

Taita Chemical Co., Ltd.
and Subsidiaries

Consolidated Financial Statements
and Independent Auditors' Review
Report
For the Second Quarter of 2025 and 2024

Address: 12th Floor, No.37, Ji-Hu Rd., Nei-Hu Dist.,
Taipei 114, Taiwan, R.O.C.
Tel: (02)8751-6888

§TABLE OF CONTENTS§

ITEM	PAGE	FINANCIAL REPORT NOTE NUMBERS
1. Cover Page	1	-
2. Table of Contents	2	-
3. Independent Auditors' Review Report	3-4	-
4. Consolidated Balance Sheets	5	-
5. Consolidated Statements of Comprehensive Income	6	-
6. Consolidated Statements of Changes in Equity	7	-
7. Consolidated Statements of Cash Flows	8-9	-
8. Notes to Consolidated Financial Statements		
a. Company history	10	1
b. Date of approval of the financial statements and approval procedures	10	2
c. Application of the newly issued and/or amended standards and interpretations	10-12	3
d. Summary of significant accounting policies	12-13	4
e. Primary sources of uncertainties in material accounting judgments, estimates and assumptions	13	5
f. Details of significant accounts	13-38	6-29
g. Related party transactions	38-42	30
h. Assets pledged as collateral	43	31
i. Significant contingent liabilities and unrecognized contractual commitments	43-44	32
j. Significant disaster losses	-	-
k. Significant events after the balance sheet date	-	-
l. Others	45-46	33
m. Supplementary disclosures		
1) Information about significant transactions	46, 48-50, 53	34
2) Information about investees	46, 51	34
3) Information on Investments in Mainland China	46-47, 48, 52	34
n. Department information	47	35

Independent Auditors' Review Report

To Taita Chemical Co., Ltd.:

Foreword

The consolidated balance sheets of Taita Chemical Co., Ltd. and its subsidiaries as of June 30, 2025, and 2024, the consolidated statements of comprehensive income for the periods from April 1 to June 30, 2025, and 2024, and from January 1 to June 30, 2025, and 2024, the consolidated statements of changes in equity for the periods from January 1 to June 30, 2025, and 2024, the consolidated statements of cash flows for the periods from January 1 to June 30, 2025, and 2024, and the notes to the consolidated financial statements (including a summary of significant accounting policies) have been reviewed. It is the responsibility of the management to prepare and ensure fair presentation of consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the version of IAS 34 - "Interim Financial Reporting" approved and published by the Financial Supervisory Commission. Our responsibility as auditor is to form a conclusion based on our review.

Scope

Except for the issues discussed in the "Basis of reservation" paragraph, we, the auditors, have performed the review in accordance with Standards on Review Engagements No. 2410 - "Financial Statement Review". The procedures executed in our review of financial statements include inquiry (mainly with employees responsible for financial and accounting affairs), analysis and other review-related processes. The scope of financial statement review is significantly smaller than a financial statement audit, therefore we may not be able to detect all material issues through the steps we have taken, and are therefore unable to provide an audit opinion.

Basis of Reservation

As stated in Note 13 to the consolidated financial report, among the investee companies included in the consolidated financial report above, the financial reports for the same period of some long-term equity investments evaluated using the equity method have not been reviewed by CPAs. The balances of long-term equity investments accounted for using the equity method as of June 30, 2025, and 2024, were NT\$296,409 thousand and NT\$318,813 thousand, respectively, both accounting for 3% of total consolidated assets. The related total comprehensive income for the periods from April 1 to June 30, 2025, and 2024, and from January 1 to June 30, 2025, and 2024, amounted to NT\$3,771 thousand, NT\$3,530 thousand, NT\$(6,422) thousand, and NT\$(11,158) thousand, respectively, accounting for (1)%, (10)%, 1%, and 10% of the total consolidated

comprehensive income. The information regarding the investee companies as disclosed in the notes to the consolidated financial statements is based on the unreviewed financial statements of these investee companies for the same periods.

Reservations

Based on our review, except for the possible adjustments to the consolidated financial statements that might arise if the financial reports of the long-term equity investments accounted for using the equity method had been reviewed by CPAs as described in the Basis of Reservation section, we did not find any evidence that the aforementioned consolidated financial statements are not in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the Financial Supervisory Commission. Therefore, the consolidated financial position of Taita Chemical Co., Ltd. and its subsidiaries as of June 30, 2025, and 2024, as well as their consolidated financial performance for the periods from April 1 to June 30, 2025, and 2024, and their consolidated financial performance and cash flows from January 1 to June 30, 2025, and 2024, , have been properly presented.

Deloitte & Touche

CPA Chen Chun-Hung

CPA Liu Yi-Ching

Financial Supervisory Commission
Approval Number

Jin-Guan-Zheng-Shen-Zi No.
0990031652

Financial Supervisory Commission Approval
Number

Jin-Guan-Zheng-Shen-Zi No.
1100356048

August 6, 2025

Notice to Readers:

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Taita Chemical Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

June 30, 2025, and December 31, 2024, and June 30, 2024

Unit: NT\$ thousand

Code	Assets	June 30, 2025		December 31, 2024		June 30, 2024	
		Amount	%	Amount	%	Amount	%
	CURRENT ASSETS						
1100	Cash and cash equivalents (Note 6)	\$ 787,725	9	\$ 886,216	9	\$ 2,303,637	24
1110	Financial assets at fair value through profit or loss - current (Note 7)	125,014	1	421,006	4	173,857	2
1136	Financial assets at amortized cost - current (Notes 9 and 31)	1,477,387	17	1,384,923	14	195,128	2
1150	Notes receivable (Note 10)	167,335	2	293,745	3	245,592	2
1170	Accounts receivable (Note 10)	1,981,472	23	2,142,437	22	1,797,833	19
1180	Accounts receivable from related parties (Notes 10 and 30)	-	-	7,665	-	3,004	-
1200	Other receivables (Note 10)	77,018	1	103,305	1	102,445	1
1210	Other receivables from related parties (Notes 10 and 30)	4,858	-	1,569	-	9,454	-
1220	Current tax assets (Note 4)	4,772	-	7,852	-	13,059	-
130X	Inventories (Note 11)	826,933	9	1,137,638	12	1,203,052	13
1410	Prepayments and other current assets	114,090	1	118,807	1	151,139	2
11XX	Total current assets	<u>5,566,604</u>	<u>63</u>	<u>6,505,163</u>	<u>66</u>	<u>6,198,200</u>	<u>65</u>
	Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non-current (Note 8)	137,052	2	162,437	2	225,899	2
1535	Financial assets at amortized cost - non-current (Note 9)	40,930	1	45,608	-	-	-
1550	Investments accounted for using the equity method (Note 13)	568,579	6	603,786	6	624,376	7
1600	Property, plant and equipment (Notes 14 and 30)	1,876,492	21	1,929,504	20	1,931,297	20
1755	Right-of-use assets (Notes 15 and 30)	230,315	3	258,924	3	263,550	3
1760	Investment properties, net (Note 16)	108,178	1	108,178	1	108,178	1
1780	Intangible assets (Note 17)	-	-	-	-	24	-
1840	Deferred tax assets (Note 4)	261,197	3	182,157	2	164,624	2
1990	Other non-current assets (Note 31)	26,587	-	43,820	-	28,289	-
15XX	Total non-current assets	<u>3,249,330</u>	<u>37</u>	<u>3,334,414</u>	<u>34</u>	<u>3,346,237</u>	<u>35</u>
1XXX	Total assets	<u>\$ 8,815,934</u>	<u>100</u>	<u>\$ 9,839,577</u>	<u>100</u>	<u>\$ 9,544,437</u>	<u>100</u>
	Liabilities and equity						
	CURRENT LIABILITIES						
2100	Short-term borrowings (Note 18)	\$ 1,730,000	20	\$ 1,840,000	19	\$ 1,130,000	12
2170	Accounts payable (Note 19)	741,672	8	912,740	9	1,098,700	11
2180	Accounts payable from related parties (Notes 19 and 30)	472	-	79	-	503	-
2200	Other payables (Note 20)	353,422	4	345,244	3	385,989	4
2220	Other payables from related parties (Note 30)	35,305	-	15,823	-	50,803	1
2230	Current tax liabilities (Note 4)	-	-	18,095	-	904	-
2280	Lease liabilities - current (Notes 15 and 30)	4,743	-	4,717	-	4,691	-
2365	Refund liabilities - current (Note 21)	1,254	-	1,215	-	1,566	-
2399	Other current liabilities	55,871	1	57,893	1	90,732	1
21XX	Total current liabilities	<u>2,922,739</u>	<u>33</u>	<u>3,195,806</u>	<u>32</u>	<u>2,763,888</u>	<u>29</u>
	Non-current liabilities						
2570	Deferred tax liabilities (Note 4)	206,259	2	260,756	3	235,976	3
2580	Lease liabilities - non-current (Notes 15 and 30)	22,000	-	24,377	-	26,743	-
2640	Net defined benefit liabilities - non-current (Notes 4 and 22)	47,546	1	56,105	1	91,673	1
2670	Other non-current liabilities	4,960	-	4,646	-	4,430	-
25XX	Total non-current liabilities	<u>280,765</u>	<u>3</u>	<u>345,884</u>	<u>4</u>	<u>358,822</u>	<u>4</u>
2XXX	Total liabilities	<u>3,203,504</u>	<u>36</u>	<u>3,541,690</u>	<u>36</u>	<u>3,122,710</u>	<u>33</u>
	Equity attributable to owners of the Company (Notes 13 and 23)						
	Share capital						
3110	Ordinary shares	3,975,868	45	3,975,868	40	3,975,868	42
3200	Capital surplus	3,241	-	3,242	-	3,200	-
	Retained earnings						
3310	Legal reserve	502,038	6	502,038	5	502,038	5
3320	Special reserve	308,061	3	308,061	3	308,061	3
3350	Unappropriated earnings	1,054,000	12	1,430,917	15	1,485,501	16
3300	Total retained earnings	1,864,099	21	2,241,016	23	2,295,600	24
3400	Other equity	(230,778)	(2)	77,761	1	147,059	1
3XXX	Total equity	<u>5,612,430</u>	<u>64</u>	<u>6,297,887</u>	<u>64</u>	<u>6,421,727</u>	<u>67</u>
	Total liabilities and equity	<u>\$ 8,815,934</u>	<u>100</u>	<u>\$ 9,839,577</u>	<u>100</u>	<u>\$ 9,544,437</u>	<u>100</u>

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

(Please refer to the Review Report by Deloitte & Touche on August 6, 2025)

Notice to Readers:

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Taita Chemical Co., Ltd. and Subsidiaries

Consolidated Statements of Comprehensive Income

For the periods from April 1 to June 30, 2025 and 2024, and from January 1 to June 30, 2025 and 2024

Unit: NT\$ thousand, except loss per share which is in NT\$

Code		April 1 to June 30, 2025		April 1 to June 30, 2024		January 1 to June 30, 2025		January 1 to June 30, 2024	
		Amount	%	Amount	%	Amount	%	Amount	%
4100	Sales revenue (Notes 21, 24 and 30)	\$ 3,849,601	100	\$ 4,943,005	100	\$ 8,082,368	100	\$ 8,733,754	100
5110	Cost of Goods Sold (Notes 11, 15, 22, 25, and 30)	<u>3,691,940</u>	<u>96</u>	<u>4,736,396</u>	<u>96</u>	<u>7,715,349</u>	<u>95</u>	<u>8,494,921</u>	<u>97</u>
5900	Gross profit	<u>157,661</u>	<u>4</u>	<u>206,609</u>	<u>4</u>	<u>367,019</u>	<u>5</u>	<u>238,833</u>	<u>3</u>
	Operating expenses (Notes 10, 15, 22, 25 and 30)								
6100	Selling and marketing expenses	218,156	6	258,252	5	442,300	6	431,754	5
6200	Administrative expenses	40,043	1	39,817	1	83,871	1	82,958	1
6300	Research and development expenses	3,849	-	3,655	-	8,504	-	8,460	-
6450	Expected credit impairment loss	<u>217</u>	<u>-</u>	<u>2,026</u>	<u>-</u>	<u>1,691</u>	<u>-</u>	<u>2,037</u>	<u>-</u>
6000	Total operating expenses	<u>262,265</u>	<u>7</u>	<u>303,750</u>	<u>6</u>	<u>536,366</u>	<u>7</u>	<u>525,209</u>	<u>6</u>
6900	Net loss from operations	(<u>104,604</u>)	(<u>3</u>)	(<u>97,141</u>)	(<u>2</u>)	(<u>169,347</u>)	(<u>2</u>)	(<u>286,376</u>)	(<u>3</u>)
	Non-operating income and expenses (Notes 7, 13, 16, 25 and 30)								
7100	Interest income	11,394	-	12,697	-	20,861	-	22,819	-
7010	Other income	6,529	-	12,813	-	10,119	-	21,037	-
7020	Other gains and losses	(207,777)	(5)	25,798	1	(181,024)	(2)	78,102	1
7060	Share of profit or loss of associates accounted for using the equity method	2,121	-	12,083	-	(13,925)	-	9,997	-
7510	Financial costs	(<u>9,743</u>)	<u>-</u>	(<u>13,233</u>)	<u>-</u>	(<u>21,620</u>)	(<u>1</u>)	(<u>19,404</u>)	<u>-</u>
7000	Total non-operating income and expenses	(<u>197,476</u>)	(<u>5</u>)	<u>50,158</u>	<u>1</u>	(<u>185,589</u>)	(<u>3</u>)	<u>112,551</u>	<u>1</u>
7900	Net loss before income tax	(302,080)	(8)	(46,983)	(1)	(354,936)	(5)	(173,825)	(2)
7950	Income tax gain (Notes 4 and 26)	(<u>58,764</u>)	(<u>2</u>)	(<u>7,574</u>)	<u>-</u>	(<u>57,536</u>)	(<u>1</u>)	(<u>32,863</u>)	<u>-</u>
8200	Net loss for the period	(<u>243,316</u>)	(<u>6</u>)	(<u>39,409</u>)	(<u>1</u>)	(<u>297,400</u>)	(<u>4</u>)	(<u>140,962</u>)	(<u>2</u>)
	Other comprehensive income (loss) (Notes 8, 13, 23 and 26)								
8310	Items that will not be reclassified subsequently to profit or loss:								
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	(25,385)	(1)	(16,621)	-	(25,385)	(1)	(72,528)	(1)
8320	Share of the other comprehensive profit or loss of associates accounted for under equity method - unrealized profit or loss on investments in equity instruments at fair value through other comprehensive profit or loss	(<u>8,458</u>)	<u>-</u>	(<u>4,183</u>)	<u>-</u>	(<u>9,479</u>)	<u>-</u>	(<u>16,584</u>)	<u>-</u>
		(<u>33,843</u>)	(<u>1</u>)	(<u>20,804</u>)	<u>-</u>	(<u>34,864</u>)	(<u>1</u>)	(<u>89,112</u>)	(<u>1</u>)
8360	Items that may be reclassified subsequently to profit or loss:								
8361	Exchange differences on translating the financial statements of foreign operations	(376,791)	(10)	29,497	-	(330,917)	(4)	149,410	2
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	(12,372)	-	631	-	(10,075)	-	3,971	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	<u>76,794</u>	<u>2</u>	(<u>5,954</u>)	<u>-</u>	<u>67,317</u>	<u>1</u>	(<u>30,294</u>)	<u>-</u>
		(<u>312,369</u>)	(<u>8</u>)	<u>24,174</u>	<u>-</u>	(<u>273,675</u>)	(<u>3</u>)	<u>123,087</u>	<u>2</u>
8300	Other comprehensive (loss) income for the period, net amount after tax	(<u>346,212</u>)	(<u>9</u>)	<u>3,370</u>	<u>-</u>	(<u>308,539</u>)	(<u>4</u>)	<u>33,975</u>	<u>1</u>
8500	Total comprehensive income for the period	(<u>\$ 589,528</u>)	(<u>15</u>)	(<u>\$ 36,039</u>)	(<u>1</u>)	(<u>\$ 605,939</u>)	(<u>8</u>)	(<u>\$ 106,987</u>)	(<u>1</u>)
	Loss per share (Note 27)								
9710	Basic	(<u>\$ 0.61</u>)		(<u>\$ 0.10</u>)		(<u>\$ 0.75</u>)		(<u>\$ 0.35</u>)	
9810	Diluted	(<u>\$ 0.61</u>)		(<u>\$ 0.10</u>)		(<u>\$ 0.75</u>)		(<u>\$ 0.35</u>)	

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

(Please refer to the Review Report by Deloitte & Touche on August 6, 2025)

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Taita Chemical Co., Ltd. and Subsidiaries

Consolidated Statements of Changes in Equity
January 1 to June 30, 2025 and 2024
Unit: NT\$ thousand

		Equity attributable to owners of the Company (Notes 13 and 23)												
										Other equity				
		Share capital		Capital surplus			Retained earnings				Exchange differences on translating the financial statements of foreign operations	Unrealized gain (loss) on financial assets at FVTOCI	Total	Total equity
Code		Shares (in thousands)	Amount	Long-term equity investments	Other capital surplus	Total	Legal reserve	Special reserve	Unappropriated earnings	Total				
A1	Balance as of January 1, 2024	397,587	\$ 3,975,868	\$ 2,762	\$ 439	\$ 3,201	\$ 502,038	\$ 308,061	\$ 1,745,739	\$ 2,555,838	(\$ 153,014)	\$ 266,098	\$ 113,084	\$ 6,647,991
B5	Appropriation of 2023 earnings Cash dividends distributed by the Company	-	-	-	-	-	-	-	(119,276)	(119,276)	-	-	-	(119,276)
C17	Changes in other capital surplus	-	-	(1)	-	(1)	-	-	-	-	-	-	-	(1)
D1	Net loss for the period from January 1 to June 30, 2024	-	-	-	-	-	-	-	(140,962)	(140,962)	-	-	-	(140,962)
D3	Other comprehensive income (loss) for the period from January 1 to June 30, 2024, net after income tax	-	-	-	-	-	-	-	-	-	123,087	(89,112)	33,975	33,975
D5	Total comprehensive income (loss) for the period from January 1 to June 30, 2024	-	-	-	-	-	-	-	(140,962)	(140,962)	123,087	(89,112)	33,975	(106,987)
Z1	Balance as of June 30, 2024	397,587	\$ 3,975,868	\$ 2,761	\$ 439	\$ 3,200	\$ 502,038	\$ 308,061	\$ 1,485,501	\$ 2,295,600	(\$ 29,927)	\$ 176,986	\$ 147,059	\$ 6,421,727
A1	Balance as of January 1, 2025	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
B5	Appropriation of 2024 earnings Cash dividends distributed by the Company	-	-	-	-	-	-	-	(79,517)	(79,517)	-	-	-	(79,517)
C17	Changes in other capital surplus	-	-	(1)	-	(1)	-	-	-	-	-	-	-	(1)
D1	Net loss for the period from January 1 to June 30, 2025	-	-	-	-	-	-	-	(297,400)	(297,400)	-	-	-	(297,400)
D3	Other comprehensive income (loss) for the period from January 1 to June 30, 2025, net after income tax	-	-	-	-	-	-	-	-	-	(273,675)	(34,864)	(308,539)	(308,539)
D5	Total comprehensive income (loss) for the period from January 1 to June 30, 2025	-	-	-	-	-	-	-	(297,400)	(297,400)	(273,675)	(34,864)	(308,539)	(605,939)
Z1	Balance as of June 30, 2025	397,587	\$ 3,975,868	\$ 2,802	\$ 439	\$ 3,241	\$ 502,038	\$ 308,061	\$ 1,054,000	\$ 1,864,099	(\$ 295,862)	\$ 65,084	(\$ 230,778)	\$ 5,612,430

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Taita Chemical Co., Ltd. and Subsidiaries

Consolidated Statements of Cash Flows

January 1 to June 30, 2025 and 2024

Unit: NT\$ thousand

Code		January 1 to June 30, 2025	January 1 to June 30, 2024
	Cash flows from operating activities		
A10000	Net loss before income tax for the period	(\$ 354,936)	(\$ 173,825)
A20010	Income (expenses) items		
A20100	Depreciation expenses	107,655	108,964
A20200	Amortization expenses	-	474
A20300	Expected credit impairment loss	1,691	2,037
A29900	Gain on lease modification	(1,643)	-
A20400	Net loss (gain) on financial assets and liabilities measured at fair value through profit or loss	15,422	(5,928)
A20900	Financial costs	21,620	19,404
A21200	Interest income	(20,861)	(22,819)
A21300	Dividend income	(3,022)	(5,574)
A22300	Share of profit or loss of associates accounted for using the equity method	13,925	(9,997)
A22500	Loss on disposal of property, plant, and equipment	113	698
A23800	(Reversal of) write-down of inventories	12,170	(9,710)
A29900	Provision for refund liabilities	3,717	4,289
A30000	Changes in operating assets and liabilities		
A31115	Financial assets at fair value through profit or loss	280,570	(6,751)
A31130	Notes receivable	104,762	(26,109)
A31150	Accounts receivable	79,757	(177,488)
A31160	Accounts receivable from related parties	7,665	1,196
A31180	Other receivables	14,690	(25,578)
A31190	Other receivables from related parties	1,452	4,803
A31200	Inventories	275,536	(84,116)
A31230	Prepayments and other current assets	(1,747)	(36,149)
A32150	Accounts payable	(165,039)	349,034
A32160	Accounts payable from related parties	393	454
A32180	Other payables	(53,360)	52,069
A32190	Other payables from related parties	(816)	1,377
A32230	Other current liabilities	(557)	29,084
A32240	Net Defined Benefit Liabilities	(8,559)	(8,967)
A33000	Net cash inflow (outflow) from operating activities	330,598	(19,128)

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Code		January 1 to June 30, 2025	January 1 to June 30, 2024
A33100	Interest received	\$ 30,676	\$ 53,509
A33300	Interest paid	(21,557)	(19,132)
A33500	Income tax paid	(22,253)	(1,311)
AAAA	Net cash inflow from operating activities	<u>317,464</u>	<u>13,938</u>
	Cash flows from investing activities		
B00040	Acquisition of financial assets measured at amortized cost	(385,521)	(178,344)
B00050	Disposal of financial assets measured at amortized cost	134,541	-
B01800	Acquisition of associates	-	(8,334)
B02700	Acquisition of property, plant and equipment	(72,348)	(102,718)
B02800	Proceeds from the disposal of property, plant and equipment	-	173
B03700	Increase in refundable deposits	(2,937)	(128)
B03800	Decrease in refundable deposits	19,867	88
B05350	Disposal of right-of-use assets	<u>1,818</u>	<u>-</u>
BBBB	Net cash outflow from investing activities	(<u>304,580</u>)	(<u>289,263</u>)
	Cash flows from financing activities		
C00100	Increase (decrease) in short-term borrowings	(110,000)	305,000
C03000	Increase in refundable deposits received	613	-
C03100	Decrease in refundable deposit received	-	(280)
C04020	Repayments of lease principal	(2,351)	(2,325)
C04500	Distribution of cash dividends	(<u>61</u>)	(<u>110</u>)
CCCC	Net cash inflow (outflow) from financing activities	(<u>111,799</u>)	<u>302,285</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>424</u>	<u>65,348</u>
EEEE	Net increase (decrease) in cash and cash equivalents for the period	(98,491)	92,308
E00100	Balance of cash and cash equivalents at the beginning of the period	<u>886,216</u>	<u>2,211,329</u>
E00200	Balance of cash and cash equivalents at the end of the period	<u>\$ 787,725</u>	<u>\$ 2,303,637</u>

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

(Please refer to the Review Report by Deloitte & Touche on August 6, 2025)

Notice to Readers:

The consolidated financial statement (Chinese version) of our company is reviewed by the CPA Chen Chun-Hung and CPA Liu Yi-Ching of Deloitte Taiwan. For the convenience of reading, the statement has been translated from Chinese to English. If there is any difference regarding the context or interpretation in the English version, the Chinese version shall prevail.

Taita Chemical Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements

January 1 to June 30, 2025 and 2024

(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. The Company’s parent company is USI Corporation, which held indirectly 36.79% of the common stocks of the Company as of June 30, 2025. USI Corporation has operational control over the Company.

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

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

The Consolidated Financial Statements have been approved by the Board of Directors on August 6, 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).

Amendments to IAS 21 “Lack of Exchangeability”

The amendment to IAS 21 regarding “lack of exchangeability” is not expected to result in a significant change to the accounting policies of the Company.

- b. IFRS Accounting Standards approved by the Financial Supervisory Commission applicable for the year 2026

<u>New/Amended/Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB</u>
Amendments to IFRS 9 and IFRS 7, “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
“Annual Improvements to IFRS Accounting Standards - Volume 11”	January 1, 2026
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

Till the date of authorization of the Consolidated Financial Statements, the Group is still in the process of assessing the impact of each amendment on its financial position and financial performance. Related impacts will be disclosed upon completion of the assessment.

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

<u>New/Amended/Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note)</u>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture”	To be determined
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

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

IFRS 18 “Presentation and Disclosure in Financial Statements”

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

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

In addition to the above effects, as of the date of authorization of the consolidated financial statements, the Company has continued to assess other effects of amendments

to various standards and interpretations on its financial conditions and performance. Related impacts will be disclosed upon completion of the assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Compliance declaration

The interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. This consolidated financial report does not include all disclosures required by IFRSs for a complete annual financial report.

b. Preparation basis

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

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

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities on measurement day.
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., prices) or indirectly (i.e., derived from prices).
- 3) Level 3 inputs are unobservable inputs for the asset or liability.

c. Basis of consolidation

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

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

d. Others significant accounting policies

In addition to the following explanations, please refer to the Summary of Significant Accounting Policies in the 2024 Annual Consolidated Financial Report.

1) Provision for Carbon Fee Liabilities

The provision for carbon fee liabilities, recognized in accordance with Taiwan’s Carbon Fee Charging Regulations and other relevant laws, is based on the best estimated expenditure required to settle the obligation for the year. The provision is recognized and measured proportionally based on the actual emissions relative to the total annual emissions.

2) Defined-benefit post-employment benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year,

adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-time events.

3) Income tax expenses

Income tax expenses are the sum of current income taxes and deferred income taxes. Income tax for an interim period is assessed on an annual basis, calculated by applying, to an interim period's pre-tax income, the tax rate that would be applicable to expected total annual earnings.

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

For the explanation of primary sources of uncertainties in material accounting judgments, estimates, and assumptions, please refer to the Summary of Significant Accounting Policies in the 2024 Annual Consolidated Financial Report.

6. CASH AND CASH EQUIVALENTS

	June 30, 2025	December 31, 2024	June 30, 2024
Cash on hand and petty cash	\$ 371	\$ 340	\$ 359
Checking accounts and demand deposits	378,245	505,076	1,542,919
Cash equivalents			
Fixed term deposits	199,240	350,800	725,359
Bonds sold under repurchase agreement	209,869	30,000	35,000
	<u>\$ 787,725</u>	<u>\$ 886,216</u>	<u>\$ 2,303,637</u>

The range of interest rates for time deposits and reserve repurchase agreements collateralized by bonds on the balance sheet date is as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Time deposits	4.15%~4.44%	4.25%~4.81%	1.65%~5.42%
Reverse repurchase agreements collateralized by bonds	1.53%	1.44%	1.42%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Financial assets mandatorily measured at fair value through profit or loss</u>			
Non-derivative financial assets			
— Domestic listed shares	\$ 51,000	\$ 63,400	\$ 89,404
— Foreign unlisted (non-OTC) shares	-	-	-
— Beneficiary securities	59,485	60,832	67,094
— Mutual fund	14,529	296,774	17,359
	<u>\$ 125,014</u>	<u>\$ 421,006</u>	<u>\$ 173,857</u>

For the Group, from April 1 to June 30 in 2025 and 2024, and from January 1 to June 30 in 2025 and 2024, recognized net losses and gains from financial assets measured at fair value through profit or loss are as follows: net loss of NT\$13,853 thousand, net gain of NT\$8,507 thousand, net loss of NT\$13,308 thousand, and net gain of NT\$7,881 thousand, respectively.

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

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Investments in equity instruments</u>			
Domestic investments			
Listed (OTC) common stocks			
— USI Corporation	\$ 137,047	\$ 162,432	\$ 225,893
Unlisted (OTC) common stocks			
— Harbinger Venture Capital Corp.	<u>5</u>	<u>5</u>	<u>6</u>
Subtotal	137,052	162,437	225,899
Overseas investments			
Unlisted (OTC) common stocks			
— Budworth Investment Ltd	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 137,052</u>	<u>\$ 162,437</u>	<u>\$ 225,899</u>

The Group invests in the ordinary shares of the aforementioned companies for medium- and long-term strategic objectives and expects to make profits through long-term investments. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as it believes that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

9. FINANCIAL ASSETS AT AMORTIZED COST

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Current</u>			
Fixed-term deposits with original maturity over 3 months	\$ 1,474,387	\$ 1,381,923	\$ 192,128
Pledged certificates of deposit (Note 31)	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>
	<u>\$ 1,477,387</u>	<u>\$ 1,384,923</u>	<u>\$ 195,128</u>
<u>Non-current</u>			
Fixed-term deposits with original maturity over 3 months	<u>\$ 40,930</u>	<u>\$ 45,608</u>	<u>\$ -</u>

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

	June 30, 2025	December 31, 2024	June 30, 2024
Fixed-term deposits with original maturity over 3 months	1.30%~2.15%	1.70%~2.25%	1.25%~2.15%
Pledged certificates of deposit	1.66%	1.66%	1.53%

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

10. **NOTES RECEIVABLE, ACCOUNTS RECEIVABLE, AND OTHER RECEIVABLES**

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Notes receivable (a)</u>			
Operating	<u>\$ 167,335</u>	<u>\$ 293,745</u>	<u>\$ 245,592</u>
<u>Accounts receivable(1)</u>			
Measured at amortized cost			
Total carrying amount	\$ 1,994,940	\$ 2,155,698	\$ 1,803,020
Less: Allowance for impairment loss	(<u>13,468</u>)	(<u>13,261</u>)	(<u>5,187</u>)
	<u>\$ 1,981,472</u>	<u>\$ 2,142,437</u>	<u>\$ 1,797,833</u>
Accounts receivable from related parties (1) (Note 30)	<u>\$ -</u>	<u>\$ 7,665</u>	<u>\$ 3,004</u>
<u>Other receivables (b)</u>			
Business tax refund receivable	\$ 70,033	\$ 84,732	\$ 96,533
Interest receivable	6,609	18,096	5,124
Others	<u>376</u>	<u>477</u>	<u>788</u>
	<u>\$ 77,018</u>	<u>\$ 103,305</u>	<u>\$ 102,445</u>
Other receivables from related parties (Note 30)	<u>\$ 4,858</u>	<u>\$ 1,569</u>	<u>\$ 9,454</u>

a. Notes receivable and accounts receivable

The credit period of the Group for the sales of the merchandise is from 30 to 180 days, and the notes and accounts receivable are not interest-bearing. In order to mitigate credit risk, the management of the Group has assigned a dedicated team to be responsible for the determination of the credit line, credit approval, and other procedures of the supervisory control to ensure that appropriate action has been taken to reclaim past due receivables, and the Group has insured some of the receivables against credit insurance or obtained adequate guarantees if necessary to mitigate the risk of financial losses due to delinquency. In addition, the Group reviews the recoverable amount of each individual receivable on the balance sheet date to ensure that adequate allowances are

made for possible irrecoverable amounts. Prior to accepting a new client, the credit quality of the prospect is assessed through the internal credit rating system and the credit facilities of the prospect will be set, and the history of the transactions and the financial position of the individual client are regularly reviewed, according to which the management of the Group believes that the credit risk of the Group has been significantly reduced.

The Group recognizes loss allowances for accounts receivables based on the lifetime expected credit losses. The lifetime expected credit losses are 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 both the current as well as the forecast direction of economic conditions at the reporting date.

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

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

June 30, 2025

	Credit rating A	Credit rating B	Credit rating C	Others	Total
Total carrying amount	\$ 3,654	\$ 661,167	\$ 85,511	\$ 1,411,943	\$ 2,162,275
Loss allowance (lifetime ECLs)	-	-	-	(13,468)	(13,468)
Amortized cost	<u>\$ 3,654</u>	<u>\$ 661,167</u>	<u>\$ 85,511</u>	<u>\$ 1,398,475</u>	<u>\$ 2,148,807</u>

December 31, 2024

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

June 30, 2024

	Credit rating A	Credit rating B	Credit rating C	Others	Total
Total carrying amount	\$ 4,373	\$ 729,839	\$ 105,948	\$ 1,211,456	\$ 2,051,616
Loss allowance (lifetime ECLs)	-	-	-	(5,187)	(5,187)
Amortized cost	<u>\$ 4,373</u>	<u>\$ 729,839</u>	<u>\$ 105,948</u>	<u>\$ 1,206,269</u>	<u>\$ 2,046,429</u>

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

	January 1 to June 30, 2025	January 1 to June 30, 2024
Balance at the beginning of the period	\$ 13,261	\$ 3,035
Expected credit impairment loss	1,691	2,037
Exchange difference	(1,484)	115
Balance at the end of the period	<u>\$ 13,468</u>	<u>\$ 5,187</u>

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

	June 30, 2025	December 31, 2024	June 30, 2024
Not overdue	\$ 2,042,102	\$ 2,308,065	\$ 2,001,571
Up to 60 days	89,215	140,849	45,215
Past due over 61 days	30,958	8,194	4,830
Total	<u>\$ 2,162,275</u>	<u>\$ 2,457,108</u>	<u>\$ 2,051,616</u>

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

b. Other receivables

Other receivables of the Group as of June 30, 2025 and December 31 and June 30, 2024 have been assessed for impairment losses on the basis of expected credit losses.

11. INVENTORIES

	June 30, 2025	December 31, 2024	June 30, 2024
Finished goods	\$ 437,419	\$ 599,359	\$ 614,539
Work in process	116,908	209,902	156,372
Raw materials	241,252	292,635	398,310
Supplies	31,354	35,742	33,831
	<u>\$ 826,933</u>	<u>\$ 1,137,638</u>	<u>\$ 1,203,052</u>

The cost of goods sold related to inventory for the periods from April 1 to June 30, 2025 and 2024, and from January 1 to June 30, 2025 and 2024, amounted to NT\$3,691,940 thousand, NT\$4,736,396 thousand, NT\$7,715,349 thousand, and NT\$8,494,921 thousand, respectively.

The cost of goods sold for the periods from April 1 to June 30, 2025, and from January 1 to June 30, 2025, included write-downs of inventory to net realizable value amounting to NT\$10,792 thousand and NT\$12,170 thousand, respectively.

The cost of goods sold for the periods from April 1 to June 30, 2024, and from January 1 to June 30, 2024, included reversals of inventory write-downs to net realizable value amounting to \$14,241 thousand and \$9,710 thousand, respectively. The reversals were due to an increase in the market selling prices of the inventory.

12. SUBSIDIARY

Subsidiaries included in the consolidated financial statements

The consolidated financial statements are prepared by the following subjects:

Investor company	Name of subsidiary	Nature of business	Proportion of ownership			Description
			June 30, 2025	December 31, 2024	June 30, 2024	
The Company	TAITA (BVI) Holding Co., Ltd.(TAITA(BVI))	Reinvestment	100%	100%	100%	-
TAITA(BVI)	Taita Chemical (Zhongshan) Co., Ltd. ("TTC (ZS)")	Production and sales of polystyrene derivatives	100%	100%	100%	1.
	Taita Chemical (Tianjin) Co., Ltd. ("TTC (TJ)")	Production and sales of polystyrene derivatives	100%	100%	100%	2.
	Zhangzhou Taita Chemical Company, Limited (TTCZZ)	Production and sales of polystyrene derivatives	100%	100%	100%	3.

- a. Till June 30, 2025, the amount of investment in Taita Zhongshan was USD 43,000 thousand, and the company's surplus was transferred to the capital increase of USD 3,250 thousand in 2007. Till June 30, 2025, the company's paid-in capital was USD 46,250 thousand.
- b. Till June 30, 2025, the amount of investment in Taita Tianjin was USD 26,000 thousand, and the company's surplus in 2012 was transferred to the capital increase of USD 1,350 thousand. Till June 30, 2025, the company's paid-in capital was USD 27,350 thousand. Due to the curtailing demand in the local market, the management of the Company decided to suspend the production of Taita Tianjin from April 2019.
- c. On December 3, 2020, the Board of Directors of the Company resolved to establish Zhangzhou Taita with an investment of RMB 314,000 thousand through Taita (BVI). Taita Zhangzhou was founded and registered on June 28, 2021. As of June 30, 2025, the paid-in capital of the company amounted to CNY 306,950 thousand (USD 48,580 thousand).

The financial statements of the subsidiaries included in this consolidated financial report are calculated based on the financial statements of the subsidiaries for the same period reviewed by CPAs.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Individually insignificant associates</u>			
Listed company			
China General Plastics Corporation ("CGPC")	\$ 156,927	\$ 173,215	\$ 187,248
Acme Electronics Corp. ("ACME")	42,020	47,353	46,166
Unlisted company			
China General Terminal & Distribution Co. ("CGTD")	296,409	302,831	318,813
ACME Electronics (Cayman) Corp.(ACME (Cayman))	<u>73,223</u>	<u>80,387</u>	<u>72,149</u>
	<u>\$ 568,579</u>	<u>\$ 603,786</u>	<u>\$ 624,376</u>

Summarized information of associates that is not individually material

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
The Group's share of:				
Net profit (loss) from continuing operations for the period	\$ 2,121	\$ 12,083	(\$ 13,925)	\$ 9,997
Other comprehensive income	(<u>20,830</u>)	(<u>3,552</u>)	(<u>19,554</u>)	(<u>12,613</u>)
Total comprehensive income	(<u>\$ 18,709</u>)	<u>\$ 8,531</u>	(<u>\$ 33,479</u>)	(<u>\$ 2,616</u>)

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

Company name	June 30, 2025	December 31, 2024	June 30, 2024
CGPC	1.98%	1.98%	1.98%
ACME	2.34%	2.34%	2.34%
CGTD	33.33%	33.33%	33.33%
ACME (Cayman)	4.42%	4.42%	4.42%

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

On February 6, 2024, ACME (Cayman) resolved to carry out a cash capital increase, issuing 6,000 thousand new shares at a par value of USD 0.1 per share, with a premium of USD 1 per share. The Company participated in the aforementioned capital increase based on its original shareholding of 4.42%, resulting in a capital increase of USD 265 thousand for ACME (Cayman); On November 26, 2024, ACME (Cayman) resolved to carry out a cash capital increase, issuing 6,000 thousand new shares at a par value of USD 0.1 per share, with a premium of USD 1 per share. The Company participated in the aforementioned capital increase based on its original shareholding of 4.42%, resulting in a capital increase of USD 265 thousand for ACME (Cayman).

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

Fair values (Level 1) of investments in associates with available published price quotations are summarized as follows:

Company name	June 30, 2025	December 31, 2024	June 30, 2024
CGPC	<u>\$ 111,246</u>	<u>\$ 137,618</u>	<u>\$ 188,865</u>
ACME	<u>\$ 98,583</u>	<u>\$ 136,769</u>	<u>\$ 221,126</u>

The profits and losses and the shares of other comprehensive profits and losses, under the equity method, entitled to the associates and the Group were recognized on the basis of the financial reports of the associates reviewed by the CPA during the same period, except that the financial reports of CGTD were not reviewed by the CPA. The management of the Group believes that the financial reports of CGTD weren't reviewed by the CPA and it would cause no significant impact.

14. **PROPERTY, PLANT AND EQUIPMENT**

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Carrying amount by function</u>			
Freehold Land	\$ 634,432	\$ 634,432	\$ 634,432
Buildings	224,502	239,190	255,291
Machinery and equipment	774,671	824,023	858,543
Transportation equipment	2,169	2,530	2,655
Other equipment	49,728	52,853	40,012
Construction in progress	<u>190,990</u>	<u>176,476</u>	<u>140,364</u>
	<u>\$ 1,876,492</u>	<u>\$ 1,929,504</u>	<u>\$ 1,931,297</u>

Except for the recognition of depreciation expenses, the Group did not experience any significant additions, disposals, or impairments of property, plant and equipment during the periods from January 1 to June 30, 2025, and 2024.

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

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

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

15. **LEASE ARRANGEMENTS**

a. Right-of-use assets

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Carrying amount of right-of-use assets			
Land	<u>\$ 230,315</u>	<u>\$ 258,924</u>	<u>\$ 263,550</u>
Depreciation charge for right-of-use assets	<u>April 1 to June 30, 2025</u>	<u>April 1 to June 30, 2024</u>	<u>January 1 to June 30, 2025</u>
Land	<u>\$ 2,425</u>	<u>\$ 2,506</u>	<u>\$ 4,940</u>
			<u>\$ 4,975</u>

Except for the recognition of addition and depreciation expenses, there was no significant addition, sublease, or impairment of the Group's right-of-assets for the six months ended June 30, 2025 and 2024.

b. Lease liabilities

	June 30, 2025	December 31, 2024	June 30, 2024
Lease liabilities carrying amount			
Current	\$ 4,743	\$ 4,717	\$ 4,691
Non-current	\$ 22,000	\$ 24,377	\$ 26,743

As of June 30, 2025, and December 31 and June 30, 2024, the discount rates for the lease liability are all 1.10%.

The Group leases land in Linyuan to build factories from related party. When rental period ends, the Group has no bargain purchase price option for the land leased. Transactions with related parties are set out in Note 30.

c. Other lease information

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

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Expenses relating to short-term leases	\$ 4,143	\$ 4,753	\$ 8,695	\$ 9,609
Expenses relating to low-value asset leases	\$ 5	\$ 6	\$ 10	\$ 11
Total cash outflow for leases	\$ 5,401	\$ 6,012	\$ 11,211	\$ 12,126

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

16. INVESTMENT PROPERTIES, NET

	June 30, 2025	December 31, 2024	June 30, 2024
Land	\$ 108,178	\$ 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 Group concluded that the fair value of the investment properties is not reliably measurable.

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

17. INTANGIBLE ASSETS

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Carrying amount by function</u>			
Information systems	\$ -	\$ -	\$ 24

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

Information systems	3 years
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18. BORROWINGSShort-term borrowings

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Unsecured borrowings</u>			
Line of credit borrowings	\$ 1,730,000	\$ 1,840,000	\$ 1,130,000

The interest rates for line of credit borrowings as of June 30, 2025, December 31, 2024, and June 30, 2024, were 1.89% to 2.03%, 1.85% to 2.05%, and 1.75% to 1.83%, respectively.

Some of the Company's loan agreements stipulate that the current ratio and debt ratio as stated on the financial statements shall not be less than a specified percentage, and that if such a percentage fails to be met, the Company shall propose improvement measures to the banks concerned. Till June 30, 2025, the Group has not violated the aforementioned financial ratios.

19. ACCOUNTS PAYABLE

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Accounts payable (including related parties)</u>			
Arising from operation (Note 30)	\$ 742,144	\$ 912,819	\$ 1,099,203

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

20. OTHER PAYABLES

	June 30, 2025	December 31, 2024	June 30, 2024
Payables for fares	\$ 84,103	\$ 90,839	\$ 105,153
Payables for dividends	57,612	8,146	81,259
Payables for salaries and bonuses	53,095	85,830	62,676
Payables for utilities	40,912	40,627	38,684
Payables for purchases of equipment	29,651	13,896	11,261
Payables for professional service expenses	10,155	11,446	11,295
Others	77,894	94,460	75,661

	<u>\$ 353,422</u>	<u>\$ 345,244</u>	<u>\$ 385,989</u>
21. <u>REFUND LIABILITIES - CURRENT</u>			
	June 30, 2025	December 31, 2024	June 30, 2024
Sales allowances	<u>\$ 1,254</u>	<u>\$ 1,215</u>	<u>\$ 1,566</u>
	January 1 to June 30, 2025	January 1 to June 30, 2024	
Balance at the beginning of the period	\$ 1,215	\$ 1,314	
Provision for the current period	3,717	4,289	
Returns and rebates for the current period	(<u>3,678</u>)	(<u>4,037</u>)	
Balance at the end of the period	<u>\$ 1,254</u>	<u>\$ 1,566</u>	

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

22. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company adopts a pension plan under the Labor Pension Act, which is a state-managed defined contribution plan. According to the Labor Pension Act, the Company makes monthly contributions to employees' individual pension accounts at 6% of their monthly salaries.

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

b. Defined benefit plans

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

For the periods from April 1 to June 30 in 2025 and 2024, and from January 1 to June 30 in 2025 and 2024, the recognized costs related to defined benefit pension plans are calculated based on the pension cost rate determined by actuarial valuations as of

December 31, 2024 and December 31, 2023. The amounts recognized in profit or loss are summarized by function as follows:

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Cost of goods sold	\$ 383	\$ 619	\$ 851	\$ 1,241
Selling and marketing expenses	15	35	31	70
Administrative expenses	7	10	14	19
Research and development expenses	14	21	30	41
	<u>\$ 419</u>	<u>\$ 685</u>	<u>\$ 926</u>	<u>\$ 1,371</u>

From January 1 to June 30, 2025 and 2024, the Company allocated NT\$9,485 thousand and NT\$10,338 thousand respectively to the Taiwan bank account designated by the Supervisory Committee of Labor Retirement Reserve.

23. **EQUITY**

a. Ordinary shares

	June 30, 2025	December 31, 2024	June 30, 2024
Number of shares authorized (in thousands)	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>
Shares authorized	<u>\$ 4,000,000</u>	<u>\$ 4,000,000</u>	<u>\$ 4,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>397,587</u>	<u>397,587</u>	<u>397,587</u>
Shares issued	<u>\$ 3,975,868</u>	<u>\$ 3,975,868</u>	<u>\$ 3,975,868</u>

Fully paid ordinary shares, which have a par value of NT\$10, carry one vote per share and carry a right to dividends.

b. Capital surplus

The capital surplus which arises from the consideration received from issuance of shares (including consideration from that 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 can offset a deficit only. Capital surplus from investments in subsidiaries and/or associates accounted for under 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, please refer to "employees' compensation and remuneration of directors" in Note 25 (8).

In addition, according to the provisions of the Company's Articles, the industry that the Company operates in is in the maturity stage. Consequently, in order to take R&D needs and diversification into consideration, shareholders' dividends shall be no less than 10% of the distributable earnings in the current year, of which the cash dividends not be no less than 10% of the total dividends. However, dividends may be stopped if the distributable profit per share in the current fiscal year is less than \$0.1.

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

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

The Company held its annual shareholders' meetings on May 28, 2025, and May 31, 2024, where the resolutions for the distribution of earnings for the fiscal years 2024 and 2023 were approved as follows:

	Appropriation of earnings		Dividends per share (NT\$)	
	2024	2023	2024	2023
Cash dividends	\$ 79,517	\$ 119,276	\$ 0.2	\$ 0.3

d. Special reserve

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

	June 30, 2025	December 31, 2024	June 30, 2024
	<u>\$ 308,061</u>	<u>\$ 308,061</u>	<u>\$ 308,061</u>
Special reserve			

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 June 30, 2025, there was no change in the special reserve.

e. Other equity items

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

	January 1 to June 30, 2025	January 1 to June 30, 2024
Balance at the beginning of the period	(\$ 22,187)	(\$ 153,014)
Incurred this period		
Exchange differences on translation of foreign operations	(330,917)	149,410

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	January 1 to June 30, 2025	January 1 to June 30, 2024
Share in associates accounted for under the equity method	(10,075)	3,971
Related income tax	<u>67,317</u>	(<u>30,294</u>)
Balance at the end of the period	(<u>\$ 295,862</u>)	(<u>\$ 29,927</u>)

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

2) Unrealized gain (loss) on financial assets at FVTOCI

	January 1 to June 30, 2025	January 1 to June 30, 2024
Balance at the beginning of the period	\$ 99,948	\$ 266,098
Incurred this period		
Unrealized gains (losses)		
Equity instruments	(25,385)	(72,528)
Share in associates accounted for under the equity method	(<u>9,479</u>)	(<u>16,584</u>)
Balance at the end of the period	<u>\$ 65,084</u>	<u>\$ 176,986</u>

24. REVENUE

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Revenue from contracts with customers				
Proceeds of sale	<u>\$ 3,849,601</u>	<u>\$ 4,943,005</u>	<u>\$ 8,082,368</u>	<u>\$ 8,733,754</u>

Refer to Note 35 for segment revenue of major products and operation results.

25. PROFIT BEFORE INCOME TAX

a. Interest income

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Cash and cash equivalents	\$ 9,454	\$ 11,030	\$ 18,747	\$ 21,152
Financial assets at fair value through profit or loss (Note 7)	<u>1,940</u>	<u>1,667</u>	<u>2,114</u>	<u>1,667</u>
	<u>\$ 11,394</u>	<u>\$ 12,697</u>	<u>\$ 20,861</u>	<u>\$ 22,819</u>

b. Other income

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Rental income - operating lease (Notes 16 and 30)	\$ 2,633	\$ 6,580	\$ 5,211	\$ 13,139
Government subsidies	-	-	810	-
Dividend income				
Financial assets at fair value through profit or loss (Note 7)	\$ -	\$ 286	\$ -	\$ 286
Financial assets at fair value through other comprehensive income	3,022	5,288	3,022	5,288
Others	<u>874</u>	<u>659</u>	<u>1,076</u>	<u>2,324</u>
	<u>\$ 6,529</u>	<u>\$ 12,813</u>	<u>\$ 10,119</u>	<u>\$ 21,037</u>

c. Other gains and losses

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Loss and gain of financial assets at fair value through profit or loss (Note 7)	(\$ 15,793)	\$ 6,554	(\$ 15,422)	\$ 5,928
Net gain (loss) through foreign currency exchange	(190,271)	25,125	(164,535)	79,891
Loss on disposal of property, plant, and equipment	(74)	(705)	(113)	(698)
Expenses from rental assets	(1,229)	(1,119)	(2,329)	(2,249)
Others	<u>(410)</u>	<u>(4,057)</u>	<u>1,375</u>	<u>(4,770)</u>
	<u>(\$ 207,777)</u>	<u>\$ 25,798</u>	<u>(\$ 181,024)</u>	<u>\$ 78,102</u>

d. Gain or loss on foreign exchange

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Total foreign exchange gains	\$ 35,752	\$ 33,857	\$ 66,514	\$ 107,405
Total foreign exchange losses	(226,023)	(8,732)	(231,049)	(27,514)
Net profit	<u>(\$ 190,271)</u>	<u>\$ 25,125</u>	<u>(\$ 164,535)</u>	<u>\$ 79,891</u>

e. Financial costs

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Interest on bank loans	\$ 9,667	\$ 13,144	\$ 21,465	\$ 19,223
Interest on lease liabilities (Note 30)	<u>76</u>	<u>89</u>	<u>155</u>	<u>181</u>
	<u>\$ 9,743</u>	<u>\$ 13,233</u>	<u>\$ 21,620</u>	<u>\$ 19,404</u>

f. Depreciation and amortization

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Property, plant and equipment	\$ 51,219	\$ 51,241	\$ 102,715	\$ 103,989
Right-of-use assets (Note 15)	2,425	2,506	4,940	4,975
Intangible assets	<u>-</u>	<u>37</u>	<u>-</u>	<u>474</u>
Total	<u>\$ 53,644</u>	<u>\$ 53,784</u>	<u>\$ 107,655</u>	<u>\$ 109,438</u>
Analysis of depreciation by function				
Cost of goods sold	\$ 50,414	\$ 50,353	\$ 101,044	\$ 102,234
Operating expenses	2,754	3,033	5,797	6,004
Other gains and losses	<u>476</u>	<u>361</u>	<u>814</u>	<u>726</u>
	<u>\$ 53,644</u>	<u>\$ 53,747</u>	<u>\$ 107,655</u>	<u>\$ 108,964</u>
Analysis of amortization by function				
Cost of goods sold	\$ -	\$ -	\$ -	\$ 400
Administrative expenses	<u>-</u>	<u>37</u>	<u>-</u>	<u>74</u>
	<u>\$ -</u>	<u>\$ 37</u>	<u>\$ -</u>	<u>\$ 474</u>

g. Employee benefits expense

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Post-employment benefits (Note 22)				
Defined contribution plans	\$ 5,802	\$ 5,575	\$ 11,761	\$ 10,976
Defined benefit plans	<u>419</u>	<u>685</u>	<u>926</u>	<u>1,371</u>
	6,221	6,260	12,687	12,347
Other employee benefits	<u>124,717</u>	<u>126,268</u>	<u>248,547</u>	<u>255,317</u>
Total employee benefits expense	<u>\$ 130,938</u>	<u>\$ 132,528</u>	<u>\$ 261,234</u>	<u>\$ 267,664</u>
An analysis of employee benefits expense by function				
Operating cost	\$ 109,214	\$ 110,011	\$ 218,777	\$ 221,890
Operating expenses	<u>21,724</u>	<u>22,517</u>	<u>42,457</u>	<u>45,774</u>
	<u>\$ 130,938</u>	<u>\$ 132,528</u>	<u>\$ 261,234</u>	<u>\$ 267,664</u>

h. Employees' compensation and remuneration of directors

According to Articles of Incorporation of the Company, the Company accrued employees' compensation and remuneration of directors at the rates of no less than 1% and no higher than 1%, respectively. However, the Company's accumulated deficits should be offset in advance. In accordance with the amendment to the Securities and Exchange Act in August 2024, the Company has amended its Articles of Incorporation upon approval at the 2025 Annual General Shareholders' Meeting to stipulate that no less than 40% of the total amount of employee compensation to be distributed shall be allocated to non-managerial employees. 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.

From January 1 to June 30, 2025 and 2024, employees' compensation was not estimated due to losses.

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

Due to losses in the fiscal years 2024 and 2023, employee remuneration and director remuneration were not estimated nor payments made.

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

26. INCOME TAX

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

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Current tax				
In respect of the current period	(\$ 2,908)	(\$ 631)	\$ 7,254	\$ -
Adjustments from previous years	<u>594</u> (<u>2,314</u>)	<u>-</u> (<u>631</u>)	<u>594</u> <u>7,848</u>	<u>-</u> <u>-</u>
Deferred tax				
In respect of the current period	(56,452)	(6,961)	(65,386)	(32,881)
Adjustments from previous years	<u>2</u> (<u>56,450</u>)	<u>18</u> (<u>6,943</u>)	<u>2</u> (<u>65,384</u>)	<u>18</u> (<u>32,863</u>)
Income tax benefit recognized in profit or loss	(<u>\$ 58,764</u>)	(<u>\$ 7,574</u>)	(<u>\$ 57,536</u>)	(<u>\$ 32,863</u>)

b. Income tax recognized in other comprehensive income

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
<u>Deferred tax</u>				
Incurred this period				
Exchange				
differences on				
translating the				
financial				
statements of				
foreign operations	\$ 76,794	(\$ 5,954)	\$ 67,317	(\$ 30,294)

c. Income tax assessments

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

d. Income tax related to subsidiaries were as follows:

- 1) Taita (BVI) is subject to a zero tax rate for both January 1 to June 30, 2025 and 2024 as a result of applicable local government tax exemptions.
- 2) Taita Zhongshan, Taita Tianjin, and Zhangzhou Taita comply with the regulations of the local enterprise income tax law, and the applicable tax rate is 25%.

27. LOSS PER SHARE

Unit: NT\$ per share

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Basic loss per share	(\$ 0.61)	(\$ 0.10)	(\$ 0.75)	(\$ 0.35)
Diluted loss per share	(\$ 0.61)	(\$ 0.10)	(\$ 0.75)	(\$ 0.35)

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 period

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Net loss used to calculate the basic and diluted loss per share	(\$ 243,316)	(\$ 39,409)	(\$ 297,400)	(\$ 140,962)

Number of shares

Unit: thousands of shares

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Weighted average number of ordinary shares used in the computation of basic and diluted loss per share	397,587	397,587	397,587	397,587

28. CAPITAL RISK MANAGEMENT

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

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

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

29. FINANCIAL INSTRUMENTS

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

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

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

1) Fair value hierarchy

June 30, 2025

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value through profit or loss</u>				
Investments in equity instruments				
— Domestic listed shares	\$ 51,000	\$ -	\$ -	\$ 51,000
— Foreign unlisted (non-OTC) shares	-	-	-	-
Beneficiary securities	59,485	-	-	59,485
Mutual funds	14,529	-	-	14,529
Total	<u>\$ 125,014</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 125,014</u>

<u>Financial assets at fair value through other comprehensive income</u>				
Investments in equity instruments				
— Domestic listed shares	\$ 137,047	\$ -	\$ -	\$ 137,047
— Foreign unlisted shares	-	-	5	5
— Foreign unlisted (non-OTC) shares	-	-	-	-
Total	<u>\$ 137,047</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 137,052</u>

December 31, 2024

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

June 30, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value through profit or loss</u>				
Investments in equity instruments				
— Domestic listed shares	\$ 89,404	\$ -	\$ -	\$ 89,404
— Foreign unlisted (non-OTC) shares	-	-	-	-
Beneficiary securities	67,094	-	-	67,094
Mutual funds	17,359	-	-	17,359
Total	<u>\$ 173,857</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 173,857</u>
<u>Financial assets at fair value through other comprehensive income</u>				
Investments in equity instruments				
— Domestic listed shares	\$ 225,893	\$ -	\$ -	\$ 225,893
— Foreign unlisted shares	-	-	6	6
— Foreign unlisted (non-OTC) shares	-	-	-	-
Total	<u>\$ 225,893</u>	<u>\$ -</u>	<u>\$ 6</u>	<u>\$ 225,899</u>

From January 1 to June 30, 2025 and 2024, there was no transfer between Level 1 and Level 2 financial assets at fair value measurements.

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

Financial assets at FVTOCI - equity instruments

Financial assets	January 1 to June 30, 2025	January 1 to June 30, 2024
Balance at the beginning and end of the period	\$ <u>5</u>	\$ <u>6</u>

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

To determine the fair value for Level 3 financial instruments, the Group's investment department conducts independent fair value verification using external resources so as to better reflect the market conditions, as well as periodically reviewing the valuation results in order to guarantee the rationality of the measurement. The fair value of the unlisted equity investment held by the Group domestically and abroad is evaluated by the asset-based approach, and its fair value is determined by referring to the latest net value of the investment company and its observable financial and operating conditions; the unobservable input value used on June 30, 2025, and June 30 and December 31, 2024, is a liquidity discount of 15%.

c. Categories of financial instruments

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Financial assets</u>			
Financial assets			
measured at fair value			
through profit or loss -			
mandatorily classified			
as at fair value			
through profit or loss	\$ 125,014	\$ 421,006	\$ 173,857
Financial assets at			
amortized cost (Note			
1)	4,493,279	4,824,556	4,588,849
Financial assets at FVTOCI			
- investments in equity			
instruments	137,052	162,437	225,899
<u>Financial liabilities</u>			
Measured at amortized cost			
(Note 2)	2,802,345	3,014,383	2,591,102

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 loans, accounts payable (including related parties), and other payables (including related parties and excluding payables for salary and taxes).

d. Financial risk management objectives and policies

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

1) Market risk

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

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

a) Foreign currency risk

The Group conducted foreign currency sales and purchases, which exposed the Group to foreign currency risk. In order to avoid the impact of foreign currency exchange rate changes, which lead to deductions in foreign currency denominated assets and fluctuations in their future cash flows, the Group used foreign exchange forward contracts to eliminate foreign currency exposure and thus mitigate the impact of the risk. The use of foreign exchange forward contracts was governed by the Company's policies approved by the Board of Directors. Compliance with policies and exposure limits was reviewed by internal auditors on a continuous basis. The Group does not undergo the transaction of the forward foreign exchange contracts for speculative purposes.

For the Group's monetary assets and liabilities, denominated in non-functional currencies on the balance sheet date (including the monetary items and nonfunctional currencies written off in the consolidated financial statements), please refer to 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 consolidated entity appreciates/depreciates by 3% against USD, the Group's net loss before tax will increase/decrease by NT\$30,330 thousand and NT\$23,165 thousand from January 1 to June 30, 2025 and 2024.

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

b) Interest rate risk

The Group was exposed to the fair value risk of interest rate fluctuations for the fixed interest rate bearing financial assets and financial liabilities; the

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

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

	June 30, 2025	December 31, 2024	June 30, 2024
Fair value interest rate risk			
— Financial assets	\$ 1,939,426	\$ 1,840,504	\$ 1,939,259
— Financial liabilities	1,606,743	1,529,094	811,434
Cash flow interest rate risk			
— Financial assets	350,233	482,820	562,501
— Financial liabilities	150,000	340,000	350,000

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rate risk of cash flow for both financial assets and liabilities at the end of the reporting period. The fixed-rate financial assets and liabilities held by the Group are not included in the analysis as they are all measured at amortized cost. A 0.5% increase/decrease of market interest was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rate. If interest rates had been 0.5% higher/lower and all other variables were held constant, the Group's net loss before tax from January 1 to June 30, 2025 and 2024 would have decreased/increased by NT\$501 thousand and NT\$531 thousand, respectively.

c) Other price risks

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

Sensitivity analysis

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

If equity prices increase/decrease by 5%, the pre-tax net loss for the periods from January 1 to June 30 in 2025 and 2024 will decrease/increase by

NT\$6,251 thousand and NT\$8,693 thousand, respectively, due to changes in the fair value of financial assets measured at fair value through profit or loss (excluding money market fund investments). Additionally, the pre-tax other comprehensive income for the same periods will increase/decrease by NT\$6,853 thousand and NT\$11,295 thousand, respectively, due to changes in the fair value of financial assets measured at fair value through other comprehensive income.

2) Credit risk

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

The counterparties of the Group's accounts receivable included numerous clients distributed over a variety of areas and were not centered on a single client or location. Furthermore, the Company continuously evaluates the financial condition of its accounts receivable customers; therefore, its credit risk remains limited. On the balance sheet date, the Group's maximum exposure to credit risk is approximately the carrying amounts respective recognized financial assets as stated in the balance sheet.

3) Liquidity risk

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

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

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

June 30, 2025

	Weighted average interest rate (%)	On Demand or Less than 1 Year	1-5 years	More than 5 years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing liabilities		\$ 1,072,345	\$ -	\$ -
Lease liabilities	1.10	5,013	20,052	2,507
Floating interest rate liabilities	1.89	151,172	-	-
Fixed interest rate liabilities	1.97	<u>1,582,394</u>	<u>-</u>	<u>-</u>
		<u>\$ 2,810,924</u>	<u>\$ 20,052</u>	<u>\$ 2,507</u>

Additional information about the maturity analysis for lease liabilities:

	<u>Less than 1 year</u>	<u>1-5 years</u>	<u>5-10 years</u>
Lease liabilities	<u>\$ 5,013</u>	<u>\$ 20,052</u>	<u>\$ 2,507</u>

December 31, 2024

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

Additional information about the maturity analysis for lease liabilities:

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

June 30, 2024

	Weighted average interest rate (%)	On Demand or Less than 1 Year	1-5 years	More than 5 years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing liabilities		\$ 1,461,102	\$ -	\$ -
Lease liabilities	1.10	5,013	20,052	7,520
Floating interest rate liabilities	1.80	352,747	-	-
Fixed interest rate liabilities	1.77	<u>781,121</u>	<u>-</u>	<u>-</u>
		<u>\$ 2,599,983</u>	<u>\$ 20,052</u>	<u>\$ 7,520</u>

Additional information about the maturity analysis for lease liabilities:

	<u>Less than 1 year</u>	<u>1-5 years</u>	<u>5-10 years</u>
Lease liabilities	<u>\$ 5,013</u>	<u>\$ 20,052</u>	<u>\$ 7,520</u>

b) Financing facilities

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

	June 30, 2025	December 31, 2024	June 30, 2024
Bank loan facilities			
— Amount unused	<u>\$ 2,623,187</u>	<u>\$ 3,251,675</u>	<u>\$ 4,470,018</u>

30. **RELATED PARTY TRANSACTIONS**

The Company's ultimate parent is USI Corporation, which held 36.79% of the common stocks of the Company as of June 30, 2025, and June 30, December 31, 2024.

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

a. Name of the related party and their relationship

<u>Name of the related party</u>	<u>Relationship with the Group</u>
USI Corporation (USI)	Ultimate parent company
Union Polymer International Investment Corporation (UPII)	Parent company
China General Plastics Corporation (CGPC)	Associate
China General Plastics (ZhongShan) Co., Ltd.	Associate
CGPC Polymer Corporation	Associate
Taiwan VCM Corporation (TVCM)	Associate
China General Terminal & Distribution Corporation (CGTD)	Associate
Asia Polymer Corporation (APC)	Fellow subsidiary
Swanson Plastics Corporation	Fellow subsidiary
Swanson Plastics (Kunshan) Co., Ltd.	Fellow subsidiary
USI Management Consulting Corp. (UM)	Fellow subsidiary
USIFE Investment Co., Ltd.	Fellow subsidiary
USI Green Energy Corporation (USI Green)	Fellow subsidiary
Delmind Inc.	Related party in substance
USI Education Foundation (USIF)	Related party in substance

b. Sales of goods

<u>Related party category/name</u>	<u>April 1 to June 30, 2025</u>	<u>April 1 to June 30, 2024</u>	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
Ultimate parent company	<u>\$ -</u>	<u>\$ 5,289</u>	<u>\$ 2,596</u>	<u>\$ 5,289</u>

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

c. Purchase

Related party category/name	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Associate	\$ -	\$ 1,015	\$ -	\$ 2,562
Fellow subsidiary	<u>140</u>	<u>152</u>	<u>1,330</u>	<u>201</u>
	<u>\$ 140</u>	<u>\$ 1,167</u>	<u>\$ 1,330</u>	<u>\$ 2,763</u>

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

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

Related party category/name	June 30, 2025	December 31, 2024	June 30, 2024
Ultimate parent company	<u>\$ -</u>	<u>\$ 7,665</u>	<u>\$ 3,004</u>

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

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

Related party category/name	June 30, 2025	December 31, 2024	June 30, 2024
Fellow subsidiary	\$ 472	\$ 79	\$ 50
Associate	<u>-</u>	<u>-</u>	<u>453</u>
	<u>\$ 472</u>	<u>\$ 79</u>	<u>\$ 503</u>

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

f. Other transactions with related parties

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

Related party category/name	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Associate				
CGTD	\$ 2,277	\$ 4,488	\$ 4,554	\$ 8,976
TVCM	<u>69</u>	<u>1,823</u>	<u>137</u>	<u>3,647</u>
	2,346	6,311	4,691	12,623
Fellow subsidiary	<u>63</u>	<u>68</u>	<u>131</u>	<u>133</u>
	<u>\$ 2,409</u>	<u>\$ 6,379</u>	<u>\$ 4,822</u>	<u>\$ 12,756</u>

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

Related party category/name	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Ultimate parent company				
USI	\$ 1,258	\$ 1,229	\$ 2,517	\$ 2,458
Fellow subsidiary				
APC	389	642	872	1,311
Associate	<u>337</u>	<u>368</u>	<u>708</u>	<u>729</u>
	<u>\$ 1,984</u>	<u>\$ 2,239</u>	<u>\$ 4,097</u>	<u>\$ 4,498</u>

The Group leased offices and parking spaces in Taipei 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	June 30, 2025	December 31, 2024	June 30, 2024	
<u>Lease liabilities - current</u>				
Fellow subsidiary				
APC	\$ 4,743	\$ 4,717	\$ 4,691	
<u>Lease liabilities - non-current</u>				
Fellow subsidiary				
APC	\$ 22,000	\$ 24,377	\$ 26,743	
Related party category/name	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
<u>Total lease expenses</u>				
Fellow subsidiary				
APC	\$ 1,253	\$ 1,253	\$ 2,506	\$ 2,506
<u>Interest expense</u>				
Fellow subsidiary				
APC	\$ 76	\$ 89	\$ 155	\$ 181

The Company 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	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Associate				
CGTD	\$ 32	\$ 2,561	\$ 71	\$ 4,666

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	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Ultimate parent company				
USI	\$ -	\$ -	\$ -	\$ 1,048

6) Management service expenses (classified as administrative expenses)

Related party category/name	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Fellow subsidiary				
UM	\$ 16,759	\$ 17,271	\$ 36,518	\$ 38,211
Ultimate parent company				
USI	<u>1,232</u>	<u>472</u>	<u>2,464</u>	<u>472</u>
	<u>\$ 17,991</u>	<u>\$ 17,743</u>	<u>\$ 38,982</u>	<u>\$ 38,683</u>

The management service expenses paid to UM 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) Donation (classified as administrative expenses)

Related party category/name	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Related party in substance				
USIF	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,000</u>	<u>\$ -</u>

To fulfill its corporate social responsibility and support public educational initiatives, the Company donated NT\$2,000 thousand to the USI Education Foundation (USIF) in March 2025.

8) Green electricity expenses (classified as cost of goods sold)

Related party category/name	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Fellow subsidiary				
USI Green	<u>\$ 1,422</u>	<u>\$ -</u>	<u>\$ 2,240</u>	<u>\$ -</u>

9) Miscellaneous expenses (classified as cost of goods sold)

Related party category/name	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Associate	<u>\$ 251</u>	<u>\$ 244</u>	<u>\$ 453</u>	<u>\$ 442</u>

10) Acquisition of property, plant and equipment

Related party category/name	Acquisition proceeds	
	January 1 to June 30, 2025	January 1 to June 30, 2024
Related party in substance	<u>\$ -</u>	<u>\$ 480</u>

11) Other receivables

Related party category/name	June 30, 2025	December 31, 2024	June 30, 2024
Ultimate parent company	\$ 3,022	\$ -	\$ 5,289
Associate	1,769	1,495	4,091
Fellow subsidiary	<u>67</u>	<u>74</u>	<u>74</u>
	<u>\$ 4,858</u>	<u>\$ 1,569</u>	<u>\$ 9,454</u>

Other receivables mainly consist of dividends receivable, management service expenses, rent, and advance expenses.

12) Other payables

Related party category/name	June 30, 2025	December 31, 2024	June 30, 2024
Parent company UPII	\$ 29,253	\$ -	\$ 43,879
Associate	2,293	3,005	3,612
Ultimate parent company	2,131	2,142	1,189
Fellow subsidiary	1,628	983	2,123
Related party in substance	<u>-</u>	<u>9,693</u>	<u>-</u>
	<u>\$ 35,305</u>	<u>\$ 15,823</u>	<u>\$ 50,803</u>

Other payables primarily consist of dividends payable, tank operation fees, rent, and shared department expenses.

g. Compensation of key management personnel

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

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Salaries and others	\$ 3,378	\$ 3,351	\$ 6,432	\$ 6,047
Retirement benefits	<u>-</u>	<u>9</u>	<u>-</u>	<u>36</u>
	<u>\$ 3,378</u>	<u>\$ 3,360</u>	<u>\$ 6,432</u>	<u>\$ 6,083</u>

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

31. ASSETS PLEDGED AS COLLATERAL

The following assets of the Company have been provided as collateral for fuel procurement, duty payment deferral for customs clearance, and loan facilities:

	June 30, 2025	December 31, 2024	June 30, 2024
Pledged certificates of deposit			
— Financial assets at amortized cost - current (Note 9)	\$ 3,000	\$ 3,000	\$ 3,000
— Classified as other non- current assets	<u>15,000</u>	<u>32,173</u>	<u>16,940</u>
	<u>\$ 18,000</u>	<u>\$ 35,173</u>	<u>\$ 19,940</u>

32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACTUAL COMMITMENTS

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

- a. As of June 30, 2025, December 31, 2024, and June 30, 2024, the Group had outstanding but unused letters of credit amounting to NT\$95,000 thousand, NT\$132,000 thousand, and NT\$160,179 thousand, respectively.

- b. On the gas explosion in Kaohsiung:

Regarding the gas explosion of the propylene pipeline of Lee Chang Yung Chemical Industry Corporation (“LCY”) 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, CGTD reached an agreement with the Kaohsiung City Government to provide a bank fixed deposit of NT\$235,671 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 July 31, 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 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 July 31, 2025, victims, injured parties, or their relatives have filed civil (including criminal-related civil) lawsuits seeking compensation from LCY, CGTD, and Taiwan Petroleum Corporation for the Kaohsiung gas explosion incident. In order to reduce litigation costs, CGTD 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\$1,616,883 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\$489,861 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 July 31, 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\$1,711,504 thousand).

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

33. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

June 30, 2025

	Foreign currency	Exchange rate (NT\$)	Functional currency	NT\$
Foreign currency assets				
<u>Monetary items</u>				
USD	\$ 61,958	29.3000 (USD:NTD)	\$ 1,815,361	\$ 1,815,361
AUD	839	19.1400 (AUD:NTD)	16,064	16,064
HKD	900	3.7320 (HKD:NTD)	3,360	3,360
RMB	288	0.1397 (RMB:USD)	40	1,179
Foreign currency liabilities				
<u>Monetary items</u>				
USD	18,325	29.3000 (USD:NTD)	536,918	536,918
USD	9,128	7.1586 (USD:RMB)	65,345	267,457

December 31, 2024

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

June 30, 2024

	Foreign currency	Exchange rate (NT\$)	Functional currency	NT\$
Foreign currency assets				
<u>Monetary items</u>				
USD	\$ 60,590	32.4500 (USD:NTD)	\$ 1,966,140	\$ 1,966,140
AUD	973	21.5200 (AUD:NTD)	20,932	20,932
EUR	384	34.7100 (EUR:NTD)	13,340	13,340
RMB	999	4.5532 (RMB:NTD)	4,547	4,547
HKD	682	4.1550 (HKD:NTD)	2,832	2,832
RMB	288	0.1403 (RMB:USD)	40	1,310

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	Foreign currency	Exchange rate (NT\$)	Functional currency	NT\$
Foreign currency liabilities				
<u>Monetary items</u>				
USD	27,648	32.4500 (USD:NTD)	897,164	897,164
USD	9,146	7.1268 (USD:RMB)	65,185	296,800

The Group's net foreign exchange gains and losses (including realized and unrealized) for the periods from April 1 to June 30, 2025, and 2024, and from January 1 to June 30, 2025, and 2024, amounted to NT\$190,271 thousand of net loss, NT\$25,125 thousand of net gain, NT\$164,535 thousand of net loss, and NT\$79,891 thousand of net gain, respectively. Due to the wide variety of foreign currency transactions, it is not possible to disclose exchange gains and losses by each significantly affected foreign currency.

34. **SUPPLEMENTARY DISCLOSURES**

a. Information about significant transactions:

- 1) Financing provided to others. (None)
- 2) Endorsements/guarantees provided. (Table 1)
- 3) Significant marketable securities held at the end of the period (excluding investments in subsidiaries and associates). (Table 2)
- 4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (None)
- 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 3)
- 6) Others: The business relationships and significant transactions and amounts between parent and subsidiaries and between subsidiaries. (Table 6)

b. Information about investees. (Table 4)

c. Information on Investments in Mainland China:

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

- e) The highest balance during the period, the end of period balance, the interest rate range, and total current period interest with respect to the financing of funds. (None)
- f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services. (None)

35. **DEPARTMENT INFORMATION**

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. According to IFRS 8 “Operating Segments”, the Group should disclose the segment information of plastic raw materials and glass wool products (including cubic printing products).

Segment revenue and results

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

	Segment revenue		Segment loss	
	January 1 to June 30, 2025	January 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Plastic raw materials	\$ 7,797,297	\$ 8,462,792	(\$ 189,690)	(\$ 320,710)
Glasswool (including cubic printing)	<u>285,071</u>	<u>270,962</u>	<u>20,343</u>	<u>34,334</u>
Total amount from continuing operations	<u>\$ 8,082,368</u>	<u>\$ 8,733,754</u>	(169,347)	(286,376)
Interest income			20,861	22,819
Other income			10,119	21,037
Other gains and losses			(181,024)	78,102
Share of profit or loss of associates accounted for using the equity method			(13,925)	9,997
Financial costs			(<u>21,620</u>)	(<u>19,404</u>)
Net loss before tax from continuing operations			(<u>\$ 354,936</u>)	(<u>\$ 173,825</u>)

The revenue reported above is generated from the transactions with external clients. There were no intersegment transactions in the six months ended June 30, 2025 and 2024.

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

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

TABLE 1

Taita Chemical Co., Ltd. and Subsidiaries

Endorsements/Guarantees Provided
January 1 to June 30, 2025
(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	\$ 5,612,430	\$ 87,900 (USD 3,000 thousand)	\$ 87,900 (USD 3,000 thousand)	\$ -	\$ -	1.57	\$ 8,418,645	Yes	No	No

Note 1: The calculation was based on the spot exchange rate of June 30, 2025.

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

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

TABLE 2

Taita Chemical Co., Ltd. and Subsidiaries

Significant Marketable Securities Held at the End of the Period
June 30, 2025
(In Thousands of New Taiwan Dollars,Unless Stated Otherwise)

Holding company name	Type and name of marketable securities	Relationship with the holding company	Financial statement account	End of the period				Note
				Number of shares/units	Carrying amount	Percentage of ownership (%)	Fair value	
Taita Chemical Co., Ltd. —	<u>Shares</u> USI Corporation	Ultimate parent company	Financial assets at fair value through other comprehensive income - non-current	15,109,901	\$ 137,047	1.27	\$ 137,047	Note 1
	Harbinger Venture Capital Corp.	—	"	990	5	0.50	5	Note 2
	Taiwan Cement Corporation	—	Financial assets at FVTPL - current	2,000,000	51,000	0.03	51,000	Note 1
	<u>Beneficiary securities</u> Cathay No. 1 Real Estate Investment Trust Fund	—	Financial assets at FVTPL - current	3,963,000	59,485	-	59,485	Note 1
	<u>Mutual funds</u> Yuanta U.S. Government 20+ Year Bond Fund	—	Financial assets at FVTPL - current	580,000	14,529	-	14,529	Note 1
TAITA (BVI) Holding Co., Ltd.	<u>Shares</u> Budworth Investment Ltd.	—	Financial assets at fair value through other comprehensive income - non-current	20,219	- (USD - thousand)	2.22	- (USD - thousand)	Note 2
	Teratech Corporation	—	Financial assets at FVTPL - non-current	112,000	-	0.74	-	Note 3
	Sohoware Inc. - Preferred Shares	—	"	100,000	-	-	-	Note 3

Note 1: The fair value is calculated based on the closing prices at Taiwan Stock Exchange on the last trading day of June 2025.

Note 2: 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 3: As of June 30, 2025, the fair value of equity investment was evaluated by the Group as 0.

Note 4: This table presents marketable securities deemed material by the Company in accordance with the materiality principle.

TABLE 3

Taita Chemical Co., Ltd. and Subsidiaries

Receivables from Related Parties Amounting to at Least NT\$100 Million or 20% of the Paid-in Capital
June 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company name	Counterparty Name	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 \$267,456 (USD 9,128 thousand) (Notes 1 and 3)	-	\$ 267,456	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: There was no amount received as of August 6, 2025.

Note 3: At the time of the preparation of the consolidated financial report, it had been fully written off.

TABLE 4

Taita Chemical Co., Ltd. and Subsidiaries

Information on Investees
January 1 to June 30, 2025
(In Thousands of New Taiwan Dollars,Unless Stated Otherwise

Investor company	Investee company	Location	Main businesses and products	Original investment amount		End-of-period holdings			Net income (loss) of investee	Share of Profits (Loss)	Note
				End of the Current Period	Ending balance of the previous period	Number of shares	Percentage (%)	Carrying amount			
Taita Chemical Co., Ltd.	TAITA (BVI) Holding Co., Ltd.	British Virgin Islands	Reinvestment	\$ 2,629,323 (USD 89,738 thousand)	\$ 2,629,323 (USD 89,738 thousand)	89,738,000	100.00	\$ 2,958,685 (USD100,979 thousand)	\$ 11,252 (USD312 thousand)	\$ 11,252 (USD312 thousand)	Subsidiary (Notes 1 and 3)
	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	156,927	(674,038)	(13,360)	Investee accounted for using the equity method (Note 1)
	China General Terminal & Distribution Corporation	Taipei, Taiwan	Warehousing and transportation of petrochemical raw materials	41,082	41,082	25,053,468	33.33	296,409	8,559	2,853	Investee accounted for using the equity method (Note 2)
	Acme Electronics Corporation	Taipei, Taiwan	Manufacture and marketing of manganese-zinc and ferrite core	55,702	55,702	4,991,556	2.34	42,020	(82,008)	(1,922)	Investee accounted for using the equity method (Note 1)
TAITA (BVI) Holding Co., Ltd.	ACME Electronics (Cayman) Corp.	British Cayman Islands	Reinvestment	65,342 (USD 2,230)	65,342 (USD 2,230)	3,225,693	4.42	73,223 (USD2,499 thousand)	(33,871) (USD -1,052 thousand)	-	Investee accounted for using the equity method (Note 1)

- Note 1: The calculation is based on the financial statements of the investee company during the same period which have been reviewed by CPAs.
- Note 2: The calculation is based on the financial statements of the investee company during the same period which have not been reviewed by CPAs.
- Note 3: At the time of the preparation of the consolidated financial report, it had been fully written off.
- Note 4: Please refer to Table 5 for relevant information of mainland investee companies.

TABLE 5

Taita Chemical Co., Ltd. and Subsidiaries

Information on Investments in Mainland China

January 1 to June 30, 2025

(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)”) (Note 7)	Production and marketing of polystyrene derivatives	\$ 1,355,125 (USD 46,250 thousand) (Note 1)	Reinvest in the mainland companies by establishing a company through investment in the third region	\$ 1,259,900 (USD 43,000 thousand)	\$ -	\$ -	\$ 1,259,900 (USD 43,000 thousand)	\$ 15,171 (USD434 thousand)	100.00	\$ 15,171 (USD434 thousand)	\$ 1,759,228 (USD60,042 thousand)	\$ -
Taita Chemical (Tianjin) Co., Ltd. (“TTC (TJ)”) (Notes 7 and 8)	Production and marketing of polystyrene derivatives	801,355 (USD 27,350 thousand) (Note 2)	Reinvest in the mainland companies by establishing a company through investment in the third region	761,800 (USD 26,000 thousand)	-	-	761,800 (USD 26,000 thousand)	(8,408) (USD -263 thousand)	100.00	(8,408) (USD -263 thousand)	(191,903) (USD -6,550 thousand)	-
Zhangzhou Taita Chemical Company, Limited (TTCZZ) (Note 7)	Production and marketing of polystyrene derivatives	1,423,381 (USD 48,580 thousand) (Note 3)	Reinvest in the mainland companies by establishing a company through investment in the third region	-	-	-	-	5,919 (USD 185 thousand)	100.00	5,919 (USD 185 thousand)	1,299,782 (USD44,361 thousand)	-
Acme Electronics (Kunshan) Co., Ltd. (“ACME (KS)”) (Note 7)	Manufacturing and marketing of manganese-zinc soft ferrite core	900,243 (USD 30,725 thousand)	Reinvest in a mainland company by reinvesting in the existing company in the third region, ACME Electronics (Cayman) Corp.	39,673 (USD 1,354 thousand)	-	-	39,673 (USD 1,354 thousand)	2,455 (USD93 thousand)	4.42	108 (USD4 thousand)	26,330 (USD899 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
\$ 2,061,373 (USD 70,354 thousand)	\$ 3,686,447 (USD 125,817 thousand) (Note 4)	\$ - (Note 5)

Note 1: Taita Zhongshan increased capital from surplus of US\$3,250 thousand in 2007.

Note 2: Taita Tianjin increased capital from surplus of US\$1,350 thousand in 2012.

Note 3: ZTC has registered for establishment in 2021, and TAITA (BVI) injected capital of ZTC amounted to US\$48,580 thousand on March 8, 2022.

Note 4: It includes the capital increase transferred from surplus by TAITA (ZS) of US\$3,250 thousand, capital increase transferred from surplus by TAITA (TJ) of US\$1,350 thousand, capital increase transferred from surplus by ACME (KS) of US\$802 thousand and capital injection from TAITA (BVI) to ZTC of US\$50,000 thousand.

Note 5: As the Company has obtained the certificate of compliance with the operational scope issued by the Department of Investment Review, MOEA No. 11451013810 on May 20, 2025, the upper limit on investment in mainland China is not applicable.

Note 6: The basis for investment income (loss) recognition is from financial statements reviewed and attested by the parent company’s ROC-based CPA.

Note 7: At the time of the preparation of the consolidated financial report, it had been fully written off.

Note 8: The Company’s management decided to suspend TTC (TJ)’s production from April 2019, please refer to Note 12 for details.

TABLE 6

Taita Chemical Co., Ltd. and Subsidiaries

Intercompany relationships and significant intercompany transactions
January 1 to June 30, 2025
Unit: NT\$ thousand

No.	Trading company	Counterparty	Relationships with trader	Transaction details			
				Financial statement account	Amount (Note 2)	Transaction details	Accounted for consolidated total revenue or The ratio of total assets (%) (Note 1)
0	Taita Chemical Co., Ltd.	Taita Chemical (Tianjin) Co., Ltd.	The parent company to its subsidiary	Other receivables from related parties	\$ 267,456	No significant difference with non-related parties	3.03
1	TAITA (BVI) Holding Co., Ltd.	Taita Chemical (Tianjin) Co., Ltd.	The parent company to its subsidiary	Other payables from related parties	4,395	No significant difference with non-related parties	0.05

Note 1: The amount of the transactions is calculated as the ratio of the consolidated total revenue or total assets. In the case of asset/liability accounts, the balance at the end of the period is calculated as the proportion of the consolidated total assets.

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