Stock Code: 1309

Taita Chemical Co., Ltd.

Parent Company Only Financial Statements for the Years Ended December 31, 2024 and 2023 and Independent Auditors' Report

For the Years Ended December 31, 2024 and 2023

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Independent Auditors' Report

To Taita Chemical Co., Ltd. :

Opinion

We have audited the accompanying financial statements of Taita Chemical Co., Ltd. (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 2024 and 2023, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Taita Chemical Co., Ltd. as of December 31, 2024 and 2023 and its financial performance and its cashflows for the years ended 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance to Taita Chemical Co., Ltd. in our audit of the financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in the Company's parent company only financial statements for the year ended December 31, 2024 are stated as follows:

<u>Authenticity of the Recognition of Sales Revenue from Specific Customers</u>

Due to the impact of market supply and demand as well as fluctuations in international crude oil prices, the sales revenue of Taita Chemical Co., Ltd. for fiscal year 2024 has increased compared to 2023. 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 parent company only financial statements. 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 23 of the financial statements.

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

We performed the corresponding audit procedures, for the authenticity of the recognition of sales revenue from specific customers, 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.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Company’s financial reporting process.

Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards will always detect a material misstatement of the parent company only financial statements when it exists. Misstatements can arise from fraud or error. If individual amounts or aggregate totals of false statements are reasonably expected to affect the economic decisions made by users of the individual financial statements, they are considered material.

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 assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than 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 Company’s internal control.
3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4) Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5) Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determined those matters that were of most significance of Taita Chemical Co., Ltd. in the audit of the financial statements for the year ended December 31, 2024 and are therefore key audit matters. 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.

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

Code	Assets	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	CURRENT ASSETS				
1100	Cash and cash equivalents (Notes 4 and 6)	$ 521,524	6	$ 436,896	5
1110	Financial assets at fair value through profit or loss - current (Notes 4 and 7)	421,006	4	161,178	2
1136	Financial assets at amortized cost - current (Notes 4, 9 and 30)	3,000	-	13,000	-
1150	Notes receivable (Notes 4 and 10)	29,385	-	26,411	1
1170	Accounts receivable (Notes 4, 5 and 10)	1,266,756	13	983,425	11
1180	Accounts receivable from related parties (Notes 4, 5, 10 and 29)	8,260	-	4,200	-
1200	Other receivables (Notes 4 and 10)	85,128	1	70,990	1
1210	Other receivables from related parties (Notes 4, 10 and 29)	300,752	3	285,042	3
1220	Current tax assets (Notes 4 and 25)	7,224	-	767	-
130X	Inventories (Notes 4, 5 and 11)	965,669	10	899,246	10
1410	Prepayments and other current assets	95,483	1	87,930	1
11XX	Total current assets	3,704,187	38	2,969,085	34
	Non-current assets				
1517	Financial assets at fair value through other comprehensive incomes - non-current (Notes 4 and 8)	162,437	2	298,427	4
1550	Investments accounted for under the equity method (Notes 4, 5 and 12)	3,807,416	39	3,598,708	41
1600	Property, plant, and equipment (Notes 4, 13 and 29)	1,639,133	17	1,643,175	19
1755	Right-of-use assets (Notes 4, 14 and 29)	27,717	-	32,336	-
1760	Investment properties, net (Notes 4 and 15)	108,178	1	108,178	1
1780	Intangible assets (Notes 4 and 16)	-	-	498	-
1840	Deferred income tax assets (Notes 4 and 25)	175,407	2	102,440	1
1900	Other non-current assets (Note 30)	40,852	1	25,270	-
15XX	Total non-current assets	5,961,140	62	5,809,032	66
1XXX	Total assets	$ 9,665,327	100	$ 8,778,117	100

Code	Liabilities and equity	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	CURRENT LIABILITIES				
2100	Short-term borrowings (Note 17)	$ 1,840,000	19	$ 825,000	9
2170	Accounts payable (Note 18)	842,698	9	690,429	8
2180	Accounts payable to related parties (Notes 18 and 29)	79	-	49	-
2200	Other payables (Note 19)	280,867	3	237,103	3
2220	Other payables from related parties (Note 29)	15,823	-	4,439	-
2230	Current tax liabilities (Notes 4 and 25)	-	-	904	-
2280	Lease liabilities - current (Notes 4, 14 and 29)	4,717	-	4,665	-
2365	Refund liabilities - current (Note 20)	1,215	-	1,314	-
2399	Other current liabilities	53,270	1	46,727	-
21XX	Total current liabilities	3,038,669	32	1,810,630	20
	Non-current liabilities				
2570	Deferred income tax liabilities (Notes 4 and 25)	246,557	2	188,416	2
2580	Lease liabilities - non-current (Notes 4, 14 and 29)	24,377	-	29,094	1
2640	Net defined benefit liabilities - non-current (Notes 4 and 21)	56,105	1	100,640	1
2670	Other non-current liabilities	1,732	-	1,346	-
25XX	Total non-current liabilities	328,771	3	319,496	4
2XXX	Total liabilities	3,367,440	35	2,130,126	24
	Equity (Notes 12, 21 and 22)				
	Share capital				
3110	Ordinary shares	3,975,868	41	3,975,868	46
3200	Capital surplus	3,242	-	3,201	-
	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	2,241,016	23	2,555,838	29
3400	Other equity	77,761	1	113,084	1
3XXX	Total equity	6,297,887	65	6,647,991	76
	Total liabilities and equity	$ 9,665,327	100	$ 8,778,117	100

The accompanying notes are an integral part of the Parent Company Only financial statements.

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Taita Chemical Co., Ltd.

Parent Company Only Statements of Comprehensive Income
January 1 to December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars, Except for Loss Per Share)

		2024		2023	
Code		Amount	%	Amount	%
4100	Net revenue (Notes 4, 20, 23 and 29)	$ 11,953,000	100	$ 10,576,796	100
5110	Cost of goods sold (Notes 11, 13, 14, 21, 24 and 29)	11,293,062	95	10,121,466	96
5900	Gross profit	659,938	5	455,330	4
	Operating expenses (Notes 10, 13, 14, 21, 24 and 29)				
6100	Selling and marketing expenses	982,289	8	643,191	6
6200	Administrative expenses	127,233	1	136,201	1
6300	Research and development expenses	16,374	-	15,832	-
6450	Expected credit impairment loss (reversal gain)	427	-	(218)	-
6000	Total operating expenses	1,126,323	9	795,006	7
6900	Net loss from operations	(466,385)	(4)	(339,676)	(3)
	Non-operating income and expenses (Notes 7, 12, 15, 24 and 29)				
7100	Interest income	12,955	-	7,602	-
7010	Other income	36,571	-	56,305	1
7020	Other gains and losses	98,801	1	17,605	-
7070	Shares of profit (loss) in subsidiaries and associates accounted for under the equity method	75,609	1	(60,996)	(1)
7510	Financial costs	(39,227)	-	(19,850)	-
7000	Total non-operating income and expenses	184,709	2	666	-

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Code		2024 Amount	2024 %	2023 Amount	2023 %
7900	Net loss before income tax	($ 281,676)	(2)	($ 339,010)	(3)
7950	Income tax gain (Notes 4 and 25)	(58,664)	-	(65,473)	(1)
8200	Net loss for the year	(223,012)	(2)	(273,537)	(2)
	Other comprehensive incomes (Notes 8, 12, 21, 22 and 25)				
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)	(35,509)	(1)
8320	Shares of other comprehensive incomes (losses) in associates accounted for under the equity method - unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive incomes	(30,160)	-	(17,499)	-
8330	Shares of other comprehensive incomes (losses) in associates accounted for under 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)	(1)

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Code		2024 Amount	2024 %	2023 Amount	2023 %
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating the financial statements of foreign operations	$ 160,116	1	($ 52,067)	-
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	2,734	-	(819)	-
8390	Income tax relating to items that may be reclassified subsequently to profit or loss	(32,023)	-	10,413	-
		130,827	1	(42,473)	-
8300	Other comprehensive incomes (losses) for the year (net of income tax)	(7,857)	-	(87,995)	(1)
8500	Total comprehensive income for the year	($ 230,869)	(2)	($ 361,532)	(3)
	Loss per share (Note 26)				
9710	Basic	($ 0.56)		($ 0.69)	
9810	Diluted	($ 0.56)		($ 0.69)	

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Taita Chemical Co., Ltd.

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

		Share capital (Note 22)		Capital surplus (Notes 12 and 22)			Retained earnings (Notes 21 and 22)				Other equity (Notes 12 and 22)			
Code		Shares (in thousands)	Amount	Long-term equity investments	Other capital surplus	Total	Legal reserve	Special reserve	Unappropriated earnings	Total	Exchange differences on translating the financial statements of foreign operations	Unrealized gain (loss) on financial assets at FVTOCI	Total	Total equity
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
	Appropriation of 2022 earnings													
B1	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
	Appropriation of 2023 earnings													
B5	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 Parent Company Only financial statements.

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Taita Chemical Co., Ltd.

Parent Company Only Statements of Cash Flow
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	($ 281,676)	($ 339,010)
	Income, expenses, and losses items		
A20100	Depreciation expenses	172,365	170,566
A20200	Amortization expenses	498	1,781
A20300	Expected credit impairment loss (reversal gain)	427	(218)
A20400	Net loss (gain) on financial assets and liabilities measured at fair value through profit or loss	2,915	(1,115)
A20900	Financial costs	39,227	19,850
A21200	Interest income	(12,955)	(7,602)
A21300	Dividend income	(8,286)	(11,884)
A22300	Shares of profit (loss) in subsidiaries and/or associates accounted for under the equity method	(75,609)	60,996
A22500	Loss (gain) on disposal and retirement of property, factory and equipment	97	(960)
A23700	Reversal for write-downs of inventories and obsolescence losses	(15,890)	(1,830)
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	(2,974)	18,660
A31150	Accounts receivable	(292,506)	104,857
A31160	Accounts receivable from related parties	(4,060)	(4,200)
A31180	Other receivables	(13,759)	(3,560)
A31190	Other receivables from related parties	(15,710)	538
A31200	Inventories	(50,533)	(163,827)
A31230	Prepayments and other current assets	(7,553)	(7,147)
A32150	Accounts payable	152,269	102,536
A32160	Accounts payable from related parties	30	(608)
A32180	Other payables	58,115	(31,460)
A32190	Other payables from related parties	1,691	(655)
A32230	Other current liabilities	6,543	(54,114)
A32240	Net Defined Benefit Liabilities	(15,700)	(17,532)
A33000	Net cash flows from operating activities	(617,128)	97,175

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Code		2024	2023
A33100	Interest received	$ 12,576	$ 7,784
A33300	Interest paid	(38,716)	(19,388)
A33500	Income tax paid	(1,313)	(140,480)
AAAA	Net cash outflow from operating activities	(644,581)	(54,909)
	Cash flows from investing activities		
B00040	Acquisition of financial assets measured at amortized cost	(3,000)	(10,000)
B00050	Disposal of financial assets measured at amortized cost	13,000	2,000
B01800	Acquisition of long-term equity investment using the equity method	-	(10,931)
B02700	Acquisition of property, plant and equipment	(170,252)	(156,104)
B02800	Disposal of property, plant, and equipment	215	960
B03700	Increase in guarantee deposits	(15,670)	(18,188)
B03800	Decrease in guarantee deposits	88	16,747
B07600	Dividends received	12,316	15,339
BBBB	Net cash outflow from investing activities	(163,303)	(160,177)
	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	Repayment of long-term borrowings	-	(300,000)
C03000	Increase in refundable deposits received	386	-
C04020	Repayments of the principal portion of lease liabilities	(4,665)	(4,615)
C04300	Decrease in other non-current liabilities	-	(638)
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	892,512	174,003
EEEE	Cash and cash equivalents increase (decrease) for the current year	84,628	(41,083)
E00100	Cash and cash equivalents at the beginning of period	436,896	477,979
E00200	Cash and cash equivalents at the end of period	$ 521,524	$ 436,896

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(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 functional currency of the Company is the New Taiwan dollar, and the financial statements of the Company are presented in the Company's functional currency.

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

The Parent Company Only 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

New/Amended/Revised Standards and Interpretations	Effective Date Announced by IASB
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, as of the date of authorization of the financial statements, the Company’s assessment of the effects of amendments to other standards and interpretations should not cause material effects on the financial conditions and performance.

c. IFRS Accounting Standard that has been issued by the International Accounting Standards Board (IASB) but not yet endorsed by the FSC

New/Amended/Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
“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, pre-tax profit or loss before financing, 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 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 financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Preparation basis

The financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value and net defined benefit liabilities recognized at the present value of defined benefit obligations less 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.

When preparing these financial statements, the Company uses the equity method to account for its investments in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the financial statements to be the same with the amounts attributable to the owners of the Company in its financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for using the equity method, the share of profit or loss of subsidiaries and associates, the share of other comprehensive income of subsidiaries and associates, and the related equity items, as appropriate, in these financial statements.

c. Standards for assets and liabilities classified as current and non-current

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. Foreign Currency

While preparing the Financial Statements, transactions denominated in a currency other than the Company’s functional currency (i.e. a foreign currency) are translated into the Company’s functional currency by using the exchange rate on the transaction date.

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.

For the purpose of presenting the parent company only financial statements, the functional currencies of the Company (including subsidiaries and associates in other countries that use currencies which are different from the currency of the Company) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; 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.

e. 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.

f. Investments in subsidiaries

The Company uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company’s share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the Company’s share of equity of subsidiaries.

Changes in the Company’s ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Company’s share of loss in a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for under the equity method and long-term interests that, in substance, form part of the Company’s net investment in the subsidiary), the Company continues recognizing its share of further loss.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee’s financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years.

Profits or losses resulting from downstream transactions are eliminated in full only in the parent company only financial statements. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized only in the parent company’s financial statements only to the extent of the interests in the subsidiaries that are not related to the Company.

g. Investments in associates

An associate is an entity over which the Company has significant influence and that is not a subsidiary.

The Company uses the equity method to account for its investments in associates.

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

When the Company subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Company’s proportionate interest in the associate. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates accounted for using the equity method. 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.

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

To assess impairment, the Company has to consider the overall carrying amount of the investment as a single asset to compare the recoverable and carrying amounts 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 Company shall cease the use of equity method from the date when its investment is no longer an associate. Its retained interest in the associate is measured at fair value, and the difference between the fair value and the carrying amount of the investment and the carrying amount of the investment at the date of acquisition of the equity method is included in profit or loss for the current period.

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

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

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 Company are land initially measured by cost (including transaction cost) and subsequently recognized as no depreciation, measured by the total cost less the 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. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an 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

At the end of each reporting period, the Company reviews the carrying amounts of its property, factory, 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 financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

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

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 classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and derivatives and mutual fund that do not meet the amortized cost criteria or the FVTOCI criteria.

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

ii. Financial assets at amortized cost

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

i) 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, 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

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

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

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

b) Impairment of financial assets

The impairment loss of financial assets (including accounts receivable) measured at amortized cost based on expected credit loss is assessed by the Company 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 internal credit risk management purpose, if any internal or external information shows that the debtor is unlikely to pay its creditors, the Company will determine that a financial asset is in default (without taking into account any collateral held by the Company).

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

c) Derecognition of financial assets

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

On derecognition of a financial asset 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. Fair value is determined in the manner described in Note 28.

b) Derecognition of financial liabilities

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

3) Derivative instruments

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

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

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

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. The sale of goods above is recognized as revenue when goods are delivered to a customer because it is the time when the customer has full discretion over the manner of distribution and the price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence.

n. Leases

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

1) Where the Company 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) Where the Company is a lessee:

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

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. When there is a change in future lease payments resulting from a change in a lease term, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line 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 Company determines the income (loss) of the current period under 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 tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. For deductible temporary differences associated with such investment when it is probable that sufficient taxable income will be available to realize 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 liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred 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

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

When developing significant accounting estimates, our company takes into account the potential impact of climate change, related government policies and regulations, and fluctuations in the energy market on cash flow projections, growth rates, discount rates, and profitability. Management will continue to review the estimates and underlying assumptions.

Primary Sources of Estimation Uncertainties

a. Estimated impairment of accounts receivable

The provision for impairment of accounts receivable is based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Company's historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. For details of the key assumptions and inputs applied, refer to Note 10. Where the actual future cash inflows are less than expected, a material impairment loss may arise.

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

	December 31, 2024	December 31, 2023
Cash on hand and petty cash	$ 340	$ 331
Checking accounts and demand deposits	153,498	104,951
Cash equivalents (Investments with original maturities of three months or less)		
Fixed term deposits	337,686	331,614
Bonds sold under repurchase agreement	30,000	-
	$521,524	$436,896

The market rate or interval of market rates of cash equivalents at the end of the reporting period were as follows:

	December 31, 2024	December 31, 2023
Time deposits	4.25%~4.72%	5.27%~5.38%
Reverse repurchase agreements collateralized by bonds	1.44%	-

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31, 2024	December 31, 2023
Financial assets mandatorily measured at fair value through profit or loss		
Non-derivative financial assets		
— Domestic listed (OTC) shares	$ 63,400	$ 93,886
— Mutual funds	296,774	-
— Beneficiary securities	60,832	67,292
	$421,006	$161,178

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

	December 31, 2024	December 31, 2023
Investments in equity instruments		
Domestic investments		
Ordinary shares of the listed companies		
— USI Corporation	$ 162,432	$ 298,421
Ordinary shares of the unlisted companies		
— Harbinger Venture Capital Corp. (“Harbinger”)	5	6
	$ 162,437	$ 298,427

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

9. FINANCIAL ASSETS AT AMORTIZED COST - CURRENT

	December 31, 2024	December 31, 2023
Fixed-term deposits with original maturity over 3 months	$ -	$ 10,000
Pledged certificates of deposit	3,000	3,000
	$ 3,000	$ 13,000

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:

	December 31, 2024	December 31, 2023
Fixed-term deposits with original maturity over 3 months	-	1.25%
Pledged certificates of deposit (Note 30)	1.66%	1.53%

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

10. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE, AND OTHER RECEIVABLES

	December 31, 2024	December 31, 2023
Notes receivable (a)		
Operating	$ 29,385	$ 26,411
Accounts receivable (a)		
Measured at amortized cost		
Total carrying amount	$ 1,267,183	$ 984,189
Less: Allowance for impairment loss	(427)	(764)
	$ 1,266,756	$ 983,425
Accounts receivable from related parties (1) (Note 29)	$ 8,260	$ 4,200
Other receivables (2)		
Business tax refund receivable	$ 84,732	$ 70,889
Others	396	101
	$ 85,128	$ 70,990
Other receivables from related parties (Note 29)	$ 300,752	$ 285,042

a. Notes receivable and accounts receivable

The average credit period of sales of goods is 30-180 days. No interest is charged on receivables. In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. For part of the accounts receivable, the Company entered into a credit insurance contract or obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. Before accepting new customers, the Company takes customer evaluation results generated by the internal system into consideration to measure the potential customer's credit quality and define the customer's credit limit. Customer credit limits and ratings are reviewed periodically. In this regard, the management believes the Company's credit risk was significantly reduced.

The Company measures the loss allowance for accounts receivable at an amount equal to lifetime ECLs. 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 Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For accounts receivable that have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

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

December 31, 2024

	Credit rating A	Credit rating B	Credit rating C	Others	Total
Total carrying amount	$ 7,705	$ 81,531	$ 97,115	$1,118,477	$1,304,828
Loss allowance (lifetime ECLs)	-	-	-	(427)	(427)
Amortized cost	$ 7,705	$ 81,531	$ 97,115	$1,118,050	$1,304,401

December 31, 2023

	Credit rating A	Credit rating B	Credit rating C	Others	Total
Total carrying amount	$ 7,018	$ 108,374	$ 88,181	$ 811,227	$1,014,800
Loss allowance (lifetime ECLs)	-	-	-	(764)	(764)
Amortized cost	$ 7,018	$ 108,374	$ 88,181	$ 810,463	$1,014,036

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

	2024	2023
Beginning balance	$ 764	$ 53,732
Amounts written off	(764)	(52,750)
Expected credit impairment loss (reversal gain)	427	(218)
Ending balance	$ 427	$ 764

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

	December 31, 2024	December 31, 2023
Not overdue	$ 1,258,458	$ 984,376
Up to 60 days	39,944	29,655
Past due over 61 days	6,426	769
Total	$ 1,304,828	$ 1,014,800

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

In the balances of accounts receivable and notes receivable as of December 31, 2024 and December 31, 2023, except for specific customers whose balances of accounts receivable as of December 31, 2024 and December 31, 2023 accounted for 10% and

14% of the total balances of notes receivable and accounts receivable, respectively, the balances of notes receivable and accounts receivable for other customers did not exceed 10% of the total balances of notes receivable and accounts receivable. Our Company has a wide range of customers who are not related to each other, so the risk of concentration of credit is limited.

b. Other receivables

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

11. INVENTORIES

	December 31, 2024	December 31, 2023
Finished goods	$ 512,135	$ 416,730
Work in process	209,902	153,301
Raw materials	226,155	309,307
Supplies	17,477	19,908
	$ 965,669	$ 899,246

The cost of goods sold related to inventory for the years 2024 and 2023 were NT$11,293,062 thousand and NT$10,121,466 thousand, respectively.

The cost of goods sold for the fiscal years 2024 and 2023 includes a net realizable value impairment loss on inventory of NT$15,890 thousand and NT$1,830 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. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31, 2024	December 31, 2023
Investments in subsidiaries	$ 3,284,017	$ 3,037,367
Investments in associates	523,399	561,341
	$ 3,807,416	$ 3,598,708

a. Investments in subsidiaries

	December 31, 2024	December 31, 2023
Unlisted company		
TAITA (BVI) Holding Co., Ltd.（TAITA (BVI)）	$ 3,284,017	$ 3,037,367

			Proportion of Ownership	
Investor company	Name of subsidiary	Nature of business	December 31, 2024	December 31, 2023
The Company	TAITA (BVI)	Reinvestment	100%	100%

Through TAITA (BVI), the Company indirectly invested in Taita Chemical (Tianjin) Co., Ltd. (“Taita (TJ)”). The management stopped the production of Taita (TJ) in April 2019 as a result of the reduction in demand of EPS, which is the main product of Taita (TJ) in the local market.

On December 3, 2020, the Board of Directors of the Company resolved to establish Zhangzhou Taita Chemical Company Ltd. (TTC (ZZ)) with a capital contribution of

CNY314,000 thousand from TAITA (BVI). The main business of TTC (ZZ) is the production and sale of EPS. The establishment of TTC (ZZ) was registered on June 28, 2021. As of December 31, 2024, the paid-in capital of the company amounted to CNY306,950 thousand.

The investments in subsidiaries accounted for by the equity method and the shares of profit or loss and other comprehensive incomes in subsidiaries for the years ended December 31, 2024 and 2023 were based on the subsidiaries' financial statements audited by auditors for the same years.

b. Investments in associates

	December 31, 2024	December 31, 2023
Individually insignificant associates		
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
	$ 523,399	$ 561,341

Summarized information of associates that is not individually material

	2024	2023
The Company's shares of:		
Loss from continuing operations	($ 10,925)	($ 5,915)
Other comprehensive income	(23,028)	(18,461)
Total comprehensive income	($ 33,953)	($ 24,376)

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

Company name	December 31, 2024	December 31, 2023
CGPC	1.98%	1.98%
ACME	2.34%	2.34%
CGTD	33.33%	33.33%

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 Company with its affiliates jointly held more than 20% of the shareholdings of CGPC and Acme, and had significant influence over each entity. Therefore, the Company adopted the equity method to evaluate the above investments.

Fair values (Level 1) of investments in associates with 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 investments above were accounted for using the equity method.

The profits and other comprehensive income shares enjoyed by the associated enterprises and the Company 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.

13. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Machinery and equipment	Transportation equipment	Other equipment	Construction in progress	Total
Cost							
Balance at January 1, 2023	$ 634,432	$ 875,242	$ 3,922,457	$ 24,195	$ 313,685	$ 60,454	$ 5,830,465
Addition	-	-	-	-	-	161,070	161,070
Disposal and obsolescence	-	-	(6,718)	(2,013)	(11,331)	-	(20,062)
Internal transfers	-	2,627	117,642	-	15,578	(135,847)	-
Balance at December 31, 2023	$ 634,432	$ 877,869	$ 4,033,381	$ 22,182	$ 317,932	$ 85,677	$ 5,971,473
Accumulated depreciation							
Balance at January 1, 2023	$ -	$ 676,095	$ 3,193,009	$ 23,979	$ 289,330	$ -	$ 4,182,413
Disposal and obsolescence	-	-	(6,718)	(2,013)	(11,331)	-	(20,062)
Depreciation expenses	-	17,903	140,769	111	7,164	-	165,947
Balance at December 31, 2023	$ -	$ 693,998	$ 3,327,060	$ 22,077	$ 285,163	$ -	$ 4,328,298
Carrying amounts at December 31, 2023	$ 634,432	$ 183,871	$ 706,321	$ 105	$ 32,769	$ 85,677	$ 1,643,175
Cost							
Balance as of January 1, 2024	$ 634,432	$ 877,869	$ 4,033,381	$ 22,182	$ 317,932	$ 85,677	$ 5,971,473
Addition	-	-	-	-	-	164,016	164,016
Disposal and obsolescence	-	(355)	(13,406)	(5,695)	(5,933)	-	(25,389)
Internal transfers	-	480	70,059	-	22,318	(92,857)	-
Balance at December 31, 2024	$ 634,432	$ 877,994	$ 4,090,034	$ 16,487	$ 334,317	$ 156,836	$ 6,110,100
Accumulated depreciation							
Balance as of January 1, 2024	$ -	$ 693,998	$ 3,327,060	$ 22,077	$ 285,163	$ -	$ 4,328,298
Disposal and obsolescence	-	(355)	(13,094)	(5,695)	(5,933)	-	(25,077)
Depreciation expenses	-	17,682	141,247	42	8,775	-	167,746
Balance at December 31, 2024	$ -	$ 711,325	$ 3,455,213	$ 16,424	$ 288,005	$ -	$ 4,470,967
Carrying amount at December 31, 2024	$ 634,432	$ 166,669	$ 634,821	$ 63	$ 46,312	$ 156,836	$ 1,639,133

Property, plant, and equipment are depreciated on a straight-line basis over the following service life:

Buildings	
Factories	20, 30, 35, 40 and 55 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

14. LEASE AGREEMENTS

a. Right-of-use assets

	December 31, 2024	December 31, 2023
Carrying amount of right-of-use assets		
Land	$ 27,717	$ 32,336

	2024	2023
Depreciation charge for right-of-use assets		
Land	$ 4,619	$ 4,619

Except for the recognized depreciation expense, there were no significant additions, sublease and impairments of the Company's right-of-use assets for the years 2024 and 2023.

b. Lease liabilities

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

The discount rate for lease liabilities was as follows:

	December 31, 2024	December 31, 2023
Land	1.10%	1.10%

The Company leases land in Linyuan to build factories from related party. When rental period ends, the Company has no bargain purchase price option for the land leased. Transactions with related parties are set out in Note 29.

c. Other lease information

Lease arrangements under operating leases for the leasing out of investment properties and freehold property, plant, and equipment are set out in Note 15.

	2024	2023
Expenses relating to short-term leases	$ 15,457	$ 14,009
Total cash outflow for leases	$ 20,470	$ 19,022

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

15. INVESTMENT PROPERTIES, NET

	December 31, 2024	December 31, 2023
Land	$ 108,178	$ 108,178

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 Company concluded that the fair value of the investment properties is not reliably measurable.

The land of our 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 (Notes 24 and 29).

16. INTANGIBLE ASSETS

	December 31, 2024	December 31, 2023
Carrying amount by function		
Information systems	$ -	$ 98
Plant design fee	-	400
	$ -	$ 498

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

Information systems	3 years
Plant design fee	10 years

17. BORROWINGS

Short-term borrowings

	December 31, 2024	December 31, 2023
Unsecured borrowings		
Line of credit borrowings	$ 1,840,000	$ 825,000

The annual interest rates for credit line 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. As of December 31, 2024, the Company did not violate these financial ratios and terms.

18. ACCOUNTS PAYABLE

	December 31, 2024	December 31, 2023
Accounts payable (including related parties)		
Arising from operations (Note 29)	$ 842,777	$ 690,478

The average payment period for the Company’s accounts payable is between 30 and 45 days. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

19. OTHER PAYABLES

	December 31, 2024	December 31, 2023
Payables for fares	$ 87,015	$ 54,724
Payables for salaries or bonuses	65,141	67,824
Payables for utilities	38,757	29,281
Payables for commission	20,390	10,496
Payables for purchases of equipment	13,893	29,822
Payables for professional service expenses	11,446	10,698
Others	44,225	34,258
	$280,867	$237,103

20. REFUND PROVISIONS

	December 31, 2024	December 31, 2023
Sales returns and rebates	$ 1,215	$ 1,314

	2024	2023
Beginning balance	$ 1,314	$ 1,102
Provision	8,649	8,123
Returns and rebates	(8,748)	(7,911)
Ending Balance	$ 1,215	$ 1,314

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.

21. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

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

b. Defined benefit plans

The defined benefit plan adopted by the Company 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 included in the balance sheets in respect of the Company's defined benefit plans were as follows:

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

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	$ 470,859	($ 343,143)	$ 127,716
Service Costs			
Service Costs for the Current Period	2,237	-	2,237
Net Interest Expense (Income)	5,090	(3,798)	1,292
Recognized in profit or loss	7,327	(3,798)	3,529
Remeasurements			
Return on Plan Assets (Excluding Amounts Included in Net Interest)	-	(3,542)	(3,542)
Actuarial Gain			
— Changes in Financial Assumptions	(3,201)	-	(3,201)
— Experience Adjustments	(2,801)	-	(2,801)
Recognized in other comprehensive income	(6,002)	(3,542)	(9,544)
Contributions by the Employer	-	(21,061)	(21,061)
Benefits Paid on Plan Assets	(68,947)	68,947	-
Balance at December 31, 2023	$ 403,237	($ 302,597)	$ 100,640

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	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Net Defined Benefit Liabilities
Balance as of January 1, 2024	$ 403,237	($ 302,597)	$ 100,640
Service Costs			
Service Costs for the Current Period	1,610	-	1,610
Net Interest Expense (Income)	4,873	(3,741)	1,132
Recognized in profit or loss	6,483	(3,741)	2,742
Remeasurements			
Return on Plan Assets (Excluding Amounts Included in Net Interest)	-	(28,743)	(28,743)
Actuarial gain and loss			
— Changes in Financial Assumptions	(5,461)	-	(5,461)
— Experience Adjustments	5,369	-	5,369
Recognized in other comprehensive income	(92)	(28,743)	(28,835)
Contributions by the Employer	-	(18,442)	(18,442)
Benefits Paid on Plan Assets	(40,002)	40,002	-
Balance at December 31, 2024	$ 369,626	($ 313,521)	$ 56,105

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

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

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:

	December 31, 2024	December 31, 2023
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:

	December 31, 2024	December 31, 2023
Discount rate		
Increase by 0.25%	($ 5,329)	($ 6,279)
Decrease by 0.25%	$ 5,460	$ 6,444
Average long-term salary adjustment rate		
Increase by 0.25%	$ 5,298	$ 6,239
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 is expected to allocate an amount of NT$18,000 thousand and NT$20,000 thousand for defined benefit plan within the next year as of December 31, 2024 and 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, respectively.

22. EQUITY

a. Ordinary shares

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

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

Under the dividends policy as set forth in the amended Articles, where the Company made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's Board of Directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors after the amendment, refer to employees' compensation and remuneration of directors in Note 24-8.

According to the provisions of the Company's Articles, the Company in order to take R&D needs and diversification of operations into consideration, dividends shall not be less than 10% of the distributable earnings in the current year, of which the cash dividends shall not be less than 10% of the total dividends. However, 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	$ 308,061	$ 308,061

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)	($110,541)
Incurred this year		
Exchange differences on translation of foreign operations	160,116	(52,067)
Share in associates accounted for under the equity method	2,734	(819)
Related income tax	(32,023)	10,413
Ending Balance	($ 22,187)	($153,014)

Exchange difference resulting from translating net assets of foreign operations are translated into the presentation currency, the New Taiwan dollar. The resulting currency translation difference is recognized in other comprehensive incomes as exchange difference resulting from translating 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)	(35,509)
Share in subsidiaries and/or associates accounted for under the equity method	(30,160)	(17,499)
Related income tax	-	1
Ending balance	$ 99,948	$ 266,098

23. REVENUE

	2024	2023
Revenue from contracts with customers		
Proceeds of sale	$ 11,953,000	$ 10,576,796

Refer to Note 4 for description related to contracts with customers.

24. NET LOSS BEFORE INCOME TAX

Net loss before income tax includes the following:

a. Interest income

	2024	2023
Cash and cash equivalents	$ 10,890	$ 5,822
Financial assets at fair value through profit or loss (Note 7)	2,065	1,526
Others	-	254
	$ 12,955	$ 7,602

b. Other income

	2024	2023
Rental income - operating lease (Notes 15, 29)	$ 24,190	$ 26,781
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	-	8,537
Others	4,095	9,103
	$ 36,571	$ 56,305

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	107,325	21,250
(Loss) gain on disposal and retirement of property, plant and equipment (Note 13)	(97)	960
Expenses from rental assets	(4,460)	(5,076)
Others	(1,052)	(644)
	$ 98,801	$ 17,605

d. Gain or loss on foreign exchange

	2024	2023
Total foreign exchange gains	$161,561	$117,266
Total foreign exchange losses	(54,236)	(96,016)
Net profit	$107,325	$ 21,250

e. Financial costs

	2024	2023
Interest on bank loans	$ 38,879	$ 19,571
Interest on lease liabilities (Note 29)	348	398
Amount of capitalization of interest (included in property under construction)	-	(119)
	$ 39,227	$ 19,850

Information about capitalized interest is as follows:

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

f. Depreciation and amortization (Statement 17)

	2024	2023
Property, plant, and equipment (Note 13)	$ 167,746	$ 165,947
Right-of-use assets (Note 14)	4,619	4,619
Intangible assets (Note 16)	498	1,781
Total	$ 172,863	$ 172,347
Analysis of depreciation by function		
Cost of goods sold	$ 170,296	$ 167,802
Operating expenses	655	808
Other gains and losses	1,414	1,956
	$ 172,365	$ 170,566
Analysis of amortization by function		
Cost of goods sold	$ 400	$ 1,600
Administrative expenses	98	181
	$ 498	$ 1,781

g. Employee benefits expense (Statement 17)

	2024	2023
Post-employment benefits (Note 21)		
Defined contribution plans	$ 13,797	$ 13,622
Defined benefit plans	2,742	3,529
	16,539	17,151
Insurance expenses	32,623	33,214
Other employee benefits	409,320	402,121
An analysis of employee benefits expense	$ 458,482	$ 452,486
An analysis of employee benefits expense by function		
Cost of goods sold	$ 389,037	$ 372,099
Operating expenses	69,445	80,387
	$ 458,482	$ 452,486

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

The actual distribution of the remuneration of the employees and directors for 2022 is no different from the amount recognized in the parent company only financial statements for 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.

25. INCOME TAX

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

	2024	2023
Current tax		
Adjustments from previous years	($ 6,048)	($ 1,762)
Deferred tax		
In respect of the current year	(52,612)	(63,711)
Adjustments from previous years	(4)	-
	(52,616)	(63,711)
Income tax benefit recognized in profit or loss	($ 58,664)	($ 65,473)

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

	2024	2023
Net loss before income tax	($ 281,676)	($ 339,010)
Income tax benefit calculated at the statutory rate	($ 56,335)	($ 67,802)
Fees that cannot be deducted from taxes	3,781	111
Tax-exempted income	(2,522)	(1,409)
Tax-exempt dividend income shall not be included in the deduction for losses.	2,464	5,389
Adjustments for previous years	(6,052)	(1,762)
Income tax benefit recognized in profit or loss	($ 58,664)	($ 65,473)

b. Income tax recognized in other comprehensive income

	2024	2023
Deferred tax		
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	(5,767)	(1,909)
Income tax recognized in other comprehensive income	($ 37,790)	$ 8,505

c. Current income tax assets and liabilities

	December 31, 2024	December 31, 2023
Current income tax assets		
Tax refunds receivable	$ 7,224	$ 767
Current income tax liabilities		
Income tax payable	$ -	$ 904

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	Ending Balance
Deferred income tax assets				
Temporary differences				
Allowance for inventory valuation	$ 6,025	($ 3,178)	$ -	$ 2,847
Allowance for supplies valuation	606	(209)	-	397
Defined retirement benefit plans	19,781	(3,140)	(5,767)	10,874
Payables for annual leave	3,452	54	-	3,506
Unrealized foreign exchange losses	5,346	(5,346)	-	-
Others	1,347	(39)	-	1,308
	36,557	(11,858)	($ 5,767)	18,932
Loss offsetting	65,883	90,592	-	156,475
	$ 102,440	$ 78,734	($ 5,767)	$ 175,407
Deferred income tax liabilities				
Temporary differences				
Exchange differences on translating the financial statements of foreign operations	$ 2,282	$ -	$ 32,023	$ 34,305
Share of profit in foreign subsidiaries recognized using the equity method	41,296	17,307	-	58,603
Differences on depreciation between finance and tax	183	(61)	-	122
Unrealized foreign exchange gain	-	7,610	-	7,610
Reserve for land revaluation increment tax	143,860	-	-	143,860
Unrealized net loss on sales	795	1,262	-	2,057
	$ 188,416	$ 26,118	$ 32,023	$ 246,557

2023

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending Balance
Deferred income tax assets				
Temporary differences				
Allowance for inventory valuation	$ 6,391	($ 366)	$ -	$ 6,025
Allowance for impaired receivables	8,357	(8,357)	-	-
Allowance for supplies valuation	665	(59)	-	606
Defined retirement benefit plans	25,196	(3,506)	(1,909)	19,781
Payables for annual leave	3,419	33	-	3,452
Unrealized foreign exchange losses	3,651	1,695	-	5,346
Unrealized net gain on sale of goods	1,412	(1,412)	-	-
Others	1,817	(471)	1	1,347
	50,908	(12,443)	($ 1,908)	36,557
Loss offsetting	-	65,883	-	65,883
	$ 50,908	$ 53,440	($ 1,908)	$ 102,440
Deferred income tax liabilities				
Temporary differences				
Exchange differences on translating the financial statements of foreign operations	$ 12,695	$ -	($ 10,413)	$ 2,282
Share of profit in foreign subsidiaries recognized 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
	$ 209,100	($ 10,271)	($ 10,413)	$ 188,416

e. Income tax assessments

The Company’s income tax returns through 2022 have been assessed by the tax authorities.

26. LOSS PER SHARE

Unit: NT$ per share

	2024	2023
Basic loss per share	($ 0.56)	($ 0.69)
Diluted loss per share	($ 0.56)	($ 0.69)

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

	2024	2023
Net loss used in the computation of basic and diluted loss per share	($ 223,012)	($ 273,537)

Number of shares

Unit: thousands of shares

	2024	2023
Weighted average number of ordinary shares used for calculation of basic earnings and diluted earnings per share	397,587	397,587

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

27. CAPITAL RISK MANAGEMENT

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

The capital structure of the Company consists of net debt and equity.

The senior management of the Company regularly reviews the Company’s capital structure. The review includes the consideration of the cost of various types of capital and related risks. The Company balances its overall capital structure by paying dividends, borrowing new debt or repaying old debt, based on the recommendations of the senior management.

28. FINANCIAL INSTRUMENTS

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

The Company's management believes that the carrying amount of financial assets and financial liabilities that are not measured at fair value approximates their fair value. Otherwise, the fair value cannot be measured appropriately.

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
Financial assets at fair value through profit or loss				
Investments in equity instruments				
—Domestic listed (OTC) shares	$ 63,400	$ -	$ -	$ 63,400
Mutual funds	296,774	-	-	296,774
Beneficiary securities	60,832	-	-	60,832
Total	$ 421,006	$ -	$ -	$ 421,006
Financial assets at fair value through other comprehensive income				
Investments in equity instruments				
—Domestic listed (OTC) shares	$ 162,432	$ -	$ -	$ 162,432
—Domestic unlisted (OTC) shares	-	-	5	5
Total	$ 162,432	$ -	$ 5	$ 162,437

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Investments in equity instruments				
—Domestic listed (OTC) shares	$ 93,886	$ -	$ -	$ 93,886
Beneficiary securities	67,292	-	-	67,292
Total	$ 161,178	$ -	$ -	$ 161,178
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
Total	$ 298,421	$ -	$ 6	$ 298,427

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

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

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

To determine the fair value for Level 3 financial instruments, the Company'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. For unlisted domestic equity investments, the Company utilizes the asset approach and takes into account the most recent net asset value, observable financial status as well as the financing activities of investees in order to determine their net asset value. The unobservable input used was a discount for the lack of marketability of 15% on December 31, 2024 and 2023.

c. Categories of financial instruments

	December 31, 2024	December 31, 2023
Financial assets		
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)	2,170,925	1,774,345
Financial assets at FVTOCI - investments in equity instruments	162,437	298,427
Financial liabilities		
Measured at amortized cost (Note 2)	2,912,802	1,687,643

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 Company's risk control and hedging strategy are influenced by its operational environment. The Company properly monitors and manages the risks related to business nature and according to the principle of risk diversification. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

The main financial risks the Company 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 Company's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Company conducted foreign currency sales and purchases, which exposed the Company to foreign currency risk. In order to avoid the impact of foreign currency exchange rate changes, which lead to deductions in foreign currency denominated assets and fluctuations in their future cash flows, the Company 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 Company did not enter into or trade foreign exchange forward contracts for speculative purposes.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities are set out in Note 33.

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 entity appreciates/depreciates against the US dollar by 3%, the Company's pre-tax net loss for the fiscal years 2024 and 2023 will increase/decrease by NT$42,053 thousand and NT$30,932 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 Company was exposed to the fair value risk of interest rate fluctuations for the fixed interest rate bearing financial assets and financial liabilities; the Company was exposed to the cash flow risk of interest rate fluctuations for the floating interest rate bearing financial assets and financial liabilities. The Company's management regularly monitors the fluctuations on market rates and then adjusted its balance of floating rate bearing financial liabilities to make the Company's interest rates more closely approach market rates in response to the interest rate risk.

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

	December 31, 2024	December 31, 2023
Fair value interest rate risk		
— Financial assets	$ 399,859	$ 358,554
— Financial liabilities	1,529,094	758,759
Cash flow interest rate risk		
— Financial assets	131,242	96,346
— Financial liabilities	340,000	100,000

Sensitivity analysis

The sensitivity analysis below was determined based on the Company'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 Company are not included in the analysis as they are all measured at amortized cost. A 50-point fluctuation in interest rate was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. Assuming all other variables remain constant, a 0.5% increase/decrease in market interest rates will result in an increase/decrease of NT$1,044 thousand and NT$18 thousand, respectively, in the Company's pre-tax net loss for the fiscal years 2024 and 2023.

c) Other price risks

The Company was exposed to price risk through its investments in domestic listed shares, foreign and domestic unlisted shares, beneficiary securities and mutual funds. The Company manages this exposure by maintaining a portfolio of investments with different risks. In addition, the Company has appointed a special team to monitor price risk.

Sensitivity analysis

Sensitivity analysis is based on the price of equity securities at the balance sheet date. However, in the financial assets measured at fair value through profit or loss of the Company's investment, the price fluctuation risk of 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 fiscal years 2024 and 2023, pre-tax other comprehensive income will increase/decrease by NT$8,122 thousand and

NT$14,921 thousand, respectively, due to the fair value increase/decrease of financial assets measured at fair value through other comprehensive income.

2) Credit risk

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

a) The carrying amount of the respective recognized financial assets as stated in the balance sheets.

b) The maximum amount the entity would have to pay if the financial guarantee is called upon, irrespective of the likelihood of the guarantee being exercised.

The financial guarantees provided by the Company are endorsements for loans taken by its subsidiaries. As of December 31, 2024 and December 31, 2023, the Company has provided endorsement guarantees in the amounts of NT$98,355 thousand and NT$308,875 thousand, respectively. However, according to the expectations on the balance sheet date, it is unlikely that the Company will pay the endorsement guarantees when the endorsee breaches the contract.

The accounts receivable balances of our specific customers as of December 31, 2024 and December 31, 2023 accounted for 10% and 14% of the total accounts receivable and notes receivable, respectively. The remaining accounts receivable are spread across numerous customers and are dispersed in different regions, without concentration in a single customer or region. Furthermore, the Company mitigates credit concentration risk by obtaining letters of credit issued by financial institutions prior to shipment for the sales transactions to the aforementioned specific customers and continuously assesses the financial condition of its customers, and then the Company's credit risk was limited. As at the end of the reporting period, the Company's largest exposure of credit risk approximates to the carrying amount of financial assets.

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company'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 Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods based on the probable earliest repayment dates. The table was drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company 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
Non-derivative financial liabilities				
Non-interest bearing liabilities		$ 1,072,802	$ -	$ -
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	-	-
		$ 2,924,402	$ 20,052	$ 5,013

Additional information about the maturity analysis for lease liabilities:

	Less than 1 year	1-5 years	5-10 years
Lease liabilities	$ 5,013	$ 20,052	$ 5,013

December 31, 2023

	Weighted Average Interest Rate	On Demand or Less than 1 Year	1-5 years	More than 5 years
Non-derivative financial liabilities				
Non-interest bearing liabilities		$ 862,643	$ -	$ -
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	-	-
		$ 1,694,383	$ 20,052	$ 10,026

Additional information about the maturity analysis for lease liabilities:

	Less than 1 year	1-5 years	5-10 years
Lease liabilities	$ 5,013	$ 20,052	$ 10,026

b) Financing facilities

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

	December 31, 2024	December 31, 2023
Bank loan facilities		
— Amount unused	$ 2,879,672	$ 4,577,743

29. 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.

Besides information disclosed elsewhere in the other notes, details of transactions between the Company and other related parties are disclosed below:

a. Names and relations of related parties

Related Party Name	Relationship with the Company
USI Corporation ("USI")	Ultimate parent company
TAITA (BVI) Holding Co., Ltd.（TAITA（BVI））	Subsidiary
Taita Chemical (Zhongshan) Co., Ltd. ("TTC (ZS)")	Subsidiary
Taita Chemical (Tianjin) Co., Ltd. ("TTC (TJ)")	Subsidiary
China General Plastics Corporation	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
USI Management Consulting Corp. (UM)	Fellow subsidiary
Delmind Inc.	Related party in substance

b. Sales of goods

Related party category/name	2024	2023
Ultimate parent company	$ 19,344	$ 12,931
Subsidiary	1,177	5,152
	$ 20,521	$ 18,083

The Company's credit period of sales of goods to related parties was from 30 days to 90 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 of goods

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

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

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

Related party category/name	December 31, 2024	December 31, 2023
Ultimate parent company	$ 7,665	$ 4,200
Subsidiary	595	-
	$ 8,260	$ 4,200

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

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

Related party category/name	December 31, 2024	December 31, 2023
Fellow subsidiary	$ 79	$ 49

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

f. Endorsements/guarantees

Related party category/name	December 31, 2024	December 31, 2023
Subsidiary		
TTC (ZS)	$ -	$ 216,760
TAITA（BVI）	98,355	92,115
	$ 98,355	$ 308,875

g. Other transactions with related parties

1) Rental income (classified as other income, see Notes 15 and 24)

Related party category/name	2024	2023
Associate		
CGTD	$ 17,177	$ 18,591
TVCM	6,125	7,295
	$ 23,302	$ 25,886

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

Related party category/name	2024	2023
Ultimate parent company		
USI	$ 4,893	$ 5,061
Fellow subsidiary		
Asia Polymer Corp.	2,463	1,805
Associate	266	266
	$ 7,622	$ 7,132

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

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

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

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)

Related party category/name	2024	2023
Associate		
CGTD	$ 9,459	$ 11,869

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)

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

6) Management service expenses (classified as administrative expenses)

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

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)

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

8) Acquisition of property, plant and equipment

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

9) Commission expense

Related party category/name	2024	2023
Fellow subsidiary	$ -	$ 304

10) Other receivables

Related party category/name	December 31, 2024	December 31, 2023
Subsidiary		
TTC (TJ)	$ 299,268	$ 280,281
Associate	1,481	3,141
Fellow subsidiary	3	35
Ultimate parent company	-	1,585
	$ 300,752	$ 285,042

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

11) Other payables

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

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

h. Remuneration of key management personnel

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

	2024	2023
Salaries and others	$ 15,358	$ 21,073
Retirement benefits	36	207
	$ 15,394	$ 21,280

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

30. ASSETS PLEDGED AS COLLATERAL

The following assets were provided as collateral for fuel purchases and the tariffs of imported raw materials and goods (Note 9):

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

31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACTUAL COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Company 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.

32. 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 Company will be subject to carbon tax collection. Therefore, relevant liability provisions will be estimated in accordance with the above-mentioned method starting from 2025.

33. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following summary is presented in foreign currencies other than the functional currency. The exchange rate disclosed in the summary refers to the exchange rate of a foreign currency to the functional currency. Significant financial assets and liabilities denominated in foreign currencies were as follows:

December 31, 2024

	Foreign currency	Exchange Rate		Carrying Amount
Foreign currency assets				
Monetary items				
USD	$ 64,512	32.7850	(USD: NTD)	$ 2,115,017
AUD	1,011	20.3900	(AUD: NTD)	20,605
HKD	673	4.2220	(HKD: NTD)	2,840
Non-monetary items				
Subsidiaries accounted for under the equity method				
USD	$ 100,168	32.7850	(USD: NTD)	$ 3,284,017
Foreign currency liabilities				
Monetary items				
USD	21,755	32.7850	(USD: NTD)	713,247

December 31, 2023

	Foreign currency	Exchange Rate		Carrying Amount
Foreign currency assets				
Monetary items				
USD	$ 51,835	30.7050	(USD: NTD)	$ 1,591,587
AUD	666	20.9800	(AUD: NTD)	13,964
RMB	583	4.3352	(CNY: NTD)	2,529
HKD	585	3.9290	(HKD:NTD)	2,299
Non-monetary items				
Subsidiaries accounted for under the equity method				
USD	98,921	30.7050	(USD: NTD)	3,037,367
Foreign currency liabilities				
Monetary items				
USD	18,255	30.7050	(USD: NTD)	560,531

The company's net gains from foreign currency exchange (realized and unrealized) in the fiscal years 2024 and 2023 were NT$107,325 thousand and NT$21,250 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.

34. 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)

b. Information about investees. (Table 4)

c. Information on investments in mainland China:

1) Information on the investee company in mainland China, including the company names, major business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss,

carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in mainland China. (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 (names of shareholders with a shareholding ratio of 5% or more as well as number and proportion of shares held). (Table 6)

TABLE 1

Taita Chemical Co., Ltd.

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/Guarantee 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.

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.	Shares							
	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
	Mutual funds							
	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
	Beneficiary securities							
	Cathay No. 1 Real Estate Investment Trust Fund	—	Financial assets at FVTPL - current	3,963,000	60,832	-	60,832	Note 1
TAITA (BVI) Holding Co., Ltd.	Shares							
	Budworth Investment Ltd.	—	Financial assets at fair value through other comprehensive income - non-current	20,219	- (USD- thousand)	2.22%	- (USD- 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.

Taita Chemical Co., Ltd.

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.

TABLE 4

Taita Chemical Co., Ltd.

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 the Current Period	Original investment amount: Ending balance of the previous period	End-of-period holdings: Number of shares	End-of-period holdings: Percentage	End-of-period holdings: Carrying amount	Net income (loss) of investee	Share of Profits (Loss)	Note (Note 1)
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
	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: Please refer to Table 5 for relevant information of mainland investee companies.

TABLE 5

Taita Chemical Co., Ltd.

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. (“TTC (ZS)”)	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 thousand)	$ -
Taita Chemical (Tianjin) Co., Ltd. (“TTC (TJ)”) (Note 7)	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) (Loss USD 860 thousand)	(205,218) (US $6,260 thousand)	-
Zhangzhou Taita Chemical Company, Limited (TTCZZ)	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 thousand)	-
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. 120230416710 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 calculation of the investees was based on their audited financial statements for the same period.

Note 7: 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.

Information on substantial shareholders
December 31, 2024

Name of substantial shareholders	Shares	
	Number of shares held (shares)	%
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.

§STATEMENT OF IMPORTANT ACCOUNTING ITEMS§

Taita Chemical Co., Ltd.

Statement of Cash and Cash Equivalents
December 31, 2024
In Thousands of New Taiwan Dollars, Unless Stated Otherwise

Item	Summary	Amount
Petty Cash		$ 340
Bank Deposits		
Check Deposits		25,256
Demand deposits - NT$		27,440
Demand deposits - USD	USD2,931,293.49 (Note)	96,103
Demand deposits - HKD	HKD230,543.67 (Note)	973
Demand deposits - CNY	CNY85,712.59 (Note)	391
Demand deposits - JPY	JPY77,746.00 (Note)	16
Demand deposits - EUR	EUR1,496.87 (Note)	51
Demand deposits - AUD	AUD160,153.24 (Note)	3,266
Demand deposits - GBP	GBP56.54 (note)	2
		153,498
Cash equivalents		
Fixed term deposits - USD	USD10,300,000 (Note), interest rate 4.25% - 4.72%, due in January 2025	337,686
Reverse repurchase agreements collateralized by bonds	Interest rate 1.44%, due in January 2025	30,000
		$ 521,524

Note: The exchange rate is calculated at USD1=NT$ 32.7850 .

The Hong Kong dollar is converted at an exchange rate of	HKD1=NT$	4.2220	.
The Chinese yuan is converted at an exchange rate of	CNY1=NT$	4.5608	.
The Japanese yen is converted at an exchange rate of	JPY1=NT$	0.2099	.
The euro is converted at an exchange rate of	EUR1=NT$	34.1400	.
The British pound is converted at an exchange rate of	GBP1=NT$	41.1900	.
The Australian Dollar is converted at an exchange rate of	AUD1=NT$	20.3900	.

Statement 2

Taita Chemical Co., Ltd.

Statement of Financial Assets at Fair Value through Profit or Loss - Current
December 31, 2024
In Thousands of New Taiwan Dollars, Unless Stated Otherwise

	Shares (In Thousands)	Acquisition cost	Unit price (NT$)	Total	Note
Financial Assets at Fair Value through Profit or Loss - Non-derivative Financial Instruments					
Domestic listed (OTC) shares					
Taiwan Cement Corporation	2,000	$ 67,910	31.7000	$ 63,400	
Mutual funds					
FSITC Taiwan Money Market Fund	3,131	50,000	15.9668	50,000	
UPAMC James Bond Money Market Fund	1,730	30,000	17.3929	30,084	
FUBON CHI-HSIANG MONEY MARKET FUND	3,062	50,000	16.3317	50,000	
Hua Nan Phoenix Money Market Fund	2,948	50,000	16.9607	50,000	
Capital Money Market Fund	1,191	20,000	16.8203	20,029	
SinoPac TWD Money Market Fund	5,518	80,000	14.5064	80,044	
Yuanta U.S. Government 20+ Year Bond Fund	580	17,088	28.6500	16,617	
		297,088		296,774	
Beneficiary securities					
Cathay No. 1 Real Estate Investment Trust Fund	3,963	45,487	15.3500	60,832	
		410,485		$ 421,006	
Adjustments on valuation		10,521			
		$ 421,006			

Statement 3

Taita Chemical Co., Ltd.

Statement of Account and Notes Receivable
December 31, 2024
(In Thousands of New Taiwan Dollars)

Name of Customer	Summary	Amount
Notes receivable		
Non-related party		
JIA BAO POLYFOAM CO., LTD.	Loans	$ 2,609
CHEM PING ENTERPRISE CO., LTD.	Loans	2,372
NIJES Enterprise Co., Ltd.	Loans	2,022
Others (Note)	Loans	22,382
		29,385
Accounts receivable		
Non-related party		
SNETOR OVERSEAS	Loans	135,770
Others (Note)	Loans	1,131,413
Allowance for impairment loss	Loans	(427)
		1,266,756
Related parties		
USI Corporation	Loans	7,665
Taita Chemical (Zhongshan) Co., Ltd.	Loans	595
		8,260
		$ 1,304,401

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

Statement 4

Taita Chemical Co., Ltd.

Statement of Inventories
December 31, 2024
(In Thousands of New Taiwan Dollars)

Item	Amount	
	Cost	Market price (Note 2)
Finished goods	$ 522,375	$ 514,331
Work in process	212,321	215,053
Raw materials	227,630	225,854
Supplies	17,579	17,561
	979,905	$ 972,799
Allowance for inventory valuation (Notes 1 and 2)	(14,236)	
Net amount	$ 965,669	

Note 1: The allowance for inventory valuation is provided for the inventory impairment loss arising from obsolete and normal items carried at costs higher than the market price.

Note 2: Market value is calculated using net realizable value.

Note 3: The insured amount of inventories was NT$1,017,874 thousand.

Statement 5

Taita Chemical Co., Ltd.

Statement of Prepayments and Other Current Assets
December 31, 2024
(In Thousands of New Taiwan Dollars)

Item	Amount
Supplies	$ 59,014
Prepayments for goods	20,638
Prepayments for insurance	8,412
Others (Note)	7,419
	$ 95,483

Note: The balance of each item does not exceed 5% of the balance of this account.

Statement 6

Taita Chemical Co., Ltd.

Statement of Financial Assets at Fair Value through Other Comprehensive Incomes - non-current
For the Year Ended 2024
(In Thousands of New Taiwan Dollars)

Name of the Financial Product	Beginning Balance		Increase this year		Decrease this year		Ending balance		Guarantee or Pledge	Note
	Shares (In Thousands)	Fair Value	Shares (In Thousands)	Amount	Shares (In Thousands)	Amount (Note)	Shares (In Thousands)	Fair value		
USI Corporation	15,110	$ 298,421	-	$ -	-	$ 135,989	15,110	$ 162,432	None	—
Harbinger Venture Capital Corp.	1	6	-	-	-	1	1	5	None	—
Total		$ 298,427		$ -		$ 135,990	-	$ 162,437		

Note: The reduction in the amount, NT$135,990 thousand, during the year was due to changes in adjusting the fair value.

Statement 7

Taita Chemical Co., Ltd.

Statement of changes in investments accounted for under the equity method
For the Year Ended 2024
In Thousands of New Taiwan Dollars, Unless Stated Otherwise

	Beginning Balance		Increase this year		Decrease this year		Ending Balance			Market Value/Net Equity Value			
Investee Company	Shares (In Thousands)	Amount	Shares (In Thousands)	Amount	Shares (In Thousands)	Amount	Shares (in thousands)	Shareholding (%)	Amount	Unit Price	Total Amount	Guarantee or Pledge	Note
TAITA (BVI) Holding Co., Ltd.	89,738	$3,215,488	-	$ 86,534	-	$ -	89,738	100.00	$3,302,022	36.60	$3,284,017	None	Notes 1, 2
China General Plastics Corporation	11,516	190,320	-	1,521	-	18,745	11,516	1.98	173,096	11.95	137,618	None	Notes 1, 3, 7
China General Terminal & Distribution Corporation	25,053	329,972	-	2,869	-	30,010	25,053	33.33	302,831	12.09	302,831	None	Notes 1, 4
Acme Electronics Corporation	4,992	45,880	-	3,689	-	-	4,992	2.34	49,569	27.40	136,769	None	Notes 1, 5, 8
Subtotal		3,781,660		94,613		48,755	-		3,827,518		$3,861,235		
Adjustments from allowance		(182,952)		162,850		-			(20,102)				Notes 1, 6
Net amount		$3,598,708		$ 257,463		$ 48,755			$3,807,416				

Note 1: The calculation of the investment income and net equity of the investees was based on their audited financial statements for the year ended December 31, 2024.

Note 2: The increase in the current year was due to the recognition of investment income of NT$86,534 thousand.

Note 3: This year, an increase of NT$40 thousand was recognized in the capital surplus of investee companies based on the equity method, along with the recognition of remeasurement of defined benefit plans of investee companies during the year of NT$1,481 thousand. There was a decrease of NT$14,071 thousand due to the investment loss during the year, as well as the receipt of cash dividends of NT$0.35 per share, totaling NT$4,030 thousand. Additionally, there was an adjustment of NT$644 thousand in the fair value of financial assets measured through other comprehensive income by investee companies.

Note 4: There was also an increase of NT$2,869 thousand due to the remeasurement of defined benefit plans of investee companies during the year. On the other hand, there was a decrease this year due to the recognition of investment losses amounting to NT$494 thousand, along with the recognition of an adjustment of NT$29,516 thousand in the fair value of financial assets measured through other comprehensive income by investee companies.

Note 5: This year, an increase of NT$1 thousand was recognized in the capital surplus of investee companies based on the equity method, along with the recognition of investment income of NT$3,640 thousand and remeasurement of defined benefit plans of investee companies during the year of NT$48 thousand.

Note 6: The increase represents the difference after the translation of the foreign currency from the Financial Statements of the investee company.

Note 7: The market value is calculated based on the closing prices at TWSE on the last trading day of December 2024.

Note 8: The market value is calculated based on the closing prices at TPEx on the last trading day of December 2024.

Statement 8

Taita Chemical Co., Ltd.

Statement of Changes in Right-of-use Assets
For the Year Ended 2024
(In Thousands of New Taiwan Dollars)

Item	Beginning Balance	Increase this year	Decrease this year	Ending Balance	Note
Cost					
Land	$ 55,433	$ -	$ -	$ 55,433	
Accumulated depreciation					
Land	23,097	$ 4,619	$ -	27,716	
	$ 32,336			$ 27,717	

Statement 9

Taita Chemical Co., Ltd.

Statement of Short-term Borrowings
December 31, 2024
(In Thousands of New Taiwan Dollars)

Type of Loans	Interest Rate (%)	Ending balance	Contract Period	Financing facilities	Pledge or Guarantee
Unsecured borrowings					
Yuanta Commercial Bank	1.850%	$ 300,000	2024.10.25-2025.03.21	$ 300,000	None
Bank of China	1.980%	600,000	2024.11.18-2025.01.20	600,000	None
Taishin International Bank	1.999%-2.040%	600,000	2024.12.06-2025.02.26	600,000	None
Export-Import Bank of the Republic of China	1.888%	150,000	2024.11.28-2025.11.28	150,000	None
HSBC (Taiwan) Commercial Bank	2.05%	190,000	2024.12.23-2025.02.27	200,000	None
		$ 1,840,000		$ 1,850,000	

Statement 10

Taita Chemical Co., Ltd.

Statement of Accounts Payable
December 31, 2024
(In Thousands of New Taiwan Dollars)

Name of Supplier	Amount
Non-related party	
Formosa Chemicals and Fibre Corporation	$ 401,319
Taiwan Styrene Monomer Corporation	205,443
China Petrochemical Development Corporation	50,956
Others (Note)	184,980
	842,698
Related parties	
Swanson Plastics Corporation	79
	$ 842,777

Note: The balance of each supplier does not exceed 5% of the balance of this account.

Statement 11

Taita Chemical Co., Ltd.

Statement of Proceeds of Sale
For the Year Ended 2024
(In Thousands of New Taiwan Dollars)

Item	Quantity (Ton)	Amount
ABS	102,474	$ 4,668,373
GPS	93,950	4,007,738
EPS	55,304	2,724,431
Glass wool products	12,522	548,271
IPS	83	4,187
		$ 11,953,000

Statement 12

Taita Chemical Co., Ltd.

Statement of Cost of Goods Sold
For the Year Ended 2024
(In Thousands of New Taiwan Dollars)

Item	Amount
Raw materials	
Raw materials at the beginning	$ 312,231
Purchase of materials	9,878,515
Sale of materials	(18,957)
Transfer expenses	(10,033)
Raw materials at the end	(227,630)
	9,934,126
Director labor	162,095
Manufacturing expense (Statement 13)	1,211,918
Manufacturing costs	11,308,139
Work in process at the beginning	160,034
Work in process at the end	(212,321)
Cost of finished goods	11,255,852
Finished goods at the beginning	437,040
Cost of finished goods from purchases	119,677
Adjustment of other costs	(451)
Finished products at the end of the year	(522,375)
	11,289,743
Sale of raw materials	19,209
Adjustment from inventories valuation	(15,890)
	$ 11,293,062

Statement 13

Taita Chemical Co., Ltd.

Statement of Manufacturing Expenses
For the Year Ended 2024
(In Thousands of New Taiwan Dollars)

Item	Amount
Fuel expenses	$ 425,783
Indirect material	218,585
Salary and incentives	186,981
Depreciation expenses	170,296
Others (Note)	210,273
	$ 1,211,918

Note: The balance of each item does not exceed 5% of the balance of this account.

Statement 14

Taita Chemical Co., Ltd.

Statement of Selling and Marketing Expenses
For the Year Ended 2024
(In Thousands of New Taiwan Dollars)

Item	Amount
Freight and export expenses	$ 878,744
Others (Note)	103,545
	$ 982,289

Note: The balance of each item does not exceed 5% of the balance of this account.

Statement 15

Taita Chemical Co., Ltd.

Statement of General and Administrative Expenses
For the Year Ended 2024
(In Thousands of New Taiwan Dollars)

Item	Amount
Professional service expenses	$ 79,326
Salary and incentives	26,944
Others (Note)	20,963
	$ 127,233

Note: The balance of each item does not exceed 5% of the balance of this account.

Taita Chemical Co., Ltd.

Statement of Research and Development Expenses
For the Year Ended 2024
(In Thousands of New Taiwan Dollars)

Name	Amount
Salary and incentives	$ 10,470
R&D and testing expenses	2,581
Insurance expenses	1,025
Others (Note)	2,298
	$ 16,374

Note: The balance of each item does not exceed 5% of the balance of this account.

Taita Chemical Co., Ltd.

Statement of Employee Benefits and Depreciation and Amortization Expenses by Function
For the Years Ended December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars)

	2024				2023			
	Cost of goods sold	Operating expenses	Other gains and losses	Total	Cost of goods sold	Operating expenses	Other gains and losses	Total
Employee benefits expense								
Salaries	$ 325,236	$ 54,790	$ -	$ 380,026	$ 309,734	$ 63,972	$ -	$ 373,706
Labor and health insurance	28,953	3,670	-	32,623	29,219	3,995	-	33,214
Pensions	14,594	1,945	-	16,539	14,880	2,271	-	17,151
Remuneration paid to directors	-	6,884	-	6,884	-	8,000	-	8,000
Other employee benefits	20,254	2,156	-	22,410	18,266	2,149	-	20,415
	$ 389,037	$ 69,445	$ -	$ 458,482	$ 372,099	$ 80,387	$ -	$ 452,486
Depreciation expenses	$ 170,296	$ 655	$ 1,414	$ 172,365	$ 167,802	$ 808	$ 1,956	$ 170,566
Amortization expenses	$ 400	$ 98	$ -	$ 498	$ 1,600	$ 181	$ -	$ 1,781

Note:

1. The number of employees in 2024 and 2023 fiscal years were 371 and 387, respectively. Among them, the number of non-executive directors who are not employees is 7, and their calculation basis is consistent with employee benefits expenses.
2. The average employee benefit expenses for the Company in fiscal years 2024 and 2023 were NT$1,241 thousand and NT$1,170 thousand, respectively (calculated as “Total Employee Benefit Expenses - Total Director Remuneration” divided by “Number of Employees - Number of Directors not concurrently serving as employees”). The average salary expenses for the Company in fiscal years 2024 and 2023 were NT$1,044 thousand and NT$983 thousand respectively (calculated as “Total Salary Expenses” divided by “Number of Employees - Number of Directors not concurrently serving as employees”).
3. Change in average employee salary expense is 6.21% ((Average employee salary expense of the current year - Average employee salary expense of the previous year) / Average employee salary expense of the previous year).
4. The Company has established the Audit Committee. Therefore, there was no compensation to the supervisor for the years ended December 31, 2024 and 2023.
5. The Company’s remuneration policy:
   1) Directors and managerial officers:
      (1) The remuneration of directors and managerial officers shall be given with reference to the prevailing standards of the same industry and in consideration of the reasonableness of the correlation between the company’s business performance and future risks.
      (2) There shall be no incentive for the directors or managerial officers to pursue remuneration by engaging in activities that exceed the tolerable risk level of the Company.
      (3) The percentage of employee compensation for short-term performance and the timing of payment of some variable salary and compensation shall be determined by considering the characteristics of the industry and the nature of the Company’s business.
   2) Employees:
      The remuneration policy for employees is formulated with reference to government regulations, market conditions and dynamics of remuneration in the industry, changes in the overall economy and industry environment and the Company’s organizational structure. The payment standards are determined under the Company’s “Regulations on Salary Management”, “Regulations on Employee Performance Evaluation” and “Regulations for the Distribution of Bonus for Supervisors”. In addition, the Company has established the “Regulations on Year-end Bonus” to provide year-end bonuses (including employee compensation) depending on the company’s profitability and employee performance.