

Taita Chemical Co., Ltd. and
Subsidiaries

Consolidated Financial Statements
and Independent Auditors' Report
For the Years Ended December 31, 2024 and
2023

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Statement of Consolidated Financial Statements of Related Entities

The entities that are required to be included in the combined financial statements of Taita Chemical Co., Ltd. as of January 1 and for the year ended December 31, 2024, under the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises," are the same as those included in the consolidated financial statements prepared in conformity with IFRS 10, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements of affiliates is included in the consolidated financial statements of Taita Chemical Co., Ltd. and subsidiaries. Consequently, we did not prepare a separate set of combined financial statements of affiliates.

Very truly yours,

Company Name: Taita Chemical Co., Ltd.

Chairman: Wu Yi-Gui

March 5, 2025

Independent Auditors' Report

To Taita Chemical Co., Ltd. :

Opinion

We have audited the accompanying consolidated financial statements of Taita Chemical Co., Ltd. and its subsidiaries (the “Company”), which comprise the balance sheets as of December 31, 2024 and 2023 and the statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2024 and 2023, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “financial statements”).

Based on the opinion of our accountant, the above-mentioned consolidated financial statements have been prepared in all material respects in accordance with the Financial Reporting Standards for Securities Issuers, as well as the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, effectively expressing the financial position of Taita Chemical Co., Ltd. and its subsidiaries as of December 31, 2024 and 2023, as well as the consolidated financial performance and cash flows from January 1 to December 31, 2024 and 2023.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. The responsibilities of the CPA under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Taita Chemical Co., Ltd. and its subsidiaries in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in the professional judgment of the CPA, were of most significance in our audit of the 2024 Consolidated Financial Statements of Taita Chemical Co., Ltd. and its Subsidiaries. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Consolidated Financial Statements of Taita Chemical Co., Ltd. and its subsidiaries in 2024 are stated as follows:

Authenticity of the Recognition of Sales Revenue from Specific Customers

Due to changes in market supply and demand, Taita Chemical Co., Ltd. and its subsidiaries experienced a growth in sales revenue in 2024 compared to 2023. However, this growth in sales revenue for 2024 is primarily concentrated among specific customers. The auditor assesses whether the sales revenue from these customers genuinely fulfills the contractual obligations, as this will have a significant impact on the consolidated financial report. Therefore, it has been classified as a key audit matter for this year.

For relevant accounting policies and disclosures of the recognition of sales revenue, please refer to Notes 4 and 24 of the financial statements.

We performed the corresponding audit procedures, for the authenticity of the recognition of sales revenue, as follows:

- 1) We understood and tested the Company's internal control procedures on the recognition of sales revenue and its effectiveness. Also, we evaluate the appropriateness of the accounting policies used by the management for the recognition of sales revenue.
- 2) We verify the authenticity of the recognition of sales revenue by examining the certificate of sales transactions, including purchase orders, shipping orders, export documents and collection information.
- 3) We review any occurrence of sales returns, discounts and allowances, and whether there are any abnormalities in the collections after the balance sheet date.

Other matters

The CPAs have also audited the Parent Company Only Financial Statements of Taita Chemical Co., Ltd. for 2024 and 2023, on which they have issued an unqualified opinion about the audit report.

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

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

In preparing the financial statements, the management is responsible for assessing the ability of the Taita Chemical Co., Ltd. and its subsidiaries to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Taita Chemical Co., Ltd. and its subsidiaries or to cease operations, or has no realistic alternatives but to do so.

The governing body including the audit committee is responsible for overseeing the financial reporting process of the Taita Chemical Co., Ltd. and its subsidiaries.

The CPA's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

- 2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Taita Chemical Co., Ltd. and its subsidiaries.
- 3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 4) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Taita Chemical Co., Ltd. and its subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Taita Chemical Co., Ltd. and its subsidiaries to cease to continue as a going concern.
- 5) Evaluate the overall presentation, structure, and contents of the Consolidated Financial Statements (including relevant Notes), and whether the Consolidated Financial Statements fairly present relevant transactions and items.
- 6) Obtain sufficient and appropriate audit evidence of the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial report. The CPA is responsible for the guidance, supervision and implementation of the audit cases, and is responsible for forming the audit opinions 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 the governing body, the CPA determines the key audit matters of the Consolidated Financial Statements in 2024 of the Taita Chemical Co., Ltd. and its subsidiaries. The CPA describes these matters in our audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, the CPA determines that a matter should not be communicated in the audit report because the adverse consequences of

doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche

CPA Chiu Cheng-Chun

CPA Huang Hsiu-Chun

Financial Regulatory Commission (FRC)
Approval Number

Financial Regulatory Commission
(FRC) certificate No. 0930160267

Securities and Futures Commission Approval
Number

Securities and Futures Commission
certificate No. 0920123784

March 5, 2025

Notice to Readers:

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

Taita Chemical Co., Ltd. and Subsidiaries

Consolidated Balance Sheets December 31, 2024 and 2023 (In Thousands of New Taiwan Dollars)

Code	Assets	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
	CURRENT ASSETS				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 886,216	9	\$ 2,211,329	25
1110	Financial assets at fair value through profit or loss - current (Notes 4 and 7)	421,006	4	161,178	2
1140	Financial assets at amortized cost - current (Notes 4, 9 and 31)	1,384,923	14	13,000	-
1150	Notes receivable (Notes 4 and 10)	293,745	3	208,635	2
1170	Accounts receivable (Notes 4, 5 and 10)	2,142,437	22	1,596,090	18
1180	Accounts receivable from related parties (Notes 4, 5, 10 and 30)	7,665	-	4,200	-
1200	Other receivables (Notes 4 and 10)	103,305	1	105,403	1
1210	Other receivables from related parties (Notes 4, 10 and 30)	1,569	-	4,932	-
1220	Current tax assets (Notes 4 and 26)	7,852	-	1,571	-
130X	Inventories (Notes 4, 5 and 11)	1,137,638	12	1,101,680	13
1410	Prepayments and other current assets	118,807	1	107,305	1
11XX	Total current assets	<u>6,505,163</u>	<u>66</u>	<u>5,515,323</u>	<u>62</u>
	Non-current assets				
1517	Financial assets at fair value through other comprehensive incomes - non-current (Notes 4 and 8)	162,437	2	298,427	3
1540	Financial assets at amortized cost - non-current (Notes 4 and 9)	45,608	-	-	-
1550	Investments accounted for using equity method (Notes 4, 5 and 13)	603,786	6	622,689	7
1600	Property, plant and equipment (Notes 4, 14 and 30)	1,929,504	20	1,937,325	22
1755	Right-of-use assets (Notes 4, 15 and 30)	258,924	3	257,252	3
1760	Investment properties (Notes 4 and 16)	108,178	1	108,178	1
1780	Intangible assets (Notes 4 and 17)	-	-	498	-
1840	Deferred tax assets (Notes 4 and 26)	182,157	2	123,555	2
1990	Other non-current assets (Note 31)	43,820	-	28,106	-
15XX	Total non-current assets	<u>3,334,414</u>	<u>34</u>	<u>3,376,030</u>	<u>38</u>
1XXX	Total assets	<u>\$ 9,839,577</u>	<u>100</u>	<u>\$ 8,891,353</u>	<u>100</u>
	Liabilities and equity				
	CURRENT LIABILITIES				
2100	Short-term borrowings (Note 18)	\$ 1,840,000	19	\$ 825,000	9
2170	Accounts payable (Note 19)	912,740	9	746,874	8
2180	Accounts payable from related parties (Notes 19 and 30)	79	-	49	-
2200	Other payables (Note 20)	345,244	3	276,188	3
2220	Other payables from related parties (Note 30)	15,823	-	4,439	-
2230	Current tax liabilities (Notes 4 and 26)	18,095	-	904	-
2280	Lease liabilities - current (Notes 4, 15 and 30)	4,717	-	4,665	-
2365	Refund liabilities - current (Note 21)	1,215	-	1,314	-
2399	Other current liabilities	57,893	1	61,230	1
21XX	Total current liabilities	<u>3,195,806</u>	<u>32</u>	<u>1,920,663</u>	<u>21</u>
	Non-current liabilities				
2570	Deferred tax liabilities (Notes 4 and 26)	260,756	3	188,416	2
2580	Lease liabilities - non-current (Notes 4, 15 and 30)	24,377	-	29,094	1
2640	Net defined benefit liabilities - non-current (Notes 4 and 22)	56,105	1	100,640	1
2670	Other non-current liabilities	4,646	-	4,549	-
25XX	Total non-current liabilities	<u>345,884</u>	<u>4</u>	<u>322,699</u>	<u>4</u>
2XXX	Total liabilities	<u>3,541,690</u>	<u>36</u>	<u>2,243,362</u>	<u>25</u>
	Equity attributable to the owners of the Company (Notes 13, 22 and 23)				
	Share capital				
3110	Ordinary shares	<u>3,975,868</u>	<u>40</u>	<u>3,975,868</u>	<u>45</u>
3200	Capital surplus	<u>3,242</u>	<u>-</u>	<u>3,201</u>	<u>-</u>
	Retained earnings				
3310	Legal reserve	502,038	5	502,038	6
3320	Special reserve	308,061	3	308,061	3
3350	Unappropriated earnings	1,430,917	15	1,745,739	20
3300	Total retained earnings	<u>2,241,016</u>	<u>23</u>	<u>2,555,838</u>	<u>29</u>
3400	Other equity	<u>77,761</u>	<u>1</u>	<u>113,084</u>	<u>1</u>
3XXX	Total equity	<u>6,297,887</u>	<u>64</u>	<u>6,647,991</u>	<u>75</u>
	Total liabilities and equity	<u>\$ 9,839,577</u>	<u>100</u>	<u>\$ 8,891,353</u>	<u>100</u>

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

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Taita Chemical Co., Ltd. and Subsidiaries

Consolidated Statements of Comprehensive Income

January 1 to December 31, 2024 and 2023

(In Thousands of New Taiwan Dollars, except Loss per Share)

Code		2024		2023	
		Amount	%	Amount	%
4100	Net revenue (Notes 4, 21, 24 and 30)	\$ 18,622,910	100	\$ 15,205,462	100
5110	Cost of Goods Sold (Notes 11, 14, 15, 22, 25, and 30)	<u>17,744,822</u>	<u>95</u>	<u>14,769,885</u>	<u>97</u>
5900	Gross profit	<u>878,088</u>	<u>5</u>	<u>435,577</u>	<u>3</u>
	Operating expenses (Notes 10, 14, 15, 22, 25 and 30)				
6100	Selling and marketing expenses	1,031,417	6	681,200	5
6200	Administrative expenses	178,314	1	204,786	1
6300	Research and development expenses	16,374	-	15,832	-
6450	Expected credit impairment loss (gain)	<u>12,951</u>	<u>-</u>	<u>(1,844)</u>	<u>-</u>
6000	Total operating expenses	<u>1,239,056</u>	<u>7</u>	<u>899,974</u>	<u>6</u>
6900	Net loss from operations	<u>(360,968)</u>	<u>(2)</u>	<u>(464,397)</u>	<u>(3)</u>
	Non-operating income and expenses (Notes 7, 13, 16, 25 and 30)				
7100	Interest income	45,638	-	45,090	-
7010	Other income	38,346	-	91,195	1
7020	Other gains and losses	88,149	1	12,305	-
7060	Share of profit or loss of associates accounted for using the equity method	<u>(13,596)</u>	<u>-</u>	<u>(10,355)</u>	<u>-</u>
7510	Finance costs	<u>(39,311)</u>	<u>-</u>	<u>(19,850)</u>	<u>-</u>
7000	Total non-operating income and expenses	<u>119,226</u>	<u>1</u>	<u>118,385</u>	<u>1</u>

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Code		2024		2023	
		Amount	%	Amount	%
7900	Net loss before income tax	(\$ 241,742)	(1)	(\$ 346,012)	(2)
7950	Income tax gain (Notes 4 and 26)	(18,730)	-	(72,475)	-
8200	Net loss for the year	(223,012)	(1)	(273,537)	(2)
	Other comprehensive income(loss) (Notes 8, 13, 22, 23 and 26)				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans	28,835	-	9,544	-
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	(135,990)	(1)	(35,516)	-
8320	Share of the other comprehensive profit or loss of associates accounted for under equity method - unrealized profit or loss on investments in equity instruments at fair value through other comprehensive profit or loss	(30,160)	-	(17,492)	-
8330	Share of the other comprehensive profit or loss of associates accounted for using the equity method - remeasurement of defined benefit plans	4,398	-	(150)	-
8349	Income tax related to components that will not be reclassified to profit or loss	(5,767)	-	(1,908)	-
		(138,684)	(1)	(45,522)	-

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Code		2024		2023	
		Amount	%	Amount	%
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating the financial statements of foreign operations	\$ 155,313	1	(\$ 50,285)	-
8371	Share of other comprehensive income (loss) of associates accounted for using the equity method - exchange differences on translating the financial statements of foreign operations	7,537	-	(2,601)	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	(<u>32,023</u>)	-	<u>10,413</u>	-
		<u>130,827</u>	<u>1</u>	(<u>42,473</u>)	-
8300	Other comprehensive incomes (losses) for the year (net of income tax)	(<u>7,857</u>)	-	(<u>87,995</u>)	-
8500	Total comprehensive income for the year	(<u>\$ 230,869</u>)	(<u>1</u>)	(<u>\$ 361,532</u>)	(<u>2</u>)
	Loss per share (Note 27)				
9710	Basic	(<u>\$ 0.56</u>)		(<u>\$ 0.69</u>)	
9810	Diluted	(<u>\$ 0.56</u>)		(<u>\$ 0.69</u>)	

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

Notice to Readers:

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

Taita Chemical Co., Ltd. and Subsidiaries

Consolidated Statements of Changes in Equity
January 1 to December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars)

Equity attributable to the owners of the Company (Notes 13, 22 and 23)														
											Other equity			
Code		Share capital		Capital surplus			Retained earnings				Exchange differences on translating the financial statements of foreign operations	Unrealized gain (loss) on financial assets at FVTOCI	Total	Total equity
		Shares (in thousands)	Amount	Long-term equity investments	Other capital surplus	Total	Legal reserve	Special reserve	Unappropriated earnings	Total				
A1	Balance at January 1, 2023	397,587	\$ 3,975,868	\$ 660	\$ 439	\$ 1,099	\$ 457,804	\$ 308,061	\$ 2,254,818	\$ 3,020,683	(\$ 110,541)	\$ 319,105	\$ 208,564	\$ 7,206,214
B1	Appropriation of 2022 earnings													
	Legal reserve	-	-	-	-	-	44,234	-	(44,234)	-	-	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	-	-	-	(198,793)	(198,793)	-	-	-	(198,793)
T1	Changes in capital surplus	-	-	2,102	-	2,102	-	-	-	-	-	-	-	2,102
D1	Net loss for 2023	-	-	-	-	-	-	-	(273,537)	(273,537)	-	-	-	(273,537)
D3	Other comprehensive incomes after tax for the year 2023	-	-	-	-	-	-	-	7,485	7,485	(42,473)	(53,007)	(95,480)	(87,995)
D5	Total comprehensive income for the year 2023	-	-	-	-	-	-	-	(266,052)	(266,052)	(42,473)	(53,007)	(95,480)	(361,532)
Z1	Balance at December 31, 2023	397,587	3,975,868	2,762	439	3,201	502,038	308,061	1,745,739	2,555,838	(153,014)	266,098	113,084	6,647,991
B5	Appropriation of 2023 earnings													
	Cash dividends distributed by the Company	-	-	-	-	-	-	-	(119,276)	(119,276)	-	-	-	(119,276)
T1	Changes in capital surplus	-	-	41	-	41	-	-	-	-	-	-	-	41
D1	Net loss for 2024	-	-	-	-	-	-	-	(223,012)	(223,012)	-	-	-	(223,012)
D3	Other comprehensive incomes after tax for the year 2024	-	-	-	-	-	-	-	27,466	27,466	130,827	(166,150)	(35,323)	(7,857)
D5	Total comprehensive income for the year 2024	-	-	-	-	-	-	-	(195,546)	(195,546)	130,827	(166,150)	(35,323)	(230,869)
Z1	Balance at December 31, 2024	397,587	\$ 3,975,868	\$ 2,803	\$ 439	\$ 3,242	\$ 502,038	\$ 308,061	\$ 1,430,917	\$ 2,241,016	(\$ 22,187)	\$ 99,948	\$ 77,761	\$ 6,297,887

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

Notice to Readers:

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

Taita Chemical Co., Ltd. and Subsidiaries

Consolidated Statements of Cash Flows January 1 to December 31, 2024 and 2023 (In Thousands of New Taiwan Dollars)

Code		2024	2023
	Cash flows from operating activities		
A10000	Net loss before income tax for the year	(\$ 241,742)	(\$ 346,012)
A20010	Income (expenses) items		
A20100	Depreciation expenses	215,622	213,626
A20200	Amortization expenses	498	1,781
A20300	Expected credit impairment loss		
	(reversal gain)	12,951	(1,844)
A20400	Net loss (gain) on financial instruments measured at fair value through profit or loss	2,915	(1,115)
A20900	Finance costs	39,311	19,850
A21200	Interest income	(45,638)	(45,090)
A21300	Dividend income	(8,286)	(11,884)
A22300	Share of Profit or Loss from Equity Method Investees	13,596	10,355
A22500	Loss (gain) on disposal and retirement of property, plant and equipment	1,491	(561)
A23700	Reversal for write-downs of inventory valuation and obsolescence	(16,287)	(4,762)
A29900	Provision for refund liabilities	8,649	8,123
A30000	Changes in operating assets and liabilities		
A31115	Financial assets at fair value through profit or loss	(262,743)	254,990
A31130	Notes receivable	(73,414)	(54,558)
A31150	Accounts receivable	(535,706)	(127,959)
A31160	Accounts receivable from related parties	(3,465)	(4,200)
A31180	Other receivables	(13,751)	(3,560)
A31190	Other receivables from related parties	3,369	(1,773)
A31200	Inventories	(10,494)	(151,119)
A31230	Prepayments and other current assets	(6,140)	124,691
A32150	Accounts payable	162,986	101,858
A32160	Accounts payable from related parties	30	(608)
A32180	Other payables	81,361	(29,737)
A32190	Other payables from related parties	1,691	(655)
A32230	Other current liabilities	(3,687)	(46,443)
A32240	Net defined benefit liabilities	(15,700)	(17,532)
A33000	Net cash outflow from operating activities	(692,583)	(114,138)

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Code		2024	2023
A33100	Interest received	\$ 63,454	\$ 30,474
A33300	Interest paid	(38,800)	(19,388)
A33500	Income tax refund (paid)	6,472	(140,107)
AAAA	Net cash outflow from operating activities	(661,457)	(243,159)
	Cash flows from investing activities		
B00040	Acquisition of financial assets measured at amortized cost	(1,493,127)	(10,000)
B00050	Disposal of financial assets measured at amortized cost	90,402	2,000
B01800	Acquisition of associates	(16,907)	(10,931)
B02700	Acquisition of property, plant and equipment	(190,685)	(182,084)
B02800	Proceeds from the disposal of property, plant and equipment	215	960
B03700	Increase in refundable deposits	(15,670)	(24,629)
B03800	Decrease in refundable deposits	103	53,548
B05350	Acquisition of right-to-use assets	-	(200,271)
B07600	Dividends received	12,316	15,339
BBBB	Net cash outflow from investing activities	(1,613,353)	(356,068)
	Cash flows from financing activities		
C00100	Increase in short-term borrowings	1,015,000	405,000
C01600	Proceeds from long-term borrowings	-	270,000
C01700	Repayments of long-term borrowings	-	(300,000)
C04020	Repayments of the principal portion of lease liabilities	(4,665)	(4,615)
C04300	Decrease in other non-current liabilities	(69)	(1,518)
C04500	Distribution of cash dividends	(119,276)	(198,793)
C04400	Refund of unclaimed overdue cash dividends	1,067	3,049
CCCC	Net cash inflow from financing activities	892,057	173,123
DDDD	Effect of exchange rate changes on cash and cash equivalents	57,640	(24,655)
EEEE	Cash and cash equivalents decrease for the current year	(1,325,113)	(450,759)
E00100	Cash and cash equivalents at the beginning of period	2,211,329	2,662,088
E00200	Cash and cash equivalents at the end of period	\$ 886,216	\$ 2,211,329

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

Notice to Readers:

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

Taita Chemical Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements

January 1 to December 31, 2024 and 2023

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

1. COMPANY HISTORY

Taita Chemical Co., Ltd. ("the Company") was founded in April 1960, mainly engaged in the manufacturing and sales of polystyrene (PS), acrylonitrile-butadiene-styrene copolymer (ABS) resin, acrylonitrile-styrene copolymer (San) resin, glass wool insulation products, plastic raw materials, and other processed products. The ordinary shares of the Company has been listed on the Taiwan Stock Exchange since 1986. As of December 31, 2024, USI Corporation (USI) indirectly holds a total ownership stake of 36.79% in our Company, giving it control over our operations. Therefore, USI is our ultimate parent company.

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

2. DATE OF APPROVAL OF THE FINANCIAL STATEMENTS AND APPROVAL PROCEDURES

The Consolidated Financial Statements have been approved by the Board of Directors on March 5, 2025.

3. APPLICATION OF THE NEWLY ISSUED AND/OR AMENDED STANDARDS AND INTERPRETATIONS

- a. Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting 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 did not have any material impact on the Company's accounting policies.

- b. IFRS Accounting Standards approved by the Financial Supervisory Commission applicable for the year 2025

<u>New/Amended/Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB</u>
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 1)
Amendments to IFRS 9 and IFRS 7 regarding the classification and measurement of financial assets: "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026 (Note 2)

Note 1: The amendments prospectively apply to the annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendment, the comparative period shall not be restated and the effect shall be recognized in the exchange differences of foreign operations under retained earnings or equity (as appropriate) and the related affected assets and liabilities on the date of initial application.

Note 2: The amendments prospectively apply to the annual reporting periods beginning on or after January 1, 2026, entities may also choose to apply it earlier, from January 1, 2025. Upon initial application of the amendment, it should be applied retrospectively without the need to recompile the comparative period, and the impact of the initial application should be recognized on the date of initial application. However, if a company does not utilize foresight when it is able to reorganize, it may choose to reorganize during a comparative period.

Amendments to IAS 21 "Lack of Exchangeability"

The amendment specifies that a currency is considered exchangeable when an entity can exchange one currency for another through a transaction with an enforceable right and obligation established by the market or exchange mechanism within a normal administrative delay. When a currency is not exchangeable as of the measurement date, the Company should estimate the spot exchange rate to reflect the rate that market participants would use in an orderly transaction on the measurement date, considering the prevailing economic conditions. In such cases, the Company should also disclose information that enables financial statement users to assess how the lack of exchangeability affects or is expected to affect its operating results, financial position, and cash flows.

In addition to the aforementioned effects, till the date of authorization of the Consolidated Financial Statements, the Company has continued to assess the effects of amendments to other standards and interpretations on its financial position and performance.

c. IASB Issued IFRS Accounting Standards Published, but Not Yet Approved by the FSC

<u>New/Revised/Amended Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note)</u>
"Annual Improvements to IFRS Accounting Standards - Volume 11"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 regarding the derecognition of financial liabilities: "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture"	To be determined
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

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

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will replace IAS 1 "Presentation of Financial Statements". The main changes to the standard include:

- The income statement should classify income and expense items into operating, investment, financing, income tax and discontinued unit categories.
- The income statement should present operating profit or loss, profit or loss before financing and income tax, and subtotals and totals of profit or loss.
- It should provide guidance to enhance aggregation and segmentation requirements: The Company is required to identify assets, liabilities, equity, revenue, expenses, and cash flows arising from individual transactions or other events, and classify and aggregate the items on the basis of common characteristics to enable each line item presented in the primary financial statements has at least one similar characteristic. Items with non-similar characteristics should be subdivided in the major financial statements and the notes thereto. The Company may classify the items as "others" only when a more informative classification is not available.
- Addition of disclosure of management-defined performance measures: When the Company engages in public communications outside financial statements and communicates with users of the financial statements about management's views on a particular aspect of the Company's overall financial performance, the Company should disclose information about management-defined performance measures in a separate note to the financial statements, including a description of the measure, how it is calculated, a reconciliation of the measure to the subtotals or totals prescribed by IFRSs, as well as the effect of the related reconciling items on income tax and non-controlling interests.

In addition to the above effects, as of the date of authorization of the consolidated financial statements, the Company has continued to assess other effects of amendments to various standards and interpretations on its financial conditions and performance. Related impacts will be disclosed upon completion of the assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Compliance declaration

The Consolidated Financial Statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC.

b. Preparation basis

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

The fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities on measurement day.
 - 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).
 - 3) Level 3 inputs are unobservable inputs for the asset or liability.
- c. Classification standard of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents (not including the asset restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period).

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities are due to be settled within 12 months after the balance sheet date, and
- 3) Liabilities for which the Company does not have an actual right on the balance sheet date to defer settlement for at least 12 months after the balance sheet date.

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

- d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation.

Please refer to Note 12, Tables 4 and 5 for detailed information on subsidiaries, percentages of ownership and main businesses.

- e. Foreign currency

In the preparation of each individual financial statement, transactions denominated in a currency other than the entity's functional currency (i.e., foreign currency) are translated into the entity's functional currency by using the exchange rate at the date of the transaction before they are recorded by each entity.

Monetary items denominated in foreign currencies are translated at the closing rates on the balance sheet date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate prevailing on the date when the fair value is measured. The resulting exchange difference shall be included in the current profit and loss. Where changes in the fair value are recognized in any other comprehensive incomes, it shall be recognized in the comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate on the date of the transaction.

In the preparation of the consolidated financial statements, the assets and liabilities of foreign operations (including subsidiaries and associates that operate in a country or

currency different from the Company) are translated into the New Taiwan dollar at the closing rate of exchange prevailing on the balance sheet date. Income and expenses are translated at the average exchange rates for the period. The exchange difference arising are recognized in other comprehensive profit or loss.

f. Inventories

Inventories consist of raw materials, production supplies, finished goods, and work in progress. Inventories are measured at the lower of cost or net realizable value, and the comparison between costs and net realizable values is on individual item basis, except for inventories of the same type. The net realizable value is the estimated selling price of inventories less the estimated cost to be amortized until completion and all costs necessary for the sale. Inventories are measured at the weighted-average cost on the balance sheet date.

g. Investments in associates

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

The Group accounts for investments in associates by using the equity method.

Under the equity method, investments in associates are initially recognized according to cost, and the carrying amount acquired in the future increases or decreases with the share and profit distribution of the profits or losses of the associates of the Group and other comprehensive profits and losses of the Group. In addition, equity changes in associates are recognized based on the shareholding ratio.

When associates issue new shares and the Group does not subscribe to such shares to the extent that its original shareholding ratio can be changed, and the net equity value of investment increases or decreases. Such difference is recorded as an adjustment to capital surplus - changes in the net equity value in associates under the equity method are recognized and other investments are made under the equity method. However, where the Company's ownership interest in an associate is reduced because of not subscribing or acquiring new shares in proportion to its present holdings, the proportionate amount of gain or loss previously recognized in any other comprehensive incomes related shall be reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of related assets or liabilities. If such adjustment is required to be debited to capital surplus and the capital surplus recognized from investments accounted for under the equity method is insufficient, the difference shall be debited to retained earnings.

The Group ceases to recognize further losses when its share of losses to the associates equals or exceeds its equity in the associates (including the carrying amount of the investments in associates under the equity method and the Group's other long-term equities that are substantially the component of the net investment in the associates). The Company recognizes additional losses and liabilities only in the scope where the legal obligations and constructive obligations exist, or payments are made on behalf of the associates.

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

The Group shall cease the use of the 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 disposal proceeds and the carrying amount of the investment on the date when the equity method was discontinued is included in profit or loss for the current period.

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

h. Property, plant and equipment

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

Property, plant, and equipment under construction are measured at cost less any recognized impairment loss. Costs include professional services fees and borrowing costs eligible for capitalization. Samples produced when these assets are tested for proper operation prior to their expected use are measured at low cost and net realization value, and their selling price and cost are recognized in profit or loss. Such assets are depreciated and divided into the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land, depreciation of property, plant, and equipment is recognized depreciated separately for each significant part within the service 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, factory, 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.

i. Investment properties

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

The investment properties held by the Group are land, originally measured by cost (including transaction cost), and subsequently, recognized as no depreciation, measured by the amount of cost less cumulative impairment loss.

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

j. Intangible assets

Intangible assets with a limited-service life are initially measured at cost and subsequently measured at cost less cumulative amortization and cumulative impairment loss. Intangible assets are amortized on a straight-line basis within the useful life, and the Company reviews the estimated useful life, residual value and amortization method at least at the end of each year, with the effect of any changes in estimate accounted for on a prospective basis.

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

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

On each balance sheet date, the Group reviews the carrying amounts of its property, plant, and equipment as well as right-of-use assets, investment property, and intangible assets 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. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest Company of cash-generating units on a reasonable and consistent basis of allocation.

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

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

l. Financial instruments

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

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

The regular trading of financial assets shall be recognized and derecognized under trade date accounting.

a) Types of measurement

Financial assets held by the Group are classified as financial assets at fair value through profit or loss, financial assets at amortized cost, and investments in equity instruments at fair value through other comprehensive profits or losses.

i. Financial assets at fair value through profit or loss

Financial asset is classified as at financial assets at FVTPL when such a financial asset is mandatorily classified. Financial assets mandatorily measured at fair value through profit or loss include equity instrument investments not designated by the Company to be measured at fair value through other comprehensive incomes, and debt instrument investments not subject to classification as measured at amortized cost or to be measured at fair value through other comprehensive incomes.

Financial assets at FVTPL are measured at fair value. Dividends and interest accrued are recognized in other income and interest income respectively, and profit or loss accrued from remeasurement are recognized in other gains or losses. Please refer to Note 29 for the methods for determining fair values.

ii. Financial assets at amortized cost

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

- (i) Financial assets are under a business model whose purpose is to hold financial assets and collecting contractual cash flow; and
- (ii) 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.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, time deposits with original maturity exceeding 3 month, notes receivable, accounts receivable, other accounts receivable, pledged financial assets and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

- (i) 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.
- (ii) 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 highly liquid time deposits and reverse repurchase agreements collateralized by bonds that can be readily converted into fixed amount of cash with limited risk of change in value. Cash equivalents are held to meet short-term cash commitments.

iii. Investments in equity instruments at fair value through other comprehensive incomes

The Group may, at initial recognition, make an irrevocable decision to designate an equity instrument that is neither held for trading nor contingent consideration arising from a business combination to be measured at fair value through other comprehensive incomes.

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

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

b) Impairment of financial assets

The impairment loss of financial assets (including accounts receivable) measured at amortized cost on the basis of expected credit losses are assessed by the Group on each balance sheet date.

Accounts receivable are recognized as lifetime expected credit loss (ECLs). Other financial assets are initially assessed for a significant increase in credit risk since their initial recognition. If there is no significant increase, then an expected credit loss is recognized based on a 12-month expected credit loss. If there is a significant increase, then an expected credit loss is recognized based on the lifetime expected credit loss.

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

For the purpose of internal credit risk management, under the premise that the collateral held is not under consideration, the Group determines that there is internal or external information indicating that the debtor cannot settle the debt, which represents that the financial assets have breached the contract.

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

c) Derecognition of financial assets

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

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

2) Financial liabilities

a) Subsequent measurement

Except the financial liabilities at fair value through profit or loss, all the financial liabilities are measured at amortized cost using the effective interest method.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gain or loss arising on remeasurement recognized in profit or loss. Please refer to Note 29 for the methods for determining fair values.

b) Derecognition of financial liabilities

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

3) Derivative instruments

The derivatives entered into by the Group are forward foreign exchange contracts to manage the exchange rate risk of the Consolidated Company.

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

m. Revenue recognition

After the Group identifies its performance obligations in contracts with customers, it shall amortize the transaction costs to each obligation in the contract and recognize revenue upon satisfaction of performance obligations.

Revenue from the sale of goods

Proceeds of sale are derived from sales of polystyrene (PS), acrylonitrile-butadiene-styrene copolymer (ABS) resins, acrylonitrile-styrene copolymer (SAN) resins, glass wool insulation products, plastic raw materials, and the related processed products. At the time of product delivery to the clients, the clients have the right to set the price and to use the goods and also have the main responsibility for resale, and assume the risk of obsolescence of the goods, and the Company recognizes the revenue at that time.

n. Leases

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

1) Where the Group is a lessor:

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

Under operating leases, lease payments after deducting lease incentives are recognized as revenue on a straight-line basis over the relevant lease term. The initial direct costs arising from acquisition of operating leases is added to the

carrying amount of the underlying assets; and an expense is recognized for the lease on a straight-line basis over the lease term.

2) The consolidated company is the 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.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment loss and adjusted for any remeasurement of the lease liabilities. A right-of-use asset is separately presented on the balance sheets.

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

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

Subsequently, the lease liabilities are measured on an amortized cost basis using the effective interest method, and the interest expense is apportioned during the lease term. If the change in the lease term results causes any change in the future lease benefits, the Company will measure the lease liabilities and adjust the right-of-use assets relatively. However, if the carrying amount of the right-of-use assets has been reduced to zero, the remaining remeasurement amount will be recognized in profit or loss. Lease liabilities are expressed separately in the balance sheets.

o. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the costs of those assets until the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

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

p. 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) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense 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 amount) are calculated based on the projected unit credit method. Net interests on service costs and net defined benefit liabilities are recognized as employee benefits at the time of existence. The remeasurement amount (including actuarial gain and loss and the return on plan assets after deducting interest) is recognized in other comprehensive profit and loss and presented in retained earnings during a period in which it occurs. It shall not be reclassified to profit or loss in subsequent periods.

Net defined benefit liabilities are the deficit of the contribution made according to the defined benefit pension plan.

q. Income tax

Income tax expenses are the sum of current income taxes and deferred income taxes.

1) Current tax

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

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

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

2) Deferred tax

Deferred income 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 income tax liabilities are generally recognized for all taxable temporary differences, while deferred income tax assets are recognized to the extent that the taxable capital is available for writing off temporary differences and loss deductions.

Deferred income tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. For deductible temporary differences associated with such investment when it is probable that sufficient taxable income will be available to realize the such temporary difference, deferred income tax assets are 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 income tax assets is re-examined at each balance sheet date 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 taxes asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rate of the period of expected realization of assets or repayment of liabilities. 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 assets and liabilities reflects the tax consequences arising from the manner in which the Company is expected to reclaim or settle the carrying amount of its assets and liabilities on the balance sheet date.

3) Current and deferred taxes

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

5. **PRIMARY SOURCES OF UNCERTAINTIES IN MATERIAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS**

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

When the Company develops significant accounting estimates, it incorporates considerations of the potential impact of climate change, related government policies and regulations, and energy market volatility on cash flow projections, growth rates, discount rates, and profitability. The management will continue to review the estimates and underlying assumptions.

Primary Sources of Estimation Uncertainties

a. Estimated impairment of accounts receivable

The estimated impairment of accounts receivable is based on the Group's assumptions regarding the probability of default and the rate of loss on default. The Company considers historical experience, current market conditions, and forward-looking information to make assumptions and select input values for impairment assessment. For details of the key assumptions and inputs applied, refer to Note 10. If the actual cash flow in the future is less than expected by the Company, there may be material impairment losses.

b. Impairment of inventories

The net realizable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and disposal. The estimation of net realizable value is based on current market conditions and historical experience with product sales of a similar nature. Changes in market conditions may have a material impact on the estimation of the net realizable value.

c. Estimation of damage compensation for associate's gas explosion incidents

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

6. CASH AND CASH EQUIVALENTS

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Cash on hand and petty cash	\$ 340	\$ 331
Checking accounts and demand deposits	505,076	658,841
Cash equivalents		
Time deposits	350,800	1,552,157
Reverse repurchase agreements collateralized by bonds	<u>30,000</u>	<u>-</u>
	<u>\$ 886,216</u>	<u>\$ 2,211,329</u>

The annual interest rates in time deposits and bonds for sale on the balance sheet date are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Time deposits	4.25%~4.81%	1.05%~5.49%
Reverse repurchase agreements collateralized by bonds	1.44%	-

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Financial assets mandatorily measured at fair value through profit or loss</u>		
Non-derivative financial assets		
— Domestic listed (OTC) shares	\$ 63,400	\$ 93,886
— Foreign unlisted shares	-	-
— Fund beneficiary certificates	296,774	-
— Beneficiary securities	<u>60,832</u>	<u>67,292</u>
	<u>\$ 421,006</u>	<u>\$ 161,178</u>

In the fiscal years 2024 and 2023, the Company generated net gains of NT\$2,148 thousand and NT\$3,948 thousand, respectively, from trading financial assets measured at fair value through profit or loss.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Investments in equity instruments</u>		
Domestic investments		
Ordinary shares of the listed companies		
— USI Corporation	\$ 162,432	\$ 298,421
Ordinary shares of the unlisted companies		
— Harbinger Venture Capital Corp.	<u>5</u>	<u>6</u>
Subtotal	<u>162,437</u>	<u>298,427</u>
Overseas investments		
Ordinary shares of the unlisted companies		
— Budworth Investment Ltd.	<u>-</u>	<u>-</u>
	<u>\$ 162,437</u>	<u>\$ 298,427</u>

The Group invests in the ordinary shares of the aforementioned companies for medium- and long-term strategic objectives and expects to make profits through long-term investments. 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 Group's strategy of holding these investments for long-term purposes.

9. FINANCIAL ASSETS AT AMORTIZED COST

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Current</u>		
Fixed-term deposits with original maturity over 3 months	\$ 1,381,923	\$ 10,000
Pledged certificates of deposit	<u>3,000</u>	<u>3,000</u>
	<u>\$ 1,384,923</u>	<u>\$ 13,000</u>
<u>Non-current</u>		
Fixed-term deposits with original maturity over 3 months	<u>\$ 45,608</u>	<u>\$ -</u>

The range of market interest rates for the fixed-term deposits with original maturity over 3 months and the pledged certificates of deposit on the balance sheet date is as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Fixed-term deposits with original maturity over 3 months	1.70%~2.25%	1.25%
Pledged certificates of deposit (Note 31)	1.66%	1.53%

Please refer to Note 31 for the information related to financial assets at amortized cost pledged as security.

10. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE, AND OTHER RECEIVABLES

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Notes receivable (a)</u>		
Operating	<u>\$ 293,745</u>	<u>\$ 208,635</u>
<u>Accounts receivable (1)</u>		
Measured at amortized cost		
Total carrying amount	\$ 2,155,698	\$ 1,599,125
Less: Allowance for impairment loss	(<u>13,261</u>)	(<u>3,035</u>)
	<u>\$ 2,142,437</u>	<u>\$ 1,596,090</u>
Accounts receivable from related parties (1) (Note 30)	<u>\$ 7,665</u>	<u>\$ 4,200</u>
<u>Other receivables (b)</u>		
Business tax refund receivable	\$ 84,732	\$ 70,889
Interest receivable	18,096	33,968
Others	<u>477</u>	<u>546</u>
	<u>\$ 103,305</u>	<u>\$ 105,403</u>
Other receivables from related parties (Note 30)	<u>\$ 1,569</u>	<u>\$ 4,932</u>

a. Notes receivable and accounts receivable

The credit period of the Group for the sales of the merchandise is from 30 to 180 days, and the notes and accounts receivable are not interest-bearing. In order to mitigate credit risk, the management of the Group has assigned a dedicated team to be responsible for the determination of the credit line, credit approval, and other procedures of the supervisory control to ensure that appropriate action has been taken to reclaim past due receivables, and the Group has insured some of the receivables against credit insurance or obtained adequate guarantees if necessary to mitigate the risk of financial losses due to delinquency. In addition, the Group reviews the recoverable amount of each individual receivable on the balance sheet date to ensure that adequate allowances are made for possible irrecoverable amounts. Prior to accepting a new client, the credit quality of the prospect is assessed through the internal credit rating system and the credit facilities of the prospect will be set, and the history of the transactions and the financial position of the individual client are regularly reviewed, according to which the management of the Group believes that the credit risk of the Group has been significantly reduced.

The Group recognizes loss allowances for accounts receivables based on the lifetime expected credit losses. The expected credit loss on trade receivables is estimated using a provision matrix by reference to the past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of the current and forecast directions of economic conditions at the reporting date.

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

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

December 31, 2024

	Credit rating A	Credit rating B	Credit rating C	Others	Total
Total carrying amount	\$ 7,705	\$ 766,253	\$ 97,115	\$ 1,586,035	\$ 2,457,108
Loss allowance (lifetime ECLs)	-	-	-	(13,261)	(13,261)
Amortized cost	<u>\$ 7,705</u>	<u>\$ 766,253</u>	<u>\$ 97,115</u>	<u>\$ 1,572,774</u>	<u>\$ 2,443,847</u>

December 31, 2023

	Credit rating A	Credit rating B	Credit rating C	Others	Total
Total carrying amount	\$ 11,218	\$ 533,152	\$ 88,181	\$ 1,179,409	\$ 1,811,960
Loss allowance (lifetime ECLs)	-	-	-	(3,035)	(3,035)
Amortized cost	<u>\$ 11,218</u>	<u>\$ 533,152</u>	<u>\$ 88,181</u>	<u>\$ 1,176,374</u>	<u>\$ 1,808,925</u>

Changes in the allowance for impairment loss recognized on accounts receivable were as follows:

	2024	2023
Beginning balance	\$ 3,035	\$ 57,662
Amounts written off	(2,933)	(52,750)
Expected credit impairment loss (gain on reversal)	12,951	(1,844)
Exchange difference	208	(33)
Ending balance	<u>\$ 13,261</u>	<u>\$ 3,035</u>

The aging of receivables (including related parties) was as follows:

	December 31, 2024	December 31, 2023
Not overdue	\$ 2,308,065	\$ 1,761,104
Up to 60 days	140,849	48,008
Past due over 61 days	8,194	2,848
Total	<u>\$ 2,457,108</u>	<u>\$ 1,811,960</u>

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

b. Other receivables

Other receivables of the Company as of December 31, 2024 and 2023 have been assessed for impairment losses on the basis of expected credit losses.

11. INVENTORIES

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Finished goods	\$ 599,359	\$ 535,351
Work in process	209,902	153,301
Raw materials	292,635	377,658
Supplies	<u>35,742</u>	<u>35,370</u>
	<u>\$ 1,137,638</u>	<u>\$ 1,101,680</u>

The cost of goods sold related to inventory for the years 2024 and 2023 were NT\$17,744,822 thousand and NT\$14,769,885 thousand, respectively.

The cost of goods sold for the years 2024 and 2023 includes a net realizable value impairment loss of NT\$16,287 thousand and NT\$4,762 thousand, respectively.

The increase in the net realizable value of inventory is due to the rise in the selling price of the inventory in the market.

12. SUBSIDIARY

Subsidiaries included in the consolidated financial statements

The consolidated financial statements are prepared by the following subjects:

<u>Investor company</u>	<u>Name of subsidiary</u>	<u>Nature of business</u>	<u>Proportion of ownership</u>		<u>Description</u>
			<u>December 31, 2024</u>	<u>December 31, 2023</u>	
The Company	TAITA (BVI) Holding Co., Ltd. (TAITA(BVI))	Reinvestment	100%	100%	-
TAITA (BVI)	Taita Chemical (Zhongshan) Co., Ltd. ("TAITA (ZS)")	Production and sales of polystyrene derivatives	100%	100%	1.
	Taita Chemical (Tianjin) Co., Ltd. (TTC (TJ))	Production and sales of polystyrene derivatives	100%	100%	2.
	Zhangzhou Taita Chemical Company, Limited (TTCZZ)	Production and sales of polystyrene derivatives	100%	100%	3.

- a. As of December 31, 2024, the amount of investment in Taita Zhongshan was US\$43,000 thousand, and the company's surplus was transferred to the capital increase of US\$3,250 thousand in 2007. As of December 31, 2024, the Company's paid-in capital was US\$46,250 thousand.
- b. As of December 31, 2024, the amount of investment in Delta Tianjin was US\$26,000 thousand, and the company's surplus in 2012 was transferred to the capital increase of US\$1,350 thousand. As of December 31, 2024, the company's paid-in capital was US\$27,350 thousand. Due to the curtailing demand in the local market, the management of the Company decided to suspend the production of Taita Tianjin from April 2019.
- c. On December 3, 2020, the Board of Directors of the Company resolved to establish Zhangzhou Taita with an investment of RMB 314,000 thousand through Taita (BVI). Taita Zhangzhou was founded and registered on June 28, 2021. As of December 31, 2024, the paid-in capital of the company amounted to CNY306,950 thousand (USD48,580 thousand).

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Individually insignificant associates</u>		
Listed company		
China General Plastics Corporation ("CGPC")	\$ 173,215	\$ 189,901
Acme Electronics Corp. ("ACME")	47,353	41,468
Unlisted company		
China General Terminal & Distribution Co. ("CGTD")	302,831	329,972
ACME Electronics (Cayman) Corp. (ACME (Cayman))	80,387	61,348
	<u>\$ 603,786</u>	<u>\$ 622,689</u>

Summarized information of associates that is not individually material

	<u>2024</u>	<u>2023</u>
The Group's share of:		
Loss from continuing operations	(\$ 13,596)	(\$ 10,355)
Other comprehensive income	(18,225)	(20,243)
Total comprehensive income	<u>(\$ 31,821)</u>	<u>(\$ 30,598)</u>

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

<u>Company name</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
CGPC	1.98%	1.98%
ACME	2.34%	2.34%
CGTD	33.33%	33.33%
ACME (Cayman)	4.42%	4.42%

For the nature of activities, principal places of business and countries of incorporation of the associates, please refer to Table 4 "Information on Investees".

The Board of Directors of Acme resolved to issue 30,000 thousand new shares with a par value of NT\$10 per share for a cash capital increase on June 14, 2022. Among them, 15% is reserved for subscription by qualified employees of Acme and its affiliated companies. The relevant issue price is NT\$20 per share, and the capital increase base date is January 16, 2023. The Group subscribed 547 thousand shares according to the original shareholding ratio, with an investment amount of NT\$10,931 thousand, and the shareholding ratio decreased from 2.43% to 2.34%.

Acme (Cayman) resolved at the board meeting on April 24, 2023 to carry out a cash capital increase and issue 11,054 thousand new shares at a par value of \$0.1 per share, with an issuance premium of \$0.81 per share. The Company did not participate in the aforementioned capital increase, and its shareholding ratio decreased from 5.39% to 4.42% after the capital increase. On November 26, 2024, ACME (Cayman) resolved to carry out a cash capital increase, issuing 6,000 thousand new shares at a par value of USD 0.1 per share, with a

premium of USD 1 per share. The Company participated in the aforementioned capital increase based on its original shareholding of 4.42%, resulting in a capital increase of USD 265 thousand for ACME (Cayman).

The Company with its affiliates jointly held more than 20% of the shareholdings of CGPC, Acme, Acme (Cayman) 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 available published price quotations are summarized as follows:

Company name	December 31, 2024	December 31, 2023
CGPC	\$ 137,618	\$ 256,811
ACME	\$ 136,769	\$ 125,288

The profits and other comprehensive income shares enjoyed by the associated enterprises and consolidated companies under the equity method in the fiscal years 2024 and 2023 are recognized based on the audited financial reports of each associated enterprise during the same period.

14. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Machinery and equipment	Transportation equipment	Other equipment	Construction in progress	Total
<u>Cost</u>							
Balance at January 1, 2023	\$ 634,432	\$ 1,312,871	\$ 4,597,954	\$ 40,970	\$ 356,106	\$ 67,059	\$ 7,009,392
Addition	-	-	9,785	-	1,052	176,213	187,050
Disposal and obsolescence	-	(601)	(9,047)	(2,013)	(12,945)	-	(24,606)
Internal transfers	-	2,627	118,518	1,042	15,578	(137,765)	-
Exchange difference	-	(7,348)	(11,565)	(307)	(703)	(406)	(20,329)
Balance at December 31, 2023	<u>\$ 634,432</u>	<u>\$ 1,307,549</u>	<u>\$ 4,705,645</u>	<u>\$ 39,692</u>	<u>\$ 359,088</u>	<u>\$ 105,101</u>	<u>\$ 7,151,507</u>
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2023	\$ -	\$ 1,017,081	\$ 3,670,393	\$ 37,203	\$ 322,204	\$ 1,678	\$ 5,048,559
Disposal and obsolescence	-	(541)	(8,867)	(2,013)	(12,786)	-	(24,207)
Depreciation expenses	-	34,684	159,314	1,849	9,257	-	205,104
Exchange difference	-	(6,060)	(8,375)	(256)	(555)	(28)	(15,274)
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 1,045,164</u>	<u>\$ 3,812,465</u>	<u>\$ 36,783</u>	<u>\$ 318,120</u>	<u>\$ 1,650</u>	<u>\$ 5,214,182</u>
Carrying amounts at December 31, 2023	<u>\$ 634,432</u>	<u>\$ 262,385</u>	<u>\$ 893,180</u>	<u>\$ 2,909</u>	<u>\$ 40,968</u>	<u>\$ 103,451</u>	<u>\$ 1,937,325</u>
<u>Cost</u>							
Balance as of January 1, 2024	\$ 634,432	\$ 1,307,549	\$ 4,705,645	\$ 39,692	\$ 359,088	\$ 105,101	\$ 7,151,507
Addition	-	-	4,777	-	245	179,428	184,450
Disposal and obsolescence	-	(7,497)	(14,734)	(5,708)	(8,634)	-	(36,573)
Internal transfers	-	6,979	77,966	-	22,318	(107,263)	-
Exchange difference	-	22,542	35,055	911	2,124	946	61,578
Balance at December 31, 2024	<u>\$ 634,432</u>	<u>\$ 1,329,573</u>	<u>\$ 4,808,709</u>	<u>\$ 34,895</u>	<u>\$ 375,141</u>	<u>\$ 178,212</u>	<u>\$ 7,360,962</u>
<u>Accumulated depreciation and impairment</u>							
Balance as of January 1, 2024	\$ -	\$ 1,045,164	\$ 3,812,465	\$ 36,783	\$ 318,120	\$ 1,650	\$ 5,214,182
Disposal and obsolescence	-	(6,783)	(13,994)	(5,703)	(8,387)	-	(34,867)
Depreciation expenses	-	33,558	160,746	510	10,835	-	205,649
Exchange difference	-	18,444	25,469	775	1,720	86	46,494
Balance at December 31, 2024	<u>\$ -</u>	<u>\$ 1,090,383</u>	<u>\$ 3,984,686</u>	<u>\$ 32,365</u>	<u>\$ 322,288</u>	<u>\$ 1,736</u>	<u>\$ 5,431,458</u>
Carrying amounts at December 31, 2024	<u>\$ 634,432</u>	<u>\$ 239,190</u>	<u>\$ 824,023</u>	<u>\$ 2,530</u>	<u>\$ 52,853</u>	<u>\$ 176,476</u>	<u>\$ 1,929,504</u>

Depreciation charges are set aside on a straight-line over their estimated useful lives as follows:

Buildings	20, 30, 35, 40 and 55
Factories	years
Offices and laboratories	26-35 Years
Warehouses	20-25 Years
Storage tanks	8-20 Years
Others	2-9 Years
Machinery and equipment	
Environmental protection equipment	15-20 Years
Monitoring equipment	11-15 Years
Storage tanks and pipeline systems	10-15 Years
Production and packaging equipment	8-15 Years
Power systems	7-15 Years
Others	2-8 Years
Transportation equipment	5-15 years
Other equipment	2-15 years

The Company's accounts do not include any collateral for property, plant and equipment.

15. **LEASE ARRANGEMENTS**

a. Right-of-use assets

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Carrying amount of right-of-use assets		
Land	<u>\$ 258,924</u>	<u>\$ 257,252</u>
	<u>2024</u>	<u>2023</u>
Increase in right-of-use assets	<u>\$ -</u>	<u>\$ 200,271</u>
Depreciation charge for right-of-use assets		
Land	<u>\$ 9,973</u>	<u>\$ 8,522</u>

Taita Zhangzhou acquired the land use rights in the Zhangzhou Gulei Port Economic Development Zone from the Natural Resources Bureau of the Zhangzhou Gulei Port Economic Development Zone in May 2023 for the purpose of constructing factory buildings. The duration of use is 50 years.

Except for the depreciation expense recognized, there was no material increase, sublease, or impairment of the right-of-use assets of the Company in 2024 and 2023.

b. Lease liabilities

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Lease liabilities carrying amount		
Current	<u>\$ 4,717</u>	<u>\$ 4,665</u>
Non-current	<u>\$ 24,377</u>	<u>\$ 29,094</u>

The discount rate for lease liabilities was as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Land	1.10%	1.10%

c. Other lease information

For lease arrangements under operating leases for leasing out of investment properties, please refer to Note 16.

	<u>2024</u>	<u>2023</u>
Expenses relating to short-term leases	<u>\$ 18,883</u>	<u>\$ 17,693</u>
Expenses relating to low-value asset leases	<u>\$ 24</u>	<u>\$ 22</u>
Total cash outflow for leases	<u>\$ 23,920</u>	<u>\$ 22,728</u>

The Group leases certain office equipment, machinery equipment, transportation equipment which qualify as short-term leases and certain other equipment which qualify as low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

16. INVESTMENT PROPERTIES, NET

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Land	<u>\$ 108,178</u>	<u>\$ 108,178</u>

Management was unable to reliably measure the fair value of investment properties located in Qianzhen District, Xingbang Section and Linyuan Industrial Park, because the fair value for comparable properties is inactive and alternative reliable measurements of fair value are not available. Therefore, the Group concluded that the fair value of the investment properties is not reliably measurable.

The land of the Company's Qianzhen plant is leased to China InterOcean Transport, Inc., with the rental amount determined based on the actual leased area, and collected on a monthly basis (please refer to Notes 25 and 30).

17. INTANGIBLE ASSETS

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Carrying amount by function</u>		
Information systems	\$ -	\$ 98
Plant design fee	-	400
	<u>\$ -</u>	<u>\$ 498</u>

Intangible assets are amortized on a straight-line over their estimated useful lives as follows:

Information systems	3 years
Plant design fee	10 years

18. **BORROWINGS**

Short-term borrowings

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Unsecured borrowings</u>		
Line of credit borrowings	<u>\$ 1,840,000</u>	<u>\$ 825,000</u>

The annual interest rates for credit limit loans were 1.85-2.05% and 1.66%-1.70% as of December 31, 2024 and December 31, 2023, respectively.

Some of the Company's loan agreements stipulate that the current ratio and debt ratio as stated on the financial statements shall not be less than a specified percentage, and that if such a percentage fails to be met, the Company shall propose improvement measures to the banks concerned. Till December 31, 2024, the Company has not violated the aforementioned financial ratios.

19. **ACCOUNTS PAYABLE**

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Accounts payable (including related parties)</u>		
Arising from operation (Note 30)	<u>\$ 912,819</u>	<u>\$ 746,923</u>

The average credit period of the Group is between 30 and 45 days. The Group has financial risk management policies to ensure that all accounts payable are paid within the credit terms.

20. **OTHER PAYABLES**

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Payables for fares	\$ 90,839	\$ 59,743
Payables for salaries or bonuses	85,830	77,436
Payables for utilities	40,627	30,949
Payables for purchases of equipment	13,896	29,824
Payables for taxes	13,673	1,553
Payables for professional service expenses	11,446	11,341
Others	<u>88,933</u>	<u>65,342</u>
	<u>\$ 345,244</u>	<u>\$ 276,188</u>

21. REFUND PROVISIONS

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Sales returns and rebates	<u>\$ 1,215</u>	<u>\$ 1,314</u>
	<u>2024</u>	<u>2023</u>
Beginning balance	\$ 1,314	\$ 1,102
Provision	8,649	8,123
Returns and rebates	(8,748)	(7,911)
Ending Balance	<u>\$ 1,215</u>	<u>\$ 1,314</u>

The refund provision is based on management's judgments and other known reasons for which estimated product returns and rebates may occur for the year ended. The provision is recognized as a reduction of operating income in the periods in which the related goods are sold.

22. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company adopted a pension plan under the "Labor Pension Act" of ROC (the "LPA"), which is a defined contribution plan. Based on the LPA, the Company makes monthly contributions to employees' individual pension accounts in the Bureau of Labor Insurance at 6% of monthly salaries and wages.

The employees of the Group's subsidiary, TTC (ZS), in mainland China is the member of a state-managed retirement benefit plans operated by the government of mainland China. The subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit plans is to make the specified contributions.

b. Defined benefit plans

The defined benefit plan adopted by the Company in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. Since November 1986, the Company contributed a specific rate (currently 12%) of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Present Value of Defined Benefit		
Obligation	\$ 369,626	\$ 403,237
Fair Value of Plan Assets	(313,521)	(302,597)
Net defined benefit liabilities	<u>\$ 56,105</u>	<u>\$ 100,640</u>

Changes in net defined benefit liabilities are as follows:

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2023	<u>\$ 470,859</u>	<u>(\$ 343,143)</u>	<u>\$ 127,716</u>
Service Costs			
Service Costs for the Current Period	2,237	-	2,237
Net Interest Expense (Income)	<u>5,090</u>	<u>(3,798)</u>	<u>1,292</u>
Recognized in profit or loss	<u>7,327</u>	<u>(3,798)</u>	<u>3,529</u>
Remeasurements			
Return on Plan Assets (Excluding Amounts Included in Net Interest)	-	<u>(3,542)</u>	<u>(3,542)</u>
Actuarial Gain			
— Changes in Financial Assumptions	<u>(3,201)</u>	-	<u>(3,201)</u>
— Experience Adjustments	<u>(2,801)</u>	<u>-</u>	<u>(2,801)</u>
Recognized in other comprehensive income	<u>(6,002)</u>	<u>(3,542)</u>	<u>(9,544)</u>
Contributions by the Employer	-	<u>(21,061)</u>	<u>(21,061)</u>
Benefits Paid on Plan Assets	<u>(68,947)</u>	<u>68,947</u>	<u>-</u>
Balance at December 31, 2023	<u>\$ 403,237</u>	<u>(\$ 302,597)</u>	<u>\$ 100,640</u>
Balance as of January 1, 2024	<u>\$ 403,237</u>	<u>(\$ 302,597)</u>	<u>\$ 100,640</u>
Service Costs			
Service Costs for the Current Period	1,610	-	1,610
Net Interest Expense (Income)	<u>4,873</u>	<u>(3,741)</u>	<u>1,132</u>
Recognized in profit or loss	<u>6,483</u>	<u>(3,741)</u>	<u>2,742</u>
Remeasurements			
Return on Plan Assets (Excluding Amounts Included in Net Interest)	-	<u>(28,743)</u>	<u>(28,743)</u>
Actuarial gain and loss			
— Changes in Financial Assumptions	<u>(5,461)</u>	-	<u>(5,461)</u>
— Experience Adjustments	<u>5,369</u>	<u>-</u>	<u>5,369</u>
Recognized in other comprehensive income	<u>(92)</u>	<u>(28,743)</u>	<u>(28,835)</u>
Contributions by the Employer	-	<u>(18,442)</u>	<u>(18,442)</u>
Benefits Paid on Plan Assets	<u>(40,002)</u>	<u>40,002</u>	<u>-</u>
Balance at December 31, 2024	<u>\$ 369,626</u>	<u>(\$ 313,521)</u>	<u>\$ 56,105</u>

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	<u>2024</u>	<u>2023</u>
Cost of goods sold	\$ 2,495	\$ 3,200
Selling and marketing expenses	123	141
Administrative expenses	39	88
Research and development expenses	<u>85</u>	<u>100</u>
	<u>\$ 2,742</u>	<u>\$ 3,529</u>

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

- 1) Investment risk: The Bureau of Labor Funds, Ministry of Labor invests the labor pension fund in equity securities, debt securities, and bank deposits in domestic (foreign) banks through independent implementation and commissioned operations. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate of a 2-year time deposit with local banks.
- 2) Interest risk: The decrease in the interest rate of government bonds will increase the present value of defined benefit obligations, but the compensation on debt investment of plan assets will also increase accordingly, which will partially offset the impact on net defined benefit liabilities.
- 3) Salary risk: The present value of the defined benefit obligation is calculated with reference to the future salaries of plan participants. 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 measured on the basis of certified actuaries, and major assumptions on the measurement date are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Discount rate	1.500%	1.250%
Average long-term salary adjustment rate	2.750%	2.750%

In the event of a reasonably possible change in the material actuarial assumptions, the amount of the increase (decrease) in the present value of the defined benefit obligation would be as follows, provided that all the other assumptions remain constant:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Discount rate		
Increase by 0.25%	(\$ 5,329)	(\$ 6,279)
Decrease by 0.25%	<u>\$ 5,460</u>	<u>\$ 6,444</u>
Average long-term salary adjustment rate		
Increase by 0.25%	<u>\$ 5,298</u>	<u>\$ 6,239</u>
Decrease by 0.25%	(\$ 5,197)	(\$ 6,111)

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.

The Company expects to allocate NT\$18,000 thousand and NT\$20,000 thousand to the defined benefit plans within one year as of December 31, 2024, and December 31, 2023, respectively. The weighted average duration of the Company's defined benefit obligations on December 31, 2024 and 2023 is 5.9 years and 6.4 years.

23. **EQUITY**

a. Ordinary shares

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Number of shares authorized (in thousands)	<u>400,000</u>	<u>400,000</u>
Shares authorized	<u>\$ 4,000,000</u>	<u>\$ 4,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>397,587</u>	<u>397,587</u>
Shares issued	<u>\$ 3,975,868</u>	<u>\$ 3,975,868</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.

b. Capital surplus

Capital surplus which arises from the consideration received from issuance of shares (including consideration from issuance of ordinary shares) and donations may be used to offset a deficit, in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).

Capital surplus arising from unpaid dividends due to overdue may be used to offset a deficit only. Capital surplus arising from investments in subsidiaries and associates accounted for using the equity method may not be used for any purpose.

c. Retained earnings and dividends policy

In accordance with the dividends policy as set forth in the Company's Articles of Incorporation, where there is a profit in a fiscal year, the profit after tax of the Company shall be first utilized for offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's Board of Directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors after the amendment, please refer to "employees' compensation and remuneration of directors" in Note 25 (8).

In addition, according to the provisions of the Company's Articles, 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 be no less than 10% of the distributable earnings in the current year, of which the cash dividends not be no less than 10% of the total dividends. However, dividends may be stopped if the distributable profit per share in the current fiscal year is less than \$0.1.

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

The Company appropriated to and reversed from a special reserve in accordance with Jin-Guan-Zheng-Fa-Zhi No. 1090150022.

The Company held its annual shareholders' meetings on May 31, 2024, and May 30, 2023, where the resolutions for the distribution of earnings for the fiscal years 2023 and 2022 were approved as follows:

	Appropriation of earnings		Dividends per share (NT\$)	
	2023	2022	2023	2022
Legal reserve	\$ -	\$ 44,234		
Cash dividends	119,276	198,793	\$ 0.3	\$ 0.5

The appropriation of earnings for 2024 had been proposed by the Company's Board of Directors on March 5, 2025, were as follows:

	Appropriation of earnings	Dividends per share (NT\$)
Cash dividends	\$ 79,517	\$ 0.2

The distribution of earnings for the year 2024 is still subject to resolution in the annual shareholders' meeting to be held on May 28, 2025.

d. Special reserve

The Company reserved a special reserve on the first-time adoption of IFRSs as follows:

	December 31, 2024	December 31, 2023
Special reserve	<u>\$ 308,061</u>	<u>\$ 308,061</u>

The Company's amount of unrealized revaluation gain and cumulative adjustments transferred into retained earnings were \$279,270 thousand and \$160,233 thousand, respectively. The increase in retained earnings arising from the first-time adoption of IFRSs was not sufficient for the special reserve appropriation; thus, the Company appropriated a special reserve in the amount of \$308,061 thousand which was the net increase of retained earnings arising from the first-time adoption of IFRSs. As of December 31, 2024, there was no change in the special reserve.

e. Other equity items

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

	2024	2023
Beginning balance	(\$ 153,014)	(\$ 110,541)
Incurred this year		
Exchange differences on translation of foreign operations	155,313	(50,285)
Share in associates accounted for under the equity method	7,537	(2,601)
Related income tax	(32,023)	10,413
Ending balance	<u>(\$ 22,187)</u>	<u>(\$ 153,014)</u>

Exchange differences on translating net assets of foreign operations are translated into the presentation currency, the New Taiwan dollar. The resulting currency translation differences are recognized in other comprehensive income as exchange differences on translating the financial statements of foreign operations in the respective period.

- 2) Unrealized gains (losses) on financial assets at fair value through other comprehensive income

	2024	2023
Beginning balance	\$ 266,098	\$ 319,105
Incurred this year		
Unrealized gains (losses)		
Equity instruments	(135,990)	(35,516)
Share in associates accounted for under the equity method	(30,160)	(17,492)
Related income tax	-	1
Ending balance	<u>\$ 99,948</u>	<u>\$ 266,098</u>

24. REVENUE

	2024	2023
Revenue from contracts with customers		
Proceeds of sale	<u>\$ 18,622,910</u>	<u>\$ 15,205,462</u>

Refer to Note 4 for description related to contracts with customers. Please refer to Note 36 for information on segment revenue and operating results of major products.

25. NET LOSS BEFORE INCOME TAX

Net loss before income tax includes the following:

- a. Interest income

	2024	2023
Cash and cash equivalents	\$ 43,493	\$ 43,259
Financial assets at fair value through profit or loss (Note 7)	2,065	1,526
Others	80	305
	<u>\$ 45,638</u>	<u>\$ 45,090</u>

b. Other income

	2024	2023
Rental income - operating lease (Notes 16 and 30)	\$ 24,457	\$ 32,903
Government subsidies	437	26,583
Dividend income		
Financial assets at fair value through profit or loss (Note 7)	2,998	1,307
Financial assets at fair value through other comprehensive profit and loss (Note 8)	5,288	10,577
Compensation Benefits	810	8,537
Others	4,356	11,288
	<u>\$ 38,346</u>	<u>\$ 91,195</u>

c. Other gains and losses

	2024	2023
Loss and gain of financial assets at fair value through profit or loss (Note 7)	(\$ 2,915)	\$ 1,115
Foreign exchange gain (loss), net	102,227	16,305
The (loss) gain on disposal and obsolescence of property, plant, and equipment (Note 14)	(1,491)	561
Expenses from rental assets	(4,460)	(5,076)
Others	(5,212)	(600)
	<u>\$ 88,149</u>	<u>\$ 12,305</u>

d. Gain or loss on foreign exchange

	2024	2023
Total foreign exchange gains	\$ 161,713	\$ 117,649
Total foreign exchange losses	(59,486)	(101,344)
Net profit	<u>\$ 102,227</u>	<u>\$ 16,305</u>

e. Finance costs

	2024	2023
Interest on bank loans	\$ 38,963	\$ 19,571
Interest on lease liabilities (Note 30)	348	398
Less: Capitalized interest (included in construction in progress)	<u>-</u>	(119)
	<u>\$ 39,311</u>	<u>\$ 19,850</u>

Information about capitalized interest is as follows:

	2024	2023
Capitalized interest	\$ -	\$ 119
Capitalization rate	□□ -	1.50%~1.65%

f. Depreciation and amortization

	2024	2023
Property, plant and equipment (Note 14)	\$ 205,649	\$ 205,104
Right-of-use assets (Note 15)	9,973	8,522
Intangible assets (Note 17)	498	1,781
Total	<u>\$ 216,120</u>	<u>\$ 215,407</u>
Analysis of depreciation by function		
Cost of goods sold	\$ 202,183	\$ 201,054
Operating expenses	12,025	10,616
Other gains and losses	1,414	1,956
	<u>\$ 215,622</u>	<u>\$ 213,626</u>
Analysis of amortization by function		
Cost of goods sold	\$ 400	\$ 1,600
Administrative expenses	98	181
	<u>\$ 498</u>	<u>\$ 1,781</u>

g. Employee benefits expense

	2024	2023
Post-employment benefits (Note 22)		
Defined contribution plans	\$ 22,024	\$ 21,345
Defined benefit plans	2,742	3,529
	24,766	24,874
Insurance expenses	35,634	35,738
Other employee benefits	498,719	480,185
An analysis of employee benefits expense	<u>\$ 559,119</u>	<u>\$ 540,797</u>
An analysis of employee benefits expense by function		
Cost of goods sold	\$ 454,881	\$ 425,602
Operating expenses	104,238	115,195
	<u>\$ 559,119</u>	<u>\$ 540,797</u>

h. Employees' compensation and remuneration of directors

According to Articles of Incorporation of the Company, the Company accrued employees' compensation and remuneration of directors at the rates of no less than 1% and no higher than 1%, respectively. However, the Company's accumulated deficits should be offset in advance. The employees' compensation can be distributed in the form of shares or cash. When the employees of the Company's subsidiaries meet specific requirements they are also entitled to receive compensation in shares or cash. These requirements are set by the Board of Directors.

Due to losses in the fiscal years 2024 and 2023, employee remuneration and director remuneration were not estimated.

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

There was no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts the recognition the consolidated financial statements for the year ended December 31, 2022.

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

26. INCOME TAX

a. Major components of income tax benefit recognized in profit or loss were as follows

	2024	2023
Current tax		
In respect of the current year	\$ 20,527	\$ 5,802
Adjustments from previous years	(6,048)	(1,714)
	<u>14,479</u>	<u>4,088</u>
Deferred tax		
In respect of the current year	(33,228)	(77,748)
Adjustments from previous years	19	1,185
	<u>(33,209)</u>	<u>(76,563)</u>
Income tax benefit recognized in profit or loss	(\$ 18,730)	(\$ 72,475)

A reconciliation of accounting profit and income tax benefit is as follows:

	2024	2023
Net loss before income tax	(\$ 241,742)	(\$ 346,012)
Income tax benefit calculated on the pre-tax net loss at the statutory rate	(\$ 24,213)	(\$ 81,543)
Fees that cannot be deducted from taxes	4,661	971
Tax-exempted income	(2,522)	(1,409)

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	<u>2024</u>	<u>2023</u>
Tax-exempt dividend income shall not be included in the deduction for losses.	\$ 2,464	\$ 5,389
Unrecognized deductible temporary difference	(1,074)	(1,528)
Unrecognized loss carry forwards	7,983	6,174
Adjustments for previous years	(<u>6,029</u>)	(<u>529</u>)
Income tax benefit recognized in profit or loss	(<u>\$ 18,730</u>)	(<u>\$ 72,475</u>)
 b. Income tax recognized in other comprehensive income		
	<u>2024</u>	<u>2023</u>
<u>Deferred tax</u>		
Incurred this year		
— Exchange differences on translating the financial statements of foreign operations	(\$ 32,023)	\$ 10,413
— Unrealized gains (losses) on financial assets at fair value through other comprehensive income	-	1
— Remeasurement of defined benefit plans	(<u>5,767</u>)	(<u>1,909</u>)
Income tax recognized in other comprehensive income	(<u>\$ 37,790</u>)	<u>\$ 8,505</u>
 c. Current income tax assets and liabilities		
	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Current income tax assets		
Tax refunds receivable	<u>\$ 7,852</u>	<u>\$ 1,571</u>
Current income tax liabilities		
Income tax payable	<u>\$ 18,095</u>	<u>\$ 904</u>

d. Deferred tax assets and liabilities

Changes in deferred income tax assets and liabilities are as follows:

2024

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Reclassification	Exchange differences	Ending balance
<u>Deferred income tax assets</u>						
<u>Temporary differences</u>						
Allowance for inventory valuation	\$ 6,992	(\$ 3,277)	\$ -	\$ -	\$ 30	\$ 3,745
Allowance for impaired receivables	3,081	2,588	-	-	183	5,852
Unrealized foreign exchange losses	5,346	(5,346)	-	-	-	-
Defined retirement benefit plans	19,781	(3,140)	(5,767)	-	-	10,874
Payables for annual leave	3,452	54	-	-	-	3,506
Others	<u>1,952</u>	<u>(247)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,705</u>
	40,604	(9,368)	(5,767)	-	213	25,682
Loss offsetting	<u>82,951</u>	<u>72,653</u>	<u>-</u>	<u>-</u>	<u>871</u>	<u>156,475</u>
	<u>\$ 123,555</u>	<u>\$ 63,285</u>	<u>(\$ 5,767)</u>	<u>\$ -</u>	<u>\$ 1,084</u>	<u>\$ 182,157</u>
<u>Deferred income tax liabilities</u>						
<u>Temporary differences</u>						
Exchange differences on translating the financial statements of foreign operations	\$ 2,282	\$ -	\$ 32,023	\$ -	\$ -	\$ 34,305
Unrealized foreign exchange gain	-	7,610	-	-	-	7,610
Share of profit of foreign subsidiaries accounted for using the equity method	41,296	17,307	-	-	-	58,603
Differences on depreciation between finance and tax	183	(61)	-	-	-	122
Reserve for land revaluation increment tax	143,860	-	-	-	-	143,860
Unrealized net loss on sales	795	1,262	-	-	-	2,057
Deferred taxation on income during the preparation period	<u>-</u>	<u>3,958</u>	<u>-</u>	<u>10,185</u>	<u>56</u>	<u>14,199</u>
	<u>\$ 188,416</u>	<u>\$ 30,076</u>	<u>\$ 32,023</u>	<u>\$ 10,185</u>	<u>\$ 56</u>	<u>\$ 260,756</u>

2023

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Reclassification	Exchange differences	Ending balance
<u>Deferred income tax assets</u>						
<u>Temporary differences</u>						
Allowance for inventory valuation	\$ 8,102	(\$ 1,099)	\$ -	\$ -	(\$ 11)	\$ 6,992
Allowance for impaired receivables	11,600	(8,468)	-	-	(51)	3,081
Unrealized foreign exchange losses	3,651	1,695	-	-	-	5,346
Defined retirement benefit plans	25,196	(3,506)	(1,909)	-	-	19,781
Payables for annual leave	3,419	33	-	-	-	3,452
Unrealized net gain on sale of goods	1,412	(1,412)	-	-	-	-
Others	2,482	(531)	1	-	-	1,952
	55,862	(13,288)	(1,908)	-	(62)	40,604
Loss offsetting	3,711	79,580	-	-	(340)	82,951
	<u>\$ 59,573</u>	<u>\$ 66,292</u>	<u>(\$ 1,908)</u>	<u>\$ -</u>	<u>(\$ 402)</u>	<u>\$ 123,555</u>
<u>Deferred income tax liabilities</u>						
<u>Temporary differences</u>						
Exchange differences on translating the financial statements of foreign operations	\$ 12,695	\$ -	(\$ 10,413)	\$ -	\$ -	\$ 2,282
Share of profit of foreign subsidiaries accounted for using the equity method	52,312	(11,016)	-	-	-	41,296
Differences on depreciation between finance and tax	233	(50)	-	-	-	183
Reserve for land revaluation increment tax	143,860	-	-	-	-	143,860
Unrealized net loss on sales	-	795	-	-	-	795
	<u>\$ 209,100</u>	<u>(\$ 10,271)</u>	<u>(\$ 10,413)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 188,416</u>

- e. Amount of the deductible temporary differences and unrecognized loss offsetting of deferred tax assets not recognized in the consolidated balance sheet

	December 31, 2024	December 31, 2023
Loss offsetting		
Maturity in 2024	\$ -	\$ 124,333
Maturity in 2026	20,323	20,323
Maturity in 2027	41,993	41,993
Maturity in 2028	24,368	24,368
Maturity in 2029	32,300	-
	<u>\$ 118,984</u>	<u>\$ 211,017</u>

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	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Unrecognized temporary difference		
— Loss on impairment of accounts receivable	\$ 68,412	\$ 65,028
— Impairment loss recognized on property, plant and equipment	<u>74,277</u>	<u>74,740</u>
	<u>\$ 142,689</u>	<u>\$ 139,768</u>

f. Income tax assessments

The Company's business income tax declaration case has been approved by the taxation and taxation authority for 2022.

g. Income tax related to subsidiaries were as follows:

- 1) Taita (BVI) is exempt from income tax for both 2024 and 2023 as a result of applicable local government tax exemptions.
- 2) Taita Zhongshan, Taita Tianjin, and Zhangzhou Taita comply with the regulations of the local enterprise income tax law, and the applicable tax rate is 25%.

27. LOSS PER SHARE

	<u>2024</u>	<u>2023</u>
	Unit: NT\$ per share	
Basic loss per share	(<u>\$ 0.56</u>)	(<u>\$ 0.69</u>)
Diluted loss per share	(<u>\$ 0.56</u>)	(<u>\$ 0.69</u>)

The net loss and weighted average number of ordinary shares outstanding in the computation of loss per share were as follows:

Net loss for the year

	<u>2024</u>	<u>2023</u>
Net loss used to calculate the basic and diluted loss per share	(<u>\$ 223,012</u>)	(<u>\$ 273,537</u>)

Number of shares

	<u>2024</u>	<u>2023</u>
	Unit: thousands of shares	
Weighted average number of ordinary shares used in the computation of basic and diluted loss per share	<u>397,587</u>	<u>397,587</u>

If the Group offered to settle remuneration paid to employees in cash or shares, the Group assumed the entire amount of the remuneration would be settled in shares, and the resulting potential shares were included in the weighted average number of shares outstanding used in

the computation of diluted earnings per share, as the effect is dilutive. Such 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. The Company incurred a loss in the fiscal year 2023, therefore the dilutive effect of the equivalent shares issued for employee compensation is excluded from the calculation of diluted loss per share (fiscal year 2024: none).

28. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group's overall management strategy remains unchanged from the past year.

The capital structure of the Group consists of its net debt and equity.

Key management personnel of the Group review the capital structure periodically. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders, and the amount of new debt issued or existing debt redeemed.

29. FINANCIAL INSTRUMENTS

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

The management of the Group considers that the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values. Otherwise, the fair values cannot be reliably measured.

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

1) Fair value hierarchy

December 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value</u>				
<u>through profit or loss</u>				
Investments in equity instruments				
— Domestic listed (OTC) shares	\$ 63,400	\$ -	\$ -	\$ 63,400
— Foreign unlisted shares	-	-	-	-
Fund beneficiary certificates	296,774	-	-	296,774
Beneficiary securities	60,832	-	-	60,832
Total	<u>\$ 421,006</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 421,006</u>
<u>Financial assets at fair value</u>				
<u>through other comprehensive income</u>				
Investments in equity instruments				
— Domestic listed (OTC) shares	\$ 162,432	\$ -	\$ -	\$ 162,432
— Domestic unlisted (OTC) shares	-	-	5	5
— Foreign unlisted shares	-	-	-	-
Total	<u>\$ 162,432</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 162,437</u>

December 31, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at fair value</u>				
<u>through profit or loss</u>				
Investments in equity instruments				
— Domestic listed (OTC) shares	\$ 93,886	\$ -	\$ -	\$ 93,886
— Foreign unlisted shares	-	-	-	-
Beneficiary securities	<u>67,292</u>	<u>-</u>	<u>-</u>	<u>67,292</u>
Total	<u>\$ 161,178</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 161,178</u>

Financial assets at fair value
through other comprehensive
income

Investments in equity instruments				
— Domestic listed (OTC) shares	\$ 298,421	\$ -	\$ -	\$ 298,421
— Domestic unlisted (OTC) shares	-	-	6	6
— Foreign unlisted shares	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 298,421</u>	<u>\$ -</u>	<u>\$ 6</u>	<u>\$ 298,427</u>

In 2024 and 2023, there was no transfer between Level 1 and Level 2 fair value measurements.

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

Financial assets at FVTOCI - equity instruments

	<u>2024</u>	<u>2023</u>
Beginning balance	\$ 6	\$ 13
Recognized in other comprehensive income (included in unrealized gain on financial assets at FVTOCI)	(<u>1</u>)	(<u>7</u>)
Ending balance	<u>\$ 5</u>	<u>\$ 6</u>

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

To determine the fair value for Level 3 financial instruments, the Group's investment department conducts independent fair value verification using external resources so as to better reflect the market conditions, as well as periodically reviewing the valuation results in order to guarantee the rationality of the measurement. The fair value of the unlisted equity investment held by the Company domestically and abroad is evaluated by the asset-based approach, and its fair value is determined by referring to the latest net value of the investment company and its observable financial and operating conditions; the unobservable input value used on December 31, 2024 and 2023 is a liquidity discount of 15%.

c. Categories of financial instruments

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Financial assets</u>		
Financial assets measured at fair value through profit or loss - mandatorily classified as at fair value through profit or loss	\$ 421,006	\$ 161,178
Financial assets at amortized cost (Note 1)	4,824,556	4,100,806
Financial assets at FVTOCI - investments in equity instruments	162,437	298,427
<u>Financial liabilities</u>		
Measured at amortized cost (Note 2)	3,014,383	1,773,561

Note 1: The balance includes cash and cash equivalents, fixed-term deposits with original maturity over 3 months, pledge certificates of deposit, notes receivable and accounts receivable (including related parties), other receivables (including related parties, excluding business tax refunds receivable) and deposits and other financial assets measured at amortized cost.

Note 2: The balance includes financial liabilities at amortized cost, which includes short-term and long-term loans, short-term bills payable, accounts payable (including related parties) and other payables (including related parties and excluding payables for taxes).

d. Financial risk management objectives and policies

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

1) Market risk

The main financial risks the Group is exposed to in the business activities are foreign exchange risk, interest rate risk, and other price risk.

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

a) Foreign currency risk

The Group conducted foreign currency sales and purchases, which exposed the Group to foreign currency risk. In order to avoid the impact of foreign currency exchange rate changes, which lead to deductions in foreign currency denominated assets and fluctuations in their future cash flows, the Group used foreign exchange forward contracts to eliminate foreign currency exposure and thus mitigate the impact of the risk. The use of foreign exchange forward contracts was governed by the Company's policies approved by the Board of Directors. Compliance with policies and exposure limits was reviewed by

internal auditors on a continuous basis. The Group does not undergo the transaction of the forward foreign exchange contracts for speculative purposes. For the Group's monetary assets and liabilities, denominated in non-functional currencies on the balance sheet date (including the monetary items and non-functional currencies written off in the consolidated financial statements), please refer to Note 34.

Sensitivity analysis

The sensitivity analysis of foreign currency risk mainly focuses on the computation of foreign currency monetary items at the end of the financial reporting period (U.S. dollar denominated items). When the functional currency of the merged entity appreciates/depreciates against the US dollar by 3%, the pre-tax net loss of the Company for the fiscal years 2024 and 2023 will increase/decrease by NT\$33,075 thousand and NT\$22,495 thousand.

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

b) Interest rate risk

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

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Fair value interest rate risk		
— Financial assets	\$ 1,840,504	\$ 1,579,097
— Financial liabilities	1,529,094	758,759
Cash flow interest rate risk		
— Financial assets	482,820	650,236
— Financial liabilities	340,000	100,000

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rate risk of cash flow for both financial assets and liabilities at the end of the reporting period. The fixed-rate financial assets and liabilities held by the Group are not included in the analysis as they are all measured at amortized cost. A 0.5% increase/decrease of market interest was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rate. Assuming all other variables remain constant, a 0.5% increase/decrease in market interest rates will result in an decrease/increase of

NT\$714 thousand and NT\$2,751 thousand, respectively, in the Company's pre-tax net loss for the fiscal years 2024 and 2023.

c) Other price risks

The Group was exposed to the equity price risk through its investments in domestic and foreign listed and unlisted (OTC) shares, beneficiary securities, fund beneficiary certificates and other securities investments. The Group manages this exposure by maintaining a portfolio of investments with different risks. In addition, the Group has appointed a special team to monitor the price risk.

Sensitivity analysis

Sensitivity analysis is based on the price of marketable securities at the balance sheet date. However, in the financial assets of the Group measured at fair value through profit or loss, the risk of the price volatility of the monetary market funds is very low, so it is not included in the analysis.

If the equity price rises/falls by 5%, the pre-tax net loss for the fiscal years 2024 and 2023 will decrease/increase by NT\$7,042 thousand and NT\$8,059 thousand, respectively, due to the increase/decrease in the fair value of financial assets measured at fair value through profit or loss (excluding money market fund investments). In the 2024 and 2023 fiscal years, pre-tax other comprehensive income will increase/decrease by NT\$8,122 thousand and NT\$14,921 thousand, respectively, due to the increase/decrease in fair value of financial assets measured at fair value through other comprehensive income.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations and result in financial loss to the Group. The Group adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

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 customers, and then the Company's credit risk was limited. On the balance sheet date, the Group's maximum exposure to credit risk is approximately the carrying amounts respective recognized financial assets as stated in the balance sheet.

3) Liquidity risk

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

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

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

December 31, 2024

	Weighted Average Interest Rate	On Demand or Less than 1 Year	1-5 years	More than 5 years
<u>Non-derivative</u> <u>financial liabilities</u>				
Non-interest bearing liabilities		\$ 1,174,383	\$ -	\$ -
Lease liabilities	1.10	5,013	20,052	5,013
Floating interest rate liabilities	1.98	343,176	-	-
Fixed interest rate liabilities	1.98	1,503,411	-	-
		<u>\$ 3,025,983</u>	<u>\$ 20,052</u>	<u>\$ 5,013</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 year	1-5 years	5-10 years
Lease liabilities	<u>\$ 5,013</u>	<u>\$ 20,052</u>	<u>\$ 5,013</u>

December 31, 2023

	Weighted Average Interest Rate	On Demand or Less than 1 Year	1-5 years	More than 5 years
<u>Non-derivative</u> <u>financial liabilities</u>				
Non-interest bearing liabilities		\$ 948,561	\$ -	\$ -
Lease liabilities	1.10	5,013	20,052	10,026
Floating interest rate liabilities	1.69	100,019	-	-
Fixed interest rate liabilities	1.68	726,708	-	-
		<u>\$ 1,780,301</u>	<u>\$ 20,052</u>	<u>\$ 10,026</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 year	1-5 years	5-10 years
Lease liabilities	<u>\$ 5,013</u>	<u>\$ 20,052</u>	<u>\$ 10,026</u>

b) Financing facilities

The Group relies on bank loans as a significant source of liquidity. The unused loan amount of the consolidated company on the balance sheet date is as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Bank loan facilities		
— Amount unused	<u>\$ 3,251,675</u>	<u>\$ 4,886,618</u>

30. RELATED PARTY TRANSACTIONS

The Company's ultimate parent company is USI Corporation, which held 36.79% of the ordinary shares of the Company as of December 31, 2024 and 2023.

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

a. Name of the related party and their relationship

<u>Name of the related party</u>	<u>Relationship with the Group</u>
USI Corporation ("USI")	Ultimate parent company
China General Plastics Corporation ("CGPC")	Associate
China General Plastics (ZhongShan) Co., Ltd.	Associate
CGPC Polymer Corporation	Associate
Taiwan VCM Corporation (TVCM)	Associate
Global Green Technology Corporation	Associate
China General Terminal & Distribution Corporation (CGTD)	Associate
Asia Polymer Corporation (APC)	Fellow subsidiary
USI Trading (Shanghai) Co., Ltd.	Fellow subsidiary
Swanson Plastics Corporation	Fellow subsidiary
Swanson Plastics (Kunshan) Co., Ltd.	Fellow subsidiary
USI Management Consulting Corp. (UM)	Fellow subsidiary
Delmind Inc.	Related party in substance

b. Sales of goods

<u>Related party category/name</u>	<u>2024</u>	<u>2023</u>
Ultimate parent company	<u>\$ 19,344</u>	<u>\$ 12,931</u>

The Company's credit period of sales of goods to related parties was from 30 days after delivering the products. The sales of goods between the Company and its related parties had no material differences from those of general sales transactions.

c. Purchase

<u>Related party category/name</u>	<u>2024</u>	<u>2023</u>
Associate	\$ 2,562	\$ 2,481
Fellow subsidiary	709	396
Ultimate parent company	-	1,703
	<u>\$ 3,271</u>	<u>\$ 4,580</u>

The Group's credit period of purchase of goods from related parties was from 30 days after acceptance. The purchase of goods between the Group and its related parties had no material differences from those of general purchase transactions.

d. Receivables from related parties (excluding loans to related parties)

<u>Related party category/name</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Ultimate parent company	<u>\$ 7,665</u>	<u>\$ 4,200</u>

The outstanding accounts receivable from related parties were unsecured. No impairment loss was recognized.

e. Payables to related parties (excluding loans from related parties)

<u>Related party category/name</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Fellow subsidiary	<u>\$ 79</u>	<u>\$ 49</u>

The outstanding accounts payable from related parties are not overdue and not guaranteed.

f. Other transactions with related parties

1) Rental income (classified as other income, Notes 16 and 25)

<u>Related party category/name</u>	<u>2024</u>	<u>2023</u>
Associate		
CGTD	\$ 17,177	\$ 18,591
TVCM	<u>6,125</u>	<u>7,295</u>
	23,302	25,886
Fellow subsidiary	<u>266</u>	<u>261</u>
	<u>\$ 23,568</u>	<u>\$ 26,147</u>

2) Rental expenses (classified as cost of goods sold, selling and marketing expenses and general and administrative expenses)

<u>Related party category/name</u>	<u>2024</u>	<u>2023</u>
Ultimate parent company		
USI	\$ 4,893	\$ 5,061
Fellow subsidiary		
Asia Polymer Corp.	2,463	1,805
Associate	<u>1,464</u>	<u>1,441</u>
	<u>\$ 8,820</u>	<u>\$ 8,307</u>

The Group leased offices and parking spaces in Neihu from USI and APC. The rentals were set according to the actual rental area and paid on a monthly basis.

3) Lease arrangements

<u>Related party category/name</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Lease liabilities - current</u>		
Fellow subsidiary		
APC	<u>\$ 4,717</u>	<u>\$ 4,665</u>
<u>Lease liabilities - non-current</u>		
Fellow subsidiary		
APC	<u>\$ 24,377</u>	<u>\$ 29,094</u>

<u>Related party category/name</u>	<u>2024</u>	<u>2023</u>
<u>Total cash outflow for leases</u>		
Fellow subsidiary		
APC	<u>\$ 5,013</u>	<u>\$ 5,013</u>
<u>Interest expense</u>		
Fellow subsidiary		
APC	<u>\$ 348</u>	<u>\$ 398</u>

The Group leased land in Linyuan from APC. The rental was paid on a monthly basis.

4) Storage tank operating expenses (classified as cost of goods sold)

<u>Related party category/name</u>	<u>2024</u>	<u>2023</u>
Associate		
CGTD	<u>\$ 9,459</u>	<u>\$ 11,869</u>

The Company appointed CGTD to handle the storage tank operating procedures of styrene monomer and butadiene, such as transportation, storage and loading. The storage tank operating expenses were paid on a monthly basis.

5) Management service income (classified as other revenue)

<u>Related party category/name</u>	<u>2024</u>	<u>2023</u>
Ultimate parent company		
USI	<u>\$ 1,048</u>	<u>\$ 4,891</u>

6) Management service expenses (classified as administrative expenses)

<u>Related party category/name</u>	<u>2024</u>	<u>2023</u>
Fellow subsidiary		
UM	\$ 70,344	\$ 73,694
Ultimate parent company	<u>2,873</u>	<u>-</u>
	<u>\$ 73,217</u>	<u>\$ 73,694</u>

The management service expenses paid to TGM mainly consist of the services including human resources and equipment and are paid on time based on the actual expenses incurred and costs incurred.

7) Other expenses (accounted as cost of goods sold and administrative expenses)

<u>Related party category/name</u>	<u>2024</u>	<u>2023</u>
Fellow subsidiary	\$ 2,027	\$ 1,861
Associate	1,005	1,692
Ultimate parent company	<u>8</u>	<u>-</u>
	<u>\$ 3,040</u>	<u>\$ 3,553</u>

8) Acquisition of property, plant and equipment

<u>Related party category/name</u>	<u>2024</u>	<u>2023</u>
Related party in substance	\$ 10,173	\$ -
Ultimate parent company	-	2,270
	<u>\$ 10,173</u>	<u>\$ 2,270</u>

9) Commission expense

<u>Related party category/name</u>	<u>2024</u>	<u>2023</u>
Fellow subsidiary	\$ -	\$ 304

10) Other receivables

<u>Related party category/name</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Associate	\$ 1,495	\$ 3,176
Fellow subsidiary	74	171
Ultimate parent company	-	1,585
	<u>\$ 1,569</u>	<u>\$ 4,932</u>

Other receivables mainly include overheads receivable, management service expenses, and office rental.

11) Other payables

<u>Related party category/name</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Related party in substance	\$ 9,693	\$ -
Associate	3,005	2,721
Ultimate parent company	2,142	779
Fellow subsidiary	983	939
	<u>\$ 15,823</u>	<u>\$ 4,439</u>

Other payables included storage tank operating expense payables, rental expense payable and the allocation of service department costs payables.

g. Remuneration of key management personnel

Remuneration to directors and the key management personnel was as follows:

	<u>2024</u>	<u>2023</u>
Salaries and others	\$ 15,358	\$ 21,230
Retirement benefits	36	207
	<u>\$ 15,394</u>	<u>\$ 21,437</u>

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

31. ASSETS PLEDGED AS COLLATERAL

The following assets of the Company have been provided as collateral for the issuance of bills of exchange, letters of credit, procurement of fuel, customs clearance operations and borrowings (Note 9):

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Pledged certificates of deposit		
— Classified as financial assets at amortized cost - current	3,000	3,000
— Classified as other non-current assets	<u>32,173</u>	<u>16,940</u>
	<u>\$ 35,173</u>	<u>\$ 19,940</u>

32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACTUAL COMMITMENTS

In addition to those disclosed in other notes, significant contingent liability and unrecognized contractual commitments of the Group were as follows:

- a. As of December 31, 2024 and December 31, 2023, the Company has unused letter of credit balances of NT\$132,000 thousand and NT\$120,000 thousand, respectively.
- b. On the gas explosion in Kaohsiung:

Regarding the gas explosion of the propylene pipeline of Lee Chang Yung Chemical Industry Corporation (“Lee Chang Yung Chemical”) on the night of July 31, 2014 operated by the invested company by the equity method, China General Terminal & Distribution Corporation (“CGTD”), the criminal case of the gas explosion incident was dismissed by the Supreme Court on September 15, 2021 and all three employees of CGTD were acquitted.

On February 12, 2015, China Interocean Transport, Inc. reached an agreement with the Kaohsiung City Government to provide a bank fixed deposit of NT\$234,785 thousand (including interest) as collateral for the losses incurred from the gas explosion incident. Kaohsiung City Government has also filed civil lawsuits against LCY, CGTD and CPC Corporation. Taiwan Power Company applied for provisional attachment against CGTD's property on August 27 and November 26, 2015. CGTD had deposited cash of NT\$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, 2025, the provisionally attached bank balance of CGTD was worth NT\$6,401 thousand.

For the victims of the gas explosion, CGTD, LCY and the Kaohsiung City Government signed a tripartite agreement for severe injuries on July 17, 2015 agreeing to negotiate the compensation first with the 32 severely injured victims, agreeing to negotiate compensation in advance for all the heirs and claimants of the 32 victims (hereinafter referred to as the families of the victims), paying the families of the victims NT\$12,000 thousand for each victim, with a total settlement of NT\$384,000 thousand. LCY paid the compensation first and also represented the three parties in the settlement negotiation and the signing of settlement agreements with the family of the deceased. In addition, according to the tripartite agreement, CGTD has paid NT\$157,347 thousand to LCY on August 10, 2022 according to the proportion of fault liability, 30%, in the first-instance judgments of this case. Follow-up still awaits the determination of the civil lawsuit, and then make up for it according to the determined liability proportion.

For the severely injured, CGTD, LCY and the Kaohsiung City Government signed a tripartite agreement for severe injuries on October 25, 2017 agreeing to negotiate the compensation first with the 65 severely injured victims. The compensation was paid by CGTD and the Kaohsiung City Government, and CGTD was in charge of negotiating the compensation with the seriously injured victims' families and signing the settlement agreement on behalf of the three parties with the 64 seriously injured victims' families.

As of February 28, 2025, victims, injured parties, or their relatives have filed civil (including criminal-related civil) lawsuits seeking compensation from Lee Chang Yung Chemical Industry Corp, China Interocean Transport, Inc., and Taiwan Petroleum Corporation for the Kaohsiung gas explosion incident. In order to reduce litigation costs, China Interocean Transport, Inc. has reached a settlement agreement for a compensation amount of NT\$46,677 thousand in the original claim, with a settlement compensation amount of NT\$4,519 thousand. Along with the case still under litigation and the above-mentioned compensation, the accumulated amount of compensation is NT\$3,831,211 thousand. The first-instance judgments of some of the above-mentioned civil cases (with a total amount of compensation of approximately NT\$1,467,830 thousand) have been gradually announced, starting from June 22, 2018. The proportion of fault liability of the Kaohsiung City Government, LCY and CGTD is 4 : 3 : 3 in most judgments. The total amount of compensation that CGTD, LCY and the other defendants should pay is around NT\$401,979 thousand. (In particular, CGTD was exempted from paying NT\$6,194 thousand according to the court's judgment.)

The civil cases that have been adjudicated in the first instance and not settled, CGTD has filed an appeal for the second instance, and the judgments have been announced successively since July 10, 2024. As of February 28, 2025, there have been a total of 9 cases in the Kaohsiung City Government's claims cases that have been adjudicated in the second instance (with a claim amount of approximately NT\$1,137,677 thousand). Among them, 8 cases have determined that CGTD should bear joint and several liabilities with LCY at a fault responsibility ratio of 10% (5 cases) or 20% (3 cases). The total amount of compensation that CGTD should bear jointly with LCY is NT\$79,726 thousand. In addition, 1 case has determined that CGTD should bear the fault responsibility ratio of 10% alone, and the amount of compensation that CGTD should pay alone is NT\$297 thousand. In addition, in the cases of Taiwan Power Company's claims (claim amount of NT\$265,822 thousand) and the National Health Insurance Administration's claims (claim amount of NT\$35,688 thousand) that have been adjudicated in the second instance, it has been determined that CGTD should bear joint and several liabilities with LCY for a compensation amount of NT\$108,835 thousand. The aforementioned second-instance cases have been adjudicated, and except for those that are not eligible for appeal to the third instance, CGTD has filed appeals to the third instance for all other cases. The remaining cases are still under review in the first-instance court (with a requested compensation amount of approximately NT\$1,860,557 thousand).

According to the relevant judgments on the liability proportion of this explosion accident, it is estimated the settlement amount of victims and seriously injured, the compensation amount of civil litigation cases (including the settled cases), and estimated amount to be borne by itself after deducting the upper limit of insurance claim was NT\$136,375 thousand, which had been included into the account. However, the actual amount of such settlement and compensation shall not be confirmed until the proportion of liability to be shared by CGTD is determined in accordance with the civil action.

33. OTHER MATTERS

On February 15, 2023, the President announced the amendment of the "Climate Change Response Act", which added provisions for the collection of carbon fees. Subsequently, on August 29, 2024, the Ministry of Environment announced the "Carbon Fee Collection Method", "Voluntary Reduction Plan Management Method", and "Designated Targets for Greenhouse Gas Reduction for Carbon Fee Collection Subjects". The carbon fee rates were announced in October 2024, and will be effective from January 1, 2025. Based on the emission assessment for 2023, the Group will be subject to carbon tax collection. Therefore, relevant liability provisions will be estimated in accordance with the above-mentioned method starting from 2025.

34. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following represents the aggregated values of foreign currencies other than the functional currencies of the Group entities, and the disclosed exchange rates refer to the rates at which these foreign currencies were translated into their respective functional currencies. Significant financial assets and liabilities denominated in foreign currencies were as follows:

December 31, 2024

	Foreign currency	Exchange rate (in single dollars)	Functional currency	NT\$
Foreign currency assets				
<u>Monetary items</u>				
USD	\$ 64,512	32.7850 (USD: NTD)	\$ 2,115,017	\$ 2,115,017
AUD	1,011	20.3900 (AUD:NTD)	20,605	20,605
HKD	673	4.2220 (HKD: NTD)	2,840	2,840
RMB	288	0.1391 (RMB: USD)	40	1,313
Foreign currency liabilities				
<u>Monetary items</u>				
USD	21,755	32.7850 (USD: NTD)	713,247	713,247
USD	9,128	7.1884 (USD: RMB)	65,617	299,268

December 31, 2023

	Foreign currency	Exchange rate (in single dollars)	Functional currency	NT\$
Foreign currency assets				
<u>Monetary items</u>				
USD	\$ 51,835	30.7050 (USD: NTD)	\$ 1,591,587	\$ 1,591,587
AUD	666	20.9800 (AUD:NTD)	13,964	13,964
RMB	583	4.3352 (RMB: NTD)	2,529	2,529
HKD	585	3.9290 (HKD: NTD)	2,299	2,299
RMB	288	0.1412 (RMB: USD)	41	1,248
Foreign currency liabilities				
<u>Monetary items</u>				
USD	18,287	30.7050 (USD: NTD)	561,489	561,489
USD	9,128	7.0827 (USD: RMB)	64,652	280,280

The consolidated company's net gains (realized and unrealized) from foreign currency exchange for the years 2024 and 2023 were NT\$102,227 thousand and NT\$16,305 thousand, respectively. Due to the wide variety of foreign currency transactions, it is not possible to disclose the exchange gains and losses by significant currency types.

35. SUPPLEMENTARY DISCLOSURES

a. Information about significant transactions:

- 1) Financing provided to others. (None)
- 2) Endorsements/guarantees provided. (Table 1)
- 3) Marketable securities held at the end of the period (excluding investments in subsidiaries and associates). (Table 2)
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital. (None)
- 5) Acquisitions of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital. (None)
- 6) Disposals of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital. (None)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (None)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 3)
- 9) Trading in derivative instruments. (None)
- 10) Others: The business relationships and significant transactions and amounts between parent and subsidiaries and between subsidiaries. (Table 6)

b. Information about investees. (Table 4)

c. Information on Investments in Mainland China:

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 5)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period. (None)
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period. (None)
 - c) The amount of property transactions and the amount of the resultant gains or losses. (None)
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes. (Table 1)

- 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. (None)
- 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. (None)
- d. Information on major shareholders: Name, number of shares held, and shareholding percentage of shareholders with shareholding percentage exceeding 5%. (Table 7)

36. **DEPARTMENT INFORMATION**

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. According to IFRS 8 "Operating Segments", the Company should disclose the segment information of styrenic products and glasswool products (including curved surface printing products).

a. Segment revenue and results

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

	Segment revenue		Department gains	
	2024	2023	2024	2023
Plastic raw materials	\$ 18,074,639	\$ 14,679,263	(\$ 414,789)	(\$ 521,990)
Glasswool (including curved surface printing)	548,271	526,199	53,821	57,593
Total amount from continuing operations	<u>\$ 18,622,910</u>	<u>\$ 15,205,462</u>	(360,968)	(464,397)
Interest income			45,638	45,090
Other income			38,346	91,195
Other gains and losses			88,149	12,305
Share of profit or loss of associates accounted for using the equity method			(13,596)	(10,355)
Finance costs			(39,311)	(19,850)
Net loss before tax from continuing operations			(\$ 241,742)	(\$ 346,012)

The revenue reported above is generated from the transactions with external clients. There were no transactions between the departments in 2024 and 2023.

The interests (losses) of the departments refer to the profits earned by the departments, excluding interest income, other income, other gains and losses, finance costs, the shares of profits and losses of the associates under the equity method, etc. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

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

b. Other information of the departments

	Depreciation and amortization	
	2024	2023
Plastic raw materials	\$ 195,542	\$ 183,212
Glasswool (including curved surface printing)	20,578	32,195
	<u>\$ 216,120</u>	<u>\$ 215,407</u>

c. Revenue from main products

The analysis of the revenue from the main products of the continuing operations of the Group is as follows:

	2024	2023
EPS	\$ 9,394,341	\$ 7,053,924
ABS	4,668,373	3,864,781
GPS	4,007,738	3,754,518
Glasswool products	548,271	526,199
IPS	4,187	6,040
	<u>\$ 18,622,910</u>	<u>\$ 15,205,462</u>

d. Region-specific information

The revenue from the continuing operations of the Group from external clients is classified according to the country of domicile of the clients, and non-current assets are listed by the regions of the asset as follows:

	Revenue from external clients		Non-current assets	
	2024	2023	December 31, 2024	December 31, 2023
Asia	\$ 14,527,370	\$ 11,180,006	\$ 2,296,606	\$ 2,303,253
America	1,912,369	1,769,179	-	-
Africa	1,697,756	1,726,672	-	-
Europe	214,088	279,704	-	-
Others	271,327	249,901	-	-
	<u>\$ 18,622,910</u>	<u>\$ 15,205,462</u>	<u>\$ 2,296,606</u>	<u>\$ 2,303,253</u>

Non-current assets refer to property, plant, equipment, right-of-use assets, investment property, and intangible assets.

e. Important information of the clients

No revenue of the Company in 2024 and 2023 accounted for more than 10% of net sales revenue of clients, so there is no need for disclosure.

TABLE 1

Taita Chemical Co., Ltd. and Subsidiaries

Endorsements/Guarantees Provided
For the Year Ended 2024
In Thousands of New Taiwan Dollars, Unless Stated Otherwise

No.	Endorsement and guarantee company name	Endorsee/Guarantee		Limits on Endorsement/Guarantee on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/Guaranteed During the Period (Note 1)	Outstanding Endorsement/Guarantee at the End of the Period (Note 1)	Actual Borrowing Amount	Amount endorsed/guaranteed by collateral	Ratio of Accumulated Endorsement/Guara ntee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/Guarantee Limit (Note 2)	Endorsement /Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement /guarantee made by subsidiaries for parent	Endorsement /guarantee made for companies in mainland China
		Company name	Relationship										
0	Taita Chemical Co., Ltd.	TAITA (BVI) Holding Co., Ltd.	Subsidiaries that the Company holds 100% of common equity directly	\$ 6,297,887	\$ 98,355 (USD 3,000 thousand)	\$ 98,355 (USD 3,000 thousand)	\$ -	\$ -	1.56%	\$ 9,446,831	Yes	No	No
0	Taita Chemical Co., Ltd.	Taita Chemical (Zhongshan) Co., Ltd.	Subsidiaries that the Company's subsidiaries hold 100% of common equity directly	6,297,887	228,040 (RMB 50,000 thousand)	- (RMB - thousand)	-	-	-	9,446,831	Yes	No	Yes

Note 1: The exchange rate is calculated based on the spot rate as of December 31, 2024.

Note 2: The total amount of guarantee that may be provided by the Company shall not exceed 150% 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 100% of the Company's net worth stated on the latest financial statements.

The total of guarantee that may be provided by the Company and the subsidiaries shall not exceed 200% of the Company's net worth stated on the latest financial statements; the total amount of guarantee provided Latest Financial Statements and its subsidiaries to any individual entity shall not exceed 150% of the Company's net worth stated on the latest financial statements.

TABLE 2

Taita Chemical Co., Ltd. and Subsidiaries

Marketable Securities Held at the End of the Period

December 31, 2024

In Thousands of New Taiwan Dollars, Unless Stated Otherwise

Holding company name	Type and name of marketable securities	Relationship with the holding company	Financial statement account	End of the period				Note
				Number of shares/units	Carrying amount	Percentage of ownership	Fair value	
Taita Chemical Co., Ltd.	<u>Shares</u> USI Corporation	Ultimate parent company	Financial assets at fair value through other comprehensive income - non-current	15,109,901	\$ 162,432	1.27%	\$ 162,432	Note 1
	Harbinger Venture Capital Corp.	—	"	990	5	0.50%	5	Note 3
	Taiwan Cement Corporation	—	Financial assets at FVTPL - current	2,000,000	63,400	0.03%	63,400	Note 1
	<u>Fund beneficiary certificates</u> Yuanta U.S. Government 20+ Year Bond Fund	—	Financial assets at FVTPL - current	580,000	16,617	-	16,617	Note 1
	FSITC Taiwan Money Market Fund	—	"	3,131,498	50,000	-	50,000	Note 2
	UPAMC James Bond Money Market Fund	—	"	1,729,665	30,084	-	30,084	Note 2
	FUBON CHI-HSIANG MONEY MARKET FUND	—	"	3,061,531	50,000	-	50,000	Note 2
	Hua Nan Phoenix Money Market Fund	—	"	2,947,992	50,000	-	50,000	Note 2
	Capital Money Market Fund	—	"	1,190,760	20,029	-	20,029	Note 2
	SinoPac TWD Money Market Fund	—	"	5,517,834	80,044	-	80,044	Note 2
	<u>Beneficiary securities</u> Cathay No. 1 Real Estate Investment Trust	—	Financial assets at FVTPL - current	3,963,000	60,832	-	60,832	Note 1
TAITA (BVI) Holding Co., Ltd.	<u>Shares</u> Budworth Investment Ltd.	—	Financial assets at fair value through other comprehensive income - non-current	20,219	- (USD - thousand)	2.22%	- (US - thousand)	Note 4
	Teratech Corporation	—	Financial assets at FVTPL - non-current	112,000	-	0.74%	-	Note 4
	Sohoware Inc. - Preferred Shares	—	"	100,000	-	-	-	Note 4

Note 1: The fair value is calculated based on the closing prices at Taiwan Stock Exchange on the last trading day of December 2024.

Note 2: The fair value is calculated based on the net assets value of each fund on the last trading day of December 2024.

Note 3: The fair value is evaluated by the asset method, and is determined by referring to the most recent net worth of the investee company and its observable financial and operating status.

Note 4: As of December 31, 2024, the Company evaluates the fair value of the equity instrument as \$0.

TABLE 3

Taita Chemical Co., Ltd. and Subsidiaries

Receivables from Related Parties Amounting to at Least NT\$100 Million or 20% of the Paid-in Capital
December 31, 2024
In Thousands of New Taiwan Dollars, Unless Stated Otherwise

Company name	Counterparty	Relationship	Financial statement account and ending balance	Turnover rate	Overdue		Amounts received in subsequent period (Note 2)	Allowance for impairment loss
					Amount	Actions taken		
Taita Chemical Co., Ltd.	Taita Chemical (Tianjin) Co., Ltd.	Subsidiary	Other receivables \$299,268 (USD 9,128 thousand) (Note 1)	-	\$ 299,268	Keep collecting the outstanding payment	\$ -	\$ -

- Note 1: The other receivables of Taita Chemical Co., Ltd. are from selling raw materials to Taita Chemical (Tianjin) Co., Ltd., and transferred to other receivables since it had exceeded the normal credit term by a certain period.
- Note 2: As of March 5, 2025, no payments have been received.
- Note 3: At the time of the preparation of the consolidated financial report, it had been fully written off.

TABLE 4

Taita Chemical Co., Ltd. and Subsidiaries

Information on Investees
For the Year Ended 2024
In Thousands of New Taiwan Dollars, Unless Stated Otherwise

Investor company	Investee company	Location	Main businesses and products	Original investment amount		End-of-period holdings			Net income (loss) of investee	Share of Profits (Loss)	Note (Note 1)
				End of the Current Period	Ending balance of the previous period	Number of shares	Percentage	Carrying amount			
Taita Chemical Co., Ltd.	TAITA (BVI) Holding Co., Ltd.	British Virgin Islands	Reinvestment	\$ 2,942,060 (USD 89,738 thousand)	\$ 2,942,060 (USD 89,738 thousand)	89,738,000	100%	\$ 3,284,017 (US \$100,168 thousand)	\$ 86,534 (Gain USD 2,671 thousand)	\$ 86,534 (Gain USD 2,671 thousand)	Subsidiary (Note 2)
	China General Plastics Corporation	Taipei, Taiwan	Manufacture and marketing of PVC plastic cloth and three-time processed products	65,365	65,365	11,516,174	1.98%	173,215	(709,967)	(14,071)	Investments accounted for using the equity method
	China General Terminal & Distribution Corporation	Taipei, Taiwan	Warehousing and transportation of petrochemical raw materials	41,082	41,082	25,053,468	33.33%	302,831	(1,480)	(494)	Investments accounted for using the equity method
	Acme Electronics Corporation	Taipei, Taiwan	Manufacture and marketing of manganese-zinc and ferrite core	55,702	55,702	4,991,556	2.34%	47,353	155,298	3,640	Investments accounted for using the equity method
TAITA (BVI) Holding Co., Ltd.	ACME Electronics (Cayman) Corp.	British Cayman Islands	Reinvestment	73,114 (US \$2,230 thousand)	55,736 (USD 1,700 thousand)	3,225,693	4.42%	80,387 (US\$2,452 thousand)	(60,469) (Loss USD 1,875 thousand)	-	Investments accounted for using the equity method

Note 1: The calculation of the investees was based on their audited financial statements for the same period.

Note 2: At the time of the preparation of the consolidated financial report, it had been fully written off.

Note 3: Please refer to Table 5 for relevant information of mainland investee companies.

TABLE 5

Taita Chemical Co., Ltd. and Subsidiaries

Information on Investments in Mainland China
For the Year Ended 2024

In Thousands of New Taiwan Dollars, Unless Stated Otherwise

Investee company in mainland China	Main businesses and products	Paid-in capital	Method of investment	Accumulated outward remittance for investment from Taiwan as of the beginning of the period	Investment flows for the period		Accumulated outward remittance for investment from Taiwan as of the end of period	Net income (loss) of investee (Note 6)	Ownership of direct or indirect investment	Investment gain (loss) (Note 6)	Carrying amount as of the end of period (Note 6)	Accumulated repatriation of investment income as of the end of period
					Outflow	Inflow						
Taita Chemical (Zhongshan) Co., Ltd. ("TAITA (ZS)") (Note 7)	Production and marketing of polystyrene derivatives	\$ 1,516,306 (USD 46,250 thousand) (Note 1)	Reinvest in the mainland companies by establishing a company through investment in the third region	\$ 1,409,755 (USD 43,000 thousand)	\$ -	\$ -	\$ 1,409,755 (USD 43,000 thousand)	\$ 104,383 (Gain USD 3,226 thousand)	100%	\$ 104,383 (Gain USD 3,226 thousand)	\$ 1,946,104 (US \$59,360)	\$ -
Taita Chemical (Tianjin) Co., Ltd. (TTC (TJ)) (Notes 7 and 8)	Production and marketing of polystyrene derivatives	896,670 (USD 27,350 thousand) (Note 2)	Reinvest in the mainland companies by establishing a company through investment in the third region	852,410 (USD 26,000 thousand)	-	-	852,410 (USD 26,000 thousand)	(27,643) (Loss USD 860 thousand)	100%	(27,643) (損失 USD 860 仟元)	(205,218) (US \$6,260)	-
Zhangzhou Taita Chemical Company, Limited (TTCZZ) (Note 7)	Production and marketing of polystyrene derivatives	1,592,681 (USD 48,580 thousand) (Note 3)	Reinvest in the mainland companies by establishing a company through investment in the third region	-	-	-	-	11,818 (Gain USD 367 thousand)	100%	11,818 (Gain USD 367 thousand)	1,442,278 (US \$43,992)	-
Acme Electronics (Kunshan) Co., Ltd. ("ACME (KS)")	Manufacturing and marketing of manganese-zinc soft ferrite core	1,007,319 (USD 30,725 thousand)	Reinvest in a mainland company by reinvesting in the existing company in the third region, ACME Electronics (Cayman) Corp.	44,391 (USD 1,354 thousand)	-	-	44,391 (USD 1,354 thousand)	(51,536) (Loss USD 1,606 thousand)	4.42%	(2,276) (Loss USD 71 thousand)	29,203 (US \$891 thousand)	-

Accumulated outward remittance of investment to mainland China from Taiwan at the end of the current period	Investment amounts authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$ 2,306,556 (US\$70,354 thousand)	\$ 4,124,921 (US\$125,817 thousand) (Note 4)	\$ - (Note 5)

- Note 1: TTC (ZS) resolved to issue share dividends of US\$3,250 thousand in 2007.
- Note 2: TTC (TJ) resolved to issue share dividends of US\$1,350 thousand in 2012.
- Note 3: TTC (ZZ) was registered for the year 2021, and Taita (BVI) injected US\$48,580 thousand into TTC (ZZ) on March 8, 2022.
- Note 4: The amount distributed from share dividends included US\$3,250 thousand from TTC (ZS), US\$1,350 thousand from TTC (TJ), US\$802 thousand from ACME (KS) and Taita (BVI) injected US\$50,000 thousand.
- Note 5: According to Letter No. 11120416710 dated June 8, 2022 issued by the Ministry of Economic Affairs, the upper limit on investment in mainland China pursuant to the "Principle of Investment or Technical Cooperation in Mainland China" is not applicable.
- Note 6: The basis for investment income (loss) recognition is from financial statements audited and attested by the parent company's ROC-based CPA.
- Note 7: At the time of the preparation of the consolidated financial report, it had been fully written off.
- Note 8: The Company's management decided to suspend TTC (TJ)'s production from April 2019, please refer to Note 12 for details.

TABLE 6

Taita Chemical Co., Ltd. and Subsidiaries

Intercompany relationships and significant intercompany transactions
For the Year Ended 2024
(In Thousands of New Taiwan Dollars)

No.	Trading company	Counterparty	Relationships with trader	Transactions details			
				Financial statement account	Amount (Note 2)	Transaction details	Ratio to the total consolidated operating revenue or total asset (Note 1)
0	Taita Chemical Co., Ltd.	Taita Chemical (Zhongshan) Co., Ltd.	The parent company to its subsidiary	Sales revenue	\$ 1,177	No significant difference with non-related parties	0.01%
		Taita Chemical (Tianjin) Co., Ltd.	The parent company to its subsidiary	Accounts receivable from related parties	595	No significant difference with non-related parties	0.01%
			The parent company to its subsidiary	Other receivables from related parties	299,268	No significant difference with non-related parties	3.04%
1	TAITA (BVI) Holding Co., Ltd.	Taita Chemical (Tianjin) Co., Ltd.	The parent company to its subsidiary	Other payables from related parties	4,918	No significant difference with non-related parties	0.05%

Note 1: The amount of the transactions is calculated as the ratio of the total consolidated revenue or total assets. In the case of asset-liability accounts, the balance at the end of the period is calculated as the proportion of the total consolidated assets; in the case of profit and loss accounts, the cumulative amount at the end of the period is calculated as the proportion of the total consolidated revenue.

Note 2: At the time of the preparation of the consolidated financial report, it had been fully written off.

TABLE 7**Taita Chemical Co., Ltd.****Information on substantial shareholders
December 31, 2024**

Name of substantial shareholders	Shares	
	Number of shares held	Percentage of ownership
Union Polymer International Investment Corporation	146,263,260	36.79%

Note: The table discloses shareholding information of shareholders whose shareholding percentage is more than 5%. The share capital reported in the Company's consolidated financial statements and the actual number shares that have completed the dematerialized registration and delivery may be different due to the difference in the basis of calculation.