

Taita Chemical Company, Ltd. and
subsidiaries

Consolidated Financial Statements
and Independent Auditors' Report
For the Second Quarter of 2026 and 2025

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Independent Auditors' Report

To: Taita Chemical Co., Ltd.:

Foreword

The consolidated balance sheets of Taita Chemical Co., Ltd. and its subsidiaries as of June 30, 2026, and 2025, the consolidated statements of comprehensive income for the periods from April 1 to June 30, 2026, and 2025, and from January 1 to June 30, 2026, and 2025, the consolidated statements of changes in equity for the periods from January 1 to June 30, 2026, and 2025, the consolidated statements of cash flows for the periods from January 1 to June 30, 2026, and 2025, 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 for Qualified Conclusion

As mentioned in Note 13 of 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 were not reviewed by CPAs. The balances of long-term equity investments accounted for using the equity method as of June

30, 2026, and 2025, were NT\$283,425 thousand and NT\$296,409 thousand, respectively, both accounting for 3% of total consolidated assets. The related total comprehensive income for the periods from April 1 to June 30, 2026, and 2025, and from January 1 to June 30, 2026, and 2025, amounted to NT\$(22,457) thousand, NT\$3,771 thousand, NT\$(3,720) thousand, and NT\$(6,422) thousand, respectively, accounting for 7%, (1)%, 1%, and 1% 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.

Qualified Conclusion

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 for Qualified Conclusion 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, 2026, and 2025, as well as their consolidated financial performance for the periods from April 1 to June 30, 2026, and 2025, and their consolidated financial performance and cash flows from January 1 to June 30, 2026, and 2025, 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 5, 2026

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 Company, Ltd. and subsidiaries

Consolidated Balance Sheets
June 30, 2026, and December 31, 2025, and June 30, 2025
Unit: NT\$ 1,000

Code	Assets	June 30, 2026		December 31, 2025		June 30, 2025	
		Amount	%	Amount	%	Amount	%
	CURRENT ASSETS						
1100	Cash and cash equivalents (Note 6)	\$ 338,980	4	\$ 669,196	8	\$ 787,725	9
1110	Financial assets at fair value through profit or loss - current (Note 7)	102,869	1	133,467	2	125,014	1
1136	Financial assets at amortized cost - current (Notes 9 and 30)	1,491,065	18	1,836,031	21	1,477,387	17
1150	Notes receivable (Note 10)	198,222	2	128,102	2	167,335	2
1170	Accounts receivable (Note 10)	1,173,379	14	1,464,925	17	1,981,472	23
1180	Accounts receivable from related parties (Notes 10 and 29)	-	-	2	-	-	-
1200	Other receivables (Note 10)	79,810	1	87,197	1	77,018	1
1210	Other receivables from related parties (Notes 10 and 29)	3,833	-	179	-	4,858	-
1220	Current tax assets (Note 4)	2,491	-	9,505	-	4,772	-
130X	Inventories (Note 11)	1,514,792	18	881,597	10	826,933	9
1410	Prepayments and other current assets (Note 29)	153,768	2	91,869	1	114,090	1
11XX	Total current assets	5,059,209	60	5,302,070	62	5,566,604	63
	Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 8)	202,477	3	167,724	2	137,052	2
1535	Financial assets at amortized cost - non-current (Note 9)	-	-	-	-	40,930	1
1550	Investments accounted for using the equity method (Note 13)	562,809	7	565,731	7	568,579	6
1600	Property, plant and equipment (Note 14)	1,861,030	22	1,878,149	22	1,876,492	21
1755	Right-of-use assets (Note 15)	249,355	3	244,310	3	230,315	3
1760	Net investment properties (Note 16)	108,178	1	108,178	1	108,178	1
1840	Deferred tax assets (Note 4)	333,356	4	270,133	3	261,197	3
1990	Other non-current assets (Note 30)	27,504	-	32,638	-	26,587	-
15XX	Total non-current assets	3,344,709	40	3,266,863	38	3,249,330	37
1XXX	Total	\$ 8,403,918	100	\$ 8,568,933	100	\$ 8,815,934	100
	Liabilities and equity						
	CURRENT LIABILITIES						
2100	Short-term borrowings (Note 17)	\$ 1,660,000	20	\$ 1,290,000	15	\$ 1,730,000	20
2110	Short-term notes and bills payable (Note 17)	-	-	99,981	1	-	-
2120	Financial liabilities at fair value through profit or loss - current (Note 7)	-	-	209	-	-	-
2170	Accounts payable (Note 18)	452,101	5	625,390	7	741,672	8
2180	Accounts payable to related parties (Notes 18 and 29)	76	-	74	-	472	-
2200	Other payables (Note 19)	293,655	4	297,489	4	353,422	4
2220	Other payables to related parties (Note 29)	24,381	-	2,830	-	35,305	-
2280	Lease liabilities - current (Notes 15 and 29)	4,795	-	4,769	-	4,743	-
2365	Refund liabilities - current (Note 20)	998	-	1,539	-	1,254	-
2399	Other current liabilities	28,951	-	40,398	1	55,871	1
21XX	Total current liabilities	2,464,957	29	2,362,679	28	2,922,739	33
	Non-current liabilities						
2540	Long-term borrowings (Note 17)	300,000	4	150,000	2	-	-
2570	Deferred income tax liabilities (Note 4)	217,656	3	249,121	3	206,259	2
2580	Lease liabilities - non-current (Notes 15 and 29)	17,204	-	19,608	-	22,000	-
2640	Net defined benefit liabilities - non-current (Notes 4 and 21)	20,544	-	28,450	-	47,546	1
2670	Other non-current liabilities	5,738	-	5,276	-	4,960	-
25XX	Total non-current liabilities	561,142	7	452,455	5	280,765	3
2XXX	Total liabilities	3,026,099	36	2,815,134	33	3,203,504	36
	Equity attributable to owners of the Company (Notes 13 and 22)						
	Share capital						
3110	Ordinary shares	3,975,868	47	3,975,868	47	3,975,868	45
3200	Capital surplus	3,946	-	3,954	-	3,241	-
	Retained earnings						
3310	Legal reserve	502,038	6	502,038	6	502,038	6
3320	Special reserve	308,061	4	308,061	3	308,061	3
3350	Unappropriated earnings	405,381	5	934,583	11	1,054,000	12
3300	Total retained earnings	1,215,480	15	1,744,682	20	1,864,099	21
3400	Other equity	182,525	2	29,295	-	(230,778)	(2)
3XXX	Total equity	5,377,819	64	5,753,799	67	5,612,430	64
	Total liabilities and equity	\$ 8,403,918	100	\$ 8,568,933	100	\$ 8,815,934	100

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

(Please refer to the Auditors’ Review Report by Deloitte & Touche on August 5, 2026)

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Taita Chemical Company, Ltd. and subsidiaries

Consolidated Statement of Comprehensive Income

For the periods from April 1 to June 30, 2026 and 2025, and from January 1 to June 30, 2026 and 2025

Unit: In Thousands of New Taiwan Dollars, except Loss per Share

Code		April 1 to June 30, 2026		April 1 to June 30, 2025		January 1 to June 30, 2026		January 1 to June 30, 2025	
		Amount	%	Amount	%	Amount	%	Amount	%
4100	Net revenue (Notes 20, 23 and 29)	\$ 2,839,988	100	\$ 3,849,601	100	\$ 6,173,020	100	\$ 8,082,368	100
5110	Cost of goods sold (Notes 11, 15, 21, 24 and 29)	<u>2,625,762</u>	<u>93</u>	<u>3,691,940</u>	<u>96</u>	<u>6,017,336</u>	<u>97</u>	<u>7,715,349</u>	<u>95</u>
5900	Gross profit	<u>214,226</u>	<u>7</u>	<u>157,661</u>	<u>4</u>	<u>155,684</u>	<u>3</u>	<u>367,019</u>	<u>5</u>
	Operating expenses (Notes 10, 15, 21, 24 and 29)								
6100	Selling and marketing expenses	148,325	5	218,156	6	318,403	5	442,300	6
6200	Administrative expenses	43,012	2	40,043	1	84,839	2	83,871	1
6300	Research and development expenses	3,151	-	3,849	-	7,838	-	8,504	-
6450	Expected credit impairment loss	<u>178,874</u>	<u>6</u>	<u>217</u>	<u>-</u>	<u>178,946</u>	<u>3</u>	<u>1,691</u>	<u>-</u>
6000	Total operating expenses	<u>373,362</u>	<u>13</u>	<u>262,265</u>	<u>7</u>	<u>590,026</u>	<u>10</u>	<u>536,366</u>	<u>7</u>
6900	Net operating loss	(<u>159,136</u>)	(<u>6</u>)	(<u>104,604</u>)	(<u>3</u>)	(<u>434,342</u>)	(<u>7</u>)	(<u>169,347</u>)	(<u>2</u>)
	Non-operating income and expenses (Notes 7, 13, 16, 24 and 29)								
7100	Interest income	8,297	-	11,394	-	16,981	-	20,861	-
7010	Other income	8,064	-	6,529	-	8,493	-	10,119	-
7020	Other gains and losses	(175,411)	(6)	(207,777)	(5)	(152,426)	(3)	(181,024)	(2)
7060	Share of profit or loss of associates accounted for using equity method	(2,327)	-	2,121	-	(11,259)	-	(13,925)	-
7510	Financial costs	(<u>12,220</u>)	<u>-</u>	(<u>9,743</u>)	<u>-</u>	(<u>22,520</u>)	<u>-</u>	(<u>21,620</u>)	(<u>1</u>)
7000	Total non-operating income and expenses	(<u>173,597</u>)	(<u>6</u>)	(<u>197,476</u>)	(<u>5</u>)	(<u>160,731</u>)	(<u>3</u>)	(<u>185,589</u>)	(<u>3</u>)
7900	Loss before Income Tax	(332,733)	(12)	(302,080)	(8)	(595,073)	(10)	(354,936)	(5)
7950	Income tax gain (Notes 4 and 25)	(<u>75,365</u>)	(<u>3</u>)	(<u>58,764</u>)	(<u>2</u>)	(<u>125,509</u>)	(<u>2</u>)	(<u>57,536</u>)	(<u>1</u>)
8200	Net loss for the period	(<u>257,368</u>)	(<u>9</u>)	(<u>243,316</u>)	(<u>6</u>)	(<u>469,564</u>)	(<u>8</u>)	(<u>297,400</u>)	(<u>4</u>)
	Other comprehensive income (loss) (Notes 8, 13, 22 and 25)								
8310	Items that will not be reclassified to profit or loss:								
8316	Unrealized gain (loss) on investments in equity instruments measured at fair value through other comprehensive income	(73,283)	(2)	(25,385)	(1)	34,753	1	(25,385)	(1)
8320	Share of other comprehensive income of associates accounted for using equity method - unrealized gain (loss) on investments in equity instruments measured at fair value through other comprehensive income	(<u>19,174</u>)	(<u>1</u>)	(<u>8,458</u>)	<u>-</u>	<u>5,996</u>	<u>-</u>	(<u>9,479</u>)	<u>-</u>
		(<u>92,457</u>)	(<u>3</u>)	(<u>33,843</u>)	(<u>1</u>)	<u>40,749</u>	<u>1</u>	(<u>34,864</u>)	(<u>1</u>)
8360	Items that may be reclassified to profit or loss:								
8361	Exchange differences on translating the financial statements of foreign operations	30,611	1	(376,791)	(10)	136,688	2	(330,917)	(4)
8371	Share of the other comprehensive income of associates accounted for using equity method - exchange differences on translation of foreign financial statements	(105)	-	(12,372)	-	3,501	-	(10,075)	-
8399	Income tax relating to items that may be reclassified to profit or loss	(<u>6,063</u>)	<u>-</u>	<u>76,794</u>	<u>2</u>	(<u>27,708</u>)	<u>-</u>	<u>67,317</u>	<u>1</u>
		<u>24,443</u>	<u>1</u>	(<u>312,369</u>)	(<u>8</u>)	<u>112,481</u>	<u>2</u>	(<u>273,675</u>)	(<u>3</u>)
8300	Other comprehensive income (losses) for the period (net of income tax)	(<u>68,014</u>)	(<u>2</u>)	(<u>346,212</u>)	(<u>9</u>)	<u>153,230</u>	<u>3</u>	(<u>308,539</u>)	(<u>4</u>)
8500	Total comprehensive income for the period	(\$ <u>325,382</u>)	(<u>11</u>)	(\$ <u>589,528</u>)	(<u>15</u>)	(\$ <u>316,334</u>)	(<u>5</u>)	(\$ <u>605,939</u>)	(<u>8</u>)
	Loss per share (Note 26)								
9710	Basic	(\$ <u>0.65</u>)		(\$ <u>0.61</u>)		(\$ <u>1.18</u>)		(\$ <u>0.75</u>)	
9810	Diluted	(\$ <u>0.65</u>)		(\$ <u>0.61</u>)		(\$ <u>1.18</u>)		(\$ <u>0.75</u>)	

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

(Please refer to the Auditors' Review Report by Deloitte & Touche on August 5, 2026)

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Taita Chemical Company, Ltd. and subsidiaries

Consolidated statement of changes in equity
January 1 to June 30, 2026 and 2025
Unit: NT\$ 1,000

Equity attributable to owners of the Company (Notes 13 and 22)														
		Equity attributable to owners of the Company (Notes 13 and 22)									Other equity			
		Share capital		Capital surplus			Retained earnings				Exchange differences on translating the financial statements of foreign operations	Unrealized gain (loss) on financial assets measured at fair value through other comprehensive income	Total	Total equity
Code		Share (in thousands of shares)	Amount	Long-term equity investment	Other capital surplus	Total	Legal reserve	Special reserve	Unappropriated earnings	Total				
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 to shareholders	-	-	-	-	-	-	-	(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
A1	Balance as of January 1, 2026	397,587	\$ 3,975,868	\$ 2,824	\$ 1,130	\$ 3,954	\$ 502,038	\$ 308,061	\$ 934,583	\$ 1,744,682	(\$ 72,159)	\$ 101,454	\$ 29,295	\$ 5,753,799
B5	Appropriation of 2025 earnings Cash dividends to shareholders	-	-	-	-	-	-	-	(59,638)	(59,638)	-	-	-	(59,638)
C17	Changes in other capital surplus	-	-	(8)	-	(8)	-	-	-	-	-	-	-	(8)
D1	Net loss for the period from January 1 to June 30, 2026	-	-	-	-	-	-	-	(469,564)	(469,564)	-	-	-	(469,564)
D3	Other comprehensive income (loss) for the period from January 1 to June 30, 2026, net after income tax	-	-	-	-	-	-	-	-	-	112,481	40,749	153,230	153,230
D5	Total comprehensive income (loss) for the period from January 1 to June 30, 2026	-	-	-	-	-	-	-	(469,564)	(469,564)	112,481	40,749	153,230	(316,334)
Z1	Balance as of June 30, 2026	397,587	\$ 3,975,868	\$ 2,816	\$ 1,130	\$ 3,946	\$ 502,038	\$ 308,061	\$ 405,381	\$ 1,215,480	\$ 40,322	\$ 142,203	\$ 182,525	\$ 5,377,819

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Taita Chemical Company, Ltd. and subsidiaries

Consolidated Statement of Cash Flows

January 1 to June 30, 2026 and 2025

Unit: NT\$ 1,000

Code		January 1 to June 30, 2026	January 1 to June 30, 2025
	Cash flows from operating activities		
A10000	Net loss before income tax for the period	(\$ 595,073)	(\$ 354,936)
A20010	Adjustments for:		
A20100	Depreciation expenses	107,866	107,655
A20300	Expected credit impairment loss	178,946	1,691
A29900	Gain on lease modification	-	(1,643)
A20400	Net loss on financial instruments measured at fair value through profit or loss	2,985	15,422
A20900	Financial costs	22,520	21,620
A21200	Interest income	(16,981)	(20,861)
A21300	Dividend income	(2,266)	(3,022)
A22300	Share of profit or loss of associates accounted for using equity method	11,259	13,925
A22500	Loss on disposal of property, plant, and equipment	141	113
A23800	Write-down of inventory valuation and obsolescence	10,256	12,170
A29900	Other inventory losses	178,866	-
A29900	Recognition of refund liabilities	3,922	3,717
A30000	Changes in operating assets and liabilities		
A31115	Financial Instruments Measured at Fair Value Through Profit or Loss	27,404	280,570
A31130	Notes receivable	(64,195)	104,762
A31150	Accounts receivable	134,946	79,757
A31160	Accounts receivable from related parties	2	7,665
A31180	Other receivables	(689)	14,690
A31190	Other receivables from related parties	(211)	1,452
A31200	Inventories	(813,681)	275,536
A31230	Prepayments and other current assets	(59,611)	(1,747)
A32150	Accounts Payable	(175,263)	(165,039)
A32160	Accounts payable to related parties	2	393
A32180	Other payables	(45,998)	(53,360)
A32190	Other payables to related parties	(943)	(816)
A32230	Other current liabilities	(11,771)	(557)
A32240	Net defined benefit liability	(7,906)	(8,559)
A33000	Net cash inflow (outflow) from operations	(1,115,473)	330,598
A33100	Interest received	25,852	30,676

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Code		January 1 to June 30, 2026	January 1 to June 30, 2025
A33300	Interest paid	(\$ 21,893)	(\$ 21,557)
A33500	Income tax refund (paid)	<u>9,954</u>	(<u>22,253</u>)
AAAA	Net cash inflow (outflow) from operating activities	(<u>1,101,560</u>)	<u>317,464</u>
	Cash flows from investing activities		
B00040	Acquisition of financial assets measured at amortized cost	(1,146,050)	(385,521)
B00050	Disposal of financial assets measured at amortized cost	1,567,436	134,541
B02700	Acquisition of property, plant and equipment	(66,091)	(72,348)
B03700	Increase in refundable deposits	-	(2,937)
B03800	Decrease in refundable deposits	172	19,867
B05350	Disposal of right-of-use assets	<u>-</u>	<u>1,818</u>
BBBB	Net cash inflow (outflow) from investing activities	<u>355,467</u>	(<u>304,580</u>)
	Cash flows from financing activities		
C00100	Increase (decrease) in short-term borrowings	370,000	(110,000)
C00600	Decrease in short-term notes payable	(100,315)	-
C01600	Proceeds from long-term borrowings	150,000	-
C03000	Increase in deposits received	331	613
C04020	Repayments of lease principal	(2,378)	(2,351)
C04500	Payments of cash dividends	(<u>94</u>)	(<u>61</u>)
CCCC	Net cash inflow (outflow) from financing activities	<u>417,544</u>	(<u>111,799</u>)
DDDD	Effect of exchange rate changes on cash and cash equivalents	(<u>1,667</u>)	<u>424</u>
EEEE	NET DECREASE IN CASH AND CASH EQUIVALENTS FOR THE PERIOD	(330,216)	(98,491)
E00100	Balance of cash and cash equivalents at the beginning of the period	<u>669,196</u>	<u>886,216</u>
E00200	Balance of cash and cash equivalents at the end of the period	<u>\$ 338,980</u>	<u>\$ 787,725</u>

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

(Please refer to the Auditors' Review Report by Deloitte & Touche on August 5, 2026)

Notice to Readers:

The 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 Company, Ltd. and subsidiaries

Notes to the Consolidated Financial Statements

January 1 to June 30, 2026 and 2025

(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 Company has become listed on the Taiwan Stock Exchange since 1986. The Company’s ultimate parent company is USI Corporation, which held indirectly 36.79% of the common stocks of the Company as of June 30, 2026. USI Corporation has operational control over the Company.

The consolidated financial statements are presented in the New Taiwan dollar, the Company’s functional currency.

2. AUTHORIZATION DATE AND PROCEDURES FOR FINANCIAL STATEMENTS

The Consolidated Financial Statements were approved by the Company’s Board of Directors on August 5, 2026.

3. APPLICATION OF NEWLY ISSUED AND AMENDED STANDARDS AND INTERPRETATIONS

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

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Group’s accounting policies.

- b. IFRS Accounting Standards approved by the Financial Supervisory Commission applicable for the year 2027

<u>New/Revised/Amended Standards and Interpretations</u>	<u>Effective Date Announced by IASB</u>
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note 1)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures” (including the amendment in 2025)	January 1, 2027
Amendments to IAS 21 – “Translation to a Hyperinflationary Presentation Currency”	January 1, 2027
Amendment to IAS 28 – “Fair Value Option for Investments in Associates and Joint Ventures”	January 1, 2027 (Note 2)

Note 1: Domestic enterprises shall apply IFRS 18 from January 1, 2028, and may choose to adopt IFRS 18 early.

Note 2: These amendments shall be applied simultaneously upon the adoption of IFRS 18.

IFRS 18 “Presentation and Disclosure in Financial Statements” and Related Consequential Amendments, and Amendment to IAS 28 “Fair Value Option for Investments in Associates and Joint Ventures”

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

- The Group shall assess whether it engages in specific principal operating activities, including investing in particular types of assets and providing financing to customers, and, based on such assessment, classify items of income and expenses in the statement of profit or loss into operating, investing, financing, income tax, and discontinued operations 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 Group 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 Group 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 Group 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 Group’s overall financial performance, the Group 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.

Upon initial application of IFRS 18, an entity that is a venture capital organization, mutual fund, unit trust or similar entity (or an entity that holds such an investment indirectly) may elect to change the measurement of its investments in associates or joint ventures from the equity method to fair value through profit or loss. The amendments to IAS 28 clarify that the aforementioned “similar entities” include entities that, in accordance with IFRS 18, assess investments in a specified type of asset as a main business activity. If the Group meets the aforementioned conditions, it may elect to make this change at the date of initial application.

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

- When the Group prepares cash flows from operating activities using the indirect method, operating profit shall be used as the starting point for reconciliation.
- Interest and dividends received by the Group shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. Where the Group determines that it has specific principal operating activities, it shall consider the classification of dividend income, interest income, and interest expense presented in the statement of profit or loss in order to determine the classification of dividends received, interest received, and interest paid in the statement of cash flows. However, each of the aforementioned cash flows shall be classified within a single category of activities in the statement of cash flows.

The Group does not expect to adopt IFRS 18 and the related amendments early.

In addition to the above effects, as of the date of authorization of the consolidated financial statements, the Group 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.

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

<u>New/Revised/Amended Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note)</u>
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 20 “Regulatory Assets and Regulatory Liabilities”	January 1, 2029

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.

Till the date of authorization of the Consolidated Financial Statements, the Group has continued to assess the effects of the aforementioned amendments to standards and interpretations on its financial position and performance. Related impacts will be disclosed upon completion of the assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Compliance statement

The consolidated financial statements have been prepared in accordance with the Regulations Governing Preparation of Financial Reports by Securities Issuers and 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. Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value and net defined benefit liabilities recognized at the present value of defined benefit obligation less fair value of plan assets. The fair value measurements are grouped into Levels 1 to 3 based on the observability and significance of their input values:

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

c. Basis of consolidation

The consolidated financial statements include the financial statements of the Company and entities controlled by the Company (i.e., subsidiaries). The financial statements of the subsidiaries have been adjusted to bring their accounting policies in line with those adopted by the Group. All intragroup transactions, balances, income, and expenses are eliminated in full upon consolidation.

For details on subsidiaries, shareholding ratios, and operating items, please refer to Note 12, Table 4, and Table 5.

d. Other significant accounting policies

In addition to the following explanations, please refer to the Summary of Significant Accounting Policies in the 2025 Annual Consolidated Financial Report.

1) 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.

2) Income tax expenses

Income tax expenses are the sum of current income tax and deferred income tax. 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, ESTIMATIONS 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 2025 Annual Consolidated Financial Report.

6. **CASH AND CASH EQUIVALENTS**

	June 30, 2026	December 31, 2025	June 30, 2025
Cash on hand and petty cash	\$ 333	\$ 363	\$ 371
Bank checks and demand deposits	274,947	455,109	378,245
Cash equivalents			
Time deposits	63,700	213,724	199,240
Reverse repurchase agreements collateralized by bonds	-	-	209,869
	<u>\$ 338,980</u>	<u>\$ 669,196</u>	<u>\$ 787,725</u>

7. FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Financial assets mandatorily measured at fair value through profit or loss</u>			
Non-derivative financial assets			
—Domestic listed shares	\$ 48,100	\$ 46,400	\$ 51,000
—Foreign unlisted shares	-	-	-
—Beneficiary securities	54,769	57,067	59,485
—Fund beneficiary certificates	-	30,000	14,529
	<u>\$ 102,869</u>	<u>\$ 133,467</u>	<u>\$ 125,014</u>
<u>Financial liabilities held for trading</u>			
Derivatives (not under hedge accounting)			
—Foreign exchange forward contracts	\$ -	\$ 209	\$ -

Forward foreign exchange contracts that are not applicable to hedge accounting and have not been outstanding yet on the balance sheet date are as follows (June 30, 2026 and 2025: None):

	Currency	Maturity period	Contract amount (in thousands)
<u>December 31, 2025</u>			
Forward foreign exchange sold	USD to TWD	2026.02.12~2026.03.05	USD 1,390/NTD 43,328

The main purpose of engaging in forward foreign exchange transactions by the consolidated company is to hedge against the risk of fluctuations in foreign currency assets and liabilities due to exchange rate movements. The forward foreign exchange contract held by the Group is not applicable to hedge accounting because it does not meet the effective hedging conditions.

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

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Investments in equity instruments</u>			
Domestic investments			
Listed shares	\$ 202,472	\$ 167,719	\$ 137,047
Unlisted shares	<u>5</u>	<u>5</u>	<u>5</u>
Subtotal	202,477	167,724	137,052
Overseas investments			
Unlisted shares	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 202,477</u>	<u>\$ 167,724</u>	<u>\$ 137,052</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. If short-term fluctuations in the fair value of these investments were recognized in profit or loss, it would not be in line with the Group's strategy of holding these investments for long-term purposes. Therefore, the management chose to designate these investments as measured at fair value through other comprehensive income.

9. FINANCIAL ASSETS AT AMORTIZED COST

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Current</u>			
Fixed-term deposits with original maturity over 3 months	\$ 1,486,065	\$ 1,831,031	\$ 1,474,387
Pledged certificates of deposit (Note 30)	<u>5,000</u>	<u>5,000</u>	<u>3,000</u>
	<u>\$ 1,491,065</u>	<u>\$ 1,836,031</u>	<u>\$ 1,477,387</u>
<u>Non-current</u>			
Fixed-term deposits with original maturity over 3 months	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,930</u>

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

10. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE, AND OTHER RECEIVABLES

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Notes receivable (a)</u>			
Arising from operations	<u>\$ 198,222</u>	<u>\$ 128,102</u>	<u>\$ 167,335</u>
<u>Accounts receivable (a)</u>			
Measured at amortized cost			
Total carrying amount	\$ 1,369,554	\$ 1,479,292	\$ 1,994,940
Less: Allowance for impairment loss	(<u>196,175</u>)	(<u>14,367</u>)	(<u>13,468</u>)
	<u>\$ 1,173,379</u>	<u>\$ 1,464,925</u>	<u>\$ 1,981,472</u>
Accounts receivable from related parties (a) (Note 29)	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ -</u>
<u>Other receivables (b)</u>			
Business tax refund receivable	\$ 70,014	\$ 56,235	\$ 70,033
Interest receivable	9,137	17,239	6,609
Claims receivable	-	13,106	-
Others	<u>659</u>	<u>617</u>	<u>376</u>
	<u>\$ 79,810</u>	<u>\$ 87,197</u>	<u>\$ 77,018</u>
Other receivables from related parties (Note 29)	<u>\$ 3,833</u>	<u>\$ 179</u>	<u>\$ 4,858</u>

a. Notes receivable and accounts receivable

The credit period for sales of merchandise by the Group ranges 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 handle the determination of credit line, approval of credit, and other monitoring procedures to ensure that appropriate action is taken to reclaim past-due receivables. Additionally, the Group has purchased credit insurance or, where necessary, secured collateral for some receivables, so as 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 the irrecoverable receivables. Prior to accepting a new client, the credit quality of the prospect client is assessed through the internal credit rating system and the credit facilities of the prospect will be set, and the transaction history and financial position of the individual client are regularly reviewed. Through this approach, 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 an account receivable when evidence indicates that the debtor is in severe financial difficulty and no reasonable recoverable amount can be anticipated by the Group. For written-off accounts receivable, the Group continues collection efforts with the subsequent recovered amounts recognized in profit or loss.

Loss allowances for notes and accounts receivable measured by the provision matrix are as follows:

June 30, 2026

	Credit Rating A	Credit Rating B	Credit Rating C	Others	Total
Total carrying amount	\$ 5,746	\$ 405,526	\$ 80,754	\$ 1,075,750	\$ 1,567,776
Loss allowance (lifetime ECL)	-	-	-	(196,175)	(196,175)
Amortized cost	<u>\$ 5,746</u>	<u>\$ 405,526</u>	<u>\$ 80,754</u>	<u>\$ 879,575</u>	<u>\$ 1,371,601</u>

December 31, 2025

	Credit Rating A	Credit Rating B	Credit Rating C	Others	Total
Total carrying amount	\$ 4,119	\$ 534,751	\$ 80,210	\$ 988,316	\$ 1,607,396
Loss allowance (lifetime ECL)	-	-	-	(14,367)	(14,367)
Amortized cost	<u>\$ 4,119</u>	<u>\$ 534,751</u>	<u>\$ 80,210</u>	<u>\$ 973,949</u>	<u>\$ 1,593,029</u>

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 ECL)	-	-	-	(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>

Changes in loss allowance for accounts receivable are as follows:

	January 1 to June 30, 2026	January 1 to June 30, 2025
Beginning balance	\$ 14,367	\$ 13,261
Expected credit impairment loss	178,946	1,691
Exchange difference	<u>2,862</u>	(<u>1,484</u>)
Ending balance	<u>\$ 196,175</u>	<u>\$ 13,468</u>

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

	June 30, 2026	December 31, 2025	June 30, 2025
Not past due	\$ 1,245,470	\$ 1,350,921	\$ 2,042,102
Within 60 days past due	167,919	209,633	89,215
Over 60 days past due	<u>154,387</u>	<u>46,842</u>	<u>30,958</u>
Total	<u>\$ 1,567,776</u>	<u>\$ 1,607,396</u>	<u>\$ 2,162,275</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, 2026 and December 31 and June 30, 2025 have been assessed for impairment losses on the basis of expected credit losses.

11. INVENTORIES

	June 30, 2026	December 31, 2025	June 30, 2025
Finished goods	\$ 747,619	\$ 431,877	\$ 437,419
Work in process	178,707	107,796	116,908
Raw materials	554,301	306,743	241,252
Supplies	<u>34,165</u>	<u>35,181</u>	<u>31,354</u>
	<u>\$ 1,514,792</u>	<u>\$ 881,597</u>	<u>\$ 826,933</u>

The cost of goods sold related to inventory for the periods from April 1 to June 30, 2026 and 2025, and from January 1 to June 30, 2026 and 2025, amounted to NT\$2,625,762 thousand, NT\$3,691,940 thousand, NT\$6,017,336 thousand, and NT\$7,715,349 thousand, respectively. The cost of goods sold for the periods from April 1 to June 30, 2026, and from January 1 to June 30, 2026, included (reversal of) provisions for loss on decline in realizable value of inventories amounting to NT\$(626) thousand and NT\$10,256 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.

12. **SUBSIDIARY**

Subsidiaries included in the consolidated financial statements

The entities involved in the preparation of the consolidated financial statements are listed as follows:

Investor company	Name of subsidiary	Nature of business	Percentage of ownership interests and voting rights			Description
			June 30, 2026	December 31, 2025	June 30, 2025	
The Company	TAITA (BVI) Holding Co., Ltd. (TAITA(BVI))	Investment holding company	100%	100%	100%	-
TAITA (BVI)	Taita Chemical (Zhongshan) Co., Ltd. ("TTC (ZS)")	The derivatives from the production and sale of styrene polymer	100%	100%	100%	1.
	Taita Chemical (Tianjin) Co., Ltd. ("TTC (TJ)")	The derivatives from the production and sale of styrene polymer	100%	100%	100%	2.
	Zhangzhou Taita Chemical Co., Ltd. ("TTC (ZZ)")	The derivatives from the production and sale of styrene polymer	100%	100%	100%	3.

- a. Till June 30, 2026, 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, 2026, the company's paid-in capital was USD 46,250 thousand.
- b. Till June 30, 2026, 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, 2026, 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 Taita Zhangzhou 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, 2026, 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 EQUITY METHOD

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Individually insignificant associates</u>			
Listed shares			
China General Plastics Corporation (CGPC)	\$ 152,578	\$ 153,125	\$ 156,927
Acme Electronics Corp. (“ACME”)	47,401	46,019	42,020
Unlisted shares			
China General Terminal & Distribution Corporation (CGTD)	283,425	287,145	296,409
ACME Electronics (Cayman) Corp. (ACME (Cayman))	<u>79,405</u>	<u>79,442</u>	<u>73,223</u>
	<u>\$ 562,809</u>	<u>\$ 565,731</u>	<u>\$ 568,579</u>

Aggregate information of individually insignificant associates

	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
The ownership stake held by the Group				
Net profit (loss) from continuing operations for the period	(\$ 2,327)	\$ 2,121	(\$ 11,259)	(\$ 13,925)
Other comprehensive incomes	(19,279)	(20,830)	9,497	(19,554)
Total comprehensive (loss) income for the year	(\$ 21,606)	(\$ 18,709)	(\$ 1,762)	(\$ 33,479)

The percentages of ownership interests and voting rights of the Group in associates at the balance sheet date are as follows:

Name of Associate	June 30, 2026	December 31, 2025	June 30, 2025
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 business nature, primary business location and country of registration of these 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).

Through long-term equity investment, the Group and its affiliates jointly hold more than 20% of the shareholdings of CGPC, ACME, ACME (Cayman) and have significant influence over each entity. Therefore, the Group adopted the equity method to evaluate the above investments.

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

Name of Associate	June 30, 2026	December 31, 2025	June 30, 2025
CGPC	<u>\$ 149,710</u>	<u>\$ 126,102</u>	<u>\$ 111,246</u>
ACME	<u>\$ 249,578</u>	<u>\$ 141,760</u>	<u>\$ 98,583</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 would cause no significant impact.

14. **PROPERTY, PLANT AND EQUIPMENT**

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Carrying amount by function</u>			
Freehold land	\$ 634,432	\$ 634,432	\$ 634,432
Buildings	216,075	223,785	224,502
Machinery equipment	845,399	872,231	774,671
Transportation equipment	2,253	2,261	2,169
Miscellaneous equipment	58,702	55,373	49,728
Construction in progress	<u>104,169</u>	<u>90,067</u>	<u>190,990</u>
	<u>\$ 1,861,030</u>	<u>\$ 1,878,149</u>	<u>\$ 1,876,492</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, 2026, and 2025.

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

Buildings	2-55 years
Machinery equipment	2-20 years
Transportation equipment	5-15 years
Miscellaneous equipment	2-15 years

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

15. **LEASE AGREEMENTS**

a. Right-of-use assets

	June 30, 2026	December 31, 2025	June 30, 2025
Carrying amount			
Land	<u>\$ 249,355</u>	<u>\$ 244,310</u>	<u>\$ 230,315</u>
	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026
Depreciation expense for right-of-use assets			January 1 to June 30, 2025
Land	<u>\$ 2,524</u>	<u>\$ 2,425</u>	<u>\$ 5,027</u>
			<u>\$ 4,940</u>

Except for the recognition of depreciation expenses, there was no significant increase, sublease or impairment of the Group's right-of-use assets for the six months ended June 30, 2026 and 2025.

b. Lease liabilities

	June 30, 2026	December 31, 2025	June 30, 2025
Carrying amount			
Current	<u>\$ 4,795</u>	<u>\$ 4,769</u>	<u>\$ 4,743</u>
Non-current	<u>\$ 17,204</u>	<u>\$ 19,608</u>	<u>\$ 22,000</u>

As of June 30, 2026, and December 31 and June 30, 2025, 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 29.

c. Other lease information

Please refer to Note 16 for the agreement of the Group to lease investment properties as an operating lease.

	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Short-term lease expenses	<u>\$ 4,869</u>	<u>\$ 4,143</u>	<u>\$ 9,491</u>	<u>\$ 8,695</u>
Lease expenses of low-value assets	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ 10</u>
Total cash outflow for leases	<u>\$ 6,123</u>	<u>\$ 5,401</u>	<u>\$ 11,998</u>	<u>\$ 11,211</u>

The Group elected to apply recognition to short-term leases, including offices, machinery equipment, and traffic and transportation equipment, and to low-value assets such as certain miscellaneous equipment. Therefore, related right-of-use assets and lease liabilities were not recognized for these leases.

16. INVESTMENT PROPERTY, NET

	June 30, 2026	December 31, 2025	June 30, 2025
Land	<u>\$ 108,178</u>	<u>\$ 108,178</u>	<u>\$ 108,178</u>

The investment properties of the Group is located in the Singbang Section of the Chienchen District, and the Linyuan Industrial Park, where the land is designated for industrial use, so the comparable market is inactive and alternative reliable measurements of fair value are not available. Therefore, the fair values of these investment properties are not reliably measurable. The land of the Qianzhen factory of the Group was leased to CGTD, ending in December 2025. The actual rental area was agreed upon, and collected on a monthly basis (please refer to Notes 24 and 29).

17. BORROWINGS

a. Short-term borrowings

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Unsecured borrowings</u>			
Line of credit borrowings	<u>\$ 1,660,000</u>	<u>\$ 1,290,000</u>	<u>\$ 1,730,000</u>

The interest rates for line of credit borrowings as of June 30, 2026, December 31, 2025, and June 30, 2025, were 0.88% to 2.06%, 0.88% to 1.99%, and 1.89% to 2.03%, respectively.

Some of the Group'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 Group shall propose improvement measures to the banks concerned. Till June 30, 2026, the Group has not violated the aforementioned financial ratios.

b. Short-term notes and bills payable (June 30, 2026 and 2025: None)

	<u>December 31, 2025</u>
Commercial paper payable	\$ 100,000
Less: Discount on short-term notes and bills payable	(<u>19</u>)
	<u>\$ 99,981</u>

Outstanding commercial paper payable not yet due is as follows:

December 31, 2025

<u>Guaranteeing/accepting institution</u>	<u>Face value</u>	<u>Discount amount</u>	<u>Carrying amount</u>	<u>Interest rate</u>
<u>Commercial paper payable</u>				
Ta Ching Bills Finance Corporation	\$ <u>100,000</u>	\$ <u>19</u>	\$ <u>99,981</u>	1.74%

c. Long-term borrowings

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
<u>Unsecured borrowings</u>			
Line of credit borrowings	\$ <u>300,000</u>	\$ <u>150,000</u>	\$ <u>-</u>

The annual interest rate of long-term loans of the Group is as follows (June 30, 2025: None):

	<u>June 30, 2026</u>	<u>December 31, 2025</u>
Credit borrowings	2.19%	2.19%

In order to fund medium to long-term working capital needs, the Group signed medium to long-term loan agreements with banks. The loan agreements will subsequently expire before December 2028 and these credit lines are used cyclically during the validity period. As of June 30, 2026, a total of NT\$300,000 thousand had been drawn down. Interest is payable monthly, and the principal will be repaid in two equal installments in June 2028 and December 2028.

Some of the Group'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 Group shall propose improvement measures to the banks concerned. Till June 30, 2026, the Group has not violated the aforementioned financial ratios.

18. ACCOUNTS PAYABLE

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Accounts payable (including related parties)</u>			
Arising from operations (Note 29)	\$ 452,177	\$ 625,464	\$ 742,144

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

19. OTHER PAYABLES

	June 30, 2026	December 31, 2025	June 30, 2025
Salaries and bonuses payable	\$ 58,772	\$ 75,687	\$ 53,095
Freight charges payable	48,468	56,218	84,103
Payables for dividends	44,625	7,575	57,612
Utilities payable	35,385	36,997	40,912
Equipment costs payable	16,342	13,682	29,651
Others	90,063	107,330	88,049
	<u>\$ 293,655</u>	<u>\$ 297,489</u>	<u>\$ 353,422</u>

20. REFUND LIABILITIES - CURRENT

	June 30, 2026	December 31, 2025	June 30, 2025
Sales allowances	\$ 998	\$ 1,539	\$ 1,254
	January 1 to June 30, 2026		January 1 to June 30, 2025
Beginning balance	\$ 1,539		\$ 1,215
Provision for the period	3,922		3,717
Returns and rebates for the period	(4,463)		(3,678)
Ending balance	<u>\$ 998</u>		<u>\$ 1,254</u>

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

21. POST-EMPLOYMENT BENEFIT PLANS

a. Defined contribution plans

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

The employees of the Group's subsidiary, TTC (ZS), in mainland China are members of a state-managed retirement benefit plan operated by the local government. The subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit schemes to fund the schemes. The obligation of the Group with respect to this state-managed retirement benefit plan is limited to making specified contributions.

b. Defined benefit plans

The Company establishes its pension system in accordance with the Labor Standards Act, which is a defined benefit plan as administered by the government of the ROC. The pension payment is calculated based on years of service and the average monthly salary for the six months preceding the approved retirement date. Starting from November 1986, the Company allocates a specific rate (12% currently) of the total monthly salary of employees as pension contribution, which is administered by the Company's Supervisory Committee of Labor Retirement Reserve and deposited in a specialized account at the Bank of Taiwan in the name of the Committee. This specialized account is entrusted to the Bureau of Labor Funds, Ministry of Labor for management, and the Company has no authority to influence the investment policy and strategy.

For the periods from April 1 to June 30 in 2026 and 2025, and from January 1 to June 30 in 2026 and 2025, 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, 2025 and December 31, 2024. The amounts recognized in profit or loss are summarized by function as follows:

	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Cost of goods sold	\$ 276	\$ 383	\$ 554	\$ 851
Selling and marketing expenses	11	15	22	31
Administrative expenses	6	7	11	14
Research and development expenses	9	14	18	30
	<u>\$ 302</u>	<u>\$ 419</u>	<u>\$ 605</u>	<u>\$ 926</u>

From January 1 to June 30, 2026 and 2025, the Company allocated NT\$8,511 thousand and NT\$9,485 thousand respectively to the Taiwan bank account designated by the Supervisory Committee of Labor Retirement Reserve.

22. **EQUITY**

a. Ordinary share capital

	June 30, 2026	December 31, 2025	June 30, 2025
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>

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

b. Capital surplus

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

Capital surplus arising from unpaid dividends due to overdue and from the Company's exercise of disgorgement rights may be used to offset a deficit only. Capital surplus arising from investments in associates accounted for using the equity method may not be used for any purpose.

c. Retained earnings and dividends policy

If the Company records net income after tax (NIAT) as indicated in its final annual accounts for the year, it can use it to cover any accumulated losses in previous years. If there is a balance remaining, ten percent of it shall be set aside as legal reserve, while

the rest shall be considered as distributable profit. This distributable profit shall then be combined with the undistributed earnings accumulated over the previous years. Part of this combined amount shall be appropriated to or reversed from special reserve as required by the law or the authority in charge, and the balance shall be treated as accumulated distributable profit. The Board of Directors shall propose a profit distribution plan which is then submitted to the shareholders' meetings for approval. The meeting may retain all or part of it based on the business performance of the Company. For the policies on the distribution of employees' compensation and remuneration of directors, refer to employees' compensation and remuneration of directors in Note 24 (h).

According to the Company's Articles of Incorporation, R&D requirements and business diversification are considered when allocating dividends as the Company's industry is at a maturity stage. Dividends paid to shareholders shall not be less than 10% of distributable profit in the current fiscal year and cash dividends shall not be less than 10% of the total dividends. However, dividends may be stopped if the distributable profit per share in the current fiscal year is less than NT\$ 0.1.

An appropriation of earnings to the legal reserve shall be made until the legal reserve balance reaches the total amount of paid-in capital of the Company. The legal reserve may be used to offset deficits. Where the Company incurs no loss, the portion of legal reserve exceeding 25% of the total paid-in capital may be capitalized as share capital and also 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, 2026, and May 28, 2025, where the resolutions for the distribution of earnings for the fiscal years 2025 and 2024 were approved as follows:

	Earnings distribution plans		Dividends per share (TWD)	
	2025	2024	2025	2024
Cash dividends	\$ 59,638	\$ 79,517	\$ 0.15	\$ 0.2

d. Special reserve

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

	June 30, 2026	December 31, 2025	June 30, 2025
Special reserve	<u>\$ 308,061</u>	<u>\$ 308,061</u>	<u>\$ 308,061</u>

The Company's amount of unrealized revaluation gain and cumulative translation 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, 2026, 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, 2026	January 1 to June 30, 2025
Beginning balance	(\$ 72,159)	(\$ 22,187)
Incurred this period		
Exchange differences on translation of foreign financial statements	136,688	(330,917)
Share from associates accounted for using the equity method	3,501	(10,075)
Related income tax	(27,708)	67,317
Ending balance	<u>\$ 40,322</u>	<u>(\$ 295,862)</u>

Exchange differences on translating net assets of foreign operations from their functional currency into the Group's presentation currency, the New Taiwan dollar. The resulting exchange differences are recognized in other comprehensive income as exchange differences on translation of foreign financial statements.

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

	January 1 to June 30, 2026	January 1 to June 30, 2025
Beginning balance	\$ 101,454	\$ 99,948
Incurred this period		
Unrealized gains (losses)		
Equity instruments	34,753	(25,385)
Share from associates accounted for using the equity method	5,996	(9,479)
Ending balance	<u>\$ 142,203</u>	<u>\$ 65,084</u>

23. REVENUE

	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Revenue from contracts with customers				
Revenue from the sale of goods	<u>\$ 2,839,988</u>	<u>\$ 3,849,601</u>	<u>\$ 6,173,020</u>	<u>\$ 8,082,368</u>

Please refer to Note 35 for segment revenue and operating results of main products.

24. PROFIT BEFORE INCOME TAX

a. Interest income

	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Bank Deposits	\$ 6,425	\$ 9,418	\$ 15,109	\$ 18,701
Reverse repurchase agreements collateralized by bonds	59	36	59	46
Other (Note 7)	<u>1,813</u>	<u>1,940</u>	<u>1,813</u>	<u>2,114</u>
	<u>\$ 8,297</u>	<u>\$ 11,394</u>	<u>\$ 16,981</u>	<u>\$ 20,861</u>

b. Other income

	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Rental income - operating lease (Notes 16 and 29)	\$ 386	\$ 2,633	\$ 692	\$ 5,211
Government subsidies	3,000	-	3,003	810
Dividend income—				
Financial assets measured at fair value through other comprehensive income	2,266	3,022	2,266	3,022
Others	<u>2,412</u>	<u>874</u>	<u>2,532</u>	<u>1,076</u>
	<u>\$ 8,064</u>	<u>\$ 6,529</u>	<u>\$ 8,493</u>	<u>\$ 10,119</u>

c. Other gains and losses

	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Net loss (gain) on financial instruments measured at fair value through profit or loss (Note 7)	\$ 2,952	(\$ 15,793)	(\$ 2,985)	(\$ 15,422)
Net gain (loss) through foreign currency exchange	1,767	(190,271)	31,005	(164,535)
Loss on disposal of property, plant, and equipment	(140)	(74)	(141)	(113)
Loss on inventory due to misappropriation (Note 32)	(178,866)	-	(178,866)	-
Expenses for leasing assets	-	(1,229)	-	(2,329)
Others	<u>(1,124)</u>	<u>(410)</u>	<u>(1,439)</u>	<u>1,375</u>
	<u>(\$ 175,411)</u>	<u>(\$ 207,777)</u>	<u>(\$ 152,426)</u>	<u>(\$ 181,024)</u>

d. Exchange gains and losses

	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Total exchange gains	\$ 12,253	\$ 35,752	\$ 46,696	\$ 66,514
Total exchange losses	(10,486)	(226,023)	(15,691)	(231,049)
Net profit	<u>\$ 1,767</u>	<u>(\$ 190,271)</u>	<u>\$ 31,005</u>	<u>(\$ 164,535)</u>

e. Financial costs

	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Interest on bank loans	\$ 12,157	\$ 9,667	\$ 22,391	\$ 21,465
Interest on lease liabilities (Note 29)	<u>63</u>	<u>76</u>	<u>129</u>	<u>155</u>
	<u>\$ 12,220</u>	<u>\$ 9,743</u>	<u>\$ 22,520</u>	<u>\$ 21,620</u>

f. Depreciation and amortization

	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Property, plant and equipment	\$ 50,993	\$ 51,219	\$ 102,839	\$ 102,715
Right-of-use assets (Note 15)	<u>2,524</u>	<u>2,425</u>	<u>5,027</u>	<u>4,940</u>
Total	<u>\$ 53,517</u>	<u>\$ 53,644</u>	<u>\$ 107,866</u>	<u>\$ 107,655</u>
Aggregate depreciation expenses by function				
Cost of goods sold	\$ 51,703	\$ 50,414	\$ 104,272	\$ 101,044
Operating expenses	1,814	2,754	3,594	5,797
Other gains and losses	<u>-</u>	<u>476</u>	<u>-</u>	<u>814</u>
	<u>\$ 53,517</u>	<u>\$ 53,644</u>	<u>\$ 107,866</u>	<u>\$ 107,655</u>

g. Employee benefit expenses

	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Post-employment benefits (Note 21)				
Defined contribution plans	\$ 5,955	\$ 5,802	\$ 11,843	\$ 11,761
Defined benefit plans	<u>302</u>	<u>419</u>	<u>605</u>	<u>926</u>
	6,257	6,221	12,448	12,687
Other employee benefits	<u>121,772</u>	<u>124,717</u>	<u>252,459</u>	<u>248,547</u>
Total employee benefits expense	<u>\$ 128,029</u>	<u>\$ 130,938</u>	<u>\$ 264,907</u>	<u>\$ 261,234</u>
Aggregate employee benefit expenses by function				
Operating cost	\$ 107,977	\$ 109,214	\$ 220,496	\$ 218,777
Operating expenses	<u>20,052</u>	<u>21,724</u>	<u>44,411</u>	<u>42,457</u>
	<u>\$ 128,029</u>	<u>\$ 130,938</u>	<u>\$ 264,907</u>	<u>\$ 261,234</u>

h. Employees' compensation and remuneration of directors

According to articles of association, the Company, if there is profit for the year, shall set aside no less than 1% of the profit as employees' compensation and no more than 1% of the profit as remuneration of directors. However, if there are still accumulated losses, the amount to be compensated should be retained 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 paid in shares or in cash. When the employees of the Company's controlling company or 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, 2026 and 2025, 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 and adjusted and recorded in the following year.

Due to losses in 2025 and 2024, employee compensation 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.

25. INCOME TAX

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

	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Current income tax				
In respect of the current period	\$ -	(\$ 2,908)	\$ -	\$ 7,254
Adjustments from previous years	(<u>2,708</u>)	<u>594</u>	(<u>2,708</u>)	<u>594</u>
	(<u>2,708</u>)	(<u>2,314</u>)	(<u>2,708</u>)	<u>7,848</u>
Deferred income tax				
In respect of the current period	(72,655)	(56,452)	(122,799)	(65,386)
Adjustments from previous years	(<u>2</u>)	<u>2</u>	(<u>2</u>)	<u>2</u>
	(<u>72,657</u>)	(<u>56,450</u>)	(<u>122,801</u>)	(<u>65,384</u>)
Income tax benefit recognized in profit or loss	(<u>\$ 75,365</u>)	(<u>\$ 58,764</u>)	(<u>\$ 125,509</u>)	(<u>\$ 57,536</u>)

b. Income tax recognized in other comprehensive income

	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
<u>Deferred income tax</u>				
Incurred this period				
—Exchange differences on translating the financial statements of foreign operations	(\$ 6,063)	\$ 76,794	(\$ 27,708)	\$ 67,317

c. Income tax assessments

Except for 2023, the Company's business income tax declaration case up until 2024 has been approved by the taxation and taxation authority.

d. Income tax related to subsidiaries are as follows:

- 1) Taita (BVI) is subject to a zero tax rate for both January 1 to June 30, 2026 and 2025 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%.

26. LOSS PER SHARE

	Unit: NT\$ Per Share			
	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Basic loss per share	(\$ 0.65)	(\$ 0.61)	(\$ 1.18)	(\$ 0.75)
Diluted loss per share	(\$ 0.65)	(\$ 0.61)	(\$ 1.18)	(\$ 0.75)

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, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Net loss used to calculate the basic and diluted loss per share	(\$ 257,368)	(\$ 243,316)	(\$ 469,564)	(\$ 297,400)

Number of Shares

	Unit: in thousands of shares			
	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Weighted average number of ordinary shares used in the computation of basic and diluted loss per share	<u>397,587</u>	<u>397,587</u>	<u>397,587</u>	<u>397,587</u>

27. CAPITAL RISK MANAGEMENT

The Group conducts capital management to ensure continued operation of each business within the Group. On this premise, the Group aims to maximize the return to shareholders through optimization of the balance of debt and equity. The Group's overall strategy remains unchanged from the past year.

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

The senior management of the Group regularly reviews its capital structure. The review takes into consideration the costs of all sorts of capital and related risks. The Group finds balance in its overall capital structure by paying dividends, raising new debt, or repaying old debt, on the recommendation of its senior management.

28. FINANCIAL INSTRUMENTS

a. Information on fair value - financial instruments not measured at fair value

The Group's management believes that the carrying amounts of financial assets and financial liabilities that are not measured at fair value approximate the fair value, or the fair value cannot be measured appropriately.

b. Information on fair value - financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

June 30, 2026

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets measured at</u> <u>fair value through profit or</u> <u>loss</u>				
Investments in equity instruments				
—Domestic listed shares	\$ 48,100	\$ -	\$ -	\$ 48,100
—Foreign unlisted shares	-	-	-	-
Beneficiary securities	54,769	-	-	54,769
Total	<u>\$ 102,869</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102,869</u>
<u>Financial assets measured at</u> <u>fair value through other</u> <u>comprehensive income</u>				
Investments in equity instruments				
—Domestic listed shares	\$ 202,472	\$ -	\$ -	\$ 202,472
—Domestic unlisted shares	-	-	5	5
—Foreign unlisted shares	-	-	-	-
Total	<u>\$ 202,472</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 202,477</u>

December 31, 2025

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets measured at</u> <u>fair value through profit or</u> <u>loss</u>				
Investments in equity instruments				
—Domestic listed shares	\$ 46,400	\$ -	\$ -	\$ 46,400
—Foreign unlisted shares	-	-	-	-
Fund beneficiary certificates	30,000	-	-	30,000
Beneficiary securities	<u>57,067</u>	<u>-</u>	<u>-</u>	<u>57,067</u>
Total	<u>\$ 133,467</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 133,467</u>

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets measured at</u> <u>fair value through other</u> <u>comprehensive income</u>				
Investments in equity instruments				
—Domestic listed shares	\$ 167,719	\$ -	\$ -	\$ 167,719
—Domestic unlisted shares	-	-	5	5
—Foreign unlisted shares	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 167,719</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 167,724</u>

Financial liabilities measured
at fair value through profit
or loss

Derivative instruments	<u>\$ -</u>	<u>\$ 209</u>	<u>\$ -</u>	<u>\$ 209</u>
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June 30, 2025

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

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	Level 1	Level 2	Level 3	Total
<u>Financial assets measured at fair value through other comprehensive income</u>				
Investments in equity instruments				
—Domestic listed shares	\$ 137,047	\$ -	\$ -	\$ 137,047
—Domestic unlisted shares	-	-	5	5
—Foreign unlisted shares	-	-	-	-
Total	<u>\$ 137,047</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 137,052</u>

From January 1 to June 30, 2026 and 2025, 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 measured at fair value through other comprehensive income - equity instruments

Financial assets	January 1 to June 30, 2026	January 1 to June 30, 2025
Beginning and ending balance	<u>\$ 5</u>	<u>\$ 5</u>

3) Valuation techniques and input values 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, 2026, and June 30 and December 31, 2025, is a liquidity discount of 15%.

c. Categories of financial instruments

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Financial assets</u>			
Measured at fair value through profit or loss - mandatorily classified as at fair value through profit or loss	\$ 102,869	\$ 133,467	\$ 125,014
Financial assets measured at amortized cost (Note 1)	3,242,779	4,156,897	4,493,279
Financial assets at fair value through other comprehensive income - investments in equity instruments	202,477	167,724	137,052
<u>Financial liabilities</u>			
Measured at amortized cost (Note 2)	2,668,403	2,388,459	2,802,345
Financial liabilities at fair value through profit or loss - held for trading	-	209	-

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 long-term and 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 risk control and hedging strategy adopted by the Group are subject to the operating environment. Nevertheless, the Group has implemented proper risk management and control procedures based on business nature in accordance with the principle of risk diversification. These risks include market risks (such as exchange rate risk, interest rate risk, and other price risk), credit risks, and liquidity risk.

1) Market risk

The main market risks facing the Group due to its business activities are risks of changing exchange rates, changing interest rates, and changing other prices.

No changes occurred in the Group's exposure to the market risk of financial instruments or its management and measurement of this risk exposure.

a) Exchange rate risk

The Group conducts sales and purchases denominated in foreign currency and, therefore, exposes itself to the exchange rate risk. In order to avoid decreases in the value of foreign currency assets and fluctuations in future cash flows due to changing exchange rates, the Group hedges the exchange rate risk by holding foreign currency assets and liabilities and making forward contracts based on foreign currency net positions. The use of forward foreign exchange contracts are regulated by the relevant policy authorized by the Board of Directors of the Group. The compliance with the policy and risk exposure limits are continually reviewed by internal auditors. The Group does not participate in forward contract transactions for speculative purpose.

For the Group's monetary assets and liabilities, denominated in non-functional currencies on the balance sheet date (including monetary items denominated in non-functional currencies written off in the consolidated financial statements), please refer to Note 32.

Sensitivity analysis

The sensitivity analysis of the exchange rate risk conducted by the Group mainly focuses on the calculation for monetary items of foreign currency (primarily the USD items) at end of the reporting period. 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\$14,415 thousand and NT\$30,330 thousand from January 1 to June 30, 2026 and 2025. In management's opinion, this sensitivity analysis is unrepresentative of the Group's inherent foreign exchange risk because the exposure at the end of the reporting period did not reflect the exposure during the period.

b) Interest rate risk

The Group was exposed to the fair value risk of interest rate fluctuations for the fixed interest rate bearing financial assets and financial liabilities; the Group was exposed to the cash flow risk of interest rate fluctuations for the floating interest rate bearing financial assets and financial liabilities. The Group's management regularly monitors the fluctuations on market rates and then adjusted its balance of fixed-rate and floating-rate 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, 2026	December 31, 2025	June 30, 2025
Fair value interest rate risk			
—Financial assets	\$ 1,569,765	\$ 2,064,755	\$ 1,939,426
—Financial liabilities	1,531,999	1,264,358	1,606,743
Cash flow interest rate risk			
—Financial assets	258,184	418,164	350,233
—Financial liabilities	450,000	300,000	150,000

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% fluctuation in interest rate was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. With all other variables remaining unchanged, a 0.5% increase/decrease in market rates of interest would result in an increase/decrease of NT\$480 thousand and decrease/increase of NT\$501 thousand in net loss before tax for the Group's six months ended June 30, 2026 and June 30, 2025, respectively.

c) Other price risk

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

Sensitivity analysis

Sensitivity analysis is based on the price of equity securities at the balance sheet date. However, in the financial assets 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 2026 and 2025 will decrease/increase by NT\$5,143 thousand and NT\$6,251 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\$10,124 thousand and NT\$6,853 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 the counterparty will default on its contractual obligations resulting 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 Group's exposure and the credit ratings of its counterparties are continuously monitored.

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 Group continuously evaluates the financial condition of its accounts receivable customers; therefore, its credit risk remains limited. As at the end of the reporting period, the Group's largest exposure of credit risk approximates to the carrying amount of financial assets.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining adequate cash and cash equivalents and bank financing facilities to finance working capital and reduce liquidity risk.

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 based on the probable earliest repayment dates. The table was drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which

the Group can be required to pay. The table includes both interest and principal cash flows.

June 30, 2026

	On demand or less than 1 year	1-5 years	5+ years
<u>Non-derivative</u> <u>financial liabilities</u>			
Non-interest bearing liabilities	\$ 708,403	\$ -	\$ -
Lease liabilities	5,013	17,546	-
Floating interest rate liabilities	157,126	308,203	-
Fixed interest rate liabilities	<u>1,512,507</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,383,049</u>	<u>\$ 325,749</u>	<u>\$ -</u>

Further information on the maturity analysis of lease liabilities is as follows:

	Less than 1 year	1-5 years	5-10 years
Lease liabilities	<u>\$ 5,013</u>	<u>\$ 17,546</u>	<u>\$ -</u>

December 31, 2025

	On demand or less than 1 year	1-5 years	5+ years
<u>Non-derivative</u> <u>financial liabilities</u>			
Non-interest bearing liabilities	\$ 848,478	\$ -	\$ -
Lease liabilities	5,013	20,052	-
Floating interest rate liabilities	154,497	156,540	-
Fixed interest rate liabilities	<u>1,242,360</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,250,348</u>	<u>\$ 176,592</u>	<u>\$ -</u>

Further information on the maturity analysis of lease liabilities is as follows:

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

June 30, 2025

	On demand or less than 1 year	1-5 years	5+ years
<u>Non-derivative financial liabilities</u>			
Non-interest bearing liabilities	\$ 1,072,345	\$ -	\$ -
Lease liabilities	5,013	20,052	2,507
Floating interest rate liabilities	151,172	-	-
Fixed interest rate liabilities	<u>1,582,394</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,810,924</u>	<u>\$ 20,052</u>	<u>\$ 2,507</u>

Further information on the maturity analysis of lease liabilities is as follows:

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

b) Liquidity and interest rate risk table for derivative financial liabilities

As to the liquidity analysis of derivative financial instruments, for derivatives settled on a gross basis, the table was drawn up based on the undiscounted total cash inflows and outflows (June 30, 2026 and 2025: None).

December 31, 2025

	On demand or less than 1 month	1 to 3 months	3 months to 1 year
<u>Gross settlement</u>			
Foreign exchange forward contracts			
—Inflow	\$ -	\$ 43,328	\$ -
—Outflow	<u>-</u>	<u>(43,538)</u>	<u>-</u>
	<u>\$ -</u>	<u>(\$ 210)</u>	<u>\$ -</u>

The Group has no derivative financial liabilities as of June 30, 2026 and 2025.

c) Financing limit

Bank borrowing is an important source of liquidity for the Group. The unused bank loan limit of the Group at the balance sheet date is as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Bank loan limit			
—Amount unused	<u>\$ 3,418,810</u>	<u>\$ 3,414,272</u>	<u>\$ 2,623,187</u>

29. **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, 2026, and June 30 and December 31, 2025.

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. Related parties and their relationship with the Group

<u>Name of related party</u>	<u>Relationship with the Group</u>
USI	Ultimate parent company
Union Polymer International Investment Corporation (UPIIC)	Parent company
CGPC	Associate
China General Plastics (ZhongShan) Co., Ltd. (CGPCZS)	Associate
CGPC Polymer Corporation (CGPCPOL)	Associate
Taiwan VCM Corporation (TVCM)	Associate
CGTD	Associate
Asia Polymer Corporation (APC)	Fellow subsidiary
Swanson Plastics Corporation (SPC)	Fellow subsidiary
Swanson Technologies Corporation (STC)	Fellow subsidiary
Swanson Plastics (Kunshan) Co., Ltd. (SPK)	Fellow subsidiary
USI Management Consulting Corp. (UM)	Fellow subsidiary
USIFE Investment Co., Ltd. (USII)	Fellow subsidiary
USI Green Energy Corporation (SG)	Fellow subsidiary
USI Education Foundation (USIF)	Substantive related party

b. Sales

<u>Related party category/name</u>	<u>April 1 to June 30, 2026</u>	<u>April 1 to June 30, 2025</u>	<u>January 1 to June 30, 2026</u>	<u>January 1 to June 30, 2025</u>
Ultimate parent company	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 2,596</u>

The payment term for the Group's sales of goods to related parties is 30 days after delivery, and there is no significant difference in the transaction terms and prices from those in general markets.

c. Purchases

Related party category/name	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Fellow subsidiary	<u>\$ 608</u>	<u>\$ 140</u>	<u>\$ 1,459</u>	<u>\$ 1,330</u>

The payment term for the Group's purchases of goods from related parties is 30 days after acceptance, and there is no significant difference in the transaction terms and prices from those in general markets.

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

Related party category/name	June 30, 2026	December 31, 2025	June 30, 2025
Ultimate parent company	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ -</u>

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

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

Related party category/name	June 30, 2026	December 31, 2025	June 30, 2025
Fellow subsidiary	<u>\$ 76</u>	<u>\$ 74</u>	<u>\$ 472</u>

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

f. Other related party transactions

1) Rental income (classified as other income, Notes 16 and 24)

Related party category/name	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Associate				
Taiwan VCM Corporation	\$ 69	\$ 69	\$ 138	\$ 137
CGTD	<u>-</u>	<u>2,277</u>	<u>-</u>	<u>4,554</u>
	69	2,346	138	4,691
Fellow subsidiary				
SPK	<u>68</u>	<u>63</u>	<u>135</u>	<u>131</u>
	<u>\$ 137</u>	<u>\$ 2,409</u>	<u>\$ 273</u>	<u>\$ 4,822</u>

2) Rental expenses (classified as operating costs, selling and marketing expenses and general and administrative expenses)

Related party category/name	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Ultimate parent company				
USI	\$ 1,379	\$ 1,258	\$ 2,757	\$ 2,517
Fellow subsidiary				
APC	477	389	956	872
Associate	<u>350</u>	<u>337</u>	<u>696</u>	<u>708</u>
	<u>\$ 2,206</u>	<u>\$ 1,984</u>	<u>\$ 4,409</u>	<u>\$ 4,097</u>

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

3) Lease arrangements

Related party category/name	June 30, 2026	December 31, 2025	June 30, 2025
<u>Lease liabilities - current</u>			
Fellow subsidiary			
APC	<u>\$ 4,795</u>	<u>\$ 4,769</u>	<u>\$ 4,743</u>
<u>Lease liabilities - non-current</u>			
Fellow subsidiary			
APC	<u>\$ 17,204</u>	<u>\$ 19,608</u>	<u>\$ 22,000</u>

Related party category/name	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
<u>Total lease payment</u>				
Fellow subsidiary				
APC	<u>\$ 1,254</u>	<u>\$ 1,253</u>	<u>\$ 2,507</u>	<u>\$ 2,506</u>
<u>Interest expenses</u>				
Fellow subsidiary				
APC	<u>\$ 63</u>	<u>\$ 76</u>	<u>\$ 129</u>	<u>\$ 155</u>

The Group leases land in Linyuan for factory use from APC and pays the rent on a monthly basis.

4) Storage tank operating expenses (classified as operating costs)

Related party category/name	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Associate				
CGTD	<u>\$ 39</u>	<u>\$ 32</u>	<u>\$ 39</u>	<u>\$ 71</u>

The Group 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 expenses (classified as administrative expenses)

Related party category/name	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Fellow subsidiary				
UM	\$ 16,737	\$ 16,759	\$ 34,221	\$ 36,518
Ultimate parent company				
USI	<u>662</u>	<u>1,232</u>	<u>1,314</u>	<u>2,464</u>
	<u>\$ 17,399</u>	<u>\$ 17,991</u>	<u>\$ 35,535</u>	<u>\$ 38,982</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.

6) Donation expenses (classified as general and administrative expenses)

Related party category/name	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Substantive related party				
USIF	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,500</u>	<u>\$ 2,000</u>

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

Related party category/name	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Fellow subsidiary				
SG	<u>\$ 1,121</u>	<u>\$ 1,422</u>	<u>\$ 2,220</u>	<u>\$ 2,240</u>

8) Miscellaneous expenses (classified as cost of goods sold and administrative expenses)

Related party category/name	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Associate	\$ 337	\$ 251	\$ 545	\$ 453
Fellow subsidiary	<u>8</u>	<u>-</u>	<u>8</u>	<u>-</u>
	<u>\$ 345</u>	<u>\$ 251</u>	<u>\$ 553</u>	<u>\$ 453</u>

9) Other receivables

Related party category/name	June 30, 2026	December 31, 2025	June 30, 2025
Ultimate parent company	\$ 2,266	\$ 1	\$ 3,022
Associate	1,564	44	1,769
Fellow subsidiary	<u>3</u>	<u>134</u>	<u>67</u>
	<u>\$ 3,833</u>	<u>\$ 179</u>	<u>\$ 4,858</u>

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

10) Other payables

Related party category/name	June 30, 2026	December 31, 2025	June 30, 2025
Parent company			
UPIIC	\$ 21,940	\$ -	\$ 29,253
Ultimate parent company	951	1,467	2,131
Associate	848	624	2,293
Fellow subsidiary	<u>642</u>	<u>739</u>	<u>1,628</u>
	<u>\$ 24,381</u>	<u>\$ 2,830</u>	<u>\$ 35,305</u>

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

11) Prepaid expenses

Related party category/name	June 30, 2026	December 31, 2025	June 30, 2025
Associate	<u>\$ 4,062</u>	<u>\$ -</u>	<u>\$ -</u>

Prepaid expenses primarily consist of prepaid rent and other similar payments.

g. Remuneration of key management personnel

Total remuneration for the Directors and other key management personnel is as follows:

	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Salaries and others	<u>\$ 3,398</u>	<u>\$ 3,378</u>	<u>\$ 6,448</u>	<u>\$ 6,432</u>

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

30. PLEDGED/MORTGAGED ASSETS

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

	June 30, 2026	December 31, 2025	June 30, 2025
Pledged certificates of deposit			
—Financial assets at amortized cost - current (Note 9)	\$ 5,000	5,000	\$ 3,000
—Classified as other non- current assets	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>
	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 18,000</u>

31. **MATERIAL CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACTUAL COMMITMENTS**

In addition to those disclosed in other notes, the Group has material contingent liabilities and unrecognized contractual commitments at end of the reporting period as follows:

- a. As of June 30, 2026, December 31, 2025, and June 30, 2025, the Group had outstanding but unused letters of credit amounting to NT\$87,000 thousand, NT\$78,000 thousand, and NT\$95,000 thousand, respectively.

- b. Explanation for the Kaohsiung gas explosion incident:

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 appeal in 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\$239,153 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, 2026, 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 deceased victims on July 17, 2015, agreeing to negotiate

compensation in advance with all the heirs and claimants of the 32 deceased 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. The compensation was advanced by LCY Chemical Corp., who was in charge of negotiating the compensation with the victims' families and signing the settlement agreement on behalf of the three parties involved. And as separately agreed by the parties on August 10, 2022, CGTD paid NT\$157,347 thousand, accounting for 30% of the negligent liability decided in the first instance, to LCY Chemical Corp., and any subsequent adjustment shall be made based on the liability ratio after the final ruling of the civil action.

As for the seriously injured, CGTD, LCY Chemical Corp. and the Kaohsiung City Government signed a tripartite agreement for the compensation of the 65 seriously injured victims on October 25, 2017. Compensation was paid by CGTD and the Kaohsiung City Government, and CGTD was in charge of negotiating the compensation with the seriously injured victims and signing the settlement agreements on behalf of the three parties with the 64 seriously injured victims.

As of July 31, 2026, victims, injured parties, or their relatives have filed civil (including criminal-related civil) lawsuits seeking compensation from Lee Chang Yung Chemical Industry Corp, CGTD, and CPC 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. The compensation amount still in the lawsuit and the settlement amount for the victims and the seriously injured as mentioned in the previous paragraph amounted to NT\$3,826,801 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. The second instance has rendered judgments since July 10, 2024. As of July 31, 2026, 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), and Taiwan Water Corporation (claim amount of NT\$28,643 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\$120,143 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\$1,707,093 thousand).

Based on the negligence liability ratio determined by the relevant court rulings for this gas explosion incident, the estimated settlement amount for fatalities and severe injuries, as well as compensation for civil lawsuits (including settled cases), has been calculated. After deducting the maximum insurance coverage, the estimated amount to be borne by CGTD has been recorded at NT\$136,375 thousand. However, the actual amount of the aforementioned relevant settlements and compensation will not be confirmed until the proportion of the liabilities that should be borne by CGTD is determined in the civil case judgment in the future.

32. OTHER MATTERS

During 2026, the Group discovered that certain employees of its subsidiary, TTC (ZS), were suspected of misappropriating and improperly diverting the Group's inventory by taking advantage of their positions. The matter has been referred to the local public security authorities for investigation assistance. As of August 5, 2026, the related loss amounted to approximately NT\$178,866 thousand, which has been fully recognized in the current period under "Loss on inventory due to misappropriation" within other gains and losses. The subsidiary, TTC (ZS), has filed a criminal complaint against the individuals involved for misappropriation in the course of their duties. The prosecutorial authorities have arrested

some of the individuals involved, and the public security authorities continue to conduct the criminal investigation.

33. INFORMATION ON FOREIGN CURRENCY ASSETS AND LIABILITIES WITH MATERIAL IMPACT

The following summary is presented in foreign currencies other than the functional currency. The exchange rate disclosed in the summary refers to the exchange rate of a foreign currency to the functional currency. Information on foreign currency assets and liabilities with material impact is as follows:

June 30, 2026

	Foreign currency	Exchange rate	Functional currency	TWD
Foreign currency assets				
<u>Monetary items</u>				
USD	\$ 34,829	31.8500 (USD: TWD)	\$ 1,109,293	\$ 1,109,293
AUD	1,521	21.9000 (AUD: NTD)	33,315	33,315
CNY	5,946	4.6763 (RMB: NTD)	27,804	27,804
HKD	725	4.0610 (HKD: NTD)	2,944	2,944
CNY	288	0.1468 (RMB:USD)	42	1,347
Foreign currency liabilities				
<u>Monetary items</u>				
USD	10,614	31.8500 (USD: TWD)	338,064	338,064
USD	9,128	6.8109 (USD: RMB)	62,171	290,733

December 31, 2025

	Foreign currency	Exchange rate	Functional currency	TWD
Foreign currency assets				
<u>Monetary items</u>				
USD	\$ 44,914	31.4300 (USD: NTD)	\$ 1,411,637	\$ 1,411,637
CNY	2,447	4.4716 (CNY: NTD)	10,944	10,944
AUD	1,427	21.0100 (AUD: NTD)	29,978	29,978
HKD	849	4.0380 (HKD: NTD)	3,427	3,427
CNY	288	0.1423 (RMB: USD)	41	1,288
Foreign currency liabilities				
<u>Monetary items</u>				
USD	13,493	31.4300 (USD: NTD)	424,083	424,083
USD	9,595	7.0288 (USD: CNY)	67,439	301,559
<u>Non-monetary items</u>				
Derivative instruments				
USD	1,390	31.4300 (USD: NTD)	209	209

June 30, 2025

	Foreign currency	Exchange rate		Functional currency	TWD
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
CNY	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

The Group's net foreign exchange gains and losses (including realized and unrealized) for the periods from April 1 to June 30, 2026, and 2025, and from January 1 to June 30, 2026, and 2025, amounted to NT\$1,767 thousand of net gain, NT\$190,271 thousand of net loss, NT\$31,005 thousand of net gain, and NT\$164,535 thousand of net loss, 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. NOTES DISCLOSURE

- a. Information on material transactions:
 - 1) Lending funds to others. (None)
 - 2) Providing endorsements or guarantees for others. (Table 1)
 - 3) Significant marketable securities held at the end of the period (excluding investments in subsidiaries and associates). (Table 2)
 - 4) Purchases or sales of goods from or to related parties reaching NT\$100 million or 20 percent of paid-in capital or more. (None)
 - 5) Accounts receivable from related parties reaching NT\$100 million or 20 percent of paid-in capital or more. (Table 3)
 - 6) Others: The business relationships and significant transactions and amounts between parent and subsidiaries and between subsidiaries. (Table 6)
- b. Information on investees. (Table 4)
- c. Information on investments in mainland China:
 - 1) Name of investees, principal business activities, paid-in capital, investment methods, capital remittance and repatriation, percentage of ownership, profit (loss) on investments, carrying amounts of investments at end of the period, repatriation

of investment income, and maximum limits on the amount of investments in mainland China. (Table 5)

- 2) Material 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 are as follows:
 - a) The amount and percentage of purchases and the ending balance and percentage of the related payables. (None)
 - b) The amount and percentage of sales and the ending balance and percentage of the related receivables. (None)
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The ending balance of negotiable instrument endorsements or guarantees or pledges of collateral and the purposes. (None)
 - e) The highest balance, ending balance, interest rate range, and total current period interest with respect to 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 receiving of services. (None)

35. **SEGMENT INFORMATION**

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

Segment revenue and operating results

The revenue and operating results of continuing operations of the Group are analyzed by reportable segments as follows:

	Segment revenue		Segment loss	
	January 1 to June 30, 2026	January 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Styrenic products	\$ 5,892,093	\$ 7,797,297	(\$ 459,272)	(\$ 189,690)
Glasswool products (including flexography).	<u>280,927</u>	<u>285,071</u>	<u>24,930</u>	<u>20,343</u>
Total amount from continuing operations	<u>\$ 6,173,020</u>	<u>\$ 8,082,368</u>	(434,342)	(169,347)
	Segment revenue		Segment loss	

	<u>January 1 to June 30, 2026</u>	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2026</u>	<u>January 1 to June 30, 2025</u>
Interest income			16,981	20,861
Other income			8,493	10,119
Other gains and losses			(152,426)	(181,024)
Share of profit or loss of associates accounted for using equity method			(11,259)	(13,925)
Financial costs			(<u>22,520</u>)	(<u>21,620</u>)
Net loss before tax from continuing operations			(<u>\$ 595,073</u>)	(<u>\$ 354,936</u>)

The revenue reported above arose from the transactions with external customers. There were no intersegment transactions in the six months ended June 30, 2026 and 2025.

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 measured amount is for the chief operating decision maker to allocate resources to each segment and assess their performance.

Since the segment information reported to the chief operating decision maker does not include assets of individual segments, nor does it include the measured amount of the operating segment's assets in the financial information.

TABLE 1

Taita Chemical Company, Ltd. and subsidiaries

Providing endorsements or guarantees for others

January 1 to June 30, 2026

Unit: In Thousands of New Taiwan Dollars, Unless Stated Otherwise

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/Guarantee Given on Behalf of Each Party (Note 2)	Maximum Ending Balance of Endorsement/Guarantee for the Period (Note 1)	Ending Balance of Endorsement/Guarantee (Note 1)	Amount Actually Drawn	Amount of Endorsement/Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Maximum Endorsement/Guarantee Amount Allowable (Note 2)	Endorsement/ Guarantee Given by the Parent to Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries to the Parent	Endorsement/ Guarantee Given to Entities in Mainland China
		Name of Endorsee/Guarantee	Relationship										
0	The Company	TAITA (BVI)	Subsidiary with 100% voting shares directly owned by the Company	\$ 5,377,819	\$ 95,550	\$ 95,550	\$ -	\$ -	1.78	\$ 8,066,729	Yes	No	No

- Note 1: The calculation was based on the spot exchange rate of June 30, 2026.
- Note 2: The maximum total endorsement/guarantee shall not exceed 150% of the equity attributable to owners of the Company. The endorsement/guarantee on behalf of other company shall not exceed 100% of the equity attributable to owners of the Company.
The maximum total endorsement/guarantee shall not exceed 200% of the equity attributable to owners of the Company. The endorsement/guarantee on behalf of other company shall not exceed 150% of the equity attributable to owners of the Company.

TABLE 2

Taita Chemical Company, Ltd. and subsidiaries

Significant Marketable Securities Held at the End of the Period

June 30, 2026

Unit: In Thousands of New Taiwan Dollars, Unless Stated Otherwise

Holding Company	Type and Name of Marketable Securities	Relationship with the Securities Issuer	Account Items	End of Period				Notes
				Shares/Units	Carrying amount	Percentage of Shares Held (%)	Fair Value	
The Company	<u>Stock</u> Ordinary shares - USI Corporation	Ultimate parent company	Financial assets measured at fair value through other comprehensive income - non-current	15,109,901	\$ 202,472	1.27	\$ 202,472	Note 1
	Ordinary shares - Harbinger Venture Capital Corporation	—	"	990	5	0.50	5	Note 2
	Taiwan Cement Corporation	—	Financial assets at FVTPL - current	2,000,000	48,100	0.03	48,100	Note 1
	<u>Beneficiary securities</u> Cathay No. 1 Real Estate Investment Trust Fund	—	Financial assets at FVTPL - current	3,963,000	54,769	-	54,769	Note 1
	TAITA (BVI)							
	<u>Stock</u> Budworth Investment Ltd.	—	Financial assets measured at fair value through other comprehensive income - non-current	20,219	-	2.22	-	Note 3
	Teratech Corporation	—	Financial assets at FVTPL - non-current	112,000	-	0.74	-	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 2026.

Note 2: The fair value is measured through the asset-based approach, taking into account the most recent net asset value and observable financial and operating status of the investee.

Note 3: As of June 30, 2026, the fair value of equity investment was evaluated by the Group as 0.

TABLE 3

Taita Chemical Company, Ltd. and subsidiaries

Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more.

June 30, 2026

Unit: In Thousands of New Taiwan Dollars, Unless Stated Otherwise

Company accounted for under receivables	Counterparty Name	Relationship	Ending balance of receivables from related parties	Turnover rate (%)	Overdue receivables from related parties		Amounts Received in Subsequent Period (Note 2)	Allowance for bad debts
					Amount	Action Taken		
The Company	TTC (TJ)	Subsidiary	Other receivables \$290,733 (Notes 1 and 3)	-	\$ 290,733	Ongoing collection	\$ -	\$ -

Note 1: The total amount of Taita Chemical Company, Ltd. from selling raw materials to Taita Chemical (Tianjin) Co., Ltd. was reclassified to other receivables owing to it was over due for a normal crediting period.

Note 2: As of August 5, 2026, no payments have been received.

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

TABLE 4

Taita Chemical Company, Ltd. and subsidiaries

Information on investees
January 1 to June 30, 2026
Unit: In Thousands of New Taiwan Dollars, Unless Stated Otherwise

Investor company	Name of investee	Location	Primary business	Original investment amount		End-of-period holdings			Profit (loss) for the period of the Investee	Profit (loss) on investment recognized for the period	Notes
				End of the current period	Ending balance of the previous period	Number of Shares	Percentage (%)	Carrying amount			
The Company	TAITA (BVI)	British Virgin Islands	Investment holding company	\$ 2,858,155	\$ 2,858,155	89,738,000	100.00	\$ 2,885,608	(\$ 477,725)	(\$ 477,725)	Subsidiary (Notes 1 and 3)
	CGPC	Taipei, Taiwan	Manufacture and sale of PVC plastic cloth and other plastic products	65,365	65,365	11,516,174	1.98	152,578	12,365	245	Investees accounted for using equity method (Note 1)
	CGTD	Taipei, Taiwan	Warehousing and transportation of petro chemical raw materials	41,082	41,082	25,053,468	33.33	283,425	(28,902)	(9,634)	Investments accounted for using the equity method (Note 2)
	ACME	Taipei, Taiwan	Manufacture and marketing of manganese-zinc soft ferrite powder and ferrite core	55,702	55,702	4,991,556	2.34	47,401	875	20	Investees accounted for using equity method (Note 1)
TAITA (BVI)	ACME (Cayman)	British Cayman Islands	Investment holding company	71,029	71,029	3,225,693	4.42	79,405	(42,790)	-	Investees accounted for using equity method (Note 1)

- Note 1: The calculation was based on the reviewed financial statements of the investees for the same period.
- 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: For information on investees in mainland China, please refer to Table 5.

TABLE 5

Taita Chemical Company, Ltd. and subsidiaries

Information on Investments in Mainland China

January 1 to June 30, 2026

Unit: In Thousands of New Taiwan Dollars, Unless Stated Otherwise

Investee in mainland China	Primary business	Paid-in Capital	Investment methods	Accumulated investment amount remitted from Taiwan at beginning of period	Investment amount remitted or repatriated for the period		Accumulated investment amount remitted from Taiwan at end of period	Profit (loss) for the period of the Investee (Note 6)	Ownership of direct or indirect investment (%)	Investment Gain (Loss) (Note 6)	End-of-period investment book value (Note 6)	Accumulated repatriation of investment income as of June 30, 2026
					Remitted	Repatriated						
TTC (Zhongshan) (Note 7)	Manufacturing and sale of polystyrene derivatives	\$ 1,473,063 (Note 1)	Investments through a holding company registered in a third region	\$ 1,369,550	\$ -	\$ -	\$ 1,369,550	(\$ 482,994)	100.00	(\$ 482,994)	\$ 1,505,201	\$ -
TTC (TJ) (Notes 7 and 8)	Manufacturing and sale of polystyrene derivatives	871,098 (Note 2)	Investments through a holding company registered in a third region	828,100	-	-	828,100	5,189	100.00	5,189	(212,129)	-
Zhangzhou Taita Chemical Co., Ltd. (Note 7)	Manufacturing and sale of polystyrene derivatives	1,547,259 (Note 3)	Investments through a holding company registered in a third region	-	-	-	-	2,087	100.00	2,087	1,493,217	-
ACME Electronics (Kunshan)	Manufacturing and sales of manganese-zinc soft ferrite core	978,591	Investments through ACME Electronics (Cayman) Corp. registered in a third region	43,125	-	-	43,125	1,404	4.42	62	30,178	-

Accumulated investment amount in mainland China remitted from Taiwan at end of period	Investment amounts authorized by Department of Investment Review, MOEA	Maximum investment amount in mainland China as stipulated by Department of Investment Review, MOEA
\$ 2,240,775	\$ 4,007,281 (Note 4)	\$ - (Note 5)

- Note 1: TTC (ZS) resolved to issue share dividends of US\$3,250 thousand in 2007.
- Note 2: TTC (TJ) resolved to issue share dividends of US\$1,350 thousand in 2012.
- Note 3: TTC (ZZ) was registered for the year 2021, and Taita (BVI) injected US\$48,580 thousand into TTC (ZZ) on March 8, 2022.
- Note 4: It includes the capital increase transferred from surplus by TTC (ZS) of US\$3,250 thousand, capital increase transferred from surplus by TTC (TJ) of US\$1,350 thousand, capital increase transferred from surplus by ACME (KS) of US\$802 thousand and approved investment by TAITA (BVI) in TTC (ZZ) of US\$50,000 thousand.
- Note 5: As the Company has obtained the certificate of compliance with the operational scope issued by the Industrial Development Bureau, MOEA, pursuant to the letter 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 Company, Ltd. and subsidiaries

Intercompany relationships and significant intercompany transactions

January 1 to June 30, 2026

Unit: NT\$ 1,000

No.	Trader	Counterparty	Relationship with the trader	Transaction situation			
				Account item	Amount (Note 2)	Transaction terms	Ratio Consolidated Total Revenue or Total Assets % (Note 1)
0	The Company	TTC (TJ)	Parent to subsidiary	Other receivables from related parties	\$ 290,733	No significant difference than with non-related parties	3.46
1	TAITA (BVI)	TTC (TJ)	Parent to subsidiary	Other payables to related parties	4,778	No significant difference than with non-related parties	0.06

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.