

USI CORPORATION

Parent Company Only Financial Statements and Independent Auditors' Report

From January 1 to December 31, 2025 and 2024

**Address: No. 330, Fengren Rd., Renwu Dist., Kaohsiung City 814, Taiwan
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Independent Auditors' Report

To USI Corporation:

Audit Opinion

We have audited the Parent Company Only Balance Sheets of USI Corporation (the Company) as of December 31, 2025 and 2024, and the Parent Company Only Statements of Comprehensive Income, Parent Company Only Statements of Changes in Equity, Parent Company Only Statements of Cash Flows for the years ended December 31, 2025 and 2024, and Notes to the Parent Company Financial Statements (including the Summary of Significant Accounting Policies).

The accountant opinions are that the accompanying parent company only financial statements have been prepared in all material respects in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, making it impossible to properly express the parent company only financial position of the Company as of December 31, 2025 and 2024, and the parent company only financial performance and parent company only cash flow for the years ended December 31, 2025 and 2024.

Basis for Audit Opinion

The audit was conducted in accordance with the Rules Governing Auditing and Attestation of Financial Statements by Entrusted Certified Public Accountants and Auditing Standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the parent company only financial statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance for the Company in our audit of the parent company only financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the audit of the Company's parent company only financial statements for the year ended December 31, 2025 is as follows:

The Authenticity of Specific Sales Revenue

Due to the impact of market supply and demand and fluctuations in international crude oil prices, the Company's sales revenue in 2025 declined compared to the same period last year. However, the sales revenue from specific customers showed a significantly different trend from the overall sales revenue, and the amount was substantial, which will have a material impact on the sales revenue and financial performance of the Company's parent company only financial statements. Therefore, the authenticity of such sales revenue is considered a key audit matter for the current year.

For accounting policies relating to sales revenue and relevant disclosure information, please refer to Notes 4(n) and 24 of the parent company only financial statements.

We have carried out the main audit procedures for the above-mentioned authenticity of the sales revenue from specific customers as follows:

1. Understand and test the effectiveness of the design and implementation of key internal control systems for the authenticity of sales revenue from specific customers.
2. Check the transaction documents of sales revenue of specific customers, including sales orders, shipping documents and collection documents, to confirm the authenticity of the recognition of sales revenue.

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

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

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

Those in charge of governance (including the Audit Committee) are responsible for overseeing its financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the auditing standards in the Republic of China will always detect a material misstatement when it exists within the parent company only

financial statements. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the parent company only financial statements.

As part of an audit in accordance with auditing standards in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. Auditors also performed the following tasks:

1. Identify and assess the risks of material misstatement of the parent company only financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company' internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to alert the parent company only financial statements user, to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements (including the related notes) and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the Company or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and

other matters that may reasonably be thought to bear on our independence, (and where applicable, related safeguards).

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the Company for the year ended December 31, 2025 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report are Chun-Hung Chen and Cheng-Hsiu Chang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 12, 2026

Notice to Readers

The accompanying financial statements are intended only to present the accompanying financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such accompanying financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and accompanying financial statements shall prevail.

USI CORPORATION
Parent Company Only Statements of Balance Sheets
December 31, 2025 and 2024

(In Thousands of New Taiwan Dollars)

Assets	December 31, 2025		December 31, 2024	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 176,814	1	\$ 1,228,772	5
Financial assets at fair value through profit or loss (FVTPL) - current (Notes 4 and 7)	456,721	2	320,875	1
Financial assets at amortized cost - current (Notes 4, 9 and 32)	56,591	-	62,622	-
Notes receivable, net (Notes 4 and 10)	31,715	-	42,304	-
Accounts receivable, net (Notes 4 and 10)	306,588	1	465,255	2
Accounts receivable - related parties (Notes 4, 10 and 31)	78,291	1	66,924	-
Other receivables (Notes 4 and 10)	51,728	-	52,519	-
Other receivables - related parties (Notes 4, 10, 12 and 31)	25,152	-	279,182	1
Current tax assets (Notes 4 and 26)	3,256	-	2,260	-
Inventories (Notes 4 and 11)	1,061,415	5	1,035,030	4
Prepayments	277,640	1	247,618	1
Total current assets	<u>2,525,911</u>	<u>11</u>	<u>3,803,361</u>	<u>14</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Notes 4 and 8)	767,073	3	820,298	3
Investments accounted for using the equity method (Notes 4, 5 and 12)	13,702,313	57	16,401,275	59
Property, plant and equipment (Notes 4, 13 and 32)	5,420,174	23	5,554,114	20
Right-of-use assets (Notes 4 and 14)	5,682	-	10,460	-
Investment properties, net (Notes 4, 15 and 31)	371,496	1	403,249	1
Intangible assets, net (Notes 4 and 16)	356	-	1,153	-
Deferred tax assets (Notes 4 and 26)	1,030,010	4	920,181	3
Net defined benefit assets - non-current (Notes 4 and 22)	2,343	-	-	-
Other non-current assets (Notes 4 and 32)	141,308	1	124,608	-
Total non-current assets	<u>21,440,755</u>	<u>89</u>	<u>24,235,338</u>	<u>86</u>
Total Assets	<u>\$ 23,966,666</u>	<u>100</u>	<u>\$ 28,038,699</u>	<u>100</u>
Liabilities and Equity				
CURRENT LIABILITIES				
Short-term borrowings (Note 17)	\$ -	-	\$ 420,000	2
Financial liabilities at fair value through profit or loss (FVTPL) - current (Notes 4 and 7)	239	-	-	-
Accounts payable (Note 19)	373,592	2	781,845	3
Accounts payable - related parties (Notes 19 and 31)	40,186	-	62,713	-
Other payables (Note 20)	386,853	2	268,468	1
Other payables - related parties (Notes 20 and 31)	11,764	-	38,196	-
Current tax liabilities (Notes 4 and 26)	-	-	26,769	-
Provisions - current (Notes 4 and 21)	24,371	-	-	-
Lease liabilities - current (Notes 4 and 14)	26,339	-	25,757	-
Current portion of long-term borrowings (Notes 17 and 18)	1,215,757	5	1,141,207	4
Other current liabilities (Notes 24 and 31)	122,338	-	135,373	-
Total current liabilities	<u>2,201,439</u>	<u>9</u>	<u>2,900,328</u>	<u>10</u>
NON-CURRENT LIABILITIES				
Bonds payable (Note 18)	2,298,296	10	3,146,843	11
Long-term borrowings (Note 17)	1,554,208	7	720,223	3
Deferred tax liabilities (Notes 4 and 26)	74,497	-	99,392	1
Lease liabilities - non-current (Notes 4 and 14)	312,391	1	338,575	1
Net defined benefit liabilities - non-current (Notes 4 and 22)	-	-	14,426	-
Other non-current liabilities (Note 17)	14,751	-	18,864	-
Total non-current liabilities	<u>4,254,143</u>	<u>18</u>	<u>4,338,323</u>	<u>16</u>
Total Liabilities	<u>6,455,582</u>	<u>27</u>	<u>7,238,651</u>	<u>26</u>
EQUITY (Notes 4, 8, 12, 22, 23 and 26)				
Share capital	11,887,635	50	11,887,635	42
Capital surplus	501,471	2	491,652	2
Retained Earnings				
Legal reserve	4,036,296	17	4,036,296	14
Special reserve	468,233	2	375,127	1
Unappropriated earnings	1,522,933	6	4,623,160	17
Total retained earnings	<u>6,027,462</u>	<u>25</u>	<u>9,034,583</u>	<u>32</u>
Other equity	(429,878)	(2)	(138,216)	-
Treasury shares	(475,606)	(2)	(475,606)	(2)
Total equity	<u>17,511,084</u>	<u>73</u>	<u>20,800,048</u>	<u>74</u>
Total Liabilities and Equity	<u>\$ 23,966,666</u>	<u>100</u>	<u>\$ 28,038,699</u>	<u>100</u>

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

USI CORPORATION
Parent Company Only Statements of Comprehensive Income
From January 1 to December 31, 2025 and 2024

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

	From January 1 to December 31, 2025		From January 1 to December 31, 2024	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 24 and 31)	\$ 8,376,427	100	\$ 8,821,441	100
COST OF GOODS SOLD (Notes 4, 11, 21, 22, 25 and 31)	<u>8,398,570</u>	<u>100</u>	<u>8,964,264</u>	<u>101</u>
GROSS LOSS PROFIT	(22,143)	-	(142,823)	(1)
Unrealized profits with the subsidiaries (Notes 4 and 31)	(789)	-	(868)	-
Realized profits with the subsidiaries (Notes 4 and 31)	<u>868</u>	<u>-</u>	<u>1,103</u>	<u>-</u>
Realized GROSS LOSS PROFIT	(<u>22,064</u>)	<u>-</u>	(<u>142,588</u>)	(<u>1</u>)
OPERATING EXPENSES (Notes 4, 22, 25 and 31)				
Selling and marketing expenses	259,396	3	259,707	3
Administrative expenses	183,102	2	196,329	2
Research and development expenses	<u>132,200</u>	<u>2</u>	<u>132,645</u>	<u>2</u>
Total operating expenses	<u>574,698</u>	<u>7</u>	<u>588,681</u>	<u>7</u>
NET LOSS FROM OPERATIONS	(<u>596,762</u>)	(<u>7</u>)	(<u>731,269</u>)	(<u>8</u>)
NON-OPERATING INCOME AND EXPENSES				
Interest income (Notes 4 and 25)	10,337	-	22,121	-
Other income (Notes 4, 8, 25 and 31)	120,150	1	142,733	2
Other gains and losses (Notes 4, 15, 25 and 31)	(100,565)	(1)	(7,780)	-
Finance costs (Notes 4, 14, 17, 18 and 25)	(60,941)	(1)	(52,477)	(1)
Share of profit or loss of subsidiaries, associates and joint ventures accounted for using the equity method (Notes 4 and 12)	(<u>2,306,437</u>)	(<u>27</u>)	(<u>1,762,397</u>)	(<u>20</u>)
Total non-operating income and expenses	(<u>2,337,456</u>)	(<u>28</u>)	(<u>1,657,800</u>)	(<u>19</u>)
NET LOSS BEFORE INCOME TAX	(2,934,218)	(35)	(2,389,069)	(27)
INCOME TAX GAIN (Notes 4 and 26)	<u>143,256</u>	<u>1</u>	<u>241,599</u>	<u>3</u>
NET LOSS FOR THE YEAR	(<u>2,790,962</u>)	(<u>34</u>)	(<u>2,147,470</u>)	(<u>24</u>)

(Continued)

(Continued)

	From January 1 to December 31, 2025		From January 1 to December 31, 2024	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurements of the defined benefit plan (Notes 4 and 22)	(\$ 1,253)	-	\$ 39,683	-
Unrealized loss on equity instruments at FVTOCI (Notes 4 and 23)	(24,927)	-	(82,006)	(1)
Share of other comprehensive income of subsidiaries accounted for using the equity method (Notes 4 and 23)	(49,045)	(1)	(273,413)	(3)
Income tax relating to items that will not be reclassified (Notes 4 and 26)	<u>251</u>	<u>-</u>	<u>(7,937)</u>	<u>-</u>
	<u>(74,974)</u>	<u>(1)</u>	<u>(323,673)</u>	<u>(4)</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations (Notes 4 and 23)	(135,594)	(2)	288,649	4
Share of other comprehensive income of subsidiaries accounted for using the equity method (Notes 4 and 23)	(86,618)	-	187,201	-
Income tax relating to items that may be reclassified (Notes 4, 23 and 26)	<u>27,118</u>	<u>-</u>	<u>(57,730)</u>	<u>-</u>
	<u>(195,094)</u>	<u>(2)</u>	<u>418,120</u>	<u>5</u>
Other comprehensive income (loss) for the year, net of income tax	<u>(270,068)</u>	<u>(3)</u>	<u>94,447</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>(\$ 3,061,030)</u>	<u>(37)</u>	<u>(\$ 2,053,023)</u>	<u>(23)</u>
Loss per share (Note 27)				
Basic loss per share	<u>(\$ 2.60)</u>		<u>(\$ 2.00)</u>	
Diluted loss per share	<u>(\$ 2.60)</u>		<u>(\$ 2.00)</u>	

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

USI CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
From January 1 to December 31, 2025 and 2024

(In Thousands of New Taiwan Dollars)

	Capital surplus				Retained Earnings			Other equity			Total equity
	Share capital (Notes 4 and 23)	Treasury share transaction (Note 23)	Changes in capital surplus of subsidiaries recognized by equity method (Notes 4 and 23)	Others (Note 23)	Legal reserve (Note 23)	Special reserve (Note 23)	Unappropriated earnings (Notes 4, 8, 12, 22, 23 and 26)	Exchange differences on translating the financial statements of foreign operations (Notes 4, 23 and 26)	Unrealized gain (loss) on financial assets at FVTOCI (Notes 4, 8 and 23)	Treasury shares (Notes 4 and 23)	
Balance as of January 1, 2024	\$ 11,887,635	\$ 414,131	\$ 39,748	\$ 22,920	\$ 4,036,296	\$ 375,127	\$ 7,115,479	(\$ 452,386)	\$ 290,941	(\$ 475,606)	\$ 23,254,285
Appropriation of 2023 earnings	-	-	-	-	-	-	(416,067)	-	-	-	(416,067)
Cash dividends to shareholders	-	-	-	-	-	-	(416,067)	-	-	-	(416,067)
Net loss for the year ended December 31, 2024	-	-	-	-	-	-	(2,147,470)	-	-	-	(2,147,470)
Other comprehensive income for the year ended December 31, 2024, net of income tax	-	-	-	-	-	-	70,742	418,120	(394,415)	-	94,447
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	-	-	(2,076,728)	418,120	(394,415)	-	(2,053,023)
Changes in equity of subsidiaries recognized by equity method	-	-	759	-	-	-	-	-	-	-	759
Changes in other capital surplus	-	-	-	679	-	-	-	-	-	-	679
Adjustment to capital surplus for dividends paid to subsidiaries	-	13,415	-	-	-	-	-	-	-	-	13,415
Disposal of equity instruments at FVTOCI	-	-	-	-	-	-	476	-	(476)	-	-
Balance as of December 31, 2024	11,887,635	427,546	40,507	23,599	4,036,296	375,127	4,623,160	(34,266)	(103,950)	(475,606)	20,800,048
For the Year Ended December 31, 2024											
Provision for special reserve	-	-	-	-	-	93,106	(93,106)	-	-	-	-
Cash dividends to shareholders	-	-	-	-	-	-	(237,753)	-	-	-	(237,753)
Net loss for the year ended December 31, 2025	-	-	-	-	-	-	(2,790,962)	-	-	-	(2,790,962)
Other comprehensive income for the year ended December 31, 2025, net of income tax	-	-	-	-	-	-	5,388	(195,094)	(80,362)	-	(270,068)
Total comprehensive income for the year ended December 31, 2025	-	-	-	-	-	-	(2,785,574)	(195,094)	(80,362)	-	(3,061,030)
Changes in equity of subsidiaries recognized by equity method	-	-	830	-	-	-	-	-	-	-	830
Changes in other capital surplus	-	-	-	1,323	-	-	-	-	-	-	1,323
Adjustment to capital surplus for dividends paid to subsidiaries	-	7,666	-	-	-	-	-	-	-	-	7,666
Disposal of equity instruments at FVTOCI	-	-	-	-	-	-	16,206	-	(16,206)	-	-
Balance as of December 31, 2025	<u>\$ 11,887,635</u>	<u>\$ 435,212</u>	<u>\$ 41,337</u>	<u>\$ 24,922</u>	<u>\$ 4,036,296</u>	<u>\$ 468,233</u>	<u>\$ 1,522,933</u>	<u>(\$ 229,360)</u>	<u>(\$ 200,518)</u>	<u>(\$ 475,606)</u>	<u>\$ 17,511,084</u>

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

USI CORPORATION
Parent Company Only Statements of Cash Flows
From January 1 to December 31, 2025 and 2024

(In Thousands of New Taiwan Dollars)

	<u>From January 1 to December 31, 2025</u>	<u>From January 1 to December 31, 2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss before income tax for the year	(\$ 2,934,218)	(\$ 2,389,069)
Income (expenses) items		
Depreciation expense	604,727	627,798
Amortization expense	20,224	15,662
Net (gain) loss on financial assets and liabilities at FVTPL	(4,757)	1,311
Finance costs	60,941	52,477
Interest income	(10,337)	(22,121)
Dividend income	(20,963)	(40,580)
Share of profit or loss of subsidiaries, associates and joint ventures accounted for using the equity method	2,306,437	1,762,397
Gain on disposal and scrapping of property, plant and equipment	(571)	(1,093)
Gain on disposal of investments accounted for using the equity method	(6,610)	-
(Reversal of) Provision of write-downs of inventories and obsolescence losses	(43,286)	51,028
Unrealized profits with the subsidiaries	789	868
Realized profits with the subsidiaries	(868)	(1,103)
Deferred revenue	(2,629)	-
Changes in operating assets and liabilities		
Increase (decrease) in financial assets and liabilities mandatorily classified at FVTPL	(130,850)	530,356
Decrease in notes receivable	10,589	6,472
Decrease in accounts receivable	158,667	204,768
(Increase) decrease in accounts receivables - related parties	(11,367)	988
Decrease (increase) in other receivables	566	(17,810)
Decrease in other receivables - related parties	254,030	311,896
Decrease in inventories	16,901	175,982
Increase in prepayments	(11,436)	(7,941)
Decrease in accounts payable	(408,253)	(280,546)
Decrease in accounts payable - related parties	(22,527)	(44,597)
Increase (decrease) in OTHER PAYABLES	21,539	(46,524)
Decrease (increase) in other payables - related parties	(26,432)	20,738
Increase in provisions	24,371	-
(Decrease) increase in other current liabilities	(14,350)	105,640
Decrease in net defined benefit liabilities	(18,022)	(16,969)
Cash inflow (outflow) from operating activities	(187,695)	1,000,028

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	From January 1 to December 31, 2025	From January 1 to December 31, 2024
Interest received	\$ 10,562	\$ 23,076
Interest paid	(54,804)	(61,399)
Income tax refunded (paid)	<u>8,136</u>	<u>(223,116)</u>
Net cash inflow (outflow) from operating activities	(<u>223,801</u>)	<u>738,589</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal of financial assets at FVTOCI	16,495	-
Capital reduction refund on financial assets at FVTOCI	11,803	-
Disposal of financial assets measured at amortized cost	6,031	98,333
Proceeds from the disposal of long-term equity investments accounted for using the equity method	73,778	-
Acquisition of property, plant and equipment	(335,942)	(199,694)
Proceeds from disposal of property, plant and equipment	51	204
Increase (decrease) in refundable deposits	(10,090)	19,725
Acquisitions of intangible assets	(158)	(1,129)
Acquisition of investment properties	(1,221)	-
Increase in other non-current assets	(44,465)	(43,339)
Dividends received	76,032	140,437
Liquidation return of the equity from investees accounted for using the equity method	<u>7,527</u>	<u>-</u>
Net cash inflow (outflow) from investing activities	(<u>200,159</u>)	<u>14,537</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) increase in short-term borrowings	(420,000)	420,000
Repayment of Bonds payable	(850,000)	(2,000,000)
Proceeds from mid- to long-term borrowings	1,200,000	553,912
Repayment of mid- to long-term borrowings	(294,580)	(12,056)
Decrease in guarantee deposits received	(63)	(458)
Repayment of the principal portion of lease liabilities	(25,602)	(32,694)
Increase in other non-current liabilities	-	3,988
Cash dividends paid	(237,753)	(416,067)
Investees using equity method return of the equity	<u>-</u>	<u>70,000</u>
Net cash used in financing activities	(<u>627,998</u>)	(<u>1,413,375</u>)
Decrease in cash and cash equivalents for the year	(1,051,958)	(660,249)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,228,772</u>	<u>1,889,021</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 176,814</u>	<u>\$ 1,228,772</u>

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

USI CORPORATION
Notes to the Parent Company Financial Statements
For the Years Ended December 31, 2025 and 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

USI Corporation (the "Company") was incorporated in May 1965. The Company mainly produces and sells polyethylene. In May 1972, the Company's shares have been listed on the Taiwan Stock Exchange ("TWSE").

The parent company only financial statements of the Company is presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The parent company only financial statements were reported to and issued by the Company's board of directors on March 12, 2026.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

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

Amendments to IAS 21 "Lack of Exchangeability"

The application of Amendments to IAS 21 "Lack of Exchangeability" would not have any material impact on the Company's accounting policies.

b. FSC-approved IFRSs applicable in 2026

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Issued by IASB</u>
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Involving Dependence on Natural Power"	January 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
IFRS 17 "Insurance Contracts" (including the 2020 and 2021 amendments)	January 1, 2023

As of the date the consolidated financial statements were authorized for issue, the Group assessed that the amendments to the aforementioned standards and interpretations would not have a material impact on the financial position and financial performance.

- c. IFRS Accounting Standard that has been issued by IASB but not yet endorsed by the FSC

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture"	To be determined by IASB
IFRS 18 - "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note 2)
IFRS 19 - "Subsidiaries without Public Accountability: Disclosures" (including the 2025 amendments)	January 1, 2027
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2027

Note1: Unless stated otherwise, the above New/Revised/Amended Standards and Interpretations are effective for annual periods beginning on or after their respective effective dates.

Note2: The FSC announced on September 25, 2025, that enterprises in our country should apply IFRS 18 from January 1, 2028, but may choose to apply it earlier after FSC approval of IFRS 18.

IFRS 18 - "Presentation and Disclosure in Financial Statements" and related accompanying amendments

IFRS 18 will replace IAS 1 - "Presentation of Financial Statements"; key changes of the standard include:

- The Company shall assess whether it engages in specific principal operating activities of investing in certain types of assets and providing financing to customers, and classify income and expense items on the statement of profit or loss into the following categories: operating, investing, financing, income taxes, and discontinued operations.
- The statement of profit or loss shall present subtotals and totals for: operating profit or loss, pre-tax profit or loss before financing and profit or loss.
- Provides guidelines for enhanced aggregation and disaggregation: The Company shall identify assets, liabilities, equity, income, expenses, and cash flows given rise by individual transactions or events, and classify and aggregate them based on shared characteristics, so that single-line items presented on the main financial statements have at least one shared characteristic. Items of dissimilar characteristics shall be disaggregated in main financial statements and notes. The Company will label an item as "Other" only if it is unable to find a more informative label.
- Introduction of disclosure for management-defined performance measure: When publishing financial statements or communicating with financial statement users about the management's perspective on a certain aspect of the Company's overall financial performance, the Company shall disclose, in a single note, information relating to management-defined performance measures (MPMs), including a description of MPM, the method of calculation, and a reconciliation with the subtotal

or total required by IFRS Accounting Standards, including the income tax effect and the effect on non-controlling interests for each item disclosed in the reconciliation.

In addition, the accompanying amendments to IAS 7 "Statement of Cash Flows" are as follows:

- When the company prepares the cash flows from operating activities using the indirect method, it should use operating profit or loss as the starting point for adjustments.
- Interest received and dividends received by the Company should be classified as investing activities, while interest paid and dividends paid should be classified as financing activities. If the Company evaluates that it engages in specific principal operating activities, it must consider the types of dividend income, interest income, and interest expense reported in the statement of profit or loss to determine the classification of dividends received, interest received, and interest paid in the cash flow statement. However, each of the above cash flows can only be classified into a single activity in the cash flow statement.

As of the date the parent company only financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of other standards and interpretations will have on the Company's parent company only financial position and financial performance aside from those explained above, and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The parent company only financial statements have been prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

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

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

When preparing the parent company only financial statements, the Company used the equity method to account for its investments in subsidiaries. In order for the amounts of the net profit for the year, other comprehensive income/equity for the year and total equity in the parent company only financial statements to be the same with the amounts

attributable to the owners of the Company in its parent company only financial statements, adjustments arising from the differences in accounting treatments were made for "investments accounted for using the equity method", "the recognized share of profit or loss of subsidiaries by using the equity method", "the recognized share of other comprehensive income of subsidiaries by using the equity method" and other equity items.

c. Classification standard of current and non-current assets and liabilities

Current assets include:

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

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities that are due to be settled within 12 months after the balance sheet date (even if long-term refinancing or payment rescheduling agreements have been completed after the balance sheet date and before the approval of financial statements) are categorized as current liabilities, and Liabilities for which the Company does not have a substantive right to defer settlement for at least 12 months after the balance sheet date.

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

d. Foreign currency

In preparing the Company's financial statements, transactions in currencies other than the Company's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

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

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate on the date of the transaction and will not be translated again.

In presenting parent company only financial statements, the assets and liabilities of the Company's foreign operations (including subsidiaries in other countries that use currencies different from the functional currency of the Company) are translated into the presentation currency, the New Taiwan dollar. Income and expense items are translated at the average exchange rates on the balance sheet date. The resulting currency translation differences are recognized in other comprehensive income.

When disposing of all or part of the subsidiaries of foreign operations, which resulted in losing control of the foreign operations, all the accumulated exchange differences related to the foreign operations will be classified as profit and loss.

But when disposing of part of the subsidiaries and associates which did not result in losing control of the foreign operations, the accumulated exchange differences will be incorporated into the calculation of equity transactions rather than profit or loss. In other disposal of foreign operations, the accumulated exchange differences will be classified as profit and loss based on its proportion.

e. Inventories

Inventories consist of raw materials, supplies, finished goods and work-in-process and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to Company similar or related items. Net realizable value is the balance that the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventory costs are calculated by moving average method.

f. Investment in subsidiaries

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

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

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. In addition, changes in the Company's interests of subsidiaries are recognized according to the ownership proportion.

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

When the Company's shares of losses of a subsidiary equal or exceed its equity in that subsidiary (which includes any carrying amount of the investment accounted for by using the equity method and long-term equity that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its losses according to the ownership proportion.

When the acquisition cost exceeds the net fair value of the Company's identifiable assets and liabilities of the subsidiary on the acquisition date, the exceeding amount is classified as goodwill, which is included in the carrying value of the investment and is not amortized; when the net fair value of the Company's net fair value of the subsidiary exceeds the acquisition cost, the exceeding amount is classified as current income.

When the Company assesses its investment for any impairment, it considers cash generating units on the entire financial statements and compares the carrying amount with the estimated recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes the reversal of the impairment loss as

gain; however, the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized after deducting the amortization had no impairment loss been recognized. The impairment loss attributable to goodwill shall not be reversed in subsequent periods.

When the Company loses control over a subsidiary, it measures the investment retained in the former subsidiary at its fair value on the date when control is lost. The difference between the fair value of the retained investment plus any disposal proceeds and the carrying amount of the previous investment on the date when the control is lost is recognized as a profit or loss for the current period. Besides, the Company accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Company had directly disposed of the related assets or liabilities.

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

g. Investments in associates

Associates refers to entities in which the Company has significant influence but are not subsidiaries or joint ventures.

The Company investments in associates are accounted for using the equity method. Under the equity method, an investment in associates is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associates. In addition, changes in the interests of associates are recognized according to the ownership proportion.

When the share of losses incurred by the Company in related associates equals or exceeds its equity in such related associates (including the book amount of investments in related associates under the equity method and other long-term equity that is essentially a component of the Company's net investment in such related associates), further losses shall be stopped from being recognized. The Company only recognizes additional losses and liabilities within the scope of legal obligations, constructive obligations, or payments made on behalf of associates.

When conducting impairment assessments, the Company considers the entire carrying amount of the investment (including goodwill) as a single asset and compares it with the recoverable amount. Any impairment loss recognized is not allocated to any specific assets that make up the carrying amount of the investment. Any reversal of impairment losses is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Company discontinues the use of the equity method from the date its investment ceases to be an associate. The retained interest in the former associate is measured at

fair value. The difference between this fair value plus the disposal proceeds and the carrying amount of the investment on the date the equity method is discontinued is recognized in the current profit or loss. Besides, the Company accounts for all amounts recognized in other comprehensive income in relation to that Associate on the same basis as would be required if the Associate had directly disposed of the related assets or liabilities.

Profits and losses resulting from upstream transactions and transactions between associates are recognized in the parent company only financial statements only to the extent of interests in the associates that are not related to the Company.

h. Property, plant and equipment

Property, plant and equipment are stated at cost, subsequently are measured at the amount of cost less accumulated depreciation.

Property, plant and equipment in the course of construction are carried at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for self-owned land, depreciation of property, plant and equipment is recognized using the straight-line basis during useful life. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Investment properties

Investment property refers to property held for the purpose of earning rent or capital appreciation or both (including right-of-use assets that meet the definition of investment property).

Self-owned investment property is initially measured at cost (including transaction costs), and subsequently measured at the amount of cost less accumulated depreciation.

The investment property acquired by lease is initially measured at cost (including the original measurement amount of the lease liability and the lease payment paid before the lease start date), and subsequently measured at cost less the accumulated amount of depreciation and adjusted the re-measurement amount of the lease liability.

All investment property is depreciated on a straight-line basis.

When investment property is derecognized, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit and loss.

j. Intangible assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at the amount of cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis during the useful life. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

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

On each balance sheet date, the Company reviews the carrying amounts of its property, plant and equipment, right-of-use asset, investment property and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Shared assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually.

The recoverable amount is the higher of fair value less costs of sale and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount (less amortization or depreciation) that would have been determined to have no impairment loss recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

l. Financial instruments

Financial assets and financial liabilities are recognized in the parent company only balance sheet when the Company becomes a party to the contractual provisions of the instruments.

When financial assets and financial liabilities are initially measured, in case financial assets and financial liabilities are not measured at FVTPL, they are measured with the fair value added to transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities. Transaction costs directly attributable

to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

(1) Measurement categories

Financial assets held by the Company are classified into the following categories: financial assets at FVTPL, financial assets at amortized cost, investment in equity instruments at FVTOCI.

A. Financial assets measured at FVTPL

Financial assets at FVTPL are financial assets mandatorily classified at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and derivative instruments and fund beneficiary certificates that do not meet the criteria to classify as at amortized cost or at FVTOCI.

Financial assets at FVTPL are measured at fair value, with the generated dividends and interest recognized in other income and interest income respectively, and with the profits or losses arising from remeasurement are recognized in other profits and losses. Please refer to Note 30 for the method of determining the fair value.

B. Financial assets at amortized cost

The Company's financial assets that meet the following conditions are subsequently measured at amortized cost:

- a) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- b) The contractual terms of the financial asset give rise on cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, (including cash and cash equivalents, notes receivable at amortized cost, accounts receivable, other receivables, pledged time deposit, sell-back bonds and refundable deposits) are measured at amortized cost, which equals the gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Except for the following cases, the interest income is calculated by applying the effective interest rate to multiply the gross carrying amount of a financial asset:

- a) For credit-impaired financial assets purchased or initiated, the interest income is calculated based on the adjusted effective interest rate multiplying the amortized cost of the financial asset.
- b) For the financial assets that are not purchased or initiated, but subsequently become credit-impaired, the interest income shall be calculated based on the effective interest rate multiplying the amortized cost of the financial asset from the next reporting period after the credit impairment.

Credit-impaired financial assets refer to the issuer or debtor who has major financial difficulties, defaults, and the debtor is likely to apply for bankruptcy or other financial restructuring, or the active market for financial assets disappear due to financial difficulties.

Equivalent cash includes time deposits which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

C. Investments in equity instruments at FVTOCI

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

Investments in equity instruments at FVTOCI are measured at fair value, and subsequently gains and losses arising from changes in fair value are recognized in other comprehensive income and accumulated in other equity. The cumulative gains or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, they will be transferred to retained earnings.

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

(2) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including account receivables) on each balance sheet date.

The Company always recognizes lifetime expected credit losses for amount receivables as losses allowance. For other financial assets, the Company evaluates if there has been a significant increase in credit risk since initial recognition. If the credit risk on the financial asset has not increased significantly, the Company recognizes the loss allowance for that financial asset at an amount equal to 12-month expected credit losses. If there is a significant increase, the Company recognizes the lifetime expected credit losses accordingly.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For the purpose of internal credit risk management, the Company determines, in the following situations, that the default of financial assets have occurred without considering the collateral held by it:

- A. Internal or external information shows that the debtor is unlikely to pay its creditors.
- B. After overdue for more than 90 days, unless there is reasonable and corroborative information showing that it will be more appropriate to postpone the default criteria.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

(3) Derecognition of financial assets

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

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. Upon derecognition of investments in equity instruments at FVTOCI as a whole, the accumulated gains and losses are directly transferred to retained earnings and are not reclassified in profit and loss.

2) Equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Company are recognized at the proceeds received less the cost of direct issuance.

Reacquiring the Company's own equity instruments is recognized and deducted under equity. The purchase, sales, issuance or cancellation of the same above is not recognized as the profit or loss.

3) Financial liabilities

(1) Subsequent measurement

Except for financial liabilities at FVTPL, all financial liabilities are measured at amortized cost using the effective interest method.

Financial liabilities at FVTPL are financial liabilities held for trading. Related profits or losses are recognized in other profits and losses. Please refer to Note 30 for the method of determining the fair value.

(2) Derecognition of financial liabilities

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

4) Derivatives

The derivatives signed by the Company are forward foreign exchange contracts used to manage the Company's exchange rate risk.

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

m. Provisions

The amount recognized as provisions is the best estimate of the expenditure required to settle the obligation on the balance sheet date, considering the risks and uncertainties of the obligation. Provisions are measured at the discounted value of the estimated cash flows required to settle the obligation.

Provisions for carbon fees

Provisions for carbon fees recognized in accordance with Taiwan's carbon fee charging regulations and relevant laws are based on the best estimate of the expenditure required for settling the obligation in the year of discharge.

n. Revenue recognition

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

The Company's revenue from the sale of goods mainly comes from sales of polyethylene plastic pellets and related plastic products. When the goods are delivered to customer, the customer has full discretion to set the price and use of the goods, and has the main responsibility for resale, and bears the risks of obsolescence. The Company recognizes revenue and accounts receivable concurrently.

When the material is removed for processing, the control of the ownership of the processed product has not been transferred, so the income is not recognized when the material is removed.

o. Lease

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

1) The Company as lessor

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

When the Company subleases the right-of-use asset, it uses the right-of-use asset (not the underlying asset) to determine the classification of sublease. However, if the main lease is a short-term lease for which the Company applies the recognition exemption, the sublease is classified as an operating lease.

Lease payments from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

2) The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

The right-of-use asset is initially measured at cost (including the original measured amount of the lease liability and the lease payment paid before the lease start date), and subsequently measured at the amount after the cost less the accumulated depreciation, and the remeasured amount of the lease liability is adjusted. Except for those that meet the definition of investment property, the right-to-use assets are separately expressed on the parent company only balance sheets. For the recognition and measurement of right-of-use assets that meet the definition of investment property, please refer to the above (i) Accounting Policy for Investment Property.

Right-of-use assets are depreciated using the straight-line basis from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments. The lease payments are discounted using the interest rate implicit in a lease if that rate can be readily

determined. If that rate cannot be readily determined, the Company uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term leading to a change in future lease payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the parent company only balance sheets.

p. Borrowing costs

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

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

q. Government subsidy

Government subsidies are recognized only when it is reasonably certain that the Company will comply with the conditions attached to the government subsidies and will receive such subsidies.

Government subsidies related to income are recognized in profit and loss on a systematic basis during the period when the relevant costs that they intend to compensate are recognized as expenses by the Company. Government subsidies conditional on the Company's purchase, construction, or other acquisition of non-current assets are recognized as deferred revenue and systematically transferred to profit or loss over the useful life of the related assets.

If the government subsidy is used to compensate for expenses or losses that have occurred or for the purpose of providing the Company with immediate financial support and there is no future related cost, it is recognized in the profit and loss during the period when it can be received.

The difference between the amount of the government loans obtained by the Company at below-market interest rates and their fair value calculated at the prevailing market interest rates is recognized as a government subsidy.

r. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expense when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and rereasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period they occur. Rereasurement (comprising actuarial gains and losses, and the return on plan assets excluding interest) is recognized in other comprehensive income in the period in which it occurs. Rereasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities represent the actual deficit in the Company's defined benefit plans.

s. Income tax

The income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

The Company determines the current income (loss) in accordance with the laws as well as regulations established by the income tax reporting jurisdiction, and calculates the payable (recoverable) income tax accordingly.

According to the Income Tax Act, an additional tax on unappropriated earnings is provided for as income tax in the year of the shareholder meetings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each balance sheet date and reduced to the extent that it is no longer probable that sufficient

taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each balance sheet date and recognized to the extent that it has become probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the balance sheet, to recover or settle the carrying amount of its assets and liabilities.

3) Current tax and deferred tax for the year

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

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

ESTIMATE OF COMPENSATION FOR THE SUBSIDIARY'S GAS EXPLOSION INCIDENT

As for the civil damages incurred by the gas explosion of the subsidiary, China General Terminal & Distribution Corporation (CGTD) which is recognized as a liability provision, the management estimates the amount of the liability provision by taking into account the progress of civil and criminal proceedings and settlements as well as the legal advice. However, actual results may differ from current estimates.

6. CASH AND CASH EQUIVALENTS

	December 31, 2025	December 31, 2024
Cash on hand and petty cash	\$ 490	\$ 490
Checking accounts and demand deposits	157,952	94,4330
Cash equivalents		
Time deposits	18,372	195,076
Reserve repurchase agreements collateralized by bonds	-	938,773
	<u>\$ 176,814</u>	<u>\$ 1,228,772</u>

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

	December 31, 2025	December 31, 2024
Time deposits	1.25%~3.60%	1.72%~4.28%
Reserve repurchase agreements collateralized by bonds	-	1.44%~1.90%

7. FINANCIAL INSTRUMENTS AT FVTPL - CURRENT

	December 31, 2025	December 31, 2024
<u>Financial assets mandatorily classified at FVTPL</u>		
<u>Non-derivative financial assets</u>		
- Domestic publicly traded shares	\$ 103,200	\$ 63,400
- Foreign listed shares	20,936	18,360
- Mutual funds	274,207	176,886
- Beneficiary securities	58,378	62,229
	<u>\$ 456,721</u>	<u>\$ 320,875</u>
<u>Financial liabilities held for trading</u>		
<u>Derivative financial liabilities (not under hedge accounting)</u>		
- Foreign exchange forward contracts	\$ 239	\$ -

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

<u>December 31, 2025</u>	<u>Currency</u>	<u>Maturity date</u>	<u>Contract Amount (In Thousands)</u>		
Sell	USD/NTD	2026.02.26	USD	670 /NTD	20,747

The Company entered into foreign exchange forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities. However, those contracts did not meet the criteria of hedge effectiveness, and therefore, the Company did not apply hedge accounting treatments for derivative contracts.

8. FINANCIAL ASSETS AT FVTOCI - NON-CURRENT

	December 31, 2025	December 31, 2024
<u>Investments in equity instruments at FVTOCI</u>		
<u>Domestic investments</u>		
Publicly traded shares	\$ 661,179	\$ 703,027
Unlisted shares	105,894	117,271
	<u>\$ 767,073</u>	<u>\$ 820,298</u>

The Company has invested in domestic publicly traded and unlisted shares for medium- to long-term strategic purposes, and expects to generate returns over the long term. Accordingly,

the management elected to designate these investments in equity instruments as at FVTOCI as it believes that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes.

In the year ended December 31, 2025, the Company sold 50 thousand shares of PELL Bio-Med Technology Co. Ltd., and the related other equity - unrealized gains on financial assets at FVTOCI of NT\$12,245 thousand were transferred to retained earnings.

From January 1 to December 31, 2025, the Company received capital of NT\$11,803 thousand through the redemption of shares from the investee company's capital reduction based on its percentage of ownership.

For the years ended December 31, 2025 and 2024, the Company recognized NT\$17,235 thousand and NT\$37,127 thousand of dividend income, respectively.

9. FINANCIAL ASSETS AT AMORTIZED COST - CURRENT

	December 31, 2025	December 31, 2024
Pledged time deposits	<u>\$ 56,591</u>	<u>\$ 62,622</u>
The range of interest rate		
Pledged time deposits	1.655%	1.530%~1.655%

The trading partners of the Company's pledged time deposits are financial institutions with good credit ratings. After assessing that the time deposits have low credit risk, no allowance for loss is recognized.

Please refer to Note 32 for information related to financial assets at amortized cost.

10. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	December 31, 2025	December 31, 2024
<u>Notes receivable (a)</u>		
Operating	<u>\$ 31,715</u>	<u>\$ 42,304</u>
<u>Accounts receivable (a)</u>		
Amortized cost		
Gross carrying amount	\$ 309,239	\$ 467,906
Less: loss allowance	<u>(2,651)</u>	<u>(2,651)</u>
	<u>\$ 306,588</u>	<u>\$ 465,255</u>
<u>Accounts receivable - related parties (a)</u>		
Operating (Note 31)	<u>\$ 78,291</u>	<u>\$ 66,924</u>

	December 31, 2025	December 31, 2024
<u>Other receivables (b)</u>		
Tax refund receivable	\$ 47,426	\$ 51,613
Interest receivable	398	623
Others	<u>3,904</u>	<u>283</u>
	<u>\$ 51,728</u>	<u>\$ 52,519</u>
Other receivables - related parties (Note 31)	<u>\$ 25,152</u>	<u>\$ 279,182</u>

a. Notes and accounts receivable

The average credit period of sales of goods was 10 to 90 days. No interest was charged on the receivables.

In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. Before accepting a new customer, the Company surveys the customers' credit history and measures the potential customer's credit quality to grant a credit term. A customer's credit term and rating are reviewed annually. In addition, the Company reviews the recoverable amount of each individual trade debt on the balance sheet date to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Company's credit risk was significantly reduced.

The Company measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses (ECLs). ECLs over the life period are calculated using a reserve matrix, which takes into account the customer's past default record and current financial condition, industry economic situation and industry outlook.

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

The following table details the loss allowance of notes receivables and trade receivables (including related parties) based on the Company's allowance matrix.

December 31, 2025

Based on the number of days past due

	Up to 60 Days	61~90 Days	Over 91 Days	Total
Gross carrying amount	\$ 419,245	\$ -	\$ -	\$ 419,245
Loss allowance (Lifetime ECLs)	(<u>2,651</u>)	<u>-</u>	<u>-</u>	(<u>2,651</u>)
Amortized cost	<u>\$ 416,594</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 416,594</u>

December 31, 2024

Based on the number of days past due

	<u>Up to 60 Days</u>	<u>61~90 Days</u>	<u>Over 91 Days</u>	<u>Total</u>
Gross carrying amount	\$ 577,134	\$ -	\$ -	\$ 577,134
Loss allowance (Lifetime ECLs)	(<u>2,651</u>)	<u>-</u>	<u>-</u>	(<u>2,651</u>)
Amortized cost	<u>\$ 574,483</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 574,483</u>

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

The allowance for loss recognized on the Company's notes and accounts receivable for the years ended December 31, 2025 and 2024 was not changed:

	<u>2025</u>	<u>2024</u>
Balance and Ending balance	<u>\$ 2,651</u>	<u>\$ 2,651</u>

b. Other receivables

The Company assessed impairment losses based on expected credit losses as of December 31, 2025 and 2024.

11. INVENTORIES

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Finished goods	\$ 690,724	\$ 707,289
Work in progress	38,803	59,606
Raw materials	176,487	116,422
Supplies	<u>155,401</u>	<u>151,713</u>
	<u>\$ 1,061,415</u>	<u>\$ 1,035,030</u>

The costs of inventories recognized as the cost of goods sold for the years ended December 31, 2025 and 2024 were NT\$8,398,570 thousand and NT\$8,964,264 thousand, respectively.

The costs of goods sold for the years ended December 31, 2025 and 2024 included the (reversal of) provision of allowance for inventory valuation and obsolescence losses of NT\$(43,286) thousand and NT\$51,028 thousand, respectively. The reversal of inventory write-downs and obsolescence losses is due to the clearance of inventories.

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Investment in subsidiaries	\$ 13,693,534	\$ 16,319,629
Investments in associates	<u>8,779</u>	<u>81,646</u>
	<u>\$ 13,702,313</u>	<u>\$ 16,401,275</u>

a. Investment in subsidiaries

	December 31, 2025		December 31, 2024	
	Carrying Amount	Ownership Equity and Voting Rights %	Carrying Amount	Ownership Equity and Voting Rights %
Over-the-counter (OTC) company				
Acme Electronics Corporation (ACME)	\$ 553,341	29.0	\$ 569,821	29.0
Unlisted (OTC) companies				
USI Investment Co., Ltd. (USII)	876,608	100.0	922,756	100.0
Swanlake Traders Ltd. (Swanlake)	1,524,816	100.0	1,567,162	100.0
USI (Hong Kong) Company Ltd. (USI (HK))	55,923	100.0	62,709	100.0
USI Management Consulting Corp (UM)	14,981	100.0	11,397	100.0
Chong Loong Trading Co., Ltd. (CLT)	103,363	100.0	98,112	100.0
Union Polymer International Investment Corporation (UPIIC)	8,321,379	100.0	9,092,810	100.0
Taiwan United Venture Capital Corp. (TUVC)	23,075	70.0	23,136	70.0
Swanson Plastics Corp. (SPC)	900,135	40.6	1,035,411	40.6
INOMA Corporation (INOMA)	-	-	10,461	94.4
Ever Conquest Global Limited (ECGL)	1,029,078	59.1	2,556,782	59.1
USI Optronics Corporation (USIO)	7,631	50.9	15,914	50.9
USI Green Energy Corporation (SG)	283,204	100.0	353,158	100.0
	<u>13,140,193</u>		<u>15,749,808</u>	
	<u>\$ 13,693,534</u>		<u>\$ 16,319,629</u>	

The Company's shareholdings in ACME and SPC are 29.0% and 40.6%, respectively. Considering the absolute voting rights, relative size and distribution compared to those held by other shareholders, the Company has the substantial ability to dominate ACME and SPC. Therefore, they are listed as subsidiaries. As for the statements of subsidiaries held indirectly by the Company, please refer to Tables 6 and 7.

By using the equity method to account for its investments in the over-the-counter (OTC) company, the fair value based on the closing price for the years ended December 31, 2025 and 2024 was NT\$1,751,796 thousand and NT\$1,690,113 thousand, respectively.

Under the equity method, the Company's share of the profit or loss and other comprehensive income of the subsidiaries for the years ended December 31, 2025 and 2024 was recognized based on the financial reports of each subsidiary audited by accountants during the same period.

Due to consideration of the fund utilization, TUVC passed the resolution of the extraordinary shareholders' meeting on June 5, 2024, to cash reduction and return the equity, cancel the issued shares of 10,000 thousand shares. The capital reduction ratio was 50.00%, and the base date for it was June 18, 2024. After the capital reduction, the paid-in share capital of TUVC was NT\$100,000 thousand. The Company received

capital of NT\$70,000 thousand through the redemption of shares based on its percentage of ownership.

INOMA Corporation resolved to undergo liquidation on March 7, 2024, and completed its dissolution and liquidation procedures on May 9, 2025. The company received a distribution of NT\$7,527 thousand from the remaining assets of the liquidation in July and August 2025.

Because of the under achievement of the expected target, the board of directors resolved to dissolve and liquidate USIG on August 8, 2023, and finalized its dissolution and liquidation procedures on December 1, 2023.

The company recognized a loss of NT\$13,850 thousand on disposal of investments accounted for using the equity method due to the aforementioned transaction. Additionally, on January 16, 2024, the company received a distribution of NT\$129,438 thousand from the remaining assets of the liquidation (recorded as other receivables - related parties).

As of Ending Balance as of December 31, 2025, the Company and Asia Polymer Corporation (APC) had invested US\$246,670 thousand (around NT\$7,645,981 thousand) and US\$170,475 thousand (around NT\$5,255,587 thousand) in ECGL, respectively, and reinvested in Ever Victory Global Limited (EVG) via ECGL as well as in DEI. The total ownership percentage of the Company in EVG is 67.4%.

b. Investments in associates

	December 31, 2025		December 31, 2024	
	Carrying Amount	%	Carrying Amount	%
<u>Investments in associates that are not individually material</u>				
Delmind Inc. (Delmind)	\$ -	-	\$ 72,312	30.0
Chem Union Renewable Energy Corporation (CURE)	<u>8,779</u>	33.3	<u>9,334</u>	33.3
	<u>\$ 8,779</u>		<u>\$ 81,646</u>	

In September 2025, the Company disposed of all its shares in Delmind for NT\$73,778 thousand, net of disposal costs. The equity transfer procedure was completed in September 2025, and the Company recognized a gain on disposal of investment amounting to NT\$6,610 thousand, which was recorded under Other gains and losses. The shares in 2025 and 2024 were net losses of NT\$5,144 thousand and NT\$7,675 thousand, respectively.

The Company's board of directors approved the establishment of Chem Union Renewable Energy Corporation (CURE), a joint venture with Chang Chun Petrochemical Co., Ltd. and Chimei Corporation on November 3, 2022. CURE will purchase offshore wind power in an integrated manner to achieve the Group's carbon neutrality plan. In December 2022, the Company invested NT\$10,000 thousand in CURE. On April 13, 2023, the Company completed the registration of the establishment

of CURE with an established capital of NT\$30,000 thousand and the Company holds 33.3% of the shares of CURE, the shares in 2025 and 2024 were net losses of NT\$555 thousand and NT\$501 thousand, respectively.

13. PROPERTY, PLANT AND EQUIPMENT - FOR SELF-USE

	Freehold Land	Land improvements	Buildings and Improvements	Machinery and Equipment	Transportation equipment	Other equipment	Construction in progress and equipment under installation	Total
<u>Costs</u>								
Balance at January 1, 2025	\$ 495,159	\$ 131,454	\$ 1,688,043	\$ 9,609,212	\$ 28,534	\$ 102,653	\$ 741,074	\$12,796,129
Addition	-	-	-	-	-	-	435,235	435,235
Disposal	-	-	(168)	(51,683)	-	-	-	(51,851)
Internal transfer	-	-	1,097	133,771	-	1,455	(138,450)	(2,127)
Balance at December 31, 2025	\$ 495,159	\$ 131,454	\$ 1,688,972	\$ 9,691,300	\$ 28,534	\$ 104,108	\$ 1,037,859	\$13,177,386
<u>Accumulated depreciation</u>								
Balance at January 1, 2025	\$ -	\$ 116,096	\$ 598,256	\$ 6,416,802	\$ 21,005	\$ 89,856	\$ -	\$ 7,242,015
Depreciation expense	-	3,336	43,226	513,489	2,612	4,312	-	566,975
Disposal	-	-	(131)	(51,647)	-	-	-	(51,778)
Balance at December 31, 2025	\$ -	\$ 119,432	\$ 641,351	\$ 6,878,644	\$ 23,617	\$ 94,168	\$ -	\$ 7,757,212
Carrying amounts at December 31, 2025	\$ 495,159	\$ 12,022	\$ 1,047,621	\$ 2,812,656	\$ 4,917	\$ 9,940	\$ 1,037,859	\$ 5,420,174
<u>Costs</u>								
Balance at January 1, 2024	\$ 495,159	\$ 131,555	\$ 1,682,475	\$ 9,346,354	\$ 30,307	\$ 183,904	\$ 826,377	\$12,696,131
Addition	-	-	-	-	-	-	278,311	278,311
Disposal	-	(101)	-	(9,089)	(1,773)	(86,483)	-	(97,446)
Internal transfer	-	-	5,568	271,947	-	5,232	(363,614)	(80,867)
Balance at December 31, 2024	\$ 495,159	\$ 131,454	\$ 1,688,043	\$ 9,609,212	\$ 28,534	\$ 102,653	\$ 741,074	\$12,796,129
<u>Accumulated depreciation</u>								
Balance at January 1, 2024	\$ -	\$ 112,814	\$ 555,454	\$ 5,883,880	\$ 20,094	\$ 171,895	\$ -	\$ 6,744,137
Depreciation expense	-	3,383	42,802	542,011	2,684	4,444	-	595,324
Disposal	-	(101)	-	(9,089)	(1,773)	(86,483)	-	(97,446)
Balance at December 31, 2024	\$ -	\$ 116,096	\$ 598,256	\$ 6,416,802	\$ 21,005	\$ 89,856	\$ -	\$ 7,242,015
Carrying amount at December 31, 2024	\$ 495,159	\$ 15,358	\$ 1,089,787	\$ 3,192,410	\$ 7,529	\$ 12,797	\$ 741,074	\$ 5,554,114

In accordance with the New Taipei City Government Letter Development No. 1072133080 dated November 7, 2018, the land and buildings of the Company located in Linkou are within the scope of "Urban Land Redeveloping Zone at 1st Industrial Park in Linkou District." The land has been delivered for redevelopment and returned on May 2, 2023. On August 8, 2024, the board of directors passed a resolution for the Company to construct an innovative R&D center by commissioning an outside contractor. Additionally, on June 26, 2025, the Company signed a construction contract with Xu Yuan Construction Engineering Co., Ltd., with a contract amount not exceeding NT\$934,000 thousand. As of December 31, 2025, the Company had paid construction costs totaling NT\$139,710 thousand.

The property, plant and equipment of the Company are depreciated on a straight-line basis over their estimated useful lives as follows:

Freehold Land - land improvements	7-10 years
Buildings and Improvements	3-55 years
Machinery and Equipment	2-15 years
Transportation equipment	5-7 years
Other equipment	3-5 years

The Company did not recognize or reverse any impairment losses on its property, plant and equipment for the years ended December 31, 2025 and 2024.

For the amount of property, plant and equipment pledged as collateral for borrowings, please refer to Note 32.

For the related capitalized interest, please refer to Note 25 (d).

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31, 2025	December 31, 2024
Carrying amount of right-of-use assets		
Buildings	<u>\$ 5,682</u>	<u>\$ 10,460</u>
	From January 1 to December 31, 2025	From January 1 to December 31, 2024
Addition for right-of-use assets	<u>\$ -</u>	<u>\$ 14,611</u>
Depreciation of right-of-use assets		
Buildings	<u>\$ 4,778</u>	<u>\$ 4,893</u>

The Company leases the office in Taipei and sublets it to another company on an operating lease basis. The related right-of-use assets are presented as investment properties, and please refer to Note 15. The amounts disclosed above with respect to the right-of-use assets do not include right-of-use assets that meet the definition of investment properties.

Except for the recognition of depreciation expense, there was no impairment of the Company's right-of-use assets for the years ended December 31, 2025 and 2024.

b. Lease liabilities

	December 31, 2025	December 31, 2024
Carrying amount of lease liabilities		
Current	<u>\$ 26,339</u>	<u>\$ 25,757</u>
Non-current	<u>\$ 312,391</u>	<u>\$ 338,575</u>

Range of discount rate for lease liabilities was as follows:

	December 31, 2025	December 31, 2024
Buildings	<u>2.24%</u>	<u>2.24%</u>

c. Material lease-in activities and terms

The Company leases buildings for use as offices and R&D centers with lease terms of 3 to 11 years. The Company has options to lease office at the end of the lease terms.

d. Other lease information

For lease arrangements under operating leases for leasing out of investment properties, please refer to Note 15. For details of lease information, please refer to the following table (the Company as lessee):

	From January 1 to December 31, 2025	From January 1 to December 31, 2024
Expenses relating to short-term leases	<u>\$ 9,098</u>	<u>\$ 6,606</u>
Expenses relating to low-value asset leases	<u>\$ 71</u>	<u>\$ 96</u>
Total cash (outflow) for leases	<u>(\$ 42,815)</u>	<u>(\$ 40,310)</u>

The Company leases certain buildings, cars and low-value assets which qualify as short-term leases. The Company has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

15. INVESTMENT PROPERTIES

	December 31, 2025	December 31, 2024
Completed investment properties		
Land	\$ 26,292	\$ 26,292
Buildings	26,528	26,413
Right-of-use assets	<u>318,676</u>	<u>350,544</u>
	<u>\$ 371,496</u>	<u>\$ 403,249</u>

	Land	Buildings	Right-of-use assets	Total
<u>Costs</u>				
Balance at January 1, 2025	\$ 26,292	\$ 66,205	\$ 508,190	\$ 600,687
Addition	-	1,221	-	1,221
Balance at December 31, 2025	<u>\$ 26,292</u>	<u>\$ 67,426</u>	<u>\$ 508,190</u>	<u>\$ 601,908</u>
<u>Accumulated depreciation</u>				
Balance at January 1, 2025	\$ -	\$ 39,792	\$ 157,646	\$ 197,438
Depreciation expense	-	1,106	31,868	32,974
Balance at December 31, 2025	<u>\$ -</u>	<u>\$ 40,898</u>	<u>\$ 189,514</u>	<u>\$ 230,412</u>
Carrying amount at December 31, 2025	<u>\$ 26,292</u>	<u>\$ 26,528</u>	<u>\$ 318,676</u>	<u>\$ 371,496</u>
<u>Costs</u>				
Balance at January 1, 2024	\$ 26,292	\$ 69,805	\$ 210,881	\$ 306,978
Addition	-	-	297,309	297,309
Disposal	-	(3,600)	-	(3,600)
Balance at December 31, 2024	<u>\$ 26,292</u>	<u>\$ 66,205</u>	<u>\$ 508,190</u>	<u>\$ 600,687</u>
<u>Accumulated depreciation</u>				
Balance as of January 1, 2024	\$ -	\$ 42,428	\$ 131,029	\$ 173,457
Depreciation expense	-	964	26,617	27,581
Disposal	-	(3,600)	-	(3,600)
Balance at December 31, 2024	<u>\$ -</u>	<u>\$ 39,792</u>	<u>\$ 157,646</u>	<u>\$ 197,438</u>
Carrying amount at December 31, 2024	<u>\$ 26,292</u>	<u>\$ 26,413</u>	<u>\$ 350,544</u>	<u>\$ 403,249</u>

The investment property is the sublease of the Company's free-held and leased offices in Taipei to other companies on an operating lease for a period of 1 to 6 years with an option to

extend the lease. The lease contracts contain market review clauses in the event that the lessees exercise their options to extend.

Except for the recognition of depreciation expense, the Company's investment properties did not experience significant additions, disposals, or impairments for the years ended December 31, 2025 and 2024.

The total amount of lease payments to be collected in the future for investment property as operating lease is as follows:

	December 31, 2025	December 31, 2024
Year 1	\$ 11,979	\$ 19,909
Year 2	2,779	11,833
Year 3	40	2,738
Year 4	33	-
	<u>\$ 14,831</u>	<u>\$ 34,480</u>

The above items of investment properties are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	5-50 years
Right-of-use assets	3-11 years

The fair values of the remaining investment properties were not assessed by independent appraisers; instead, they were arrived at by using the valuation model that most market participants would use in determining fair value by using Level 3 inputs, with reference to the transaction prices of similar properties in the vicinity. The fair value of right-of-use assets was determined by adding back the amount of related lease liabilities recognized to the net amount of the expected lease income after deducting all the expected payments.

The fair values of investment properties as of December 31, 2025 and 2024 are as follows:

	December 31, 2025	December 31, 2024
Fair Value	<u>\$ 648,373</u>	<u>\$ 709,943</u>

16. INTANGIBLE ASSETS

	December 31, 2025	December 31, 2024
Computer software	\$ 356	\$ 1,153
Technology royalties and patent right	-	-
	<u>\$ 356</u>	<u>\$ 1,153</u>

	Technology royalties and patent right	Computer software	Total
<u>Costs</u>			
Balance at January 1, 2025	\$ 174,850	\$ 3,148	\$ 177,998
Addition	-	158	158
Disposal	-	(1,380)	(1,380)
Balance at December 31, 2025	<u>\$ 174,850</u>	<u>\$ 1,926</u>	<u>\$ 176,776</u>
<u>Accumulated amortization and impairment</u>			
Balance at January 1, 2025	\$ 174,850	\$ 1,995	\$ 176,845
Amortization expense	-	955	955
Disposal	-	(1,380)	(1,380)
Balance at December 31, 2025	<u>\$ 174,850</u>	<u>\$ 1,570</u>	<u>\$ 176,420</u>
Carrying amount at December 31, 2025	<u>\$ -</u>	<u>\$ 356</u>	<u>\$ 356</u>
<u>Costs</u>			
Balance at January 1, 2024	\$ 174,850	\$ 2,076	\$ 176,926
Addition	-	1,129	1,129
Disposal	-	(57)	(57)
Balance at December 31, 2024	<u>\$ 174,850</u>	<u>\$ 3,148</u>	<u>\$ 177,998</u>
<u>Accumulated amortization and impairment</u>			
Balance at January 1, 2024	\$ 174,850	\$ 1,120	\$ 175,970
Amortization expense	-	932	932
Disposal	-	(57)	(57)
Balance at December 31, 2024	<u>\$ 174,850</u>	<u>\$ 1,995</u>	<u>\$ 176,845</u>
Carrying amount at December 31, 2024	<u>\$ -</u>	<u>\$ 1,153</u>	<u>\$ 1,153</u>

Except for the recognition of amortization expense, no impairment assessment was performed periodically as there was no indication of impairment on the Company's intangible assets for the years ended December 31, 2025 and 2024.

The above-mentioned intangible assets with limited service life are amortized on a straight-line basis over their estimated useful lives as follows:

Technology royalties and patent right	3-7 years
Computer software	1-3 years

17. BORROWINGS

a. Short-term borrowings (December 31, 2025: None)

	<u>December 31, 2024</u>
<u>Unsecured borrowings</u>	
— Credit borrowings	<u>\$ 420,000</u>
The range of interest rate	1.80%~1.85%

b. Long-term borrowings

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Unsecured borrowings</u>		
Credit borrowings	\$ 1,920,223	\$ 1,011,685
Less: Listed as maturity within one year	<u>366,015</u>	<u>291,462</u>
	<u>\$ 1,554,208</u>	<u>\$ 720,223</u>
The range of interest rate	1.16%~2.16%	1.18%~1.72%

The Company entered into medium and long-term credit contracts with banks to replenish the medium and long-term working capital. The contracts will be effective up to August 2028 with a total credit limit of NT\$2,600,000 thousand, which is used cyclically during the validity period. As of December 31, 2025, the Company has used its credit limit of NT\$1,200,000 thousand.

According to the part loan contracts of the financial report of the Company, the current ratio, bank loan ratio, debt ratio, and interest protection multiples should not be less than the specified percentage. The Company should provide improvements to the bank if the requirements were not met. As of December 31, 2025, the Company did not violate any of the financial ratio requirements stated above.

As of December 31, 2025, the Company has acquired a special low-interest bank loan line of NT\$2,422,064 thousand in accordance with the "Action Plan for Accelerated Investment by Domestic Corporations" and the "Action Plan for Encouraging Taiwanese Businesses to Return to Taiwan for Investment," and has utilized NT\$722,064 thousand. The loan must be used for items eligible for subsidies, and is recognized and measured at market interest rate. The difference between the market interest rate and the actual preferential repayment rate is recognized as government subsidy.

18. BONDS PAYABLE

	December 31, 2025	December 31, 2024
Domestic unsecured bonds A 110-1 - issuance on June 23 2021, 5 years, total amount NT\$1,000,000 thousand, coupon rate 0.63%, bullet repayment, repaid NT\$500,000 thousand in the 4th and 5th years respectively from the issuance date	\$ 500,000	\$ 1,000,000
Domestic unsecured bonds B 110-1- issuance on June 23 2021, 7 years, total amount NT\$1,000,000 thousand, coupon rate 0.73%, bullet repayment, repaid NT\$500,000 thousand in the 6th and 7th years respectively from the issuance date	1,000,000	1,000,000
Domestic unsecured bonds A 110-2 - issuance on October 26, 2021, 5 years, total amount NT\$700,000 thousand, coupon rate 0.63%, repaid NT\$350,000 thousand in the 4th and 5th years respectively from the issuance date	350,000	700,000
Domestic unsecured bonds B 110-2 - issuance on October 26, 2021, 7 years, total amount NT\$1,300,000 thousand, coupon rate 0.77%, repaid NT\$650,000 thousand in the 6th and 7th years respectively from the issuance date	<u>1,300,000</u>	<u>1,300,000</u>
	3,150,000	4,000,000
Discounts on bonds payable	(<u>1,962</u>)	(<u>3,412</u>)
	3,148,038	3,996,588
Less: Listed as maturity within one year	<u>849,742</u>	<u>849,745</u>
	<u>\$ 2,298,296</u>	<u>\$ 3,146,843</u>

In June 2021, the Company applied for the first issuance of unsecured ordinary corporate bonds issued in 2021 with the amount of NT\$2,000,000 thousand in order to reimburse the bank loans, and the unsecured ordinary corporate bonds with a 5-to-7-year maturity, due for repayment, were all issued in June 2021. The repayment of NT\$500,000 thousand was made in June 2025 at the end of the 4th year from the date of issuance.

In October 2021, the Company applied for the second issuance of unsecured ordinary corporate bonds issued in 2021 with the amount of NT\$2,000,000 thousand in order to reimburse the bank loans, and the unsecured ordinary corporate bonds with a 5-to-7-year maturity were all issued in October 2021. The repayment of NT\$350,000 thousand was made in October 2025 at the end of the 4th year from the date of issuance.

In March 2022, the Company applied for the first issuance of unsecured ordinary corporate bonds issued in 2022 with the amount of NT\$2,000,000 thousand in order to reimburse the bank loans as approved by resolution of the board of directors. As of the date the parent company only financial statements were authorized for issue, the unsecured ordinary corporate bonds have not yet been issued.

19. ACCOUNTS PAYABLE

	December 31, 2025	December 31, 2024
<u>Accounts payable</u>		
Operating	\$ <u>373,592</u>	\$ <u>781,845</u>
<u>Accounts payable - related parties (Note 31)</u>		
Operating	\$ <u>40,186</u>	\$ <u>62,713</u>

The average credit period of the Company is between 1 and 3 months. The Company has financial risk management policies to ensure that all payables are paid within the credit terms.

20. OTHER PAYABLES

	December 31, 2025	December 31, 2024
Non-related party		
Payables for purchases of equipment	\$ 109,590	\$ 12,424
Payables for salaries and bonuses	80,252	76,195
Payables for water electricity	72,827	80,045
Payables for fares	27,072	15,680
Payable for annual leave	22,366	23,778
Payables for interests	7,833	9,948
Others	<u>66,913</u>	<u>50,398</u>
	<u>\$ 386,853</u>	<u>\$ 268,468</u>
Related party (Note 31)	<u>\$ 11,764</u>	<u>\$ 38,196</u>

21. PROVISIONS

	December 31, 2025	December 31, 2024
<u>Current</u>		
Carbon fees	<u>\$ 24,371</u>	<u>\$ -</u>

From 2025, the Company will recognize provisions for carbon fees in accordance with Taiwan's carbon fee charging regulations and relevant laws. The Company assesses that it is very likely to obtain approval from the competent authority for the voluntary reduction plan and expects to achieve the designated targets from January 1 to December 31, 2025. It anticipates submitting the progress report on the execution of the voluntary reduction plan for 2025 by April 30, 2026. Therefore, the calculation of the Provisions for carbon fees is based on the preferential rate.

22. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The company adopted a pension plan under the "Labor Pension Act" of ROC (the "LPA"), which is a defined contribution plan. Based on the LPA, the Company makes

monthly contributions to employees' individual pension accounts in Bureau of Labor Insurance at 6% of monthly salaries and wages.

b. Defined benefit plans

The Company with the pension mechanism under the "Labor Standards Act" is considered a defined benefit plan under government administration. Where it is paid based on average salary of 6 months prior to the approved retirement day and seniority. The Company contributes an amount 9% (from November 10, 2016, the contribution rate raises to 12%) of salaries paid each month to their respective pension funds, which are administered by

the Labor Pension Fund Supervisory Committee and deposited in the names of the Committee in the Bank of Taiwan. Entities are required to contribute the difference in one appropriation to the Funds before the end of next March when the balance of the Funds is insufficient to pay employees who will meet the retirement eligibility criteria within next year. The plan assets are held in a commingled fund which is operated and managed by the government's designated authorities; as such, the Company does not have any right to intervene in the investments of the funds.

The amounts included in the parent company only balance sheets arising from the Company's obligation in respect of its defined benefit plans were as follows:

	December 31, 2025	December 31, 2024
Present value of funded defined benefit obligation	(\$ 340,692)	(\$ 342,769)
Fair value of plan assets	<u>343,035</u>	<u>328,343</u>
Net defined benefit assets (liabilities)	<u>\$ 2,343</u>	(\$ 14,426)

The changes in net defined benefit assets (liabilities) were as follows:

	Present value of funded defined benefit obligation	Fair value of plan assets	Net defined benefit assets (liabilities)
January 1, 2024	(\$ 395,175)	\$ 324,097	(\$ 71,078)
Current service cost	(2,331)	-	(2,331)
Interest (expense) revenue	(4,893)	4,089	(804)
Amounts recognized in profit or loss	(7,224)	4,089	(3,135)
Remeasurement on the net defined benefit liability			
Return on plan assets (excluding amounts included in net interest)	-	29,374	29,374

(Continued)

(Continued)

	Present value of funded defined benefit obligation	Fair value of plan assets	Net defined benefit assets (liabilities)
Actuarial gains recognized from changes in financial assumptions	\$ -	\$ 29,374	\$ 29,374
Actuarial gains recognized from experience adjustments	5,373	-	5,383
Amounts recognized in other comprehensive income	<u>4,926</u>	<u>-</u>	<u>4926</u>
Contributions from employer	<u>10,309</u>	<u>29,374</u>	<u>39,683</u>
Benefits paid	48,575	(48,575)	-
Payment for provisions	<u>746</u>	<u>-</u>	<u>746</u>
December 31, 2024	<u>(\$ 342,769)</u>	<u>\$ 328,343</u>	<u>(\$ 14,426)</u>
January 1, 2025	<u>(\$ 342,769)</u>	<u>\$ 328,343</u>	<u>(\$ 14,426)</u>
Current service cost	(1,948)	-	(1,948)
Interest (expense) revenue	<u>(5,142)</u>	<u>5,127</u>	<u>(15)</u>
Amounts recognized in profit or loss	<u>(7,090)</u>	<u>5,127</u>	<u>(1,963)</u>
Remeasurement on the net defined benefit liability			
Return on plan assets (excluding amounts included in net interest)	-	24,205	24,205
Actuarial losses recognized from changes in financial assumptions	(5,213)	-	(5,213)
Actuarial losses recognized from experience adjustments	<u>(20,245)</u>	<u>-</u>	<u>(20,245)</u>
Amounts recognized in other comprehensive income	<u>(25,458)</u>	<u>24,205</u>	<u>(1,253)</u>
Contributions from employer	-	15,938	15,938
Benefits paid	30,578	(30,578)	-
Payment for provisions	<u>4,047</u>	<u>-</u>	<u>4,047</u>
Ending Balance as of December 31, 2025	<u>(\$ 340,692)</u>	<u>\$ 343,035</u>	<u>\$ 2,343</u>

The Company is exposed to following risks for the defined benefits plans under the "Labor Standards Act":

- 1) Investment risk: Through its own use and entrusting operation, Bureau of Labor Funds, MOL invested labor pension funds in domestic (foreign) equity and debt securities and bank deposits. But the allocated amounts of the plan assets shall not be lower than the gain calculated by the average interest rate on a two-year time deposit.

- 2) Interest rate risk: The decline in government bond interest rate will increase the present value of the obligation on the defined benefit plan, while the return on plan assets will increase. The net effect on the present value of the obligation on defined benefit plan is partially offset by the return on plan assets.
- 3) Salary risk: Present value of defined benefit obligations is calculated from future salary of member participants; Hence, the increase in plan participants' salary will increase the present value of the defined benefit obligation.

The present value of the defined benefit obligation of the Company was calculated by the independent actuary and material assumptions on the measurement date were as follows:

	December 31, 2025	December 31, 2024
Discount rate	1.25%	1.50%
Expected rates of salary increase	2.25%	2.25%

If reasonably possible changes of the respective significant actuarial assumptions occur, while holding all other assumptions constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31, 2025	December 31, 2024
Discount rate		
Increase 0.25%	(\$ 5,213)	(\$ 5,238)
Decrease 0.25%	\$ 5,356	\$ 5,383
Expected rates of salary increase		
Increase 0.25%	\$ 5,212	\$ 5,246
Decrease 0.25%	(\$ 5,099)	(\$ 5,130)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31, 2025	December 31, 2024
The expected contributions to the plan for the next year	\$ 14,575	\$ 26,876
The average duration of the defined benefit obligation	6.8 years	6.6 years

23. EQUITY

a. Share capital

	December 31, 2025	December 31, 2024
Number of shares authorized (in thousands)	<u>1,342,602</u>	<u>1,342,602</u>
Share authorized	<u>\$ 13,426,024</u>	<u>\$ 13,426,024</u>
Number of shares issued and fully paid (in thousands)	<u>1,188,763</u>	<u>1,188,763</u>
Share issued	<u>\$ 11,887,635</u>	<u>\$ 11,887,635</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

The capital surplus generated from donations and the excess of the issuance price over the par value of share capital (including the issuance of ordinary shares in excess of par value, the capital stock premium of shares issued due to merger, and treasury shares trading, etc.) 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 share dividends up to a certain percentage of the Company's paid-in capital. The capital surplus arising from investments accounted for using the equity method and from dividends had not been received during the given period by stockholders are used to offset a deficit only.

c. Retained earnings and dividends policy

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

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

The appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits.

If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for the years ended 2024 and 2023 as resolved in the shareholders' meetings on May 29, 2025 and May 31, 2024, respectively, are as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	From January 1 to December 31, 2024	From January 1 to December 31, 2023	From January 1 to December 31, 2024	From January 1 to December 31, 2023
Special reserve	\$ 93,106	\$ -		
Cash dividends	<u>237,753</u>	<u>416,067</u>	\$ 0.2	\$ 0.35
	<u>\$ 330,859</u>	<u>\$ 416,067</u>		

The appropriations of earnings from January 1 to December 31, 2025 had been proposed by the Company's board of directors on March 12, 2026, are as follows:

	Appropriation of Earnings	Dividends Per Share (NT\$)
Special reserve	\$ 43,274	
Cash dividends	<u>178,315</u>	\$ 0.15
	<u>\$ 221,589</u>	

The appropriations of earnings from January 1 to December 31, 2025 are subject to the resolution of the shareholders' meeting to be held on May 29, 2026.

d. Other equity

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

	From January 1 to December 31, 2025	From January 1 to December 31, 2024
Balance at January 1	(\$ 34,266)	(\$ 452,386)
Incurring in the current year		
Exchange differences on translating the financial statements of foreign operations	(135,594)	288,649
Related income tax of the profits and losses on translating the financial statements of foreign operations	27,118	(57,730)
Share from subsidiaries for using the equity method	(<u>86,618</u>)	<u>187,201</u>
Balance at December 31	<u>(\$ 229,360)</u>	<u>(\$ 34,266)</u>

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

	From January 1 to December 31, 2025	From January 1 to December 31, 2024
Balance at January 1	(\$ 103,950)	\$ 290,941
Incurring in the current year		
Unrealized gains (losses)		
Equity instruments	(24,927)	(82,006)
Share from subsidiaries for using the equity method	(55,435)	(312,409)
Transfer of cumulative gains/losses on disposal of equity instruments to retained earnings		
Equity instruments	(12,245)	-
Share from subsidiaries for using the equity method	(3,961)	(476)
Balance at December 31	(\$ 200,518)	(\$ 103,950)

e. Treasury shares

Purpose of Buy-Back	Number of shares at January 1 (in thousands)	Increase in the current year	Decrease in the current year	Number of shares at December 31 (in thousands)
<u>From January 1 to</u>				
<u>December 31, 2025</u>				
Subsidiaries' holding of the Company's shares reclassified from investment accounted for using the equity method into treasury stock	<u>116,466</u>	-	-	<u>116,466</u>
<u>From January 1 to</u>				
<u>December 31, 2024</u>				
Subsidiaries' holding of the Company's shares reclassified from investment accounted for using the equity method into treasury stock	<u>116,466</u>	-	-	<u>116,466</u>

The Company's shares held by its subsidiaries at the balance sheet date were as follows:

Name of Subsidiary	Number of Shares Held (in thousands)	Carrying Amount	Market Price
<u>December 31, 2025</u>			
APC	101,356	\$ 1,377,381	\$ 1,125,048
TTC	15,110	<u>81,875</u>	<u>167,720</u>
		<u>\$ 1,459,256</u>	<u>\$ 1,292,768</u>
<u>December 31, 2024</u>			
APC	101,356	\$ 1,377,381	\$ 1,089,574
TTC	15,110	<u>81,875</u>	<u>162,431</u>
		<u>\$ 1,459,256</u>	<u>\$ 1,252,005</u>

The Company's shares held by subsidiaries are regarded as treasury shares. Investments accounted for using the equity method are reclassified as treasury shares.

APC and TTC held shares of the Company that were presented as financial assets at FVTOCI. Using closing prices on the final trading dates as of December 31, 2025 and December 31, 2024, the two entities reported unrealized gains (losses) on financial assets at FVTOCI, for which the Company had adjusted the value of equity-accounted investments and unrealized loss on valuation of financial assets at FVTOCI by NT\$50,150 thousand and NT\$63,566 thousand, respectively, based on the prevailing shareholding percentages.

24. REVENUE

	From January 1 to December 31, 2025	From January 1 to December 31, 2024
Revenue from the sale of goods		
Plastic Raw Materials	<u>\$ 8,376,427</u>	<u>\$ 8,821,441</u>

Product sales revenue of the Company mainly comes from selling polyethylene plastic and other related products.

a. Contract balances

	December 31, 2025	December 31, 2024	January 1, 2024
Notes and accounts receivable (including related parties) (Notes 10 and 31)	<u>\$ 416,594</u>	<u>\$ 574,483</u>	<u>\$ 786,711</u>
Contract liabilities (presented in other current liabilities)			
Merchandise sales	<u>\$ 110,801</u>	<u>\$ 121,904</u>	<u>\$ 23,983</u>

b. Please refer to Statement 18 for revenue breakdown list.

25. NET LOSS PROFIT FOR THE YEAR

Net loss profit for the year includes the following:

a. Interest income

	<u>From January 1 to December 31, 2025</u>	<u>From January 1 to December 31, 2024</u>
Bank deposits	\$ 4,893	\$ 7,738
Reserve repurchase agreements collateralized by bonds	2,997	12,158
Beneficiary securities	2,316	2,101
Others	<u>131</u>	<u>124</u>
	<u>\$ 10,337</u>	<u>\$ 22,121</u>

b. Other income

	<u>From January 1 to December 31, 2025</u>	<u>From January 1 to December 31, 2024</u>
Rental income	\$ 48,096	\$ 49,185
Income from management services (Note 31)	37,090	36,656
Dividend income	20,963	40,580
Others	<u>14,001</u>	<u>16,312</u>
	<u>\$ 120,150</u>	<u>\$ 142,733</u>

c. Other gains and losses

	<u>From January 1 to December 31, 2025</u>	<u>From January 1 to December 31, 2024</u>
Gain on disposal of property, plant and equipment, net gain	\$ 571	\$ 1,093
Net foreign exchange (losses) gains	(30,614)	48,028
Net gain on financial assets at FVTPL	5,986	393
Net loss on financial liabilities measured at FVTPL	(1,229)	(1,704)
Gain on disposal of investments accounted for using the equity method	6,610	-
Depreciation expense of investment properties (Note 15)	(32,974)	(27,581)
Other expenses	<u>(48,914)</u>	<u>(28,009)</u>
	<u>(\$ 100,564)</u>	<u>(\$ 7,780)</u>

d. Finance costs

	<u>From January 1 to December 31, 2025</u>	<u>From January 1 to December 31, 2024</u>
Interest on bonds payable	\$ 27,422	\$ 36,165
Interest on bank loans	25,759	16,099
Interest on lease liabilities	8,044	914
Less: Capitalized interest (presented under construction in progress)	(<u>284</u>)	(<u>701</u>)
	<u>\$ 60,941</u>	<u>\$ 52,477</u>

Information about capitalized interest is as follows:

	<u>From January 1 to December 31, 2025</u>	<u>From January 1 to December 31, 2024</u>
Capitalized interest	\$ 284	\$ 701
Capitalization rate	0.7412%~ 0.8213%	0.7412%~ 1.1687%

e. Depreciation and amortization

	<u>From January 1 to December 31, 2025</u>	<u>From January 1 to December 31, 2024</u>
Property, plant and equipment	\$ 566,975	\$ 595,324
Right-of-use assets	4,778	4,893
Investment properties	32,974	27,581
Intangible assets	955	932
Others	<u>19,269</u>	<u>14,730</u>
	<u>\$ 624,951</u>	<u>\$ 643,460</u>

Summary of depreciation by function

Operating costs	\$ 534,858	\$ 563,392
Operating expenses	36,895	36,825
Other gains and losses	<u>32,974</u>	<u>27,581</u>
	<u>\$ 604,727</u>	<u>\$ 627,798</u>

An analysis of amortization by function

Operating costs	\$ 19,269	\$ 14,730
Administrative expenses	<u>955</u>	<u>932</u>
	<u>\$ 20,224</u>	<u>\$ 15,662</u>

f. Employee benefits expense

	<u>From January 1 to December 31, 2025</u>	<u>From January 1 to December 31, 2024</u>
Retirement benefits (Note 22)		
Defined contribution plans	\$ 20,121	\$ 20,293
Defined benefit plans	<u>1,963</u>	<u>3,135</u>
	22,084	23,428
Other employee benefits	<u>516,756</u>	<u>532,171</u>
Total employee benefits expenses	<u>\$ 538,840</u>	<u>\$ 555,599</u>

	<u>From January 1 to December 31, 2025</u>	<u>From January 1 to December 31, 2024</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 434,782	\$ 445,655
Operating expenses	<u>104,058</u>	<u>109,944</u>
	<u>\$ 538,840</u>	<u>\$ 555,599</u>

g. Employees' compensation and remuneration of directors

The Company accrued employees' compensation and remuneration of directors at the rate of no less than 1% and no higher than 1%, respectively, of net profit before income tax. According to the amendment of the Securities and Exchange Act in August 2024, the Company has passed a resolution in the shareholders' meeting in 2025 to amend the Articles of Incorporation, specifying that the amount allocated for employees' compensation in the current year shall not be less than 40% for basic-level employees.

Due to losses made in 2025 and 2024, employees' compensation (including compensation for grassroots employees) and remuneration of directors were not estimated.

If the amount changes after annual parent company only financial statements are approved and announced to the public, the difference will be treated as a change of accounting estimate and recognized as a gain or loss in the following year.

Please visit "Market Observation Post System" for more information regarding employees' compensation and remuneration to directors resolved during the Company's board of directors meetings.

h. Foreign exchange gains (losses)

	<u>From January 1 to December 31, 2025</u>	<u>From January 1 to December 31, 2024</u>
Gross foreign exchange gains	\$ 88,453	\$ 65,781
Foreign exchange losses	(<u>119,067</u>)	(<u>17,753</u>)
Net (losses) gains	<u>(\$ 30,614)</u>	<u>\$ 48,028</u>

26. INCOME TAX

a. Income tax recognized in profit or loss

The major components of income tax (gain) expense were as follows:

	<u>From January 1 to December 31, 2025</u>	<u>From January 1 to December 31, 2024</u>
Current tax		
Adjustments for previous years	(\$ 37,106)	(\$ 20,019)
Others	<u>1,206</u>	<u>62</u>
	(<u>35,900</u>)	(<u>19,957</u>)
Deferred tax		
Incurred in the current year	(108,775)	(225,129)
Adjustments for previous years	<u>1,420</u>	<u>3,487</u>
	(<u>107,355</u>)	(<u>221,642</u>)
Income tax (gain) expense recognized in profit or loss	(<u>\$ 143,256</u>)	(<u>\$ 241,599</u>)

The major components of income tax (gain) expense were as follows:

	<u>From January 1 to December 31, 2025</u>	<u>From January 1 to December 31, 2024</u>
Net loss before income tax for the year	(<u>\$ 2,934,218</u>)	(<u>\$ 2,389,069</u>)
Income tax gain of net loss before tax calculated at statutory tax rate (20%)	(\$ 586,843)	(\$ 477,814)
Non-deductible expenses loss in tax returns	2,488	2,087
Tax-exempt income	(9,175)	(10,604)
Financial asset evaluation loss	3,916	2,365
Share of profits and losses of domestic subsidiaries accounted for using the equity method	184,053	105,944
Unrecognized deductible temporary differences	287,246	136,696
Adjustments of current income tax expenses for prior year	(35,686)	(16,532)
Tax-exemption dividend income exclusions from loss offsets	10,415	16,127
Others	<u>330</u>	<u>132</u>
Income tax (gain) expense recognized in profit or loss	(<u>\$ 143,256</u>)	(<u>\$ 241,599</u>)

The Pillar 2 income tax law has come into effect in the countries where some of the Company's subsidiaries are registered. According to the law, the Company must pay a top-up tax on the profits of each of its subsidiaries that are taxed at an effective tax rate of less than 15%. There is no related current tax impact on current tax expenses related to Pillar Two income taxes from January 1 to December 31, 2025, and 2024.

b. Income tax recognized in other comprehensive income

	<u>From January 1 to December 31, 2025</u>	<u>From January 1 to December 31, 2024</u>
<u>Deferred tax</u>		
Incurred in the current year		
— Exchange differences on translating the financial statements of foreign operations	\$ 27,118	(\$ 57,730)
— Remeasurements of defined benefit plan	<u>251</u>	<u>(7,937)</u>
Income tax recognized in other comprehensive income	<u>\$ 27,369</u>	<u>(\$ 65,667)</u>

c. Current tax assets and liabilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current tax assets		
Tax refund receivable	<u>\$ 3,256</u>	<u>\$ 2,260</u>
Current tax liabilities		
Income tax payable	<u>\$ -</u>	<u>\$ 26,769</u>

d. Deferred tax assets and liabilities

The movement of deferred tax assets and liabilities was as follows:

From January 1 to December 31, 2025

	<u>Balance at January 1</u>	<u>Amounts recognized in profit or loss</u>	<u>Amounts recognized in other comprehensive income</u>	<u>Balance at December 31</u>
<u>Deferred tax assets</u>				
Temporary difference				
Allowance for inventory valuation and obsolescence losses	\$ 32,778	(\$ 8,658)	\$ -	\$ 24,120
Defined benefit retirement plan	8,983	-	251	9,234
Payable for annual leave	4,756	(283)	-	4,473
Unrealized sales profits	319	(137)	-	182
Impairment loss on financial assets at FVTPL	6,095	-	-	6,095
Amortization of intangible assets due to fiscal and taxation difference over amortization period	71	(48)	-	23
Amortization of depreciation due to fiscal and taxation difference over amortization period	785	-	-	785

(Continued)

(Continued)

	Balance at January 1	Amounts recognized in profit or loss	Amounts recognized in other comprehensive income	Balance at December 31
Unrealized evaluation loss of financial assets at FVTPL	\$ 220	(\$ 220)	\$ -	\$ -
Share of profits of foreign subsidiaries accounted for using equity method	750,235	1,002	-	751,237
Unrealized exchange loss	-	610	-	610
Profit-making enterprises recognized controlled foreign enterprises	11,851	(5,839)	-	6,012
Loss offsets	<u>104,088</u>	<u>123,151</u>	<u>-</u>	<u>227,239</u>
	<u>\$ 920,181</u>	<u>\$ 109,578</u>	<u>\$ 251</u>	<u>\$ 1,030,010</u>
<u>Deferred tax liabilities</u>				
Temporary difference				
Pension expenditures due to fiscal and taxation difference	\$ 21,956	\$ 3,604	\$ -	\$ 25,560
Exchange differences on translating the financial statements of foreign operations	31,630	-	(27,118)	4,512
Unrealized exchange gains	1,372	(1,372)	-	-
Land revaluation surplus	43,580	-	-	43,580
Unrealized sales losses	854	(476)	-	378
Unrealized evaluation gain of financial assets at FVTPL	<u>-</u>	<u>467</u>	<u>-</u>	<u>467</u>
	<u>\$ 99,392</u>	<u>\$ 2,223</u>	<u>(\$ 27,118)</u>	<u>\$ 74,497</u>

From January 1 to December 31, 2024

	Balance at January 1	Amounts recognized in profit or loss	Amounts recognized in other comprehensive income	Balance at December 31
<u>Deferred tax assets</u>				
Temporary difference				
Allowance for inventory valuation and obsolescence losses	\$ 22,572	\$ 10,206	\$ -	\$ 32,778
Defined benefit retirement plan	16,920	-	(7,937)	8,983
Payable for annual leave	4,700	56	-	4,756
Unrealized sales profits	3,875	(3,556)	-	319
Impairment loss on financial assets at FVTPL	6,095	-	-	6,095
Amortization of intangible assets due to fiscal and taxation difference over amortization period	178	(107)	-	71
Amortization of depreciation due to fiscal and taxation difference over amortization period	785	-	-	785

(Continued)

(Continued)

	Balance at January 1	Amounts recognized in profit or loss	Amounts recognized in other comprehensive income	Balance at December 31
<u>Deferred tax assets</u>				
Unrealized evaluation loss of financial assets at FVTPL	\$ -	\$ 220	\$ -	\$ 220
Exchange differences on translating the financial statements of foreign operations	26,100	-	(26,100)	-
Share of profits of foreign subsidiaries accounted for using equity method	628,482	121,753	-	750,235
Unrealized exchange loss	2,984	(2,984)	-	-
Profit-making enterprises recognized controlled foreign enterprises	15,043	(3,192)	-	11,851
Loss offsets	<u>-</u>	<u>104,088</u>	<u>-</u>	<u>104,088</u>
	<u>\$ 727,734</u>	<u>\$ 226,484</u>	<u>(\$ 34,037)</u>	<u>\$ 920,181</u>
<u>Deferred tax liabilities</u>				
Temporary difference				
Pension expenditures due to fiscal and taxation difference	\$ 18,563	\$ 3,393	\$ -	\$ 21,956
Exchange differences on translating the financial statements of foreign operations	-	-	31,630	31,630
Unrealized exchange gains	-	1,372	-	1,372
Land revaluation surplus	43,580	-	-	43,580
Unrealized sales losses	-	854	-	854
Unrealized evaluation gain of financial assets at FVTPL	<u>777</u>	<u>(777)</u>	<u>-</u>	<u>-</u>
	<u>\$ 62,920</u>	<u>\$ 4,842</u>	<u>\$ 31,630</u>	<u>\$ 99,392</u>

e. Items not recognized as deferred tax assets

	December 31, 2025	December 31, 2024
Deductible temporary differences		
Share of losses of foreign subsidiaries accounted for using the equity method	<u>\$ 1,436,230</u>	<u>\$ -</u>

f. Unused loss offset information

As of December 31, 2025, the loss offset information is as follows:

Unused balance	Expiry year
\$ 513,278	2034
<u>622,915</u>	2035
<u>\$ 1,136,193</u>	

g. Income tax assessments

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

27. LOSS PER SHARE

	Unit: NT\$ Per Share	
	<u>From January 1 to December 31, 2025</u>	<u>From January 1 to December 31, 2024</u>
Basic loss per share	(\$ <u>2.60</u>)	(\$ <u>2.00</u>)
Diluted loss per share	(\$ <u>2.60</u>)	(\$ <u>2.00</u>)

The losses and weighted average number of shares used for calculating loss per share is explained below:

Net loss profit for the year

	<u>From January 1 to December 31, 2025</u>	<u>From January 1 to December 31, 2024</u>
Net loss for the year used in the computation of basic and diluted loss per share	(\$ <u>2,790,962</u>)	(\$ <u>2,147,470</u>)

Number of Shares

	Unit: thousands of shares	
	<u>From January 1 to December 31, 2025</u>	<u>From January 1 to December 31, 2024</u>
Weighted average number of ordinary shares used in the computation of basic and diluted loss per share	<u>1,072,298</u>	<u>1,072,298</u>

If the Company has the option to distribute employees' compensation either in cash or in shares, then the calculation of diluted earnings per share shall be made by assuming full share-based payment. In which case, the number of potential common shares is added to the calculation of weighted-average outstanding shares as soon as they become dilutive, and this is the basis used for calculating diluted earnings per share. Dilutive effects of potential common shares will continue to be taken into account when calculating diluted EPS for next year's decision of share-based employees' compensation.

28. CASH FLOW INFORMATION

a. Non-cash transactions

The following non-cash investing and financing activities of the Company for the years ended December 31, 2025 and 2024, were:

- 1) As of December 31, 2025 and 2024, the amounts of payables for purchases of equipment were NT\$109,590 thousand and NT\$12,424 thousand, respectively.
- 2) As of December 31, 2025 and 2024, the amounts of payables for dividends declared but not issued were NT\$11,476 thousand and NT\$12,398 thousand, respectively.

b. Changes in liabilities arising from financing activities

	January 1, 2025	Cash flow	Non-cash Changes			December 31, 2025
			New Leases	Amortization of Finance Costs	Others	
Short-term borrowings	\$ 420,000	(\$ 420,000)	\$ -	\$ -	\$ -	\$ -
Bonds payable (including those due within 1 year)	3,996,588	(850,000)	-	1,450	-	3,148,038
Long-term borrowings (including those due within 1 year)	1,011,685	905,420	-	3,118	-	1,920,223
Guarantee deposits received	6,889	(63)	-	-	-	6,826
Lease liabilities (including those due within 1 year)	364,332	(25,602)	-	8,044	(8,044)	338,730
Other non-current liabilities	10,517	-	-	-	(3,378)	7,139
	<u>\$ 5,810,011</u>	<u>(\$ 390,245)</u>	<u>\$ -</u>	<u>\$ 12,612</u>	<u>(\$ 11,422)</u>	<u>\$ 5,420,956</u>

	January 1, 2024	Cash flow	Non-cash Changes			December 31, 2024
			New Leases	Amortization of Finance Costs	Others	
Short-term borrowings	\$ -	\$ 420,000	\$ -	\$ -	\$ -	\$ 420,000
Bonds payable (including those due within 1 year)	5,994,704	(2,000,000)	-	1,884	-	3,996,588
Long-term borrowings (including those due within 1 year)	467,506	541,856	-	2,323	-	1,011,685
Guarantee deposits received	7,347	(458)	-	-	-	6,889
Lease liabilities (including those due within 1 year)	85,106	(32,694)	311,920	914	(914)	364,332
Other non-current liabilities	6,529	3,988	-	-	-	10,517
	<u>\$ 6,561,192</u>	<u>(\$ 1,067,308)</u>	<u>\$ 311,920</u>	<u>\$ 5,121</u>	<u>(\$ 914)</u>	<u>\$ 5,810,011</u>

29. CAPITAL MANAGEMENT

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

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

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

30. FINANCIAL INSTRUMENTS

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

December 31, 2025

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
- Domestic corporate bonds	\$3,148,038	\$ -	\$3,132,366	\$ -	\$3,132,366

December 31, 2024

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
- Domestic corporate bonds	\$3,996,588	\$ -	\$3,963,354	\$ -	\$3,963,354

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

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

1) Fair value hierarchy

December 31, 2025

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Domestic publicly trade shares	\$ 103,200	\$ -	\$ -	\$ 103,200
Foreign listed shares	20,936	-	-	20,936
Mutual funds	274,207	-	-	274,207
Beneficiary securities	58,378	-	-	58,378
Total	\$ 456,721	\$ -	\$ -	\$ 456,721
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
- Domestic publicly trade shares	\$ 661,179	\$ -	\$ -	\$ 661,179
- Domestic unlisted shares	-	-	105,894	105,894
Total	\$ 661,179	\$ -	\$ 105,894	\$ 767,073
<u>Financial liabilities at FVTPL</u>				
Derivatives	\$ -	\$ 239	\$ -	\$ 239

December 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Domestic publicly trade shares	\$ 63,400	\$ -	\$ -	\$ 63,400
Foreign listed shares	18,360	-	-	18,360
Mutual funds	176,886	-	-	176,886
Beneficiary securities	<u>62,229</u>	-	-	<u>62,229</u>
Total	<u>\$ 320,875</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 320,875</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
- Domestic publicly trade shares	\$ 703,027	\$ -	\$ -	\$ 703,027
- Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>117,271</u>	<u>117,271</u>
Total	<u>\$ 703,027</u>	<u>\$ -</u>	<u>\$ 117,271</u>	<u>\$ 820,298</u>

There were no transfers between Levels 1 and 2 fair value measurement for the years ended December 31, 2025 and 2024.

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

	From January 1 to December 31, 2025	From January 1 to December 31, 2024
<u>Financial assets at FVTOCI</u>		
Balance at January 1	\$ 117,271	\$ 140,923
Transfer to Level 3	-	(19,975)
Recognized in other comprehensive income (included in unrealized gain (loss) on financial assets at FVTOCI)	426	(3,677)
Return of capital from capital reduction	<u>(11,803)</u>	<u>-</u>
Balance at December 31	<u>\$ 105,894</u>	<u>\$ 117,271</u>

3) Valuation techniques and inputs applied for Level 2 fair value measurement

Categories of financial instruments	Valuation Techniques and Inputs
Financial liabilities - domestic corporate bonds	The corporate bond interest rate announced by Taipei Exchange, of which per-hundred price is calculated according to the credit rating and the maturity date through interpolation method.
Derivatives - foreign exchange forward contracts	Discounted cash flow: Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

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

The Company applied the valuation techniques and inputs for Level 3 fair value measurement for its independent fair value authentication of financial instruments which was carried out by the financial department. The Company values domestic and overseas unlisted equity investments using the asset approach, in which fair value is determined by taking into consideration the latest net worth and observable financial and operating factors of the investee. A reduction in liquidity discount would increase the fair value of the investee. When the discount for lack of marketability increases/decreases by 10%, the fair value would have decreased/increased by NT\$10,589 thousand and NT\$11,727 thousand, respectively, for the years ended December 31, 2025 and 2024.

c. Categories of financial instruments

	December 31, 2025	December 31, 2024
<u>Financial assets</u>		
Financial assets measured at FVTPL		
Mandatorily measured at FVTPL	\$ 456,721	\$ 320,875
Financial assets at amortized cost (Note 1)	679,453	2,145,965
Financial assets at FVTOCI – investments in equity instruments	767,073	820,298
Refundable deposits	63,996	53,906
<u>Financial liabilities</u>		
Measured at FVTPL - held for trading	239	-
Measured at amortized cost (Note 2)	5,774,021	6,477,201
Guarantee deposits received	6,826	6,889

Note 1: Balance is the financial assets at amortized cost, including cash and equivalent cash, pledged time deposits, notes receivable and accounts receivable (including related parties), other receivables (including related parties, excluding tax refund receivable).

Note 2: Balance is the financial liabilities at amortized cost, including short-term borrowings, long-term borrowings, accounts receivable (including related parties), other receivables (including related parties, excluding salaries payable and taxes payable) and bonds payable.

d. Financial Risk Management Objectives and Policies

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

1) Market risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and other price risks.

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

(1) Foreign currency risk

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

For the carrying amount of monetary assets and monetary liabilities denominated in non-functional currencies of the Company as of the balance sheet date, please refer to Note 35. For the carrying amount of derivatives exposed to exchange rate risk, please refer to Note 7.

Sensitivity analysis

The sensitivity analysis of foreign currency risk mainly focuses on the computation of foreign currency monetary items at the end of the financial reporting period (U.S. dollar and RMB denominated items). When NTD relative to the USD and RMB appreciates/depreciates by 3%, net loss before income tax of the Company would have increased/decreased by NT\$10,709 thousand and NT\$12,282 thousand for the years ended December 31, 2025 and 2024.

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

(2) Interest rate risk

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

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

	December 31, 2025	December 31, 2024
Fair value interest rate risk		
- Financial assets	\$ 113,263	\$ 1,224,128
- Financial liabilities	4,186,768	4,780,920
Cash flow interest rate risk		
- Financial assets	130,845	84,104
- Financial liabilities	1,220,223	1,011,685

Sensitivity analysis

Regarding the sensitivity analysis of interest risk, the Company's computation was based on the balance sheet date of financial assets and financial liabilities with cash flow interest rate risk. A 0.5% increase/decrease of market interest was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rate. While maintaining all other variables unchanged, a 0.5% increase/decrease in market rate would increase/decrease net loss before income tax of the Company by NT\$5,447 thousand and NT\$4,638 thousand for the years ended December 31, 2025 and 2024.

(3) Other price risks

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

Sensitivity analysis

The following sensitivity analysis was determined based on the price of equity securities on the balance sheet date. However, the fund beneficiary certificates held by the Company are mainly money market funds, which have very low price volatility risk, so it is not included in sensitivity analysis.

If the equity price had increased/decreased by 5%, net losses before tax for the years ended December 31, 2025 and 2024, would have increased/decreased by NT\$9,126 thousand and NT\$7,199 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL (excluding fund beneficiary certificates). Pre-tax other comprehensive income for the years ended December 31, 2025 and 2024, would have increased/decreased by NT\$38,354 thousand and NT\$41,015

thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations and result in financial loss to the Company. As of the balance sheet date, the Company's maximum exposure to credit risk, which would cause a financial loss to the Company due to the failure of the counterparty to discharge its obligation, could arise from:

- (1) The carrying amount of the financial assets recognized in the parent company only balance sheets; and
- (2) The maximum amount payable by the Company due to financial guarantees provided by the Company.

The Company adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. In addition, the financial guarantee provided by the Company is customs duties and endorsement guarantee for the loan of the subsidiary. As of December 31, 2025 and 2024, the amounts for endorsement guarantee are NT\$780,000 thousand and NT\$650,000 thousand. Based on the expectation of the balance sheet, the subsidiaries are in good operation, hence, it is unlikely that the Company will have to pay endorsement guarantee amounts due to the subsidiaries' breach of contract.

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

3) Liquidity risk

The Company operations and mitigate the effects of the Company's operating cash flow fluctuations by managing and maintaining sufficient cash and cash equivalents.

- (1) Liquidity of non-derivative financial liabilities and interest risk table

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

December 31, 2025

	Weighted average interest rate (%)	On demand or less than 1 year	1-5 years	More than 5 years
<u>Non-derivative financial liabilities</u>				
Non-interest				
bearing liabilities		\$ 705,760	\$ -	\$ -
Lease liabilities	2.24	33,646	148,591	197,136
Floating interest rate liabilities	1.16~2.16	382,636	868,868	-
Fixed interest rate liabilities	0.63~2.08	<u>1,573,442</u>	<u>2,320,647</u>	<u>-</u>
		<u>\$ 2,695,484</u>	<u>\$ 3,338,106</u>	<u>\$ 197,136</u>

December 31, 2024

	Weighted average interest rate (%)	On demand or less than 1 year	1-5 years	More than 5 years
<u>Non-derivative financial liabilities</u>				
Non-interest				
bearing liabilities		\$ 1,048,928	\$ -	\$ -
Lease liabilities	2.24	33,646	144,469	234,904
Floating interest rate liabilities	1.18~1.72	330,512	701,196	-
Fixed interest rate liabilities	0.63~1.85	<u>1,296,822</u>	<u>3,191,369</u>	<u>-</u>
		<u>\$ 2,709,908</u>	<u>\$ 4,037,034</u>	<u>\$ 234,904</u>

(2) Liquidity of derivative financial liabilities and the interest risk table

Liquidity analysis of derivative financial instruments with gross delivery is prepared on the basis of undiscounted net cash inflows and outflows. When the amount payable or receivable is not fixed, the amount disclosed is determined by the expected interest rate derived from the yield curve on the balance sheet date. (December 31, 2024: None)

December 31, 2025

	On demand or less than 1 month	1~3 months	3 months to 1 year
<u>Gross settled</u>			
Foreign exchange forward contracts			
- Inflow	\$ 20,747	\$ -	\$ -
- Outflow	(<u>21,058</u>)	<u>-</u>	<u>-</u>
	(<u>\$ 311</u>)	<u>\$ -</u>	<u>\$ -</u>

(3) Financing facilities

The Company relies on bank loans as a significant source of liquidity. As of the balance sheet date, the unused amounts of bank financing facilities were as follows:

	December 31, 2025	December 31, 2024
Bank loan facilities		
- Amount undrawn	<u>\$ 8,237,196</u>	<u>\$ 8,812,620</u>

31. RELATED PARTY TRANSACTIONS

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

a. Name of the related party and their relationship

Name of the related party	Relationship with the Company
SPC	Subsidiary
ACME	Subsidiary
CLT	Subsidiary
UPIIC	Subsidiary
USI (HK)	Subsidiary
TUVM	Subsidiary
Swanson Plastics (Kunshan) Co., Ltd. (SPK)	Subsidiary
Swanson Plastics (Malaysia) Sdn. Bhd. (SPM)	Subsidiary
Swanson Technologies Corporation (STC)	Subsidiary
Swanson Trading (Kunshan) Co., Ltd. (STK)	Subsidiary
Taiwan United Venture Management Corporation (TUVM)	Subsidiary
China General Plastics Corporation (CGPC)	Subsidiary
Taita Chemical Company, Limited (TTC)	Subsidiary
APC	Subsidiary
Taiwan VCM Corporation (TVCM)	Subsidiary
CGPC Polymer Corporation (CGPCPOL)	Subsidiary
CGTD	Subsidiary
USI Trading (Shanghai) Co., Ltd. (USITA)	Subsidiary
USI Optronics Corporation (USIO)	Subsidiary
DEI	Subsidiary
SG	Subsidiary
Xiamen USI Trading Co., Ltd. (XUL)	Subsidiary
Global Green Technology Corporation (GGT)	Subsidiary
USII	Subsidiary
Asia Polymer Investment Corporation (APC Investment Corporation)	Subsidiary
USI Educational Foundation (USIF)	Other related parties
Delmind	Associate (became Non- related parties starting from September 12, 2025)
Fujian Gulei Petrochemical Co., Ltd. (Gulei)	Joint ventures

b. Sale

<u>Related Party Category/Name</u>	<u>From January 1 to December 31, 2025</u>	<u>From January 1 to December 31, 2024</u>
Subsidiary	<u>\$ 419,117</u>	<u>\$ 398,717</u>

As of the end of 2025 and 2024, the deferred unrealized gross profit to subsidiaries was NT\$789 thousand and NT\$868 thousand, respectively.

Sales to related parties had no material differences in price or collection terms compared to transactions with unrelated parties.

c. Purchase

<u>Related Party Category/Name</u>	<u>From January 1 to December 31, 2025</u>	<u>From January 1 to December 31, 2024</u>
Subsidiary		
APC	\$ 319,842	\$ 393,670
Others	<u>56,939</u>	<u>84,317</u>
	376,781	477,987
Joint ventures		
Gulei	<u>37,387</u>	<u>295,873</u>
	<u>\$ 414,168</u>	<u>\$ 773,860</u>

Purchases from related parties had no material differences in price or payment terms compared to transactions with unrelated parties.

d. Allotment of ethylene outside

<u>Related Party Category/Name</u>	<u>From January 1 to December 31, 2025</u>	<u>From January 1 to December 31, 2024</u>
Subsidiary		
TVCM	\$ 12,085	\$ 80,088
APC	<u>-</u>	<u>82,001</u>
	<u>\$ 12,085</u>	<u>\$ 162,089</u>

e. Allotment of ethylene inside

<u>Related Party Category/Name</u>	<u>From January 1 to December 31, 2025</u>	<u>From January 1 to December 31, 2024</u>
Subsidiary		
APC	\$ 349,216	\$ 195,922
TVCM	<u>44,562</u>	<u>53,893</u>
	<u>\$ 393,778</u>	<u>\$ 249,815</u>

f. Rental income (classified as other income)

Related Party Category/Name	From January 1 to December 31, 2025	From January 1 to December 31, 2024
Subsidiary		
SPC	\$ 7,927	\$ 7,954
CGPC	4,607	4,985
TTC	5,021	4,893
ACME	2,978	3,002
APC	2,459	2,325
TVCM	1,772	1,689
TUVM	1,565	1,550
CGTD	1,462	1,396
Others	<u>1,887</u>	<u>1,624</u>
	29,678	29,418
Associate		
Delmind	<u>208</u>	<u>312</u>
	<u>\$ 29,886</u>	<u>\$ 29,730</u>

The Company lease the office buildings to the subsidiaries and associates and the rental income was received monthly according to the contract. The subsidiaries and associates have no preferential purchase rights at the end of the lease terms.

g. Management service income (classified as other revenue)

Related Party Category/Name	From January 1 to December 31, 2025	From January 1 to December 31, 2024
Subsidiary		
APC	\$ 12,051	\$ 11,798
DEI	11,672	9,130
TTC	4,877	2,873
SPC	6,798	9,198
Others	<u>1,692</u>	<u>3,657</u>
	<u>\$ 37,090</u>	<u>\$ 36,656</u>

In response to management needs and integrating the corporate resources, the Company signed a resource support contract with the Consulting Company, a subsidiary, in July 2002. The Consulting Company would coordinate resources and services of the Group's common service department. The fees are calculated and charged based on the contract.

In response to management needs, the Company signed a management service contract with DEIL in May 2015, and the Company would provide the service of management consultation. The fees are calculated and charged based on the contract.

h. Management service fees - investment (classified as other gains and losses)

Related Party Category/Name	From January 1 to December 31, 2025	From January 1 to December 31, 2024
Subsidiary		
TUVM	<u>\$ 576</u>	<u>\$ 576</u>

i. Management service fees - management (classified as operating expenses)

Related Party Category/Name	From January 1 to December 31, 2025	From January 1 to December 31, 2024
Subsidiary		
TUVM	\$ 142,133	\$ 149,904
Others	<u>47</u>	<u>1,852</u>
	<u>\$ 142,180</u>	<u>\$ 151,756</u>

j. Rent expenses (classified as operating expenses)

Related Party Category/Name	From January 1 to December 31, 2025	From January 1 to December 31, 2024
Subsidiary		
APC	<u>\$ 1,850</u>	<u>\$ 2,956</u>

Based on the rental contract between the Company and the related parties, the rents refer to the market rents of the neighboring building and are calculated based on the square feet and service proportion. The rental income was paid monthly according to the contract.

k. Commissions expense (classified as selling and marketing expenses)

Related Party Category/Name	From January 1 to December 31, 2025	From January 1 to December 31, 2024
Subsidiary		
USITA	<u>\$ 436</u>	<u>\$ 553</u>

l. Storage tank operation expense (classified as cost of goods sold)

Related Party Category/Name	From January 1 to December 31, 2025	From January 1 to December 31, 2024
Subsidiary		
CGTD	<u>\$ 8,485</u>	<u>\$ 35,842</u>

m. Processing costs (classified as cost of goods sold)

Related Party Category/Name	From January 1 to December 31, 2025	From January 1 to December 31, 2024
Subsidiary		
SPC	<u>\$ 10,495</u>	<u>\$ 13,931</u>

n. Green electricity charges (classified as cost of goods sold)

Related Party Category/Name	From January 1 to December 31, 2025	From January 1 to December 31, 2024
Subsidiary		
SG	<u>\$ 18,459</u>	<u>\$ -</u>

o. Donation (classified as administrative expenses)

Related Party Category/Name	From January 1 to December 31, 2025	From January 1 to December 31, 2024
Other related parties		
USF	<u>\$ 3,000</u>	<u>\$ 3,000</u>

p. Others (classified as cost of goods sold, operating expenses, and other gains and losses)

Related Party Category/Name	From January 1 to December 31, 2025	From January 1 to December 31, 2024
Subsidiary	<u>\$ 29,264</u>	<u>\$ -</u>

q. Revenue from selling raw materials (classified as other revenue)

Related Party Category/Name	From January 1 to December 31, 2025	From January 1 to December 31, 2024
Subsidiary		
APC	\$ 84,547	\$ 142,014
Others	<u>214</u>	<u>871</u>
	<u>\$ 84,761</u>	<u>\$ 142,885</u>

r. Revenue from licensing fee and revenue from survey fee of importing ethylene (classified as other revenue)

Related Party Category/Name	From January 1 to December 31, 2025	From January 1 to December 31, 2024
Subsidiary		
XUL	\$ 3,707	\$ 3,480
CGTD	398	536
Others	<u>847</u>	<u>929</u>
	<u>\$ 4,952</u>	<u>\$ 4,945</u>

s. Gain on disposal of property, plant and equipment (classified as other gains and losses)

Related Party Category/Name	From January 1 to December 31, 2025	From January 1 to December 31, 2024
Subsidiary		
USI (HK)	<u>\$ 593</u>	<u>\$ 889</u>

The Hong Kong branch of the Company sold property, plant and equipment to USI (Hong Kong) in August 2005 for NT\$18,049 thousand (HKD 4,180 thousand). As of the end of 2025 and 2024, the unrealized gain was NT\$0 thousand and NT\$593 thousand, respectively, which have been deferred and are reversed and recognized based on the equipment's estimated useful life.

t. Accounts receivable

Related Party Category/Name	December 31, 2025	December 31, 2024
Subsidiary		
SPK	\$ 33,364	\$ 32,788
USITA	18,901	15,610
USI (HK)	12,692	8,391
SPC	8,795	6,642
SPM	4,413	3,493
Others	126	-
	\$ 78,291	\$ 66,924

No collateral was received for the outstanding accounts receivable from related parties. No allowance for losses was provided for accounts receivable from related parties for the years ended December 31, 2025 and 2024.

u. Other receivables

Related Party Category/Name	December 31, 2025	December 31, 2024
Subsidiary		
APC	\$ 8,054	\$ 143,768
TVCM	7,298	121,389
DEI	3,012	2,527
SPC	2,802	2,010
Others	3,986	9,488
	\$ 25,152	\$ 279,182

v. Accounts payable

Related Party Category/Name	December 31, 2025	December 31, 2024
Subsidiary		
APC	\$ 38,729	\$ 50,853
SPC	1,457	4,195
TTC	-	7,665
	\$ 40,186	\$ 62,713

No collateral was provided for the outstanding accounts payable to related parties.

w. Other payables

Related Party Category/Name	December 31, 2025	December 31, 2024
Subsidiary		
APC	\$ 2	\$ 17,800
CGTD	6,146	13,525
TUVM	3,863	5,111
Others	1,753	1,760
	\$ 11,764	\$ 38,196

x. Other unearned revenue (classified as other current liabilities)

<u>Related Party Category/Name</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Subsidiary		
SPC	\$ 284	\$ 284
SG	<u>54</u>	<u>-</u>
	<u>\$ 338</u>	<u>\$ 284</u>

y. Endorsement and guarantees (bank loans)

z.

<u>Related Party Category/Name</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Subsidiary		
SG	<u>\$ 780,000</u>	<u>\$ 650,000</u>

z. Compensation of key management personnel

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

	<u>From January 1 to December 31, 2025</u>	<u>From January 1 to December 31, 2024</u>
Short-term employee benefits	\$ 40,468	\$ 40,913
Retirement benefits	<u>626</u>	<u>738</u>
	<u>\$ 41,094</u>	<u>\$ 41,651</u>

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

32. COLLATERALIZED ASSETS

The following assets of the Company have been pledged as collateral for material purchase, outward documentary bill, and medium to long-term financing projects:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Time deposits		
— Classified as financial assets at amortized cost - current	\$ 56,591	\$ 62,622
— Classified as other non-current assets	38,300	27,657
Property, plant and equipment (December 31, 2024: None)	<u>-</u>	<u>-</u>
	<u>\$ 94,891</u>	<u>\$ 90,279</u>

33. SIGNIFICANT CONTINGENT LIABILITY AND UNRECOGNIZED CONTRACTUAL COMMITMENTS

a. As of December 31, 2025 and 2024, the Company's unused letter of credit amounted to NT\$713,431 thousand and NT\$946,521 thousand, respectively. The margins of

endorsement of the related parties amounted to NT\$780,000 thousand and NT\$650,000 thousand, respectively. Please refer to Notes 30 and 31.

- b. Regarding the Company's investee accounted for using the equity method, CGTD, which was commissioned to operate the propylene pipeline of LCY Chemical Corp. (LCY) resulting in a gas explosion on July 31, 2014, the appeal was dismissed by the Supreme Court on September 15, 2021, and all three employees of CGTD were declared not guilty.

On February 12, 2015, CGTD entered into an agreement with the Kaohsiung City Government to provide the Kaohsiung City Government with a pledge over a bank deposit certificate of NT\$238,306 thousand (including interests) as the guarantee for the loss caused by the gas explosion. Kaohsiung City Government has also filed civil lawsuits against LCY, CGTD and CPC Corporation. Taiwan Power Company applied for provisional seizure 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 seizure. Taiwan Water Corporation also applied for provisional seizure against CGTD's property on February 3 and March 2, 2017. As of February 28, 2026, the provisionally seized Bank deposits of CGTD were NT\$6,401 thousand.

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

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

As of February 28, 2026, the victims and victims' families had written letters or filed civil lawsuits (including criminal lawsuits) against LCY, CGTD, and CPC Corporation for compensation claims. To reduce the lawsuit costs, CGTD came to a compromise and reduced the original claim of NT\$46,677 thousand and settled for a compensation amount of NT\$4,519 thousand instead. Along with the case still under litigation and the above-mentioned compensation, the accumulated amount of compensation is NT\$3,831,211 thousand. The first-instance judgments of some of the above-mentioned

civil cases (with a total amount of compensation of approximately NT\$1,616,883 thousand) have been gradually announced, starting from June 22, 2018. The proportion of fault liability of the Kaohsiung City Government, LCY and CGTD is 4:3:3 in most judgments. The total amount of compensation that CGTD, LCY and the other defendants should pay is around NT\$489,861 thousand. (In particular, CGTD was exempted from paying NT\$6,194 thousand according to the court's judgment.)

The civil lawsuit with a first-instance decision that had not been settled was appealed to the second instance, and the court began announcing its decisions from July 10, 2024. By February 28, 2026, the second-instance court had issued rulings for 9 of the claims made by the Kaohsiung City Government (totaling approximately NT\$1,137,677 thousand). In 8 of these cases, the court found CGTD and LCY jointly accountable for 10% (5 cases) or 20% (3 cases) of the fault, requiring them to jointly pay a compensation totaling NT\$79,726 thousand. In another case, CGTD was found solely accountable for 10% of the fault, resulting in a separate compensation amount of NT\$297 thousand. The second-instance court also ruled that CGTD and LCY are jointly liable to pay compensations totaling NT\$120,143 thousand to Taiwan Power Company (with total claims amounting to NT\$265,822 thousand), the National Health Insurance Administration (with claims amounting to NT\$35,688 thousand), and Taiwan Water Corporation (with claims amounting to NT\$28,643 thousand). CGTD has raised appeals to the above cases ruled by the second-instance court, except those that can not be appealed further. The remaining cases are still pending in the court of first instance (with claims totaling approximately NT\$1,711,504 thousand).

Based on the accountability ratios that the court has ruled for the gas explosion incident, the Company was able to estimate the amount of settlement with victims and the severely injured and the amount of compensation in civil cases (including cases that have been settled). After taking into consideration the maximum insurance claim and deductibles, the estimated amount that should be borne by CGTD has been recognized 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.

34. LOSSES FROM MAJOR DISASTERS

On October 19, 2024, a fire broke out at the tape factory of China General Plastics Corporation (CGPC), one of the Company's investees accounted for using the equity method, which caused partial damage to the equipment and inventory in the factory. As of December 31, 2025, the accumulated property loss was NT\$158,602 thousand and was presented as other gains and losses. CGPC had purchased property insurance and negotiating with the insurance company for claims. However, due to the fact that insurance claim requires an inspection of the damage suffered, CGPC will recognize insurance claims income once the amount can be determined with reasonable certainty. Based on a preliminary assessment of the damages and claims, CGPC considers the fire to have no material impact on overall operations.

35. SIGNIFICANT CONTRACTS

- a. TVCM signed a purchase contract for ethylene or dichloroethane with CPC Corporation, Formosa Plastics Corporation, Blue Water Alliance JV LLP, and Mitsubishi Corporation. The purchase price was negotiated by both parties according to a pricing formula.
- b. CGTD is entrusted by Taita Chemical Company, Ltd., TTC, APC, TVCM, TSRC Corporation, and Oriental Union Chemical Corporation to handle the warehousing and transportation of various petrochemical raw materials; the service fee is calculated based on the quantity handled, at a rate agreed upon per ton. The insurance expenses of petrochemical raw materials are borne by individual commissioned companies.

36. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

Unit: Foreign and Functional Currencies in Thousands

	December 31, 2025		
	Foreign currency	Exchange Rate	Carrying Amount
<u>Foreign currency assets</u>			
<u>Monetary items</u>			
USD	\$ 12,969	31.43	\$ 407,609
RMB	6,322	4.47	28,268
<u>Non-monetary items</u>			
Subsidiaries accounted for using the equity method			
USD	81,691	31.43	2,553,894
HKD	13,849	4.04	55,923
<u>Foreign currency liabilities</u>			
<u>Monetary items</u>			
USD	2,510	31.43	78,904
<u>Non-monetary items</u>			
Derivatives			
USD	670	31.43	239

	December 31, 2024		
	Foreign currency	Exchange Rate	Carrying Amount
<u>Foreign currency assets</u>			
<u>Monetary items</u>			
USD	\$ 22,740	32.79	\$ 745,520
RMB	12,170	4.56	55,504
<u>Non-monetary items</u>			
Subsidiaries accounted for using the equity method			
USD	126,204	32.79	4,137,590
HKD	14,853	4.22	62,709
<u>Foreign currency liabilities</u>			
<u>Monetary items</u>			
USD	\$ 11,945	32.79	\$ 391,609

The Company reported realized and unrealized net foreign exchange gains (losses) of a loss of NT\$30,614 thousand and a gain of NT\$48,028 thousand for the years ended December 31, 2025 and 2024, respectively. Due to the broad diversity of foreign currency transactions, it was impractical to disclose exchange gains (losses) for each foreign currency by the materiality of their impact.

37. SEPARATELY DISCLOSED ITEMS

- a. Information on significant transactions and b. information on investees
 - 1) Financing provided to others. (Table 1)
 - 2) Endorsements/guarantees provided. (Table 2)
 - 3) Significant marketable securities held at the end of the period (excluding investment in subsidiaries and associates). (Table 3)
 - 4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 4)
 - 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 5)
 - 6) Information on investees. (Table 6)
- b. Information on investments in mainland China
 - 1) Information on the investee company in mainland China, including the company names, major business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, current profit and loss and recognized investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China. (Table 7)
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:

- (1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: Tables 4 and 5.
- (2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: Tables 4 and 5.
- (3) The amount of property transactions and the amount of the resultant gains or losses: None.
- (4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: Table 2.
- (5) The highest balance during the period, the end of period balance, the interest rate range, and total current period interest with respect to the financing of funds: Table 1.
- (6) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services: None.

USI CORPORATION AND INVESTEES
Financing Provided to Others
From January 1 to December 31, 2025

Table 1.

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

No.	Lender	Borrower	Financial Statement Account	Related Party (Yes/ No)	Highest balance for the year	Balance at December 31 (Note 3)	Actual Borrowing Amount (Note 3)	Interest rate (%)	Nature of financing (Note 2)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing limit for each borrower (Note 1)	Aggregate financing limit (Note 1)	Remark
													Item	Value			
1	CGPC	CGPCPOL	Other receivables	Yes	\$ 500,000	\$ 500,000	\$ -	-	2	\$ -	Business turnover	\$ -	-	-	\$3,090,372	\$3,090,372	
2	ACME (GZ)	ACME (KS)	Other receivables	Yes	185,032	134,148	-	-	2	-	Business turnover	-	-	-	411,472	411,472	
3	SPS	SPD	Other receivables	Yes	116,218	110,005	110,005	4.12-5.40	2	-	Business turnover	-	-	-	414,950	414,950	
4	ASK	SPT	Other receivables	Yes	303,615	160,978	160,978	3.00	2	-	Business turnover	-	-	-	463,705	463,705	

Note 1: The limits of financing provided to others based on the total amount of funds lending to others and the limits of individual objects set by the companies.

Note 2: The nature of financing is provided as follows:

- (1) Business relationship is coded "1."
- (2) Short-term financing is coded "2."

Note 3: The amount was converted using spot exchange rate as of December 31, 2025.

USI CORPORATION AND INVESTEEES
Endorsements/Guarantees Provided
From January 1 to December 31, 2025

Table 2.

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

No.	Endorsement/ guarantee Company Name	Endorsee/Guarantee		Limits on Endorsement/Guarant ee Made for Each Party (Note 1)	Maximum Amount Endorsed/Guarantee d During the Year	Outstanding Endorsement/Guarant ee at the End of the Year (Note 2)	Actual Borrowing Amount (Note 2)	Amount Endorsed/Guarantee d by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/Guarant ee Limit (Note 1)	Endorseme nt/Guarante e Made by Parent for Subsidiarie s	Endorseme nt/Guarante e Made by Subsidiarie s for Parent	Endorsemen t/Guarantee Made for Companies in Mainland China	Remark
		Company Name	Relationship (Note 3)											
0	USI	SG	2	\$ 8,755,542	\$ 780,000	\$ 780,000	\$ 264,599	\$ -	4.45	\$10,506,650	Yes	No	No	
1	ACME (MA)	ACME Ferrite	2	784,962	139,018	139,018	97,222	-	12.40	897,099	No	No	No	
1	ACME (MA)	ACME Advanced	2	784,962	7,480	7,480	-	-	0.67	897,099	No	No	No	
2	ACME	ACME (KS)	1,2	2,945,514	166,529	-	-	-	-	3,927,352	No	No	Yes	
3	TTC	TAITA (BVI)	2	5,753,799	94,290	94,290	-	-	1.64	8,630,699	No	No	No	
4	CGPC	CGPCPOL	1,2	4,635,559	1,100,314	1,100,314	240,314	-	14.24	7,725,931	No	No	No	
5	SPC	Forever Young	2	4,461,124	255,679	37,716	-	-	1.69	5,576,405	No	No	No	
5	SPC	SPS	2	4,461,124	59,437	56,260	-	-	2.52	5,576,405	No	No	No	
5	SPC	SPM	2	4,461,124	39,846	37,716	-	-	1.69	5,576,405	No	No	No	
5	SPC	SPK	2	4,461,124	66,410	62,860	-	-	2.82	5,576,405	No	No	Yes	
5	SPC	SPI	2	4,461,124	31,040	27,960	-	-	1.25	5,576,405	No	No	No	
5	SPC	SPT	2	4,461,124	33,205	31,430	-	-	1.41	5,576,405	No	No	Yes	
5	SPC	SPD	2	4,461,124	66,410	62,860	-	-	2.82	5,576,405	No	No	No	
5	SPC	STK	2	4,461,124	31,430	31,430	-	-	1.41	5,576,405	No	No	Yes	
5	SPC	STC	2	4,461,124	446,091	403,868	13,000	-	18.11	5,576,405	No	No	No	

Note 1: The total amount of guarantee that may be provided by USI shall not exceed 60% of USI's net worth stated on the latest financial statements; the total amount of guarantee provided by USI to any single entity shall not exceed 50% of USI's net worth stated on the latest financial statements.
The total amount of guarantee that may be provided by USI and subsidiaries shall not exceed 200% of USI's net worth stated on the latest financial statements; the total amount of guarantee provided by USI and subsidiaries to any single entity shall not exceed 150% of USI's net worth stated on the latest financial statements.
The maximum amount of total endorsement/guarantee shall not exceed 200% of the equity attributable to owners of ACME. The maximum amount of endorsement/guarantee for an individual entity shall not exceed 150% of the equity attributable to owners of ACME.
The total amount of ACME (MA)'s external endorsement/guarantee shall not exceed 80% of its net worth; the limit of ACME (MA)'s endorsement/guarantee for a single company shall not exceed 70% of its net worth.
The amount of endorsements/guarantees for an individual entity shall not exceed 200% of SPC's equity stated on the latest financial statements. The maximum amount of total endorsements/guarantees shall not exceed 250% of SPC's equity stated on the latest financial statements.
The total amount of guarantee that may be provided by CGPC shall not exceed 100% of the net worth of shareholders' equity stated on the latest financial statements. The amount of guarantee that may be provided to any individual entity shall not exceed 60% of the net worth of shareholders' equity stated on the latest financial statements.
The total amount of guarantee that may be provided by TTC shall not exceed 150% of TTC's net worth stated on its latest financial statements; the total amount of guarantee provided by TTC to any individual entity shall not exceed 100% of TTC's net worth stated on its latest financial statements.
The total of guarantee that may be provided by TTC and the subsidiaries shall not exceed 200% of TTC's net worth stated on the latest financial statements; the total amount of guarantee provided by TTC and its subsidiaries to any individual entity shall not exceed 150% of TTC's net worth stated on the latest financial statements.

Note 2: The amount was converted using spot exchange rate as of December 31, 2025.

Note 3: The relationship between the Endorser/Guarantor and the Endorsee/Guarantee can be categorized as follows:

1. Companies with which there is a business relationship.
2. Companies in which the Company directly and indirectly holds more than 50% of the voting shares.
3. Companies in which directly and indirectly hold more than 50% of the voting shares.
4. Among companies in which the Company directly and indirectly holds 90% or more of the voting shares.
5. Companies that mutually guarantee each other based on contract requirements, either among peers in engineering procurement or among co-developers.
6. Due to a joint investment relationship, the company is endorsed and guaranteed by all contributing shareholders according to their percentage of ownership.
7. Joint guarantee of performance bond for pre-sale housing contracts conducted among peers in accordance with consumer protection law regulations.

USI CORPORATION AND INVESTEEES
Significant Marketable Securities Held
December 31, 2025

Table 3.

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

Holding Company Name	Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	End of the Year				Remark
				Unit/Share	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Shares							
USI	CTCI Corporation	—	Financial assets measured at FVTOCI - non-current	16,646,570	\$ 514,379	1.86	\$ 514,379	
USI	KHL IB Venture Capital Co., Ltd.	—	Financial assets measured at FVTOCI - non-current	11,951,984	105,894	10.83	105,894	
USI	AU Optronics Corporation	—	Financial assets measured at FVTOCI - non-current	6,811,204	83,437	0.09	83,437	
USI	PELL Bio-Med Technology Co., Ltd.	—	Financial assets measured at FVTOCI - non-current	185,000	63,363	0.32	63,363	
USI	TTC Group Holdings Co., Ltd.	—	Financial assets measured at FVTPL - current	2,000,000	46,400	0.03	46,400	
USI	EVA Airways Corporation	—	Financial assets measured at FVTPL - current	300,000	10,965	-	10,965	
USI	Rechi Precision Co., Ltd.	—	Financial assets measured at FVTPL - current	300,000	7,440	0.06	7,440	
USI	Tai-tech Advanced Electronics Co., Ltd.	—	Financial assets measured at FVTPL - current	200,000	29,300	0.18	29,300	
USI	Quanta Storage Inc.	—	Financial assets measured at FVTPL - current	85,000	9,095	0.03	9,095	
USI	Zeon Corporation	—	Financial assets measured at FVTPL - current	39,500	14,193	0.02	14,193	
USI	Kyushu Electric Power Co., Inc.	—	Financial assets measured at FVTPL - current	20,000	6,743	-	6,743	
USI	Teratech Corporation	—	Financial assets measured at FVTPL - non-current	110,000	-	0.65	-	Note 2
	Mutual funds							
USI	UPAMC James Bond Money Market Fund	—	Financial assets measured at FVTPL - current	6,794,248	120,000	-	120,000	
USI	Fubon Money Market Fund	—	Financial assets measured at FVTPL - current	8,796,809	138,186	-	138,186	
USI	Hua Nan Phoenix Money Market Fund	—	Financial assets measured at FVTPL - current	930,828	16,021	-	16,021	
	Beneficiary securities							
USI	Cathay No. 1 Real Estate Investment Trust Fund	—	Financial assets measured at FVTPL - current	4,054,000	58,378	-	58,378	
	Shares							
UPIIC	Asia Polymer Corporation	Investments accounted for using the equity method	Financial assets measured at FVTOCI - non-current	22,182,486	291,700	3.74	291,700	
UPIIC	China General Plastics Corporation	Investments accounted for using the equity method	Financial assets measured at FVTOCI - non-current	4,469,307	48,939	0.77	48,939	
UPIIC	Taita Chemical Company, Ltd.	Investments accounted for using the equity method	Financial assets measured at FVTOCI - non-current	456,253	5,087	0.11	5,087	
	Mutual funds							
UPIIC	Taishin Ta-Chong Money Market Fund	—	Financial assets measured at FVTPL - current	16,705,449	251,345	-	251,345	
UPIIC	Taishin 1699 Money Market Fund	—	Financial assets measured at FVTPL - current	542,763	7,800	-	7,800	
	Shares							
Swanlake	SOHOware Inc.	—	Financial assets measured at FVTOCI - non-current	1,150,000	-	1.05	-	Note 2
Swanlake	TGF Linux Communications Inc.	—	Financial assets measured at FVTOCI - non-current	300,000	-	2.14	-	Note 2
Swanlake	Neurosky Inc. Preferred Stock D	—	Financial assets measured at FVTOCI - non-current	2,397,364	-	0.70	-	Note 2

(Continued)

(Continued)

Holding Company Name	Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	End of the Year				Remark
				Unit/Share	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Shares							
USII	AU Optronics Corporation	—	Financial assets measured at FVTOCI - current	1,012,849	\$ 12,407	0.01	\$ 12,407	
USII	AU Optronics Corporation	—	Financial assets measured at FVTOCI - non-current	1,012,849	12,407	0.01	12,407	
USII	Wafer Works Corporation	—	Financial assets measured at FVTOCI - non-current	1,502,875	46,289	0.26	46,289	
USII	Solargiga Energy Holdings Limited	—	Financial assets measured at FVTOCI - non-current	10,876,111	3,372	0.34	3,372	
USII	Dah Chung Bills Finance Corp.	—	Financial assets measured at FVTOCI - non-current	506,894	7,902	0.10	7,902	
USII	Swanson Plastics Corporation	Same chairman	Financial assets measured at FVTOCI - non-current	12,166,447	146,119	7.88	146,119	
USII	USI Optronics Corporation	Same chairman	Financial assets measured at FVTOCI - non-current	165,279	31	0.25	31	
USII	Digimax Inc.	—	Financial assets measured at FVTOCI - non-current	23,234	-	0.05	-	
USII	Zoyi Technology Corporation	—	Financial assets measured at FVTOCI - non-current	784,000	19,992	5.12	19,992	
USII	Silicon Technology Investment (Cayman) Corp.	—	Financial assets measured at FVTOCI - non-current	911,849	94,130	1.77	94,130	
USII	TTC Group Holdings Co., Ltd.	—	Financial assets measured at FVTPL - current	1,000,000	23,200	0.01	23,200	
USII	EVA Airways Corporation	—	Financial assets measured at FVTPL - current	200,000	7,310	-	7,310	
USII	Tai-tech Advanced Electronics Co., Ltd.	—	Financial assets measured at FVTPL - current	50,000	7,325	0.05	7,325	
USII	Rechi Precision Co., Ltd.	—	Financial assets measured at FVTPL - current	200,000	4,960	0.04	4,960	
USII	Quanta Storage Inc.	—	Financial assets measured at FVTPL - current	55,000	5,885	0.02	5,885	
USII	China General Plastics Corporation	Same chairman	Financial assets measured at FVTPL - current	550,722	6,030	0.09	6,030	
USII	Asia Polymer Corporation	Same chairman	Financial assets measured at FVTPL - current	1,714,180	22,541	0.29	22,541	
USII	Taita Chemical Company, Ltd.	Same chairman	Financial assets measured at FVTPL - current	1,415,368	15,781	0.36	15,781	
USII	Acme Electronics Corporation	Same chairman	Financial assets measured at FVTPL - current	500,000	14,200	0.23	14,200	
USII	Zeon Corporation	—	Financial assets measured at FVTPL - current	21,600	7,762	0.01	7,762	
USII	Kyushu Electric Power Co., Inc.	—	Financial assets measured at FVTPL - current	10,000	3,372	-	3,372	
	Mutual funds							
USII	Yuanta De-Li Money Market Fund	—	Financial assets measured at FVTPL - current	913,842	15,763	-	15,763	
	Shares							
TUVC	Innovation & Infinity Global Corp.	—	Financial assets measured at FVTPL - non-current	720,804	-	0.73	-	Note 2
TUVC	Teratech Corporation	—	Financial assets measured at FVTPL - non-current	90,000	-	0.58	-	Note 2
TUVC	Leadwell Cnc Machines Mfg., Corp.	—	Financial assets measured at FVTOCI - non-current	419,753	14,356	0.68	14,356	
TUVC	Digimax Inc.	—	Financial assets measured at FVTOCI - non-current	518,898	-	1.18	-	Note 2
TUVC	Hexawave Inc.	—	Financial assets measured at FVTOCI - non-current	109,109	132	0.27	132	
TUVC	Uranus Chemicals Co., Ltd.	—	Financial assets measured at FVTOCI - non-current	15,351	460	0.02	460	
TUVC	Neuro Sky, Inc. Preferred Stock A	—	Financial assets measured at FVTOCI - non-current	10,000,000	-	1.21	-	Note 2
TUVC	Neuro Sky, Inc. Preferred Stock B	—	Financial assets measured at FVTOCI - non-current	12,595,523	-	1.53	-	Note 2
TUVC	Neuro Sky, Inc. Preferred Stock C	—	Financial assets measured at FVTOCI - non-current	4,532,823	-	0.55	-	Note 2
	Mutual funds							
TUVC	Cathay Taiwan Money Market Fund	—	Financial assets measured at FVTPL - current	1,091,738	14,333	-	14,333	
	Mutual funds							
UM	Taishin Ta-Chong Money Market Fund	—	Financial assets measured at FVTPL - current	3,665,271	55,147	-	55,147	
UM	Taishin 1699 Money Market Fund	—	Financial assets measured at FVTPL - current	3,479,762	50,002	-	50,002	

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Holding Company Name	Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	End of the Year				Remark
				Unit/Share	Carrying Amount	Percentage of Ownership (%)	Fair Value	
USIO	Mutual funds Taishin Ta-Chong Money Market Fund	—	Financial assets measured at FVTPL - current	400,275	\$ 6,022	-	\$ 6,022	
USIO	Taishin 1699 Money Market Fund	—	Financial assets measured at FVTPL - current	560,833	8,059	-	8,059	
CLT	Mutual funds Fubon Chi-Hsiang Money Market Fund	—	Financial assets measured at FVTPL - current	732,727	12,094	-	12,094	
CLT	Fubon Money Market Fund	—	Financial assets measured at FVTPL - current	1,275,230	20,021	-	20,021	
SG	Mutual funds Taishin 1699 Money Market Fund	—	Financial assets measured at FVTPL - current	695,923	10,000	-	10,000	
CGPC	Beneficiary securities Cathay No. 1 Real Estate Investment Trust Fund	—	Financial assets measured at FVTPL - current	3,964,000	57,082	-	57,082	
CGPC	Mutual funds UPAMC James Bond Money Market Fund	—	Financial assets measured at FVTPL - current	12,797,468	226,029	-	226,029	
CGPC	Shares TTC Group Holdings Co., Ltd.	—	Financial assets measured at FVTPL - current	2,000,000	46,400	0.03	46,400	
CGPC	KHL IB Venture Capital Co., Ltd.	—	Financial assets measured at FVTOCI - non-current	5,975,992	52,947	5.95	52,947	
TVCM	Mutual funds Fubon Money Market Fund	—	Financial assets measured at FVTPL - current	636,618	10,000	-	10,000	
TVCM	Shares Asia Polymer Corporation	With the same main shareholders as CGPC	Financial assets measured at FVTOCI - non-current	130,244	1,713	0.02	1,713	
CGPCPOL	Mutual funds Fubon Money Market Fund	—	Financial assets measured at FVTPL - current	2,419,042	38,000	-	38,000	
CGPC (BVI)	Shares Teratech Corporation	—	Financial assets measured at FVTPL - non-current	112,000	-	0.65	-	Note 2
CGPC (BVI)	SOHOware, Inc. - preferred shares	—	Financial assets measured at FVTPL - non-current	100,000	-	-	-	Notes 2 and 3
GGT	Mutual funds Taishin 1699 Money Market Fund	—	Financial assets measured at FVTPL - current	1,246,254	17,908	-	17,908	
TTC	Shares USI Corporation	Ultimate parent company	Financial assets measured at FVTOCI - non-current	15,109,901	167,719	1.27	167,719	
TTC	Harbinger Venture Capital Corp.	—	Financial assets measured at FVTOCI - non-current	990	5	0.50	5	
TTC	TTC Group Holdings Co., Ltd.	—	Financial assets measured at FVTPL - current	2,000,000	46,400	0.03	46,400	
TTC	Mutual funds Fubon Money Market Fund	—	Financial assets measured at FVTPL - current	1,909,770	30,000	-	30,000	

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Holding Company Name	Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	End of the Year				Remark
				Unit/Share	Carrying Amount	Percentage of Ownership (%)	Fair Value	
TTC	Beneficiary securities Cathay No. 1 Real Estate Investment Trust Fund	—	Financial assets measured at FVTPL - current	3,963,000	\$ 57,067	-	\$ 57,067	
TAITA (BVI)	Shares Budworth Investment Ltd.	—	Financial assets measured at FVTOCI - non-current	20,219	-	2.22	-	Note 2
TAITA (BVI)	Teratech Corporation	—	Financial assets measured at FVTPL - non-current	112,000	-	0.74	-	Note 2
TAITA (BVI)	SOHOware, Inc. - preferred shares	—	Financial assets measured at FVTPL - non-current	100,000	-	-	-	Notes 2 and 3
APC	Shares Harbinger Venture Capital Corp.	—	Financial assets measured at FVTOCI - non-current	2,377	9	1.20	9	
APC	KHL IB Venture Capital Co., Ltd.	—	Financial assets measured at FVTOCI - non-current	11,951,984	105,895	11.90	105,895	
APC	USI Corporation	Ultimate parent company	Financial assets measured at FVTOCI - non-current	101,355,673	1,125,048	8.53	1,125,048	
APC	CTCI Corporation	—	Financial assets measured at FVTOCI - non-current	15,893,437	491,107	1.78	491,107	
APC	AU Optronics Corporation	—	Financial assets measured at FVTOCI - non-current	7,694,812	94,261	0.10	94,261	
APC	PELL Bio-Med Technology Co., Ltd.	—	Financial assets measured at FVTOCI - non-current	185,000	63,363	0.32	63,363	
APC	Wafer Works Corporation	—	Financial assets measured at FVTOCI - current	518,605	15,973	0.09	15,973	
APC	TTC Group Holdings Co., Ltd.	—	Financial assets measured at FVTPL - current	2,000,000	46,400	0.03	46,400	
APC	EVA Airways Corporation	—	Financial assets measured at FVTPL - current	300,000	10,965	0.01	10,965	
APC	Rechi Precision Co., Ltd.	—	Financial assets measured at FVTPL - current	300,000	7,440	0.06	7,440	
APC	Tai-tech Advanced Electronics Co., Ltd.	—	Financial assets measured at FVTPL - current	200,000	29,300	0.18	29,300	
APC	Quanta Storage Inc.	—	Financial assets measured at FVTPL - current	85,000	9,095	0.03	9,095	
APC	Zeon Corporation	—	Financial assets measured at FVTPL - current	39,500	14,194	0.02	14,194	
APC	Kyushu Electric Power Co., Inc.	—	Financial assets measured at FVTPL - current	20,000	6,743	-	6,743	
APC	Beneficiary securities Cathay No. 1 Real Estate Investment Trust Fund	—	Financial assets measured at FVTPL - current	4,053,000	58,363	-	58,363	
APC	Beneficiary certificates FSITC Taiwan Money Market Fund	—	Financial assets measured at FVTPL - current	2,474,054	40,101	-	40,101	
APC	UPAMC James Bond Money Market Fund	—	Financial assets measured at FVTPL - current	5,676,078	100,251	-	100,251	
APC	Fubon Money Market Fund	—	Financial assets measured at FVTPL - current	4,395,332	69,045	-	69,045	
APC (BVI)	Shares Budworth Investment Ltd.	—	Financial assets measured at FVTOCI - non-current	40,467	-	4.45	-	Note 2
APC (BVI)	Silicon Technology Investment (Cayman) Corp. Preferred Shares	—	Financial assets measured at FVTOCI - non-current	1,139,776	117,653	2.21	117,653	
APC (BVI)	Neurosky Inc. Preferred Stock D	—	Financial assets measured at FVTOCI - non-current	2,397,364	-	0.37	-	Note 2
APC (BVI)	Solargiga Energy Holdings Ltd.	—	Financial assets measured at FVTOCI - non-current	14,863,333	4,681	0.45	4,681	
APC (BVI)	Teratech Corporation	—	Financial assets measured at FVTOCI - non-current	112,000	-	0.67	-	Note 2
APC (BVI)	TGF Linux Communication, Inc. -Preferred Shares	—	Financial assets measured at FVTPL - non-current	300,000	-	-	-	Notes 2 and 3

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Holding Company Name	Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	End of the Year				Remark
				Unit/Share	Carrying Amount	Percentage of Ownership (%)	Fair Value	
APC (BVI)	SOHOware, Inc. - preferred shares	—	Financial assets measured at FVTPL - non-current	450,000	\$ -	-	\$ -	Notes 2 and 3
APC (BVI)	Boldworks, Inc. - Preferred Shares	—	Financial assets measured at FVTPL - non-current	100,000	-	-	-	Notes 2 and 3
	Shares							
APCIC	USI Corporation	Ultimate parent company	Financial assets measured at FVTPL - current	44,808	498	-	498	
APCIC	TTC Group Holdings Co., Ltd.	—	Financial assets measured at FVTPL - current	1,000,000	23,200	0.01	23,200	
APCIC	EVA Airways Corporation	—	Financial assets measured at FVTPL - current	200,000	7,310	-	7,310	
APCIC	Rechi Precision Co., Ltd.	—	Financial assets measured at FVTPL - current	200,000	4,960	0.04	4,960	
APCIC	Quanta Storage Inc.	—	Financial assets measured at FVTPL - current	55,000	5,885	0.02	5,885	
APCIC	Tai-tech Advanced Electronics Co., Ltd.	—	Financial assets measured at FVTPL - current	50,000	7,325	0.05	7,325	
APCIC	Zeon Corporation	—	Financial assets measured at FVTPL - current	21,600	7,761	0.01	7,761	
APCIC	Kyushu Electric Power Co., Inc.	—	Financial assets measured at FVTPL - current	10,000	3,371	-	3,371	
	Mutual funds							
APCIC	Cathay Taiwan Money Market Fund	—	Financial assets measured at FVTPL - current	1,158,802	15,213	-	15,213	
	Shares							
CGTD	Asia Polymer Corporation	Investee that accounted for CGTD using the equity method	Financial assets measured at FVTOCI - non-current	5,290,482	69,570	0.89	69,570	Note 1
CGTD	China General Plastics Corporation	Investee that accounted for CGTD using the equity method	Financial assets measured at FVTOCI - non-current	2,940,788	32,202	0.51	32,202	Note 1
CGTD	Taita Chemical Company, Ltd.	Investee that accounted for CGTD using the equity method	Financial assets measured at FVTOCI - non-current	2,278,217	25,402	0.57	25,402	Note 1
	Mutual funds							
CGTD	Taishin 1699 Money Market Fund	—	Financial assets measured at FVTPL - current	2,117,215	30,423	-	30,423	
CGTD	Yuanta U.S. Treasury 20+ Year Bond ETF	—	Financial assets measured at FVTPL - current	380,000	10,351	-	10,351	

Note 1: All securities in the table include stocks, bonds, beneficiary certificates and the securities derived from the items above which are regulated by IFRS 9 "Financial Instruments".

No guarantees, pledged loans, or other restrictions on the use of the contract were provided.

Note 2: The amount is already recognized as impairment losses.

Note 3: The preferred shares are not used in the calculation of the shareholding ratio.

Note 4: Please refer to Tables 6 and 7 for detailed information on subsidiaries and associates.

USI CORPORATION AND INVESTEES
Total Purchases From Or Sales To Related Parties Amounting To At Least Nt\$100 Million Or 20% Of The Paid-in Capital
From January 1 to December 31, 2025

Table 4.

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

Buyer/Seller	Counterparty	Relationship (Note 2)	Transaction Details			Distinctive terms of trade and reasons		Notes/Accounts Receivable (Payable)		Remark	
			Purchase (Sale)	Amount	As a percentage of total purchase (sale) (%)	Credit Terms	Unit Price (Note 1)	Credit Terms (Note 1)	Ending Balance		As a percentage of total notes or accounts receivable (payable) (%)
USI	APC	(1)	Purchase	\$ 319,842	5	60 days	No significant difference	No significant difference	(\$ 38,729)	(9)	
USI	USI (HK)	(1)	Sale	(112,930)	(1)	60 days	No significant difference	No significant difference	12,692	3	
USI	SPK	(1)	Sale	(138,821)	(2)	60 days	No significant difference	No significant difference	33,364	8	
APC	USI	(2)	Sale	(319,842)	(6)	60 days	No significant difference	No significant difference	39,761	16	
APC	CGPCPOL	(3)	Sale	(121,746)	(2)	60 days	No significant difference	No significant difference	29,646	12	
ACME	ACME (GZ)	(1)	Purchase (including processing fees)	377,172	45	55 days	No significant difference	No significant difference	(85,426)	(57)	
ACME (GZ)	ACME	(2)	Sale (including processing fees)	(377,172)	(51)	55 days	No significant difference	No significant difference	85,426	24	
ACME	ACME (GZ)	(1)	Sale	(125,862)	(9)	55 days	No significant difference	No significant difference	27,185	7	
ACME (GZ)	ACME	(2)	Purchase	125,862	66	55 days	No significant difference	No significant difference	(27,185)	(65)	
ACME	ACME (KS)	(1)	Sale	(122,141)	(9)	55 days	No significant difference	No significant difference	35,503	9	
ACME (KS)	ACME	(2)	Purchase	122,141	49	55 days	No significant difference	No significant difference	(35,503)	(48)	
ACME (KS)	ACME	(2)	Sale	(153,372)	(17)	55 days	No significant difference	No significant difference	20,583	9	
ACME	ACME (KS)	(1)	Purchase	153,372	33	55 days	No significant difference	No significant difference	(20,583)	(14)	
SPS	SPM	(1)	Purchase	224,031	82	90 days	No significant difference	No significant difference	(33,913)	(90)	
SPM	SPS	(2)	Sale	(224,031)	(29)	90 days	No significant difference	No significant difference	33,913	24	
SPK	ASK	(3)	Sale	(263,210)	(23)	60 days	No significant difference	No significant difference	85,925	30	
ASK	SPK	(3)	Purchase	263,210	59	60 days	No significant difference	No significant difference	(85,925)	(81)	
SPK	USI	(2)	Purchase	143,176	13	75 days	No significant difference	No significant difference	(33,364)	(23)	
CGPC	CGPC-America	(1)	Sale	(460,288)	(10)	90 days	No significant difference	No significant difference	189,049	34	
TVCM	CGPC	(2)	Sale	(1,737,192)	(34)	45 days	No significant difference	No significant difference	340,715	33	
TVCM	CGPCPOL	(3)	Sale	(2,399,941)	(47)	75 days	No significant difference	No significant difference	621,365	60	

Note 1: There is no significant difference in transaction payment terms and prices compared to general transactions.

Note 2: Investment types are as follows:

- (1) The parent company to its subsidiary.
- (2) The subsidiary to the parent company.
- (3) Between subsidiaries.

USI CORPORATION AND INVESTEEES
Receivables From Related Parties Amounting To At Least NT\$100 Million OR 20% Of The Paid-in Capital
December 31, 2025

Table 5.

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

Company Name	Counterparty	Relationship (Note 4)	Financial Statement Account and Ending Balance	Turnover Rate (%)	Overdue		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss (Note 1)	Remark
					Amount	Actions Taken			
SPS	SPD	(1)	\$ 111,055	-	\$ -	—	\$ 1,050	\$ -	
ASK	SPT	(3)	162,547	-	-	—	-	-	
CGPC	CGPC-America	(1)	189,049	2.84	-	—	52,524	-	
TVCM	CGPC	(2)	340,715	4.37	-	—	340,715	-	
TVCM	CGPCPOL	(3)	621,365	2.80	-	—	423,874	-	
TTC	TTC (TJ)	(1)	286,899	-	286,899	Continuous Collection	-	-	Note 3

Note 1: It is assessed that no allowance for impairment loss is needed.

Note 2: Refers to the period from January 1 to February 28, 2026.

Note 3: The other receivables of TTC are from selling raw materials to Taita Chemical (Tianjin) Co., Ltd. (TTC (TJ)), and transferred to other receivables since it had exceeded the normal credit term by a certain period.

Note 4: Investment types are as follows:

- (1) The parent company to its subsidiary.
- (2) The subsidiary to the parent company.
- (3) Between subsidiaries.

USI CORPORATION AND INVESTEES
Information On Investees
From January 1 to December 31, 2025

Table 6.

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

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		Hold at the end of the Year			Profit (loss) of Investee for the year	Investment gains (losses) recognized for the year	Remark
				Ending balance of the current year	Ending balance of the prior year	Number of Shares	Percentage (%)	Carrying Amount			
USI	USIU	Taiwan	Investment business	\$ 550,000	\$ 550,000	89,647,000	100.00	\$ 876,608	(\$ 16,847)	(\$ 16,847)	
USI	Swanlake	British Virgin Islands	Investment business	728,439	728,439	30,000,000	100.00	1,524,816	54,056	54,056	
USI	USI (HK)	Hong Kong	Trading and investment	63,482	63,482	159,999	100.00	55,923	(3,998)	(3,998)	
USI	UPIIC	Taiwan	Investment business	3,490,255	3,490,255	918,324,656	100.00	8,231,379	(709,361)	(717,027)	
USI	TUVC	Taiwan	Venture capital	226,800	226,800	7,000,000	70.00	23,075	(1,334)	(934)	
USI	CLT	Taiwan	Import and export trade	28,323	28,323	9,070,320	99.96	103,363	5,253	5,251	
USI	SPC	Taiwan	Production and sales of stretch films and industrial use multi-layer films	171,210	171,210	62,616,299	40.58	900,135	(218,155)	(88,522)	
USI	ACME	Taiwan	Production and sales of manganese-zinc soft ferrite powder	470,158	470,158	61,682,967	28.96	553,341	(66,382)	(19,224)	
USI	INOMA	Taiwan	Optical products and fire protection materials	-	250,354	-	-	-	(3,110)	(2,934)	
USI	UM	Taiwan	Providing management services	1,000	1,000	1,092,852	100.00	14,981	3,909	3,909	
USI	ECGL	British Virgin Islands	Investment business	7,645,980	7,645,980	246,670,000	59.13	1,029,078	(2,428,817)	(1,436,231)	
USI	USIO	Taiwan	Manufacturing and marketing of sapphire single crystal	330,000	330,000	33,000,000	50.85	7,631	(16,290)	(8,283)	
USI	SG	Taiwan	Renewable energy power generation business	357,506	357,506	36,616,004	100.00	283,204	(68,296)	(69,954)	
USI	CURE	Taiwan	Energy Technology Services	10,000	10,000	1,000,000	33.33	8,779	(1,663)	(555)	
USI	Delmind	Taiwan	Manufacturing of machinery and equipment	-	90,000	-	-	-	(17,146)	(5,144)	
ECGL	EVG	British Virgin Islands	Investment business	13,110,867	13,110,867	417,145,000	67.40	1,740,278	(3,603,444)		
EVG	DEI	Hong Kong	Investment business	18,507,556	18,507,556	588,850,000	85.00	1,477,499	(4,292,809)		
UPIIC	TTC	Taiwan	Manufacturing and marketing of plastic products	1,749,212	1,749,212	145,807,007	36.67	2,323,089	(427,371)		
UPIIC	APC	Taiwan	Manufacturing and marketing of plastic products	1,965,437	1,965,437	192,063,336	32.35	3,810,730	(1,044,503)		
UPIIC	CGPC	Taiwan	Manufacturing and marketing of plastic products	1,320,045	1,320,045	140,609,929	24.20	1,999,294	(918,980)		
USII	ACME	Taiwan	Production and sales of manganese-zinc soft ferrite powder	222,752	222,752	19,780,230	9.29	191,834	(66,382)		
USII	STC	Taiwan	Planting agriculture, marketing, research and development of agricultural products, production, sale, and development of EVA packaging films and other high value-added plastic products	52,500	52,500	3,000,015	15.00	13,534	(33,533)		
USII	TUVM	Taiwan	Corporate management consulting	8,000	8,000	800,000	100.00	11,990	(1,841)		
Swanlake	ACME (Cayman)	Cayman Islands	Investment business	341,349	341,349	13,825,368	18.93	340,489	(70,700)		
ACME	ACME (Cayman)	Cayman Islands	Investment business	1,108,637	1,108,637	43,887,521	60.10	1,080,588	(70,700)		
ACME	GAEL	British Virgin Islands	Investment business	669,072	669,072	20,800,000	100.00	1,031,249	21,493		

(Continued)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		Hold at the end of the Year			Profit (loss) of Investee for the year	Investment gains (losses) recognized for the year	Remark
				Ending balance of the current year	Ending balance of the prior year	Number of Shares	Percentage (%)	Carrying Amount			
ACME	USIO	Taiwan	Manufacturing and marketing of sapphire single crystal	\$ 646,200	\$ 646,200	22,064,224	34.00	\$ 5,102	(\$ 16,290)		
ACME (Cayman)	ACME (MA)	Malaysia	Investment business	750,894	750,894	96,808,000	100.00	1,130,923	(72,968)		
ACME (MA)	ACME Ferrite	Malaysia	Manufacturing and sales of manganese- zinc soft ferrite core	283,990	283,990	9,120,000	100.00	791,793	(23,211)		
ACME (MA)	ACME Advanced	Malaysia	Manufacturing and sale of silicon carbide	405,503	405,503	54,208,000	100.00	151,795	(49,138)		
SPC	SPS	Singapore	Manufacturing and marketing of plastic products	808,506	808,506	36,862,980	100.00	1,685,384	26,303		
SPC	Forever Young	British Virgin Islands	Trading and agency businesses	1,297	1,297	50,000	100.00	630	(18,340)		
SPC	SIL	Cayman Islands	Investment business	499,996	499,996	16,041,205	100.00	1,287,288	3,277		
SPC	STC	Taiwan	Planting agriculture, marketing, research and development of agricultural products, production, sale, and development of EVA packaging films and other high value-added plastic products	385,000	385,000	14,000,070	70.00	63,160	(33,533)		
SPC	SPD	Indonesia	Manufacturing and marketing of plastic products	7,979	7,979	261,010	1.00	7,647	13,037		
SPC	SPI	India	Manufacturing and marketing of plastic products	0.007	0.007	1	-	0.007	3,799		
SPS	SPM	Malaysia	Manufacturing and marketing of plastic products	207,230	207,230	20,000,000	100.00	497,277	22,293		
SPS	SPI	India	Manufacturing and marketing of plastic products	550,324	550,324	115,651,389	100.00	290,780	3,799		
SPS	SPD	Indonesia	Manufacturing and marketing of plastic products	812,152	812,152	25,840,033	99.00	757,082	13,037		
SIL	ASH	UK	Investment business	222,967	222,967	3,156,993	100.00	464,017	21,212		
CGPC	TVCM	Taiwan	Manufacturing and sales of VCM	2,934,978	2,933,648	259,707,456	87.31	3,526,607	(497,671)		
CGPC	CGPCPOL	Taiwan	Manufacture and marketing of PVC powder	1,300,000	800,000	72,508,657	100.00	643,205	(311,346)		
CGPC	CGPC (BVI)	British Virgin Islands	Investment business	1,059,344	1,059,344	14,808,258	100.00	383,279	61,112		
CGPC	CGTD	Taiwan	Warehousing and transportation of petrochemical raw materials	41,106	41,106	25,053,469	33.33	287,145	(37,788)		
CGPC	CGPC-America	United States	Marketing of PVC two- or three-time processed products	648,931	648,931	100	100.00	132,543	(39,030)		
CGPC	ACME	Taiwan	Production and sales of manganese zinc, soft ferrite, magnetic powder, and magnetic cores.	41,805	41,805	3,566,526	1.67	32,881	(66,382)		
TVCM	GGT	Taiwan	Environmental detection services	50,000	50,000	5,381,447	100.00	54,788	500		
TTC	TAITA (BVI)	British Virgin Islands	Investment business	2,820,465	2,820,465	89,738,000	100.00	3,224,792	3,201		
TTC	CGPC	Taiwan	Production and marketing of PVC tape and other plastic products	65,365	65,365	11,516,174	1.98	153,125	(918,980)		
TTC	CGTD	Taiwan	Warehousing of petrochemical raw materials	41,082	41,082	25,053,468	33.33	287,145	(37,788)		
TTC	ACME	Taiwan	Production and sales of manganese-zinc soft ferrite powder	55,702	55,702	4,991,556	2.34	46,019	(66,382)		
TAITA (BVI)	ACME (Cayman)	Cayman Islands	Investment business	70,092	70,092	3,225,693	4.42	79,442	(70,700)		

(Continued)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		Hold at the end of the Year			Profit (loss) of Investee for the year	Investment gains (losses) recognized for the year	Remark
				Ending balance of the current year	Ending balance of the prior year	Number of Shares	Percentage (%)	Carrying Amount			
APC	APC (BVI)	British Virgin Islands	Investment business	\$ 432,948	\$ 432,948	11,342,594	100.00	\$ 701,792	\$ 15,650		
APC	APCIC	Taiwan	Investment business	200,000	200,000	20,000,000	100.00	138,297	(3,803)		
APC	USIIC	British Virgin Islands	Investment business	66,003	66,003	2,100,000	70.00	66,201	(626)		
APC	CGPC	Taiwan	Manufacturing and marketing of plastic products	247,412	247,412	46,886,185	8.07	623,422	(918,980)		
APC	CGTD	Taiwan	Petrochemical materials storage and transportation operations	41,082	41,082	25,053,469	33.33	287,145	(37,788)		
APC	SPC	Taiwan	Production and sales of stretch films and industrial use multi-layer films	75,242	75,242	12,266,779	7.95	177,315	(218,155)		
APC	ACME	Taiwan	Production and sales of manganese zinc, soft ferrite, magnetic powder, and magnetic cores.	76,241	76,241	6,801,315	3.19	62,704	(66,382)		
APC	TUVC	Taiwan	Investments in high-tech undertakings	30,309	30,309	832,666	8.33	2,745	(1,334)		
APC	USIO	Taiwan	Manufacturing and marketing of sapphire single crystal	59,725	59,725	5,972,464	9.20	1,381	(16,290)		
APC	ECGL	British Virgin Islands	Investment business	5,338,029	5,338,029	170,475,000	40.87	711,201	(2,428,817)		
APC (BVI)	ACME (Cayman)	Cayman Islands	Investment business	216,238	216,238	9,951,820	13.63	245,092	(70,700)		
APC (BVI)	USIIC	British Virgin Islands	Investment business	28,287	28,287	900,000	30.00	28,372	(626)		
APCIC	ACME	Taiwan	Production and sales of manganese zinc, soft ferrite, magnetic powder, and magnetic cores.	39,523	39,523	3,116,262	1.46	28,730	(66,382)		
APCIC	STC	Taiwan	Planting agriculture, marketing, research and development of agricultural products, production, sale, and development of EVA packaging films and other high value-added plastic products	52,500	52,500	3,000,015	15.00	13,543	(33,533)		

Note 1: Please refer to Table 7 for relevant information on mainland investee companies.

Note 2: Original investment amount and the amount hold at the end of the year were converted using spot exchange rate as of December 31, 2025.

Note 3: Profit/loss of Investee for the year and Investment gains/losses recognized for the year are calculated based on the average exchange rate from January 1 to December 31, 2025.

USI CORPORATION AND INVESTEEES
Information On Investments In Mainland China
From January 1 to December 31, 2025

Table 7.

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

Investee Company	Main Businesses and Products	Paid-in Capital (Note 3)	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of the beginning of the Year (Note 3)	Investment Flows for the Year		Accumulated Outward Remittance for Investment from Taiwan as of the End of Year (Note 3)	Profit (loss) of Investee for the year (Note 2)	Ownership of Direct or Indirect Investment (%)	Investment gains (losses) recognized for the year (Note 2)	Carrying Amount as of the End of Year (Note 3)	Accumulated Repatriation of Investment Income as of the End of Year
					Outflow	Inflow						
ACME (KS)	Manufacturing and sales of manganese-zinc soft ferrite core	\$ 965,687	(1)	\$ 88,555	\$ -	\$ -	\$ 88,555	\$ 3,085	18.93	\$ 584	\$ 123,431	\$ -
GUL	Sales of chemical products	44,716	(1)	32,580	-	-	32,580	(1,428)	70.00	(1,000)	49,812	-
XUL	Sales of chemical products	44,716	(1)	30,621	-	-	30,621	35,226	70.00	24,658	83,947	-
DEIP	Property Management	93,904	(2)	30,718	-	-	30,718	491	33.88	166	32,294	-
Gulei	Crude oil processing and petroleum products manufacturing	41,650,271	(2)	7,180,175	-	-	7,180,175	(8,576,846)	16.94	(1,452,857)	441,480	-
ACME (KS)	Manufacturing and sales of manganese-zinc soft ferrite core	965,687	(3)	374,188	-	-	374,188	3,085	60.10	1,854	391,820	-
ACME (GZ)	Manufacturing and sales of manganese-zinc soft ferrite core	603,456	(4)	619,676	-	-	619,676	22,244	100.00	22,244	1,028,679	-
SPK	Production, sales and development of multi- functional film, optical film, etc.	417,705	(5)	223,930	-	-	223,930	(17,909)	100.00	(17,909)	823,248	221,875
ASK	Production and sales of PE release film and other release products	286,013	(5)	193,447	-	-	193,447	21,535	100.00	21,535	463,706	278,333
SPT	Production, sales and development of multi- functional film, optical film, etc.	336,301	(6)	170,754	-	-	170,754	(19,664)	100.00	(19,664)	(14,818)	-
STK	Marketing of plastic products, daily necessities, electrical appliances and their components and import and export of other high value added plastic products	13,415	(7)	13,464	-	-	13,464	(306)	100.00	(306)	13,053	-
CGPC(ZS)	Manufacturing and sales of PVC film and third-time processed products	628,600	(8)	628,600	-	-	628,600	57,446	100.00	57,446	290,086	-
TTC(ZS)	Production and sales of polystyrene derivatives	1,453,638	(9)	1,351,490	-	-	1,351,490	1,444	100.00	1,444	1,907,675	-
TTC(TJ)	Production and sales of polystyrene derivatives	859,611	(9)	817,180	-	-	817,180	(6,760)	100.00	(6,760)	(207,911)	-
TTC(ZZ)	Production and sales of polystyrene derivatives	1,526,856	(9)	-	-	-	-	11,497	100.00	11,497	1,425,818	-
ACME(KS)	Manufacturing and sales of manganese-zinc soft ferrite core	965,687	(9)	42,557	-	-	42,557	3,085	4.42	136	28,798	-
ACME(KS)	Manufacturing and sales of manganese-zinc soft ferrite core	965,687	(10)	131,295	-	-	131,295	3,085	13.63	420	88,848	-
CGPCPOL	Sales of chemical products and equipment, etc.	78,575	(10)	95,409	-	-	95,409	8,051	100.00	8,051	188,482	-
Gulei	Crude oil processing and petroleum products manufacturing	41,650,271	(11)	4,962,259	-	-	4,962,259	(8,576,846)	11.71	(1,004,078)	305,109	-
GUL	Sales of chemical products	44,716	(10)	13,415	-	-	13,415	(1,428)	30.00	(428)	21,348	-
XUL	Sales of chemical products	44,716	(10)	13,415	-	-	13,415	35,226	30.00	10,568	35,977	-
DEIP	Property Management	93,904	(11)	21,986	-	-	21,986	491	23.41	115	22,318	-

Company Name	Accumulated Outward Remittance of Investment to Mainland China from Taiwan at the End of the Current Year	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA	Remark
USI	\$ 7,549,892	\$ 9,883,110	\$ -	Note 4
ACME	953,712	1,151,375	-	Note 4
SPC	588,131	1,030,456	-	Note 4
STC	13,464	13,415	80,000	Note 5
CGPC	804,042	939,757	-	Note 4
TTC	2,211,227	3,954,438	-	Note 4
APC	5,388,774	7,197,817	-	Note 4

Note 1: Method of Investment:

- (1) USI indirectly invested via Swanlake.
- (2) USI indirectly invested via ECGL.
- (3) ACME made an indirect investment via ACME (Cayman).
- (4) ACME made an indirect investment via GAEL.
- (5) SPC made an indirect investment via SIL.
- (6) SPC made an indirect investment via Swanson Singapore Company.
- (7) Direct investment by Swanson Technologies Corporation.
- (8) Indirect investment via CGPC (BVI).
- (9) TTC made an indirect investment via TAITA (BVI).
- (10) Indirect investment via APC (BVI).
- (11) APC indirectly invested via ECGL.

Note 2: The amount is calculated based on the average exchange rate from January 1 to December 31, 2025.

Note 3: The amount was converted using spot exchange rate as of December 31, 2025.

Note 4: As the certificate of qualification for operating headquarters issued by the Industrial Development Bureau, MOEA has been obtained, the upper limit on investment is not applicable.

Note 5: Based on Article 3 of the "Principle of Examination on Investment and Technical Cooperation in Mainland China" issued by the Investment Commission on August 29, 2008, the limit is set at 60% of the net value or consolidated net value of the investment company, STC, or NT\$80,000 thousand, whichever is higher.

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USI CORPORATION
STATEMENT OF CASH AND CASH EQUIVALENT
December 31, 2025

STATEMENT 1 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

ITEMS	Description	Amount
Cash		
Petty cash		\$ 490
Bank deposits		
Checking deposits		27,107
NTD demand deposits		40,137
Foreign currency demand deposits	USD 2,659,256.01 (Note) RMB 94,842.54 (Note) JPY 5,023,683.00 (Note) EUR 154,333.27 (Note)	<u>90,708</u>
Subtotal of the bank deposits		<u>157,952</u>
Cash equivalents		
Time deposits	Annual interest rate: 1.25%-3.60%, including foreign currency time deposits of USD 300,000.00 and RMB 2,000,000.00 (Note), maturing in January 2026.	<u>18,372</u>
		<u>\$ 176,814</u>

Note: USD is converted at the exchange rate of USD1=NTD31.4300.
RMB is converted at the exchange rate RMB1 = NTD4.4716.
JPY is converted at the exchange rate JPY1 = NTD0.2008.
EUR is converted at the exchange rate EUR1 = NTD36.9000.

USI CORPORATION
STATEMENT OF FINANCIAL INSTRUMENTS AT FVTPL - CURRENT
December 31, 2025

STATEMENT 2

(In Thousands of New Taiwan Dollars, Except Unit Price in New Taiwan Dollars)

Name of Financial Instruments	Share/Unit	Original Acquisition Cost	Fair Value		Changes in Fair Value Attributable to Changes in Credit Risk	Remark
			Unit Price (NT\$)	Total Amount		
Financial assets mandatorily classified at FVTPL – non-derivative financial assets						
Mutual funds and beneficiary securities						
Fubon Money Market Fund	8,796,809	\$ 138,000	15.7087	\$ 138,186	\$ -	
Hua Nan Phoenix Money Market Fund	930,828	16,000	17.2111	16,021	-	
UPAMC James Bond Money Market Fund	6,794,248	120,000	17.6620	120,000	-	
Cathay No. 1 Real Estate Investment Trust Fund	4,054,000	46,710	14.4000	58,378	-	
		<u>320,710</u>		<u>332,585</u>	<u>-</u>	
Domestic publicly shares						
TTC Group Holdings Co., Ltd.	2,000,000	67,908	23.2000	46,400	-	
Tai-tech Advanced Electronics Co., Ltd.	200,000	27,891	146.5000	29,300	-	
Quanta Storage Inc.	85,000	9,048	107.0000	9,095	-	
Rechi Precision Co., Ltd.	300,000	7,310	24.8000	7,440	-	
EVA Airways Corporation	300,000	11,689	36.5500	10,965	-	
		<u>123,846</u>		<u>103,200</u>	<u>-</u>	
Foreign listed shares						
Zeon Corporation	39,500	12,012	359.3300	14,193	-	
Kyushu Electric Power Co., Inc.	20,000	7,450	337.1400	6,743	-	
		<u>19,462</u>		<u>20,936</u>	<u>-</u>	
		<u>\$ 464,018</u>		<u>\$ 456,721</u>	<u>\$ -</u>	
Financial liabilities held for trading - derivatives						
Foreign exchange forward contracts				\$ 239	\$ -	

USI CORPORATION
STATEMENT OF NOTES RECEIVABLE
December 31, 2025

STATEMENT 3

(In Thousands of New Taiwan Dollars)

Customer Name	Description	Amount	Remark
Non-related party			
Customer A	Unexpired	\$ 27,429	
Customer B	Unexpired	2,250	
Customer C	Unexpired	1,905	
Others (Note)	Unexpired	<u>131</u>	
		<u>\$ 31,715</u>	

Note: The balance of individual items does not exceed 5% of the balance of the notes receivable.

USI CORPORATION
STATEMENT OF ACCOUNTS RECEIVABLE
December 31, 2025

STATEMENT 4

(In Thousands of New Taiwan Dollars)

Customer Name	Description	Amount	Remark
Non-related party			
Customer D	Payment for goods	\$ 38,483	
Customer E	Payment for goods	35,149	
Customer A	Payment for goods	31,701	
Customer F	Payment for goods	24,553	
Customer G	Payment for goods	21,306	
Others (Note)	Payment for goods	<u>158,047</u>	
Subtotal		309,239	
Less: allowance for impairment loss		(<u>2,651</u>)	
		<u>306,588</u>	
Related parties			
SPK	Payment for goods	33,364	
USITA	Payment for goods	18,901	
USI(HK)	Payment for goods	12,692	
SPC	Payment for goods	8,795	
SPM	Payment for goods	4,413	
STC	Payment for goods	<u>126</u>	
Subtotal		<u>78,291</u>	
		<u>\$ 384,879</u>	

Note: The balance of individual items does not exceed 5% of the balance of the accounts receivable.

USI CORPORATION
STATEMENT OF INVENTORIES
December 31, 2025

STATEMENT 5

(In Thousands of New Taiwan Dollars)

Item	Description	Amount		Remark
		Costs	Net realizable value (Note)	
Finished goods		\$ 810,448	\$ 786,820	
Work in progress		39,014	41,761	
Raw materials		176,490	176,850	
Supplies		<u>156,064</u>	<u>157,168</u>	
		1,182,016	<u>\$ 1,162,599</u>	
Less: Allowance for inventory write-down		(<u>120,601</u>)		
			<u>\$ 1,061,415</u>	

Note: Net realizable value is the balance that the estimated selling price under normal circumstances minus the estimated cost required to complete the project and the estimated cost required to complete the sale.

USI CORPORATION
STATEMENT OF PREPAYMENTS
 December 31, 2025

STATEMENT 6

(In Thousands of New Taiwan Dollars)

Items	Description	Amount	Remark
Office supplies		\$ 182,410	
Prepaid expenses		54,635	
Prepayment for goods		34,343	
Overpaid sales tax		<u>6,252</u>	
		<u>\$ 277,640</u>	

USI CORPORATION
STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FVTOCI - NON-CURRENT
From January 1 to December 31, 2025

STATEMENT 7

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

Name of Financial Instruments	Balance at January 1		Increase in the current year		Decrease in the current year		Balance at December 31		Provision of Collaterals or Pledges	Remark
	Number of Shares	Fair Value	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Fair Value		
Domestic publicly shares										
AU Optronics Corporation	6,811,204	\$ 99,784	-	\$ -	-	\$ 16,347	6,811,204	\$ 83,437	None	Note 1
CTCI Corporation	15,130,656	584,043	1,515,914	-	-	69,664	16,646,570	514,379	None	Note 2
PELL Bio-Med Technology Co. Ltd.	235,000	19,200	-	48,413	50,000	4,250	185,000	63,363	None	Note 3
Domestic unlisted shares										
KHL IB Venture Capital Co., Ltd.	13,132,193	117,271	-	426	1,180,209	11,803	11,951,984	105,894	None	Note 4
		<u>\$ 820,298</u>		<u>\$ 48,839</u>		<u>\$ 102,064</u>	-	<u>\$ 767,073</u>		

Note 1: The amount of decrease in the current year was resulted from adjustments of changes in fair value.

Note 2: The decrease in the current year amount and the increase in the number of shares were due to adjustments of changes in fair value and stock dividends.

Note 3: The increase in the current year amount and the decrease in the number of shares and amount were due to adjustments of changes in fair value and the sale of holdings.

Note 4: The increase in the current year amount and the decrease in the number of shares and amount were due to adjustments of changes in fair value and capital reduction in cash.

USI CORPORATION
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD
From January 1 to December 31, 2025

STATEMENT 8

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

Investee	Balance at January 1		Increase in the current year		Decrease in the current year		Share of (Loss) Profit of Subsidiaries Accounted for Using the Equity Method	Balance at December 31			Provision of Collaterals or Pledges		
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount		Number of Shares	Ownership %	Amount		Net Assets Value	Remark
USII	89,647,000	\$ 922,756	-	\$ 813	-	\$ 30,114	(\$ 16,847)	89,647,000	100.00	\$ 876,608	\$ 878,152	Note 1	None
Swanlake	30,000,000	1,567,162	-	-	-	96,402	54,056	30,000,000	100.00	1,524,816	1,538,462	Note 2	None
USI(HK)	159,999	62,709	-	-	-	2,788	(3,998)	159,999	100.00	55,923	55,923	Note 3	None
UPIIC	918,324,656	9,092,810	-	19,301	-	73,705	(717,027)	918,324,656	100.00	8,321,379	8,743,304	Note 4	None
TUVC	7,000,000	23,136	-	873	-	-	(934)	7,000,000	70.00	23,075	23,075	Note 5	None
CLT	7,723,419	98,112	1,346,901	-	-	-	5,251	9,070,320	99.96	103,363	103,363		None
SPC	62,616,299	1,035,411	-	248	-	47,002	(88,522)	62,616,299	40.58	900,135	905,112	Note 6	None
ACME	61,682,967	569,821	-	2,744	-	-	(19,224)	61,682,967	28.96	553,341	568,681	Note 7	None
INOMA	1,334,728	10,461	-	-	1,334,728	7,527	(2,934)	-	-	-	-	Note 8	None
UM	671,400	11,397	421,452	-	-	325	3,909	1,092,852	100.00	14,981	14,981	Note 9	None
Delmind	9,000,000	72,312	-	-	9,000,000	67,168	(5,144)	-	-	-	-	Note 10	None
ECGL	246,670,000	2,556,782	-	-	-	91,473	(1,436,231)	246,670,000	59.13	1,029,078	1,029,078	Note 11	None
USIOO	33,000,000	15,914	-	-	-	-	(8,283)	33,000,000	50.85	7,631	7,631		None
SG	36,616,004	353,158	-	-	-	-	(69,954)	36,616,004	100.00	283,204	256,332		None
CURE	1,000,000	9,334	-	-	-	-	(555)	1,000,000	33.33	8,779	8,779		None
		<u>\$ 16,401,275</u>		<u>\$ 23,979</u>		<u>\$ 416,504</u>	<u>(\$ 2,306,437)</u>			<u>\$ 13,702,313</u>	<u>\$ 14,132,873</u>		

- Note 1: The increase in the current year is differences on translating the financial statements of foreign operations of NT\$813 thousand. The decrease in the current year is unrealized losses on financial assets at FVTOCI of NT\$29,655 thousand and losses on remeasurements of defined benefit plans of NT\$459 thousand.
- Note 2: The decrease in the current year is recognition of differences on translating the financial statements of foreign operations based on the shareholding ratio of NT\$41,333 thousand and cash dividends received from the investees of NT\$55,069 thousand.
- Note 3: The decrease in the current year is recognition of differences on translating the financial statements of foreign operations based on the shareholding ratio of NT\$2,788 thousand.
- Note 4: The increase in the current year is adjustment to capital surplus for cash dividends paid to subsidiaries - treasury share transaction of NT\$7,666 thousand, gains on remeasurements of defined benefit plans of NT\$6,885 thousand, recognition of capital surplus based on the shareholding ratio of NT\$789 thousand, and cumulative gains and losses on disposal of financial assets at FVTOCI transferred to retained earnings of NT\$3,961 thousand. The decrease in the current year is the valuation adjustment of treasury shares and financial instruments of NT\$13,415 thousand, recognition of differences on translating the financial statements of foreign operations based on the shareholding ratio of NT\$43,091 thousand, and unrealized losses on financial assets at FVTOCI of NT\$17,199 thousand.
- Note 5: The increase in the current year is an unrealized gain on financial assets at FVTOCI of NT\$873 thousand.
- Note 6: Increase in the current year is gains on remeasurements of defined benefit plans of NT\$208 thousand and recognition of capital surplus based on the shareholding ratio of NT\$40 thousand; decrease in the current year is differences on translating the financial statements of foreign operations of NT\$47,002 thousand.
- Note 7: The increase in the current year is gains on remeasurements of defined benefit plans of NT\$81 thousand, recognition of capital surplus based on the shareholding ratio of NT\$1 thousand, and differences on translating the financial statements of foreign operations of NT\$2,662 thousand.
- Note 8: The decrease in the current year is the return of capital of NT\$7,527 thousand due to liquidation.
- Note 9: The decrease in the current year is losses on remeasurements of defined benefit plans of NT\$325 thousand.
- Note 10: Decrease in the Current Year is due to the disposal of Delmind shares.
- Note 11: The decrease in the current year is recognition of differences on translating the financial statements of foreign operations based on the shareholding ratio of NT\$91,473 thousand.

USI CORPORATION
STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS
From January 1 to December 31, 2025

STATEMENT 9

(In Thousands of New Taiwan Dollars)

Items	Balance at January 1	Increase in the current year	Decrease in the current year	Balance at December 31	Remark
Buildings	<u>\$ 14,611</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,611</u>	

USI CORPORATION AND INVESTEES
STATEMENT OF CHANGES IN
ACCUMULATED DEPRECIATION OF RIGHT-OF-USE ASSETS
From January 1 to December 31, 2025

STATEMENT 10

(In Thousands of New Taiwan Dollars)

Items	Balance at January 1	Increase in the current year	Decrease in the current year	Balance at December 31	Remark
Buildings	<u>\$ 4,151</u>	<u>\$ 4,778</u>	<u>\$ -</u>	<u>\$ 8,929</u>	

USI CORPORATION
STATEMENT OF OTHER NON-CURRENT ASSETS
December 31, 2025

STATEMENT 11

(In Thousands of New Taiwan Dollars)

<u>Items</u>	<u>Description</u>	<u>Amount</u>	<u>Remark</u>
Refundable deposits		\$ 63,996	
Long-term deferred expenses		47,800	
Prepayments for construction		25,123	
Prepayments for investment		<u>4,389</u>	
		<u>\$ 141,308</u>	

USI CORPORATION
STATEMENT OF ACCOUNTS PAYABLE
December 31, 2025

STATEMENT 12

(In Thousands of New Taiwan Dollars)

<u>Supplier Name</u>	<u>Description</u>	<u>Amount</u>	<u>Remark</u>
Non-related party			
Supplier A (Note)	Payment for goods	\$ 258,595	
Supplier B	Payment for goods	67,174	
Others	Payment for goods	<u>47,823</u>	
Subtotal		<u>373,592</u>	
Related parties			
APC	Payment for goods	38,729	
SPC	Payment for goods	<u>1,457</u>	
Subtotal		<u>40,186</u>	
		<u>\$ 413,778</u>	

Note: Bank time deposit of NT\$56,591 thousand has been provided as collateral.

USI CORPORATION
STATEMENT OF OTHER CURRENT LIABILITIES
December 31, 2025

STATEMENT 13

(In Thousands of New Taiwan Dollars)

<u>Items</u>	<u>Description</u>	<u>Amount</u>	<u>Remark</u>
Contract liabilities		\$ 110,801	
Agency fund		2,392	
Others		<u>9,145</u>	
		<u>\$ 122,338</u>	

USI CORPORATION
STATEMENT OF BONDS PAYABLE
December 31, 2025

STATEMENT 14

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

Bonds Name	Trustee	Issue Date	Interest Payment Date	Interest Rate	Amount			Unamortized premium (discount)	Carrying Amount	Repayment Method	Collaterals	Remark
					Total Issue Amount	Less: Amounts Repaid	Balance at December 31					
The first unsecured corporate bond A in 2021	Bank SinoPac Company Limited Department of Trusts	110/06/23	Interest is paid one time every full year from the date of issue	0.63%	\$1,000,000	\$ 500,000	\$ 500,000	(\$ 117)	\$ 499,883	50% repayment of principal in the 4th and 5th year from the date of issue	None	
The first unsecured corporate bond B in 2021	Bank SinoPac Company Limited Department of Trusts	110/06/23	Interest is paid one time every full year from the date of issue	0.73%	1,000,000	-	1,000,000	(676)	999,324	50% repayment of principal in the 6th and 7th year from the date of issue	None	
The second unsecured corporate bond A in 2021	Bank SinoPac Company Limited Department of Trusts	110/10/26	Interest is paid one time every full year from the date of issue	0.63%	700,000	350,000	350,000	(141)	349,859	50% repayment of principal in the 4th and 5th year from the date of issue	None	
The second unsecured corporate bond B in 2021	Bank SinoPac Company Limited Department of Trusts	110/10/26	Interest is paid one time every full year from the date of issue	0.77%	<u>1,300,000</u>	<u>-</u>	<u>1,300,000</u>	(<u>1,028</u>)	<u>1,298,972</u>	50% repayment of principal in the 6th and 7th year from the date of issue	None	
					4,000,000	850,000	3,150,000	(1,962)	3,148,038			
Less: Current portion of bonds payable					<u>850,000</u>	<u>-</u>	<u>850,000</u>	(<u>258</u>)	<u>849,742</u>			
					<u>\$3,150,000</u>	<u>\$ 850,000</u>	<u>\$2,300,000</u>	(\$ <u>1,704</u>)	<u>\$2,298,296</u>			

USI CORPORATION
STATEMENT OF LONG-TERM BORROWINGS
December 31, 2025

STATEMENT 15

(In Thousands of New Taiwan Dollars)

Creditor Bank or Underwriting Institution	Term and Repayment Method	Annual Interest Rate (%)	Amount			Pledges or Collaterals
			Due within one year	Due after one year	Total	
Taipei Fubon Commercial Bank Co., Ltd.	October 15, 2021 to December 15, 2027, repaid on an average monthly basis from the fourth year onwards.	1.22%~1.72%	\$ 289,885	\$ 290,732	\$ 580,617	-
E.Sun Commercial Bank, Ltd.	November 5, 2021 to December 15, 2027, repaid on an average monthly basis from the fourth year onwards.	1.18%~1.68%	76,130	63,476	139,606	-
Bank SinoPac Company Limited	2025.12.31-2026.01.05, the credit is utilized cyclically during the effective period without the need for principal cash flow in and out for renewal.	2.08%	-	300,000	300,000	-
Export-Import Bank of China	October 23, 2025 to October 23, 2028, repaid in two installments, in the 30th and 36th months, average basis.	1.16%~2.16%	-	500,000	500,000	-
Yuanta Commercial Bank Co., Ltd.	December 29, 2025 to April 29, 2026, repaid at maturity.	2.02%	-	400,000	400,000	-
			<u>\$ 366,015</u>	<u>\$ 1,554,208</u>	<u>\$ 1,920,223</u>	

USI CORPORATION
STATEMENT OF LEASE LIABILITIES
December 31, 2025

STATEMENT 16

(In Thousands of New Taiwan Dollars)

<u>Items</u>	<u>Description</u>	<u>Lease Period</u>	<u>Discount rate</u>	<u>Balance at December 31</u>	<u>Remark</u>
Buildings		2014.05.01- 2035.12.31	2.24%	\$332,931	
Buildings		2024.03.01- 2027.02.08	2.24%	5,799	
Less: Current portion of lease liabilities				<u>26,339</u>	
				<u>\$312,391</u>	

USI CORPORATION
 STATEMENT OF OTHER NON-CURRENT LIABILITIES
 December 31, 2025

STATEMENT 17

(In Thousands of New Taiwan Dollars)

Items	Description	Amount	Remark
Deferred revenue		\$ 7,139	
Guarantee deposits received		6,826	
Deferred unrealized profit		<u>786</u>	
		<u>\$ 14,751</u>	

USI CORPORATION
STATEMENT OF SALES REVENUE
From January 1 to December 31, 2025

STATEMENT 18

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

Items	Quantity (Tons)	Amount	Remark
LDPE	4,835	\$ 251,739	
EVA	123,270	5,227,347	
HDPE	69,905	2,533,621	
LLLDPE	8,243	283,386	
Other chemicals and wastes	<u>323</u>	<u>80,334</u>	
	<u>206,576</u>	<u>\$ 8,376,427</u>	

USI CORPORATION
STATEMENT OF COST OF GOODS SOLD
From January 1 to December 31, 2025

STATEMENT 19

(In Thousands of New Taiwan Dollars)

Items	Amount
Direct raw materials	
Beginning raw materials	\$ 116,585
Purchases for the year	5,593,525
Sales for the year	(84,948)
Ending raw materials	(<u>176,490</u>)
	5,448,672
Indirect materials	561,849
Direct labor	180,700
Manufacturing expenses (STATEMENT 19-1)	<u>1,511,633</u>
Manufacturing cost	7,702,854
Work in progress	
Beginning work in progress	64,093
Ending work in progress	(<u>39,014</u>)
Cost of finished goods	7,727,933
Finished goods	
Beginning finished goods	865,279
Purchases for the year	319,841
Ending finished goods	(810,448)
Loss of idle capacity	339,882
Other cost adjustment of self-made goods transferred to the packaging materials	(631)
Reversal of inventory write-down benefits	(<u>43,286</u>)
	<u>\$ 8,398,570</u>

USI CORPORATION
STATEMENT OF MANUFACTURING EXPENSES
From January 1 to December 31, 2025

STATEMENT 19-1

(In Thousands of New Taiwan Dollars)

Items	Amount
Electricity charges	\$ 814,807
Depreciation	363,233
Indirect labor	150,736
Others (Note)	<u>182,857</u>
	<u>\$ 1,511,633</u>

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

USI CORPORATION
STATEMENT OF OPERATING EXPENSES
 From January 1 to December 31, 2025

STATEMENT 20

(In Thousands of New Taiwan Dollars)

Items	Selling and marketing expenses	Administrative expenses	Research and development expenses	Total
Employee benefits expense	\$ 27,164	\$ 8,465	\$ 68,429	\$ 104,058
Transportation expense	194,925	-	577	195,502
Depreciation	-	4,347	32,548	36,895
Management service expenses	-	127,600	12,667	140,267
Export expenses	13,948	-	-	13,948
Contracted research expenses	-	-	7,707	7,707
Others (Note)	<u>23,359</u>	<u>42,690</u>	<u>10,272</u>	<u>76,321</u>
	<u>\$ 259,396</u>	<u>\$ 183,102</u>	<u>\$ 132,200</u>	<u>\$ 574,698</u>

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

USI CORPORATION
SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION EXPENSES BY FUNCTION
For the Years Ended December 31, 2025 and 2024

STATEMENT 21

(In Thousands of New Taiwan Dollars)

	From January 1 to December 31, 2025				From January 1 to December 31, 2024			
	Classified as Operating Costs	Classified as Operating Expenses	Classified as Other Operating Income and Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Classified as Other Operating Income and Expenses	Total
Employee benefits expense (Note)								
Salaries expenses	\$ 364,192	\$ 78,969	\$ -	\$ 443,161	\$ 370,409	\$ 83,411	\$ -	\$ 453,820
Labor and health insurance expenses	38,967	8,618	-	47,585	39,376	9,178	-	48,554
Pension expenses	18,236	3,848	-	22,084	19,470	3,958	-	23,428
Remunerations to directors	-	9,144	-	9,144	-	9,148	-	9,148
Other employee benefits expenses	13,387	3,479	-	16,866	16,400	4,249	-	20,649
	<u>\$ 434,782</u>	<u>\$ 104,058</u>	<u>\$ -</u>	<u>\$ 538,840</u>	<u>\$ 445,655</u>	<u>\$ 109,944</u>	<u>\$ -</u>	<u>\$ 555,599</u>
Depreciation expense	\$ 534,858	\$ 36,895	\$ 32,974	\$ 604,727	\$ 563,392	\$ 36,825	\$ 27,581	\$ 627,798
Amortization expense	\$ 19,269	\$ 955	\$ -	\$ 20,224	\$ 14,730	\$ 932	\$ -	\$ 15,662

Note 1: As of December 31, 2025 and 2024, the numbers of the Company's employees were 428 and 448, respectively, both including 7 non-employee directors.

Note 2: For the years ended December 31, 2025 and 2024, the average employee benefits expense was NT\$1,258 thousand and NT\$1,239 thousand, respectively. For the years ended December 31, 2025 and 2024, the average employee salaries expenses were NT\$1,053 thousand and NT\$1,029 thousand, respectively. The average employee salaries expenses are adjusted and increase by 2.33%. Besides, the Company established an audit committee. The supervisor system is not applicable to the Company. Therefore, the remunerations to supervisors were both NT\$0 thousand for the years ended December 31, 2025 and 2024.

Note 3: The policies of the remunerations of the Company:

1. The remunerations policies of the directors and the managers of the Company:

- (1) For the remunerations, take the median level of the payment of the same business as the reference. Besides, refer to the reasonable connection with the personal performance, company operating performances and the future risks.
- (2) It is not permitted to guide the directors and the managers to run the risks works which the Company can't afford for getting more remunerations.
- (3) Considering the qualities of the businesses and the natures of the businesses of the Company to decide how to pay the proportion of the remunerations to employees and what time to pay the partial change of remunerations for the short-term performances.

2. The policies of employee remunerations are stipulated based on the government regulations, the situations and developments of the salary market for the same business, the overall economy, the change of the businesses conditions and organization structure of the Company. The Company sets "Payroll Management Regulations", "Regulations of Employee Performance Evaluations" and "Allowance Payments for the Supervisor Positions and Personal Staff" as the issuances standards. Besides, the Company has the "Year-End Bonus Management Regulations" which are based on the profitability situations of the Company and check the performances of the employees to pay the year-end bonus (including remunerations to employees).