic listed equity investments and beneficiary securities. The Group manages this exposure by maintaining a portfolio of investments with different risks. In addition, The Company 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 Company'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 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 increase/decrease by \$2,647 thousand and \$2,932 thousand, respectively, as a result of the changes in the 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 Company. As at the end of the reporting period, the Company's maximum exposure to credit risk, which would cause a financial loss to the Company due to the failure of counterparties to discharge an obligation and financial guarantees provided by the Company, 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 Company would have to pay if the financial guarantee is called upon, irrespective of the likelihood of the guarantee being exercised.

The Company adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored. The counterparties of the Company's accounts receivable included numerous clients distributed over a variety of areas and were not centered on a single client or location. Furthermore, the Company continuously assesses the financial condition of its accounts receivable clients, and thus the Company's credit risk was limited. As of the end of the reporting period, the Company's largest exposure to credit risk is approximately that of the carrying amounts of its financial assets.

c) Liquidity risk

The Company's management mitigates liquidity risk and supports working capital by maintaining an adequate level of cash and cash equivalents and bank financing facilities.

A. Liquidity and interest rate risk tables

The following table details the Company'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 Company 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 financial liabilities</u>				
Non-interest bearing liabilities				
		\$ 831,461	\$ -	\$ -
Floating interest rate liabilities	1.225-2.200	<u>846,817</u>	<u>2,493,833</u>	<u>1,861,167</u>
		<u>\$1,678,278</u>	<u>\$2,493,833</u>	<u>\$1,861,167</u>

December 31, 2024

	Effective interest rate (%)	On demand or less than 1 years	1~5 years	Over 5 years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing liabilities				
		\$ 908,381	\$ -	\$ -
Floating interest rate liabilities	1.225-2.200	397,085	1,359,008	149,897
Fixed interest rate liabilities	1.840-2.025	<u>700,362</u>	<u>-</u>	<u>-</u>
		<u>\$2,005,828</u>	<u>\$1,359,008</u>	<u>\$ 149,897</u>

B. Financing facilities

The Company relies on bank loans as a significant source of liquidity for the Corporation. 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>\$ 9,432,561</u>	<u>\$ 8,177,149</u>

26. 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. Besides information disclosed elsewhere in other notes, details of transactions between the Company and 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
TVCM	Subsidiary
CGPCPOL	Subsidiary
CGPC-America	Subsidiary
Global Green Technology Corporation	Grandchild 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
APC Investment Corporation	Subsidiary of investor with significant influence
USI Educational Foundation ("USIF")	Related party in substance
Delmind Inc.	Related party in substance (Non-related party since September 12, 2025)

(2) Sales

<u>Related Party Category</u>	<u>2025</u>	<u>2024</u>
Subsidiary	\$ 460,288	\$ 425,264
Fellow subsidiary	463	232
Investor with significant influence	-	2,562
	<u>\$ 460,751</u>	<u>\$ 428,058</u>

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

(3) Purchases

<u>Related Party Category/Name</u>	<u>2025</u>	<u>2024</u>
Subsidiary		
TVCM	\$ 1,737,192	\$ 2,891,292
Others	2,919	15,401
Fellow subsidiary	9,709	19,610
Ultimate parent company	829	1,052
Investor with significant influence	-	116
	<u>\$ 1,750,649</u>	<u>\$ 2,927,471</u>

The Company and TVCM signed vinyl chloride monomer supply agreement, and the purchase price is determined based on the sales price of polyvinyl chloride in Taiwan of the current month, the Asia spot report price of vinyl chloride monomer and the Asian prices of dichloroethane and ethylene. The purchase of goods to related parties had no material differences from those of general sales transactions.

(4) Trade receivables from related parties

<u>Related Party Category/Name</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Subsidiary		
CGPC-America	<u>\$ 189,049</u>	<u>\$ 134,954</u>

The outstanding trade receivables from related parties were unsecured. No loss allowance was set aside for receivables from related parties for the years ended December 31, 2025 and 2024.

(5) Trade payables to related parties

<u>Related Party Category/Name</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Subsidiary		
TVCM	\$ 340,715	\$ 454,302
Others	-	1,306
Ultimate parent company	110	391
Fellow subsidiary	31	3,550
	<u>\$ 340,856</u>	<u>\$ 459,549</u>

The outstanding trade payables to related parties were unsecured.

(6) Other receivables from related parties

<u>Related Party Category</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Subsidiary	\$ 1,056	\$ 915
Investor with significant influence	489	490
Ultimate parent company	52	5
Fellow subsidiary	9	10
Associate	-	8
Grandchild company	-	8
	<u>\$ 1,606</u>	<u>\$ 1,436</u>

(7) Other payables to related parties

<u>Related Party Category</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Ultimate parent company	\$ 678	\$ 762
Investor with significant influence	199	153
Fellow subsidiary	111	84
Grandchild company	55	894
Subsidiary	2	-
Related party in substance	-	346
	<u>\$ 1,045</u>	<u>\$ 2,239</u>

(8) Acquisitions of property, plant and equipment

<u>Related Party Category</u>	<u>Purchases Price</u>	
	<u>2025</u>	<u>2024</u>
Related party in substance	<u>\$ -</u>	<u>\$ 144</u>

(9) Disposal of property, plant and equipment (2025: None)

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

(10) Endorsement/ Guarantee

<u>Related Party Category/Name</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Subsidiary CGPCPOL	<u>\$ 1,100,314</u>	<u>\$ 1,065,898</u>

(11) Lease arrangements

<u>Related Party Category/Name</u>	<u>2025</u>	<u>2024</u>
<u>Lease expenses</u>		
Ultimate parent company	\$ 4,607	\$ 4,985
Investor with significant influence APC	<u>2,094</u>	<u>1,776</u>
	<u>\$ 6,701</u>	<u>\$ 6,761</u>

The Company leases its Neihu office from ultimate parent company and APC. The rentals are paid on a monthly basis.

(12) Management service expenses

<u>Related Party Category/Name</u>	<u>2025</u>	<u>2024</u>
Fellow subsidiary UM	\$ 85,026	\$ 80,689
Ultimate parent company	<u>243</u>	<u>1,438</u>
	<u>\$ 85,269</u>	<u>\$ 82,127</u>

UM and the ultimate parent company provide labor support, equipment and other related services to the Company. The service expenses were based on the actual

quarterly expenses which should be paid in the subsequent quarter following the related service.

(13) Donations

Related Party Category/Name	2025	2024
Related party in substance		
USIF	<u>\$ 2,000</u>	<u>\$ 2,000</u>

(14) Rental income

Related Party Category/Name	2025	2024
Fellow subsidiary		
USIO	\$ 5,435	\$ 5,445
Others	55	47
Investor with significant influence	<u>265</u>	<u>266</u>
	<u>\$ 5,755</u>	<u>\$ 5,758</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	2025	2024
Investor with significant influence	\$ 1,036	\$ 1,005
Subsidiary	406	461
Grandchild company	94	39
Ultimate parent company	<u>47</u>	<u>-</u>
	<u>\$ 1,583</u>	<u>\$ 1,505</u>

(16) Other expenses

Related Party Category	2025	2024
Grandchild company	\$ 6,662	\$ 4,008
Fellow subsidiary	768	484
Related party in substance	<u>-</u>	<u>185</u>
	<u>\$ 7,430</u>	<u>\$ 4,677</u>

(17) Compensation of key management personnel

	2025	2024
Salaries and others	\$ 17,084	\$ 18,518
Post-employment benefits	<u>108</u>	<u>108</u>
	<u>\$ 17,192</u>	<u>\$ 18,626</u>

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

27. Assets Pledged as Collateral or for Security

The following assets 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 refundable deposits under other non-current assets)	\$ 11,426	\$ 8,614
Property, plant and equipment	<u>1,508,388</u>	<u>1,507,016</u>
	<u>\$ 1,519,814</u>	<u>\$ 1,515,630</u>

28. Significant Contingent Liabilities and Unrecognized Commitments

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

(1) As of December 31, 2024, the Company's unused letters of credit amounted to \$33,248 thousand (2025: None).

(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 NT\$238,306 thousand (including interest) to the Government as a guarantee for losses caused by 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. The aggregate amount of claims still in litigation and the negotiated settlement amounts for fatalities and seriously injured parties as described in the preceding paragraph total approximately \$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.

29. 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 Company's 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:

December 31, 2025

Unit: Except for the exchange rate, all in thousands

	<u>Foreign Currencies</u>	<u>Exchange Rate (In Single Dollars)</u>	<u>Carrying Amount</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 9,553	31.430 (USD : NTD)	\$ 300,262
AUD	934	21.010 (AUD : NTD)	19,616
EUR	148	36.900 (EUR : NTD)	5,471
GBP	8	42.330 (GBP : NTD)	319
<u>Non-monetary items</u>			
Subsidiaries accounted for using the equity method			
USD	16,412	31.430 (USD : NTD)	515,822
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	910	31.430 (USD : NTD)	28,613
GBP	30	42.330 (GBP : NTD)	1,262
EUR	15	36.900 (EUR : NTD)	543
AUD	6	21.010 (AUD : NTD)	130

December 31, 2024

	<u>Foreign Currencies</u>	<u>Exchange Rate (In Single Dollars)</u>	<u>Carrying Amount</u>
<u>Financial Assets</u>			
<u>Monetary items</u>			
USD	\$ 8,947	32.785 (USD : NTD)	\$ 293,333
AUD	494	20.390 (AUD : NTD)	10,064
EUR	146	34.140 (EUR : NTD)	4,994
GBP	83	41.190 (GBP : NTD)	3,422
<u>Non-monetary items</u>			
Subsidiaries accounted for using the equity method			
USD	15,385	32.785 (USD : NTD)	504,400
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	475	32.785 (USD : NTD)	15,568
GBP	48	41.190 (GBP : NTD)	1,968
JPY	5,368	0.2099 (JPY : NTD)	1,127
EUR	17	34.140 (EUR : NTD)	580
AUD	3	20.390 (AUD : NTD)	56

For the years ended December 31, 2025 and 2024, net foreign exchange (losses) gains were (\$36,006) thousand and \$46,782 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.

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.
- (2) Information on Reinvestment: Table 6.
- (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 7.
  - 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.

China General Plastics Corporation  
 Financing Provided to Other  
 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 Limits (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 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  
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  
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)
TVCM	<u>Ordinary shares</u>							
	Taiwan Cement Corporation	-	Financial assets measured at FVTPL - current	2,000,000	46,400	-	46,400	(Note 1)
	<u>Ordinary shares s</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)
CGPCPOL	<u>Mutual funds</u>							
	Fubon Money Market Fund	-	Financial assets measured at FVTPL - current	2,419,042	38,000	-	38,000	(Note 1)
	<u>Ordinary shares</u>							
CGPC (BVI)	Teratech Corporation	-	Financial assets measured at FVTPL - non-current	112,000	-	0.65%	-	(Notes 1 and 3)
	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 evaluated fair value of the equity investment in the Corporation was NT\$0.

China General Plastics Corporation

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%	-
TVCM	CGPC	Parent company	Sales	( 1,737,192)	( 34%)	45 days	"	"	340,715	33%	-
	CGPCPOL	Fellow subsidiary	Sales	( 2,399,941)	( 47%)	75 days	"	"	621,365	60%	-

China General Plastics Corporation  
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 to February 23, 2026.

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

Table 6

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
	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
	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
	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
	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, and 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

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

Table 7

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: The investment income recognized in 2025 is based on the financial statements audited by the CPAs of the parent company in Taiwan.

## §The Contents of Schedules of Major Accounting Items§

ITEM	SCHEDULE / INDEX
Schedule of Major Accounting Items in Assets, Liabilities and Equity	
Schedule of Cash and Cash Equivalents	1
Schedule of Financial Assets at FVTPL	Note 7
Schedule of Notes and Trade Receivables	2
Schedule of Inventories	3
Schedule of Financial Assets at FVTOCI - non-current	Note 8
Schedule of changes in investments accounted for using the equity method	4
Schedule of Changes in Property, Plant and Equipment	Note 12
Schedule of Changes in Investment Properties	Note 13
Schedule of Deferred Tax Assets	Note 22
Schedule of Short-Term Borrowings	Note 14
Schedule of Notes and Trade Payables	5
Schedule of Other Payables	Note 16
Schedule of Long-Term Borrowings	Note 14
Schedule of Deferred Tax Liabilities	Note 22
Schedule of Major Accounting Items in Profit or Loss	
Schedule of Net Revenue	6
Schedule of Cost of Revenue	7
Schedule of Manufacturing Expenses	8
Schedule of Operating Expenses	9
Schedule of Other Income	Note 21
Schedule of Other Gains and Losses	Note 21
Schedule of Employee Benefits, Depreciation, and Amortization by Function	10

China General Plastics Corporation  
Schedule of Cash and Cash Equivalents

December 31, 2025

Schedule 1

Unit: NT\$ thousands, Unless Stated  
Otherwise

Item	Description	Amount
Cash on hand and petty cash		<u>\$ 105</u>
Bank deposits		
Demand deposits		194,002
Check deposits		10,798
Foreign currency deposits	USD 915,456, exchange rate 31.430 EUR 35,894, exchange rate 36.900 AUD 78,325, exchange rate 21.010 GBP 7,534, exchange rate 42.330 JPY 552,042, exchange rate 0.201 HKD 31,608, exchange rate 4.038	<u>32,300</u>
		<u>237,100</u>
Cash equivalents		
Reverse repurchase agreements collateralized by bonds	Annual interest rate 1.68%, due by January 2026	<u>99,839</u>
Total		<u>\$ 337,044</u>

China General Plastics Corporation  
Schedule of Notes Receivable and Trade Receivables  
December 31, 2025

Schedule 2

Unit: NT\$ thousands

Item	Amount
Notes receivable	
Avatack Co., Ltd.	\$ 40,447
San Yanier Chemical Co., Ltd.	13,468
Globe Industries Corporation	11,004
Others (Note)	<u>20,029</u>
	<u>84,948</u>
Trade receivables	
Zheng Yi Plastics Co., Ltd.	56,835
Tricon Dry Chemicals, LLC	26,318
Avatack Co., Ltd.	22,684
BMS Group Australia Pty Ltd	17,971
Jeng Chi Co., Ltd.	15,583
Others (Note)	<u>156,268</u>
	295,659
Less: Allowance for impairment loss	( <u>10,652</u> )
	<u>285,007</u>
Trade receivables from related parties	
CGPC America Corporation	<u>189,049</u>
Total	<u>\$ 559,004</u>

Note: The amount of each client included in others does not exceed 5% of the account balance.

China General Plastics Corporation  
Schedule of Inventories  
December 31, 2025

Schedule 3

Unit: NT\$ thousands

Item	Amount	
	Cost	Market price (Note 1)
Finished goods	\$ 593,962	\$ 524,692
Work in process	50,036	45,566
Raw materials	<u>375,334</u>	<u>327,135</u>
	1,019,332	<u>\$ 897,393</u>
Less: Allowance for write-downs of inventories and obsolescence losses	( <u>178,506</u> )	
Total	<u>\$ 840,826</u>	

Note 1: Evaluated at replacement cost or net realizable value.

Note 2: The amount of insured inventories is \$1,455,680 thousand.

China General Plastics Corporation  
Schedule of Changes in Investments Accounted for Using the Equity Method  
For the Year Ended December 31, 2025

Schedule 4

Unit: NT\$ thousands

Investee Company	Balance at January 1		Additions (deductions)		Gains (losses) on Investments Accounted for Under Equity Method	Exchange Differences on Translating the Financial Statements of Foreign Operations	Others (Note)	Balance at December 31		Percentage of Shareholding (%) at the End of the Year	Market Value/ Net Value	Endorsement/ Guarantee Collateral
	Shares	Amount	Shares	Amount				Shares	Amount			
Listed company												
ACME	3,566,526	\$ 33,834	-	\$ -	( \$ 1,112 )	\$ 154	\$ 5	3,566,526	\$ 32,881	1.67	\$ 101,289	None
Unlisted companies												
TVCM	259,591,005	3,952,059	116,451	1,330	( 434,424 )	-	7,642	259,707,456	3,526,607	87.31	3,526,607	None
CGPCPOL	70,170,682	454,551	2,337,975	500,000	( 311,346 )	-	-	72,508,657	643,205	100	643,205	None
CGPC ( BVI )	14,808,258	328,082	-	-	61,112	( 5,915 )	-	14,808,258	383,279	100	383,279	None
CGTD	25,053,469	302,831	-	-	( 12,596 )	-	( 3,090 )	25,053,469	287,145	33.33	287,145	None
CGPC - America	100	176,318	-	-	( 39,030 )	( 9,804 )	5,059	100	132,543	100	173,386	None
		<u>\$ 5,247,675</u>		<u>\$ 501,330</u>	<u>( \$ 737,396 )</u>	<u>( \$ 15,565 )</u>	<u>\$ 9,616</u>		<u>\$ 5,005,660</u>			

Note: The details of amounts are as below:

Share of the other comprehensive income of subsidiaries and associates accounted for using the equity method - unrealized net loss on investments in equity instruments at FVTOCI	( \$ 3,761 )
Capital surplus accounted for using the equity method	355
Realized profit from sales	5,059
Share of the other comprehensive income of subsidiaries and associates accounted for using the equity method - Remeasurements of defined benefit plans	<u>7,963</u>
	<u>\$ 9,616</u>

China General Plastics Corporation  
Schedule of Notes Payable and Trade Payables  
December 31, 2025

Schedule 5

Unit: NT\$ thousands

Item	Amount
Notes payable	
Miaoli County Government	\$ <u>24,185</u>
Trade payables	
Dampier Salt Limited	12,688
Nan Ya Plastics Corporation	10,423
Marubeni ASEAN Pte. Ltd.	7,464
Pau Tai Industrial Corporation	6,210
Others (Note)	<u>73,041</u>
	<u>109,826</u>
Trade payables to related parties	
Taiwan VCM Corporation ("TVCM")	340,715
Others (Note)	<u>141</u>
	<u>340,856</u>
Total	<u>\$ 474,867</u>

Note: The amount of each client included in others does not exceed 5% of the account balance.

China General Plastics Corporation  
Schedule of Net Revenue  
For the Year Ended December 31, 2025

Schedule 6

Unit: NT\$ thousands, Unless Stated  
Otherwise

Item	Unit (PVC Leather in Thousands of Yards and the Rest in MT)	Amount
Sales		
PVC resins and compounds	76,946	\$ 1,754,443
Chlor-alkali products	57,511	941,130
PVC films	10,633	704,078
PVC leather	4,507	695,854
Construction products	14,388	<u>638,145</u>
 Total		 <u>\$ 4,733,650</u>

China General Plastics Corporation  
Schedule of Cost of Revenue  
For the Year Ended December 31, 2025

Schedule 7

Unit: NT\$ thousands

Item	Amount
Raw materials	
Raw materials at January 1	\$ 350,423
Raw materials purchased	2,702,746
Raw materials transferred to other accounts	( 185,801 )
Raw materials at December 31	( 375,334 )
Raw materials used in the year	2,492,034
Direct labor	242,070
Manufacturing expenses (Schedule 8)	1,630,048
Manufacturing cost	4,364,152
Work in process at January 1	66,769
Other accounts transferred to work in process	( 1,554 )
Work in process at December 31	( 50,036 )
Cost of finished goods	4,379,331
Finished goods at January 1	791,768
Other accounts transferred to finished goods	12,397
Finished goods purchased in the year	30,382
Finished goods transferred to other accounts	( 19,042 )
Finished goods at December 31	( 593,962 )
Cost of revenue before adjustment	4,600,874
Reversal of write-downs of inventories and obsolescence losses	( 2,752 )
Others reduced cost of revenue	( 13,789 )
Cost of revenue	<u>\$ 4,584,333</u>

China General Plastics Corporation  
Schedule of Manufacturing Expenses  
For the Year Ended December 31, 2025

Schedule 8

Unit: NT\$ thousands

<u>Item</u>	<u>Amount</u>
Utilities expenses	\$ 470,330
Payroll and other personnel expense	319,665
Depreciation expense	301,041
Repair and maintenance expense	154,765
Fuel expense	138,101
Others (Note)	<u>246,146</u>
Total	<u>\$ 1,630,048</u>

Note: The amount of each client included in others does not exceed 5% of the account balance.

China General Plastics Corporation  
Schedule of Operating Expenses  
For the Year Ended December 31, 2025

Schedule 9

Unit: NT\$ thousands

Item	Selling and Marketing Expenses	General and Administrative Expenses	Research and Development Expenses
Freight	\$ 146,845	\$ -	\$ 28
Payroll and other personnel expenses (Note 1)	60,778	14,236	25,883
Management service expenses	-	85,269	-
Research and experiment material expense	-	-	3,127
Depreciation expense	87	1,599	2,525
Others (Note 2)	<u>17,411</u>	<u>26,514</u>	<u>3,134</u>
Total	<u>\$ 225,121</u>	<u>\$ 127,618</u>	<u>\$ 34,697</u>

Note 1: The amount of payroll and personnel expense includes salary, pension, insurance and other personnel expenses.

Note 2: The amount of each client included in others does not exceed 5% of the account balance.

China General Plastics Corporation  
Schedule of Employee Benefits, Depreciation and Amortization by Function  
For the Years Ended December 31, 2025 and 2024

Schedule 10

Unit: NT\$ thousands, Unless Stated Otherwise

	For the year ended December 31, 2025				For the year ended December 31, 2024			
	Cost of Revenue	Operating Expenses	Other Gains and Losses	Total	Cost of Revenue	Operating Expenses	Other Gains and Losses	Total
Employee benefits expenses								
Salary and bonus	\$ 477,482	\$ 78,027	\$ -	\$ 555,509	\$ 502,857	\$ 96,695	\$ -	\$ 599,552
Labor and health insurance	44,210	7,479	-	51,689	47,436	7,409	-	54,845
Pension	21,502	4,081	-	25,583	23,660	4,301	-	27,961
Remuneration of Directors	-	6,720	-	6,720	-	5,410	-	5,410
Other employee benefits	18,541	4,590	-	23,131	23,314	6,954	-	30,268
Total	<u>\$ 561,735</u>	<u>\$ 100,897</u>	<u>\$ -</u>	<u>\$ 662,632</u>	<u>\$ 597,267</u>	<u>\$ 120,769</u>	<u>\$ -</u>	<u>\$ 718,036</u>
Depreciation expenses	<u>\$ 301,041</u>	<u>\$ 4,211</u>	<u>\$ 16,779</u>	<u>\$ 322,031</u>	<u>\$ 300,470</u>	<u>\$ 4,047</u>	<u>\$ 15,947</u>	<u>\$ 320,464</u>
Amortization expenses	<u>\$ 1,956</u>	<u>\$ 180</u>	<u>\$ -</u>	<u>\$ 2,136</u>	<u>\$ 1,957</u>	<u>\$ 149</u>	<u>\$ -</u>	<u>\$ 2,106</u>

Note 1: As of December 31, 2025 and 2024, the Company had 572 and 633 employees, respectively, and the number of directors who did not served concurrently as employees were 7 and 8, respectively.

Note 2: The average amount of employee benefits expense of the Company in 2025 was \$1,161 thousand; the average amount of employee benefits expense of the Company in 2024 was \$1,140 thousand.

Note 3: The average amount of salary expense of the Company in 2025 was \$983 thousand; the average amount of salary expense of the Company in 2024 was \$959 thousand..

Note 4: The average of salary expense adjustment of the Company increased at 2.50% in 2025.

Note 5: The Company's remuneration policy for directors and executive officers: a. Remuneration payment shall refer to that of median across peer industry, along with consideration of reasonableness related with personal performance, operating achievements of company and future risks. b. Directors and managers should not be guided to behave beyond the risk of company for higher remuneration. c. The proportion of profit sharing bonus to employees based on short-term performance and the timing of partial variable remuneration payments should be determined in consideration of industry characteristics and the Company's Business Activities. The employee remuneration policy is formulated based on government regulations, industry salary market trends and dynamics, changes in overall economic and industry conditions, and the remuneration's organizational structure. It serves as the standard for payments in accordance with the "Group Salary Management and Audit Method," the "Group Employee Performance Evaluation Method," and the "Group Supervisor Allowance and Staff Allowance Payment Method." A "Year-End Bonus Payment Method" is also established to distribute year-end bonuses, including profit sharing bonus to employees, based on the Company's profitability and employee performance assessment.