

**Nan Pao Resins Chemical Co., Ltd. and
Subsidiaries**

**Consolidated Financial Statements for the
Six Months Ended June 30, 2025 and 2024 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Nan Pao Resins Chemical Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Nan Pao Resins Chemical Co., Ltd. (the "Company") and its subsidiaries (collectively, the "Group") as of June 30, 2025 and 2024, the related consolidated statements of comprehensive income for the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024, the consolidated statements of changes in equity and cash flows for the six months then ended, and the related notes to the consolidated financial statements, including material accounting policy information. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As disclosed in Note 12 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. Total assets of these non-significant subsidiaries were NT\$4,381,349 thousand and NT\$5,213,681 thousand as of June 30, 2025 and 2024, respectively, representing 16% and 20% of the consolidated total assets, respectively. Total liabilities of these subsidiaries were NT\$725,936 thousand and NT\$890,516 thousand as of June 30, 2025 and 2024, respectively, representing 5% and 8% of the consolidated total liabilities, respectively. The amounts of comprehensive income of these subsidiaries were NT\$16,642 thousand, NT\$147,732 thousand, NT\$93,070 thousand and NT\$279,057 thousand for the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024, respectively, representing (1)%, 14%, (20)% and 14% of the consolidated total comprehensive income, respectively, and the information of these subsidiaries disclosed in the notes to the consolidated financial statements was based on the financial statements that were not reviewed to prepare. Furthermore, as disclosed in Note 13 to the consolidated financial statements, the financial statements of some non-significant investments for using the equity method were not reviewed. Investments accounted for using the equity method were NT\$74,063 thousand and NT\$26,147 thousand as of June 30, 2025 and 2024, respectively, and share of loss for using the equity method were NT\$9,974 thousand, NT\$2,126

thousand, NT\$18,073 thousand and NT\$4,165 thousand for the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024, respectively.

Qualified Conclusion

Based on our and others reviews (see Other Matter), except for adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not give a true and fair view of (or “do not present fairly, in all material respects,”) the consolidated financial position of the Group as of June 30, 2025 and 2024, its consolidated financial performance for the three months ended June 30, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Other Matter

Among the subsidiaries included in the consolidated financial statements of the Group, some subsidiaries were reviewed by other auditors. Our conclusion, insofar as it relates to the amounts and related information included for these subsidiaries, is based solely on the report of other auditors. The total assets of these subsidiaries were NT\$3,405,257 thousand and NT\$3,676,647 thousand as of June 30, 2025 and 2024, respectively, representing 13% and 14% of the consolidated total assets, respectively. The amounts of operating revenue were NT\$1,038,293 thousand, NT\$967,498 thousand, NT\$1,959,932 thousand and NT\$1,816,954 thousand for the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024, respectively, representing 18%, 17%, 17% and 17% of the consolidated operating revenue, respectively.

The engagement partners on the reviews resulting in this independent auditors’ review report are Chao-Chin Yang and Chi-Chen Lee.

Deloitte & Touche
Taipei, Taiwan
Republic of China
August 8, 2025

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated 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 review such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors’ review report and the accompanying consolidated 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’ review report and consolidated financial statements shall prevail.

NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2025		December 31, 2024		June 30, 2024	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 7,096,362	27	\$ 6,910,148	25	\$ 6,091,223	23
Financial assets at amortized cost - current (Notes 9, 33 and 35)	416,299	2	581,146	2	517,428	2
Notes receivable (Notes 10 and 25)	330,901	1	344,349	1	346,662	1
Accounts receivable (Notes 10 and 25)	4,298,693	16	4,724,866	17	4,589,060	17
Accounts receivable from related parties (Notes 10, 25 and 34)	390,026	2	452,811	2	419,055	2
Other receivables	113,694	-	171,465	1	114,720	1
Current tax assets	13,860	-	476	-	52,193	-
Inventories (Note 11)	2,842,846	11	2,854,760	11	2,851,565	11
Other current assets (Note 19)	<u>901,558</u>	<u>3</u>	<u>866,391</u>	<u>3</u>	<u>871,439</u>	<u>3</u>
Total current assets	<u>16,404,239</u>	<u>62</u>	<u>16,906,412</u>	<u>62</u>	<u>15,853,345</u>	<u>60</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Notes 7 and 33)	114,873	-	131,474	1	129,585	1
Financial assets at fair value through other comprehensive income - non-current (Notes 8 and 33)	1,127,049	5	1,659,564	6	1,863,963	7
Financial assets at amortized cost - non-current (Notes 9, 33 and 35)	39,445	-	33,249	-	31,806	-
Investments accounted for using the equity method (Note 13)	74,063	-	57,208	-	26,147	-
Property, plant and equipment (Notes 14 and 35)	5,672,909	21	5,840,228	21	5,798,794	22
Right-of-use assets (Notes 15 and 35)	1,267,276	5	1,417,530	6	1,449,645	6
Investment properties (Note 16)	22,010	-	17,760	-	17,760	-
Goodwill (Notes 17 and 30)	545,823	2	393,394	1	363,437	1
Other intangible assets (Note 18)	583,867	2	426,989	2	439,712	2
Deferred tax assets	483,832	2	213,933	1	232,649	1
Net defined benefit assets - non-current	94,153	-	89,048	-	45,791	-
Other non-current assets (Note 19)	<u>132,399</u>	<u>1</u>	<u>79,759</u>	<u>-</u>	<u>98,081</u>	<u>-</u>
Total non-current assets	<u>10,157,699</u>	<u>38</u>	<u>10,360,136</u>	<u>38</u>	<u>10,497,370</u>	<u>40</u>
TOTAL	<u>\$ 26,561,938</u>	<u>100</u>	<u>\$ 27,266,548</u>	<u>100</u>	<u>\$ 26,350,715</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 20 and 35)	\$ 2,537,094	10	\$ 3,032,665	11	\$ 1,766,139	7
Contract liabilities - current (Note 25)	19,224	-	28,778	-	33,011	-
Notes payable (Note 21)	278	-	197	-	19,605	-
Accounts payable (Note 21)	2,007,067	8	2,291,845	8	2,537,923	10
Dividends payable	2,370,238	9	-	-	1,833,137	7
Other payables (Note 34)	1,203,775	5	1,325,330	5	1,175,984	4
Current tax liabilities	681,142	3	554,183	2	447,417	2
Lease liabilities - current (Note 15)	114,350	-	118,169	1	112,692	-
Current portion of long-term borrowings (Notes 20 and 35)	64,520	-	70,749	-	108,231	-
Other current liabilities (Notes 22 and 34)	<u>167,107</u>	<u>-</u>	<u>218,523</u>	<u>1</u>	<u>201,017</u>	<u>1</u>
Total current liabilities	<u>9,164,795</u>	<u>35</u>	<u>7,640,439</u>	<u>28</u>	<u>8,235,156</u>	<u>31</u>
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 20 and 35)	2,247,935	8	1,734,639	7	1,475,829	6
Deferred tax liabilities	1,406,129	5	1,341,631	5	1,301,362	5
Lease liabilities - non-current (Note 15)	546,416	2	601,977	2	628,210	2
Other non-current liabilities (Note 22)	<u>10,791</u>	<u>-</u>	<u>11,430</u>	<u>-</u>	<u>8,766</u>	<u>-</u>
Total non-current liabilities	<u>4,211,271</u>	<u>15</u>	<u>3,689,677</u>	<u>14</u>	<u>3,414,167</u>	<u>13</u>
Total liabilities	<u>13,376,066</u>	<u>50</u>	<u>11,330,116</u>	<u>42</u>	<u>11,649,323</u>	<u>44</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 24)						
Share capital - ordinary shares	<u>1,205,707</u>	<u>5</u>	<u>1,205,707</u>	<u>4</u>	<u>1,205,707</u>	<u>5</u>
Capital surplus	<u>2,130,097</u>	<u>8</u>	<u>2,123,816</u>	<u>8</u>	<u>2,122,421</u>	<u>8</u>
Retained earnings						
Legal reserve	2,070,613	8	1,808,236	7	1,808,236	7
Special reserve	313,321	1	313,321	1	313,321	1
Unappropriated earnings	<u>6,319,079</u>	<u>24</u>	<u>7,601,313</u>	<u>28</u>	<u>6,356,194</u>	<u>24</u>
Total retained earnings	<u>8,703,013</u>	<u>33</u>	<u>9,722,870</u>	<u>36</u>	<u>8,477,751</u>	<u>32</u>
Other equity	<u>(273,287)</u>	<u>(1)</u>	<u>1,439,196</u>	<u>5</u>	<u>1,455,436</u>	<u>6</u>
Total equity attributable to owners of the Company	11,765,530	45	14,491,589	53	13,261,315	51
NON-CONTROLLING INTERESTS	<u>1,420,342</u>	<u>5</u>	<u>1,444,843</u>	<u>5</u>	<u>1,440,077</u>	<u>5</u>
Total equity	<u>13,185,872</u>	<u>50</u>	<u>15,936,432</u>	<u>58</u>	<u>14,701,392</u>	<u>56</u>
TOTAL	<u>\$ 26,561,938</u>	<u>100</u>	<u>\$ 27,266,548</u>	<u>100</u>	<u>\$ 26,350,715</u>	<u>100</u>

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

(With Deloitte & Touche review report dated August 8, 2025)

NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 25 and 34)	\$ 5,805,420	100	\$ 5,783,181	100	\$ 11,359,895	100	\$ 10,773,091	100
OPERATING COSTS (Notes 11 and 26)	<u>3,802,917</u>	<u>66</u>	<u>3,969,303</u>	<u>69</u>	<u>7,445,542</u>	<u>66</u>	<u>7,304,845</u>	<u>68</u>
GROSS PROFIT	<u>2,002,503</u>	<u>34</u>	<u>1,813,878</u>	<u>31</u>	<u>3,914,353</u>	<u>34</u>	<u>3,468,246</u>	<u>32</u>
OPERATING EXPENSES (Notes 10, 26 and 34)								
Selling and marketing expenses	560,489	10	539,611	9	1,117,833	10	1,014,791	9
General and administrative expenses	311,771	5	281,730	5	621,787	5	561,807	5
Research and development expenses	140,760	2	135,552	2	280,907	2	265,483	3
Expected credit loss (gain)	<u>4,955</u>	<u>-</u>	<u>6,108</u>	<u>-</u>	<u>(882)</u>	<u>-</u>	<u>5,938</u>	<u>-</u>
Total operating expenses	<u>1,017,975</u>	<u>17</u>	<u>963,001</u>	<u>16</u>	<u>2,019,645</u>	<u>17</u>	<u>1,848,019</u>	<u>17</u>
PROFIT FROM OPERATIONS	<u>984,528</u>	<u>17</u>	<u>850,877</u>	<u>15</u>	<u>1,894,708</u>	<u>17</u>	<u>1,620,227</u>	<u>15</u>
NON-OPERATING INCOME AND EXPENSES (Notes 13 and 26)								
Interest income	38,262	1	36,492	1	78,467	1	58,906	1
Other income	19,789	-	18,983	-	148,390	1	146,651	1
Other gains and losses	(191,715)	(3)	7,599	-	(212,351)	(2)	40,206	-
Finance costs	(34,498)	(1)	(28,041)	(1)	(71,816)	(1)	(53,404)	-
Share of loss of associates	<u>(9,974)</u>	<u>-</u>	<u>(2,126)</u>	<u>-</u>	<u>(18,073)</u>	<u>-</u>	<u>(4,165)</u>	<u>-</u>
Total non-operating income and expenses	<u>(178,136)</u>	<u>(3)</u>	<u>32,907</u>	<u>-</u>	<u>(75,383)</u>	<u>(1)</u>	<u>188,194</u>	<u>2</u>
PROFIT BEFORE INCOME TAX	806,392	14	883,784	15	1,819,325	16	1,808,421	17
INCOME TAX EXPENSE (Notes 4 and 27)	<u>207,625</u>	<u>4</u>	<u>189,230</u>	<u>3</u>	<u>448,276</u>	<u>4</u>	<u>381,696</u>	<u>4</u>
NET PROFIT FOR THE PERIOD	<u>598,767</u>	<u>10</u>	<u>694,554</u>	<u>12</u>	<u>1,371,049</u>	<u>12</u>	<u>1,426,725</u>	<u>13</u>
OTHER COMPREHENSIVE (LOSS) INCOME (Notes 24 and 27)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	<u>(279,159)</u>	<u>(5)</u>	<u>281,137</u>	<u>5</u>	<u>(532,515)</u>	<u>(5)</u>	<u>181,852</u>	<u>2</u>
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statements of foreign operations	(1,783,139)	(30)	104,922	1	(1,588,655)	(14)	446,959	4

(Continued)

NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
Income tax related to items that may be reclassified subsequently to profit or loss	\$ 331,895	6	\$ (21,390)	-	\$ 294,992	3	\$ (83,658)	(1)
	<u>(1,451,244)</u>	<u>(24)</u>	<u>83,532</u>	<u>1</u>	<u>(1,293,663)</u>	<u>(11)</u>	<u>363,301</u>	<u>3</u>
Other comprehensive (loss) income for the period, net of income tax	<u>(1,730,403)</u>	<u>(29)</u>	<u>364,669</u>	<u>6</u>	<u>(1,826,178)</u>	<u>(16)</u>	<u>545,153</u>	<u>5</u>
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD	<u>\$ (1,131,636)</u>	<u>(19)</u>	<u>\$ 1,059,223</u>	<u>18</u>	<u>\$ (455,129)</u>	<u>(4)</u>	<u>\$ 1,971,878</u>	<u>18</u>
NET PROFIT								
ATTRIBUTABLE TO:								
Owners of the Company	\$ 553,543	10	\$ 672,366	12	\$ 1,282,461	11	\$ 1,378,653	13
Non-controlling interests	<u>45,224</u>	<u>-</u>	<u>22,188</u>	<u>-</u>	<u>88,588</u>	<u>1</u>	<u>48,072</u>	<u>-</u>
	<u>\$ 598,767</u>	<u>10</u>	<u>\$ 694,554</u>	<u>12</u>	<u>\$ 1,371,049</u>	<u>12</u>	<u>\$ 1,426,725</u>	<u>13</u>
TOTAL COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO:								
Owners of the Company	\$ (1,053,195)	(18)	\$ 1,039,062	18	\$ (430,022)	(4)	\$ 1,895,134	17
Non-controlling interests	<u>(78,441)</u>	<u>(1)</u>	<u>20,161</u>	<u>-</u>	<u>(25,107)</u>	<u>-</u>	<u>76,744</u>	<u>1</u>
	<u>\$ (1,131,636)</u>	<u>(19)</u>	<u>\$ 1,059,223</u>	<u>18</u>	<u>\$ (455,129)</u>	<u>(4)</u>	<u>\$ 1,971,878</u>	<u>18</u>
EARNINGS PER SHARE (Note 28)								
Basic	\$ 4.59		\$ 5.58		\$ 10.64		\$ 11.43	
Diluted	<u>\$ 4.59</u>		<u>\$ 5.57</u>		<u>\$ 10.62</u>		<u>\$ 11.42</u>	

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

(With Deloitte & Touche review report dated August 8, 2025)

(Concluded)

NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Dividends Per Share)

	Equity Attributable to Owners of the Company										
	Retained Earnings					Other Equity					
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total Other Equity	Total	Non-controlling Interests	Total Equity
BALANCE ON JANUARY 1, 2025	\$ 1,205,707	\$ 2,123,816	\$ 1,808,236	\$ 313,321	\$ 7,601,313	\$ (8,934)	\$ 1,448,130	\$ 1,439,196	\$ 14,491,589	\$ 1,444,843	\$ 15,936,432
Appropriation of 2024 earnings (Note 24)											
Legal reserve	-	-	262,377	-	(262,377)	-	-	-	-	-	-
Cash dividends distributed by the Company - \$19 per share	-	-	-	-	(2,290,845)	-	-	-	(2,290,845)	-	(2,290,845)
Net profit for the six months ended June 30, 2025	-	-	-	-	1,282,461	-	-	-	1,282,461	88,588	1,371,049
Other comprehensive loss for the six months ended June 30, 2025, net of income tax	-	-	-	-	-	(1,179,968)	(532,515)	(1,712,483)	(1,712,483)	(113,695)	(1,826,178)
Total comprehensive income (loss) for the six months ended June 30, 2025	-	-	-	-	1,282,461	(1,179,968)	(532,515)	(1,712,483)	(430,022)	(25,107)	(455,129)
Arising from the difference between the consideration paid and the carrying amount of the subsidiaries' net assets during actual acquisition (Note 31)	-	(55)	-	-	-	-	-	-	(55)	(445)	(500)
Changes in ownership interests in subsidiaries (Note 31)	-	5,912	-	-	-	-	-	-	5,912	21,704	27,616
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	-	-	(11,473)	-	-	-	(11,473)	-	(11,473)
Issuance of employee share options by subsidiaries (Note 29)	-	424	-	-	-	-	-	-	424	433	857
Decrease in non-controlling interests (Note 24)	-	-	-	-	-	-	-	-	-	(21,086)	(21,086)
BALANCE ON JUNE 30, 2025	\$ 1,205,707	\$ 2,130,097	\$ 2,070,613	\$ 313,321	\$ 6,319,079	\$ (1,188,902)	\$ 915,615	\$ (273,287)	\$ 11,765,530	\$ 1,420,342	\$ 13,185,872
BALANCE ON JANUARY 1, 2024	\$ 1,205,707	\$ 2,124,891	\$ 1,565,289	\$ 313,321	\$ 7,029,050	\$ (419,351)	\$ 1,358,306	\$ 938,955	\$ 13,177,213	\$ 1,369,466	\$ 14,546,679
Appropriation of 2023 earnings (Note 24)											
Legal reserve	-	-	242,947	-	(242,947)	-	-	-	-	-	-
Cash dividends distributed by the Company - \$15 per share	-	-	-	-	(1,808,562)	-	-	-	(1,808,562)	-	(1,808,562)
Net profit for the six months ended June 30, 2024	-	-	-	-	1,378,653	-	-	-	1,378,653	48,072	1,426,725
Other comprehensive income for the six months ended June 30, 2024, net of income tax	-	-	-	-	-	334,629	181,852	516,481	516,481	28,672	545,153
Total comprehensive income for the six months ended June 30, 2024	-	-	-	-	1,378,653	334,629	181,852	516,481	1,895,134	76,744	1,971,878
Changes in ownership interests in subsidiaries (Note 31)	-	(3,879)	-	-	-	-	-	-	(3,879)	19,894	16,015
Issuance of employee share options by subsidiaries (Note 29)	-	1,409	-	-	-	-	-	-	1,409	1,437	2,846
Decrease in non-controlling interests (Note 24)	-	-	-	-	-	-	-	-	-	(27,464)	(27,464)
BALANCE ON JUNE 30, 2024	\$ 1,205,707	\$ 2,122,421	\$ 1,808,236	\$ 313,321	\$ 6,356,194	\$ (84,722)	\$ 1,540,158	\$ 1,455,436	\$ 13,261,315	\$ 1,440,077	\$ 14,701,392

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

(With Deloitte & Touche review report dated August 8, 2025)

NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,819,325	\$ 1,808,421
Adjustments for:		
Depreciation expenses	333,572	313,591
Amortization expenses	57,732	44,133
Expected credit loss (reversed) recognized on accounts receivable	(882)	5,938
Net loss (gain) on fair value changes of financial assets at fair value through profit or loss	12,163	(7,656)
Finance costs	71,816	53,404
Interest income	(78,467)	(58,906)
Dividend income	(107,991)	(105,376)
Compensation cost of employee share options	857	2,846
Share of loss of associates	18,073	4,165
Loss on disposal of property, plant and equipment	1,121	1,347
Write-down of inventories	22,539	3,245
Gain on lease modification	(42)	(19)
Changes in operating assets and liabilities		
Notes receivable	30,835	(2,763)
Accounts receivable	(9,923)	(383,895)
Accounts receivable from related parties	62,785	(69,147)
Other receivables	48,628	(26,901)
Inventories	(223,961)	(111,474)
Other current assets	(33,953)	(144,892)
Other non-current assets	4,371	(292)
Contract liabilities	(12,042)	3,631
Notes payable	(16,852)	19,265
Accounts payable	(150,246)	307,979
Other payables	(134,269)	(31,025)
Other current liabilities	(52,580)	19,870
Net defined benefit liabilities	(2,984)	(3,936)
Other non-current liabilities	(31)	(567)
Cash generated from operations	1,659,594	1,640,986
Interest received	89,025	60,401
Interest paid	(73,161)	(53,856)
Income tax paid	(306,332)	(460,991)
Net cash generated from operating activities	1,369,126	1,186,540
CASH FLOWS FROM INVESTING ACTIVITIES		
Net decrease in financial assets at amortized cost	124,350	135,243
Disposal of financial assets at fair value through profit or loss	4,438	-
Acquisition of associates	(46,782)	-
Net cash outflow on acquisition of subsidiaries	(299,841)	(145,400)
Payments for property, plant and equipment	(387,689)	(207,496)
Proceeds from disposal of property, plant and equipment	1,742	1,436
Increase in refundable deposits	(14,930)	-
Decrease in refundable deposits	-	6,257
Payments for intangible assets	(3,294)	(8,571)

(Continued)

NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	2025	2024
Payments for right-of-use assets	\$ -	\$ (104,034)
Dividends received	<u>107,991</u>	<u>105,376</u>
Net cash used in investing activities	<u>(514,015)</u>	<u>(217,189)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	4,547,066	3,237,220
Repayments of short-term borrowings	(4,993,026)	(3,322,794)
Proceeds from long-term borrowings	1,993,701	1,954,777
Repayments of long-term borrowings	(1,456,548)	(1,414,782)
Proceeds from guarantee deposits received	729	-
Repayments of guarantee deposits received	-	(273)
Repayment of the principal portion of lease liabilities	(51,386)	(41,514)
Dividends paid	(38,833)	(4,210)
Changes in non-controlling interests	27,175	16,015
Payments for transaction costs attributable to the issue of ordinary shares	<u>(59)</u>	<u>-</u>
Net cash generated from financing activities	<u>28,819</u>	<u>424,439</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>(697,716)</u>	<u>122,868</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	186,214	1,516,658
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>6,910,148</u>	<u>4,574,565</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 7,096,362</u>	<u>\$ 6,091,223</u>

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

(With Deloitte & Touche review report dated August 8, 2025)

(Concluded)

NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Nan Pao Resins Chemical Co., Ltd. (the “Company”) was founded in October 1963, and is mainly engaged in the manufacturing, wholesale, and retail sale of synthetic resins, synthetic plastics, adhesives, resin coatings, dyes, and pigments.

The Company obtained approval for the public issuance of its shares in May 2017, and obtained approval for the trading of its shares on the emerging stock board (ESB) of the Taipei Exchange (TPEX) in July of the same year. Since November 2018, the Company's shares started trading on the Taiwan Stock Exchange.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on August 8, 2025.

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

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

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the accounting policies of the Company and its subsidiaries (collectively referred to as “the Group”).

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of the amendments on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
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
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

Note: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will supersede IAS 1 "Presentation of Financial Statements". The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as "other" only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the other impacts of the above amended standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

b. Basis of preparation

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

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

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

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

Income and expenses of subsidiaries acquired during the period are included in the consolidated statement of comprehensive income from the effective dates of acquisitions.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group’s ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Note 12, Tables 6 and 7 for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other material accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2024.

1) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

2) Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Refer to the statements of material accounting judgments and key sources of estimation uncertainty to the consolidated financial statements for the year ended December 31, 2024.

6. CASH AND CASH EQUIVALENTS

	June 30, 2025	December 31, 2024	June 30, 2024
Cash on hand	\$ 4,203	\$ 5,272	\$ 6,065
Checking accounts and demand deposits	4,653,006	4,109,648	3,642,189
Cash equivalents (investments with original maturities within 3 months)			
Time deposits	<u>2,439,153</u>	<u>2,795,228</u>	<u>2,442,969</u>
	<u>\$ 7,096,362</u>	<u>\$ 6,910,148</u>	<u>\$ 6,091,223</u>

The market rate intervals of time deposits were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Time deposits	0.63%-5.76%	0.63%-5.75%	1.00%-6.45%

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Financial assets at FVTPL - non-current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Limited partnership	<u>\$ 114,873</u>	<u>\$ 131,474</u>	<u>\$ 129,585</u>

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

	June 30, 2025	December 31, 2024	June 30, 2024
Emerging market shares	\$ 20,115	\$ 24,177	\$ 23,061
Unlisted shares	<u>1,106,934</u>	<u>1,635,387</u>	<u>1,840,902</u>
	<u>\$ 1,127,049</u>	<u>\$ 1,659,564</u>	<u>\$ 1,863,963</u>

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

The equity instruments measured at FVTOCI held by the Group are not pledged as security.

9. FINANCIAL ASSETS AT AMORTIZED COST

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Current</u>			
Time deposits with original maturities of more than 3 months (a)	\$ 380,175	\$ 530,243	\$ 483,503
Pledged time deposits (a)	29,073	31,404	33,586
Restricted demand deposits	-	19,155	-
Refundable deposits	<u>7,051</u>	<u>344</u>	<u>339</u>
	<u>\$ 416,299</u>	<u>\$ 581,146</u>	<u>\$ 517,428</u>
<u>Non-current</u>			
Pledged time deposits (a)	\$ 4,927	\$ 5,342	\$ 5,197
Refundable deposits	<u>34,518</u>	<u>27,907</u>	<u>26,609</u>
	<u>\$ 39,445</u>	<u>\$ 33,249</u>	<u>\$ 31,806</u>

- The ranges of interest rates for time deposits were approximately 1.15%-6.25%, 1.30%-6.25% and 0.63%-5.50% per annum as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively.
- Refer to Note 35 for information relating to investments in financial assets at amortized cost pledged as security.

10. NOTES RECEIVABLE AND ACCOUNTS RECEIVABLE (INCLUDING RELATED PARTIES)

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Notes receivable</u>			
At amortized cost			
Notes receivable - operating	\$ 330,901	\$ 344,349	\$ 346,662
<u>Accounts receivable (including related parties)</u>			
At amortized cost			
Gross carrying amount	\$ 4,787,899	\$ 5,289,982	\$ 5,095,384
Less: Allowance for impairment loss	99,180	112,305	87,269
	<u>\$ 4,688,719</u>	<u>\$ 5,177,677</u>	<u>\$ 5,008,115</u>

a. Notes receivable

As of June 30, 2025, December 31, 2024 and June 30, 2024, the notes receivable analyzed by the Group based on the past due days were not overdue, and the Group did not measure any loss allowance for notes receivable.

b. Accounts receivable (including related parties)

The average credit period of sales of goods was 15 to 180 days, and no interest was charged on accounts receivable. In order to minimize credit risk, the management of the Group 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. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for accounts receivable at an amount equal to lifetime ECLs. The expected credit losses on accounts receivable are estimated using a provision matrix prepared by reference to the customers' past default experience, and current financial positions, economic conditions of the industry in which the customer operates, and the industry outlook. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off accounts receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation. For accounts receivable that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

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

June 30, 2025

	Not Past Due	1 to 90 Days	91 to 180 Days	181 to 270 Days	271 to 365 Days	Over 365 Days	Total
Expected credit loss rate	0.02%-4%	0.12%-34%	6%-36%	21%-47%	38%-100%	100%	
Gross carrying amount	\$ 4,018,521	\$ 615,176	\$ 55,409	\$ 27,392	\$ 20,740	\$ 50,661	\$ 4,787,899
Loss allowance (Lifetime ECLs)	(3,841)	(11,501)	(8,135)	(9,447)	(15,595)	(50,661)	(99,180)
Amortized cost	<u>\$ 4,014,680</u>	<u>\$ 603,675</u>	<u>\$ 47,274</u>	<u>\$ 17,945</u>	<u>\$ 5,145</u>	<u>\$ -</u>	<u>\$ 4,688,719</u>

December 31, 2024

	Not Past Due	1 to 90 Days	91 to 180 Days	181 to 270 Days	271 to 365 Days	Over 365 Days	Total
Expected credit loss rate	0.02%-0.79%	0.12%-13%	6%-23%	23%-47%	41%-100%	100%	
Gross carrying amount	\$ 4,322,110	\$ 785,163	\$ 77,584	\$ 24,915	\$ 17,576	\$ 62,634	\$ 5,289,982
Loss allowance (Lifetime ECLs)	(4,508)	(13,352)	(11,133)	(7,983)	(12,695)	(62,634)	(112,305)
Amortized cost	<u>\$ 4,317,602</u>	<u>\$ 771,811</u>	<u>\$ 66,451</u>	<u>\$ 16,932</u>	<u>\$ 4,881</u>	<u>\$ -</u>	<u>\$ 5,177,677</u>

June 30, 2024

	Not Past Due	1 to 90 Days	91 to 180 Days	181 to 270 Days	271 to 365 Days	Over 365 Days	Total
Expected credit loss rate	0.02%-0.73%	0.12%-9%	6%-21%	12%-47%	30%-100%	100%	
Gross carrying amount	\$ 4,318,844	\$ 616,437	\$ 56,395	\$ 37,334	\$ 21,826	\$ 44,548	\$ 5,095,384
Loss allowance (Lifetime ECLs)	(3,293)	(7,531)	(6,826)	(10,867)	(14,204)	(44,548)	(87,269)
Amortized cost	<u>\$ 4,315,551</u>	<u>\$ 608,906</u>	<u>\$ 49,569</u>	<u>\$ 26,467</u>	<u>\$ 7,622</u>	<u>\$ -</u>	<u>\$ 5,008,115</u>

The movements of the loss allowance of accounts receivable were as follows:

	For the Six Months Ended June 30	
	2025	2024
Balance on January 1	\$ 112,305	\$ 92,099
Acquisitions through business combinations	40	-
Net remeasurement of loss allowance	(882)	5,938
Amounts written off	(1,245)	(13,173)
Foreign exchange gains and losses	(11,038)	2,405
Balance on June 30	<u>\$ 99,180</u>	<u>\$ 87,269</u>

11. INVENTORIES

	June 30, 2025	December 31, 2024	June 30, 2024
Goods	\$ 198,626	\$ 241,111	\$ 183,936
Finished goods and semi-finished goods	1,070,696	1,050,955	1,064,292
Work in progress	175,082	150,603	137,127
Raw materials and supplies	1,173,326	1,176,675	1,214,813
Inventory in transit	<u>225,116</u>	<u>235,416</u>	<u>251,397</u>
	<u>\$ 2,842,846</u>	<u>\$ 2,854,760</u>	<u>\$ 2,851,565</u>

The cost of inventories recognized as cost of goods sold for the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024 was \$3,801,863 thousand, \$3,968,092 thousand, \$7,444,421 thousand and \$7,303,498 thousand, respectively. The cost of goods sold included inventory write-downs of \$23,037 thousand, \$4,461 thousand, \$22,539 thousand and \$3,245 thousand, respectively.

12. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements were as follows:

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Remark
			June 30, 2025	December 31, 2024	June 30, 2024	
Nan Pao Resins Chemical Co., Ltd.	Nan Pao Chemical Co., Ltd.	Trading of chemical substances	100	100	100	h
	Nan Pao Application Material Co., Ltd.	Trading of chemical substances	100	100	100	h
	ITLS International Development Co., Ltd.	Trading of construction materials and chemical substances	100	100	100	
	Prince Pharmaceutical Co., Ltd.	Manufacturing, packaging, and processing of raw materials for various pharmaceutical and health food	49.59	49.53	49.53	(refer to Note 31)
	Phymed Bio-Tec Co., Ltd.	R&D and trading of health food	100	100	100	h
	Biorich Biotechnology Co., Ltd.	R&D, production, trading of new high protein business and health food	57.1	57.1	57.1	h
	Nan Pao Advanced Materials Co., Ltd.	Trading of adhesives and chemicals	70	70	70	h
	Nan Pao Fine Materials Co., Ltd.	Production and trading of adhesives and chemicals	55	55	55	h
	Fuqing Nan Pao Investment Ltd.	General investment	100	100	100	
	Thai Nan Pao Investment Ltd.	General investment	100	100	100	
	Nan Pao Resins India Pvt Ltd.	Trading of adhesives	100	100	100	h
	Nan Pao Materials Vietnam Co., Ltd.	Production and trading of adhesives and chemicals	100	100	100	
	Nan Pao Advanced Materials Vietnam Co., Ltd.	Production and trading of adhesives and chemicals	100	100	100	h
	Nan Pao Overseas Holdings Ltd.	General investment	100	100	100	
	Profit Land Limited	General investment	73.75	73.75	73.75	a
	All Saints Enterprises Ltd.	General investment	54.53	54.53	54.53	a
	Ongoing Profits Ltd.	General investment	32.18	32.18	32.18	a
	PT. Indo Nan Pao Resins Chemical Co., Ltd.	Production and trading of adhesives	67.5	67.5	49	b
	Nan Pao Philippines Export Inc.	Trading of adhesives	100	100	100	h
	Earnest Wealth Co., Ltd.	General investment	51.11	51.11	51.11	h
	FlexUP Technologies Corp.	Trading of chemical substances	100	100	100	h
	Nan Pao Resins Chemical (Bangladesh) Co., Ltd.	Trading of adhesives	100	100	100	h
	Nan Pao Resins International Ltd.	Trading of chemical substances and related products	100	100	100	
	Nan Pao Resins (HK) Ltd.	Production and trading of adhesives	100	100	100	
	Nan Pao Materials Resins India Private Limited	Trading of adhesives	100	100	100	h
	Yun Teh Industrial Co., Ltd.	Production and trading of curing agents resin	70	-	-	c, h
	Spark Foamtech Enterprise Company Limited	Production and trading of footwear materials	100	-	-	d, h
ITLS International Development Co., Ltd.	ITLS Holding Pte. Ltd.	General investment	100	100	100	
ITLS Holding Pte. Ltd.	PT. ITLS Indonesia	Production and trading of construction materials	100	100	100	h
	ITLS Vietnam Co., Ltd.	Production and trading of construction materials	100	100	100	h

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Remark
			June 30, 2025	December 31, 2024	June 30, 2024	
Fuqing Nan Pao Investment Ltd.	Wealth Castle Development Ltd.	General investment	100	100	100	
Wealth Castle Development Ltd.	Fuqing Nan Pao Resins Co., Ltd.	Production and trading of adhesives	100	100	100	h
Thai Nan Pao Investment Ltd.	Thai Nanpao Resins Chemical Co., Ltd.	Production and trading of adhesives	100	100	100	h
Nan Pao Overseas Holdings Ltd.	Nan Pao Group Holdings Ltd.	General investment	100	100	100	
Earnest Wealth Co., Ltd.	Apex Polytech Co., Ltd.	Production and trading of adhesives	100	100	100	h
Nan Pao Group Holdings Ltd.	Greatwill Materials (HK) Ltd.	General investment	100	100	100	
	Profit Land Limited	General investment	26.25	26.25	26.25	a
	Nan Pao Resins (Holdings) Ltd.	General investment	100	100	100	
	All Saints Enterprises Ltd.	General investment	45.47	45.47	45.47	a
	NP Australia Pty Ltd.	General investment	100	100	100	
	Ongoing Profits Ltd.	General investment	67.82	67.82	67.82	a
	Treasure Wealth (HK) Ltd.	General investment	100	100	100	
	Goldford Investments Ltd.	General investment	100	100	100	
	Nan Pao Resins Chemical Philippines, Inc.	Trading of adhesives	100	100	100	h
	Nan Pao Advanced Investment Co., Ltd.	General investment	100	100	100	
Greatwill Materials (HK) Ltd.	Foshan Nan Pao Advanced Materials Co., Ltd.	Production and trading of adhesives	59.58	59.58	59.58	
Profit Land Limited	Giant Profit Development Ltd.	General investment	100	100	100	
Giant Profit Development Ltd.	Nan Pao Resins (Foshan) Co., Ltd.	Production and trading of adhesives	100	100	100	
Nan Pao Resins (Foshan) Co., Ltd.	Goaden Nan Pao Materials Technology Co., Ltd.	Trading of footwear materials	-	-	51	e
	Foshan Nan Pao Advanced Materials Co., Ltd.	Production and trading of adhesives	0.89	0.89	0.89	
Nan Pao Resins (Holdings) Ltd.	Eastlion Enterprises Ltd.	General investment	100	100	100	
	Nan Pao Resins Development Ltd.	General investment	100	100	100	
Eastlion Enterprises Ltd.	Nan Pao Resins (Dongguan) Co., Ltd.	Processing of adhesives products	100	100	100	h
Nan Pao Resins Development Ltd.	Dongguan Jiaqin Electronics Co., Ltd.	Production and trading of coatings and advanced resins	100	100	100	h
All Saints Enterprises Ltd.	Great Mount Enterprises Ltd.	General investment	100	100	100	
Great Mount Enterprises Ltd.	Nan Pao Resins (China) Co., Ltd.	Production and trading of adhesives and coatings	100	100	100	h
NP Australia Pty Ltd.	RLA Polymers Pty Ltd.	Production and trading of construction materials and chemical substances	100	100	100	
RLA Polymers Pty Ltd.	RLA Polymers (M) SDN BHD	Production and trading of construction materials and chemical substances	100	100	100	h
	Australasian Tiling Adhesives Pty Ltd.	Production and trading of construction materials and chemical substances	100	100	-	f, h
Ongoing Profits Ltd.	Rising Sun Associates Ltd.	General investment	100	100	100	
Rising Sun Associates Ltd.	Nan Pao Resins (Vietnam) Enterprise Ltd.	Production and trading of adhesives	100	100	100	
Goldford Investments Ltd.	PT. Indo Nan Pao Resins Chemical Co., Ltd.	Production and trading of adhesives	-	-	18.5	b
Treasure Wealth (HK) Ltd.	Noroo-Nan Pao Paints & Coatings (Vietnam) Co., Ltd.	Production and trading of coatings	50	50	50	h
Nan Pao Advanced Investment Co., Ltd.	Nan Pao (Kunshan) Electronic Commerce Co., Ltd.	Online business agency and general merchandise trading	100	100	100	
	Nan Pao New Materials Technology (Huaian) Co., Ltd.	Production and trading of carbon fiber	92.06	94	93.51	(refer to Note 31)

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Remark
			June 30, 2025	December 31, 2024	June 30, 2024	
	Nan Pao Optoelectronic Materials (Kunshan) Co., Ltd.	Production and trading of adhesives and chemicals substances	100	100	100	
	Nan Pao Fine Chemical Materials (Anhui) Co., Ltd.	Production and trading of coatings and chemical substances	93.36	96.41	90.78	(refer to Note 31)
	Changshu Yu Bo Polymer Materials Co., Ltd.	Production and trading of adhesives and chemicals substances	70	70	70	
Changshu Yu Bo Polymer Materials Co., Ltd.	Yu Po Chemical Co., Ltd.	Production and trading of adhesives and chemicals substances	100	100	-	g, h

(Concluded)

- a. Direct and indirect shareholdings totaled 100%.
- b. The Group acquired the share of PT. Indo Nan Pao Resins Chemical Co., Ltd. which was held by Goldford Investments Ltd. in August 2024, and the shareholding totaled 67.5% after acquisition.
- c. The Group acquired Yun Teh Industrial Co., Ltd. in January 2025, and the shareholding ratio was 70% after the acquisition (refer to Note 30).
- d. The Group invested in and established Spark Foamtech Enterprise Company Limited in February 2025, and have invested capital in the subsidiary in March.
- e. Goaden Nan Pao Materials Technology Co., Ltd. was liquidated in November 2024.
- f. The Group invested in and established Australasian Tiling Adhesives Pty Ltd. in July 2024, and have invested capital in the subsidiary in September.
- g. The Group acquired Yu Po Chemical Co., Ltd. in November 2024, and the shareholding ratio was 100% after the acquisition.
- h. Such companies are immaterial subsidiaries, and their financial statements have not been reviewed by the accountants.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	June 30, 2025	December 31, 2024	June 30, 2024
Investments in associates			
Associates that are not individually material	\$ <u>74,063</u>	\$ <u>57,208</u>	\$ <u>26,147</u>

Aggregate information of associates that are not individually material was as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
The Group's share of:				
Total net loss and comprehensive loss for the period	\$ <u>(9,974)</u>	\$ <u>(2,126)</u>	\$ <u>(18,073)</u>	\$ <u>(4,165)</u>

14. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Land improvements	3-20 years
Buildings	2-60 years
Machinery	2-30 years
Transportation equipment	2-20 years
Miscellaneous equipment	2-20 years

Refer to Table 10 for the detailed information of changes in property, plant and equipment.

Impairment assessment was not performed for the six months ended June 30, 2025 and 2024 as there were no indications of impairment.

Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 35.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Carrying amount</u>			
Land (Note)	\$ 851,335	\$ 950,399	\$ 975,723
Buildings	379,468	426,986	430,353
Transportation equipment	33,817	37,977	40,859
Miscellaneous equipment	<u>2,656</u>	<u>2,168</u>	<u>2,710</u>
	<u>\$ 1,267,276</u>	<u>\$ 1,417,530</u>	<u>\$ 1,449,645</u>

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Additions to right-of-use assets			\$ 11,258	\$ 137,954
Depreciation charge for right-of-use assets				
Land	\$ 5,766	\$ 5,649	\$ 11,891	\$ 11,185
Buildings	21,442	17,551	43,778	33,052
Transportation equipment	4,265	4,672	8,743	9,014
Miscellaneous equipment	<u>253</u>	<u>226</u>	<u>473</u>	<u>446</u>
	<u>\$ 31,726</u>	<u>\$ 28,098</u>	<u>\$ 64,885</u>	<u>\$ 53,697</u>

Note: The land use rights of subsidiaries in Vietnam pledged as collateral for bank borrowings are set out in Note 35.

Except for the aforementioned additions and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the six months ended June 30, 2025 and 2024.

b. Lease liabilities

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Carrying amount</u>			
Current	\$ 114,350	\$ 118,169	\$ 112,692
Non-current	<u>\$ 546,416</u>	<u>\$ 601,977</u>	<u>\$ 628,210</u>

Range of discount rate for lease liabilities was as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Land	1.56%	1.56%	1.56%
Buildings	0.81%-6%	0.77%-5.53%	0.77%-5.53%
Transportation equipment	1.9%-6.14%	1.3%-5.37%	1.3%-5.37%
Miscellaneous equipment	2.65%-11.05%	5.37%-11.2%	5.37%-11.2%

c. Material leasing activities and terms

The Group leases several land, buildings, and equipment for operating use under lease terms of 2 to 89 years. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Other lease information

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Expenses relating to short-term leases	\$ 11,774	\$ 11,012	\$ 23,726	\$ 21,834
Expenses relating to low-value asset leases	\$ 480	\$ 614	\$ 1,165	\$ 1,188
Total cash outflow for leases			\$ 85,898	\$ 73,930

16. INVESTMENT PROPERTIES

	Land	Buildings	Total
<u>Cost</u>			
Balance on January 1, 2025	\$ 17,760	\$ -	\$ 17,760
Additions	-	4,623	4,623
Effects of foreign currency exchange differences	-	(356)	(356)
Balance on June 30, 2025	<u>\$ 17,760</u>	<u>\$ 4,267</u>	<u>\$ 22,027</u>
<u>Accumulated depreciation</u>			
Balance on January 1, 2025	\$ -	\$ -	\$ -
Depreciation expenses	-	18	18
Effects of foreign currency exchange differences	-	(1)	(1)
Balance on June 30, 2025	<u>\$ -</u>	<u>\$ 17</u>	<u>\$ 17</u>
Carrying amount on December 31, 2024 and January 1, 2025	<u>\$ 17,760</u>	<u>\$ -</u>	<u>\$ 17,760</u>
Carrying amount on June 30, 2025	<u>\$ 17,760</u>	<u>\$ 4,250</u>	<u>\$ 22,010</u>

Cost

Balance on January 1, 2024 and June 30, 2024	<u>\$ 17,760</u>	<u>\$ -</u>	<u>\$ 17,760</u>
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Accumulated depreciation

Balance on January 1, 2024 and June 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Carrying amount on June 30, 2024	<u>\$ 17,760</u>	<u>\$ -</u>	<u>\$ 17,760</u>

Investment properties are depreciated using the straight-line method over their estimated useful lives as follows:

Buildings	20 years
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The fair values of the investment properties - land were both \$78,764 thousand as of December 31, 2024 and 2023. For investment properties not valued by any independent valuer, the Group's management determined their fair values with reference to the closing prices of similar properties in the vicinity of the Group's investment properties. Furthermore, management of the Group had assessed and determined that there were no significant changes in the fair value as of June 30, 2025 and 2024, as compared to that as of December 31, 2024 and 2023.

The market for comparable properties is inactive and alternative reliable measurements of fair value are not available; therefore, the Group determined that the fair value of the investment properties - buildings was not reliably measurable.

These investment properties were not pledged as collateral or restricted in any way.

17. GOODWILL

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Cost</u>			
Balance on January 1	\$ 398,803	\$ 357,407	\$ 357,407
Acquisitions through business combinations (Note 30)	180,562	43,978	-
Effects of foreign currency exchange differences	<u>(28,485)</u>	<u>(2,582)</u>	<u>11,405</u>
Balance on June 30	<u>\$ 550,880</u>	<u>\$ 398,803</u>	<u>\$ 368,812</u>
<u>Accumulated impairment losses</u>			
Balance on January 1	\$ 5,409	\$ 5,199	\$ 5,199
Effects of foreign currency exchange differences	<u>(352)</u>	<u>210</u>	<u>176</u>
Balance on June 30	<u>\$ 5,057</u>	<u>\$ 5,409</u>	<u>\$ 5,375</u>
Carrying amount on June 30	<u>\$ 545,823</u>	<u>\$ 393,394</u>	<u>\$ 363,437</u>

The Group carried out impairment testing on the recoverable amount of goodwill at the end of the year, using the value-in-use as the basis for calculation of the recoverable amount. The value-in-use was estimated based on the Group's financial projections of cash flow for the future years, to reflect the specific risk of related cash generating units.

The recoverable amount was determined based on a value-in-use calculation that used the cash flow projections in the financial budgets approved by management covering a 5-year period, and calculated by using the weighted average cost of capital ratio. The assumptions was based on the past operating conditions of the cash-generating unit and management's expectations of the market.

18. OTHER INTANGIBLE ASSETS

	Client relationships	Non-patented technology	Trademark	Others	Total
<u>Cost</u>					
Balance on January 1, 2025	\$ 257,400	\$ 113,271	\$ 164,550	\$ 202,729	\$ 737,950
Additions	-	-	-	3,294	3,294
Acquisitions through business combinations	100,600	-	96,000	48,600	245,200
Effects of foreign currency exchange differences	(20,860)	(11,200)	(15,545)	(8,540)	(56,145)
Balance on June 30, 2025	<u>\$ 337,140</u>	<u>\$ 102,071</u>	<u>\$ 245,005</u>	<u>\$ 246,083</u>	<u>\$ 930,299</u>
<u>Accumulated amortization and impairment</u>					
Balance on January 1, 2025	\$ 101,497	\$ 17,461	\$ 52,999	\$ 139,004	\$ 310,961
Amortization expenses	13,499	5,431	22,230	16,572	57,732
Effects of foreign currency exchange differences	(7,536)	(2,188)	(6,142)	(6,395)	(22,261)
Balance on June 30, 2025	<u>\$ 107,460</u>	<u>\$ 20,704</u>	<u>\$ 69,087</u>	<u>\$ 149,181</u>	<u>\$ 346,432</u>
Carrying amount on December 31, 2024 and January 1, 2025	<u>\$ 155,903</u>	<u>\$ 95,810</u>	<u>\$ 111,551</u>	<u>\$ 63,725</u>	<u>\$ 426,989</u>
Carrying amount on June 30, 2025	<u>\$ 229,680</u>	<u>\$ 81,367</u>	<u>\$ 175,918</u>	<u>\$ 96,902</u>	<u>\$ 583,867</u>
<u>Cost</u>					
Balance on January 1, 2024	\$ 240,092	\$ 97,977	\$ 149,082	\$ 189,464	\$ 676,615
Additions	-	-	-	8,571	8,571
Disposals	-	-	-	(173)	(173)
Effects of foreign currency exchange differences	9,050	4,927	6,923	3,871	24,771
Balance on June 30, 2024	<u>\$ 249,142</u>	<u>\$ 102,904</u>	<u>\$ 156,005</u>	<u>\$ 201,733</u>	<u>\$ 709,784</u>
<u>Accumulated amortization and impairment</u>					
Balance on January 1, 2024	\$ 83,360	\$ 6,532	\$ 22,722	\$ 107,084	\$ 219,698
Amortization expenses	10,763	5,073	14,754	13,543	44,133
Disposals	-	-	-	(173)	(173)
Effects of foreign currency exchange differences	2,512	400	1,223	2,279	6,414
Balance on June 30, 2024	<u>\$ 96,635</u>	<u>\$ 12,005</u>	<u>\$ 38,699</u>	<u>\$ 122,733</u>	<u>\$ 270,072</u>
Carrying amount on June 30, 2024	<u>\$ 152,507</u>	<u>\$ 90,899</u>	<u>\$ 117,306</u>	<u>\$ 79,000</u>	<u>\$ 439,712</u>

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

Client relationships	8-12 years
Non-patented technology	10-12 years
Trademark	5-10 years
Others	2-15 years

19. OTHER ASSETS

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Current</u>			
Input tax	\$ 272,210	\$ 293,066	\$ 283,343
Prepayments	133,101	133,459	115,732
Prepaid expenses	155,588	82,483	113,551
Overpaid tax retained for offsetting the future tax payable	312,779	333,367	305,715
Others	<u>27,880</u>	<u>24,016</u>	<u>53,098</u>
	<u>\$ 901,558</u>	<u>\$ 866,391</u>	<u>\$ 871,439</u>
<u>Non-current</u>			
Prepayments for equipment	\$ 108,148	\$ 51,242	\$ 70,565
Others	<u>24,251</u>	<u>28,517</u>	<u>27,516</u>
	<u>\$ 132,399</u>	<u>\$ 79,759</u>	<u>\$ 98,081</u>

20. BORROWINGS

a. Short-term borrowings

	June 30, 2025	December 31, 2024	June 30, 2024
Secured bank loans (Note 35)	\$ 48,500	\$ 75,608	\$ 68,612
Unsecured bank loans	<u>2,488,594</u>	<u>2,957,057</u>	<u>1,697,527</u>
	<u>\$ 2,537,094</u>	<u>\$ 3,032,665</u>	<u>\$ 1,766,139</u>

The ranges of interest rates of short-term borrowings were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Secured bank loans	2.02%-3.15%	2.02%-3.25%	2.02%-3.45%
Unsecured bank loans	1.802%-5.874%	1.744%-6.878%	1.6%-6.59%

b. Long-term borrowings

	June 30, 2025	December 31, 2024	June 30, 2024
Secured bank loans (1)	\$ 283,542	\$ 267,270	\$ 283,543
Unsecured bank loans (2)	<u>2,028,913</u>	<u>1,538,118</u>	<u>1,300,517</u>
	2,312,455	1,805,388	1,584,060
Less: Current portion	<u>64,520</u>	<u>70,749</u>	<u>108,231</u>
	<u>\$ 2,247,935</u>	<u>\$ 1,734,639</u>	<u>\$ 1,475,829</u>

1) As of June 30, 2025, December 31, 2024 and June 30, 2024, the ranges of interest rates of the bank loans secured by the Group's freehold land, buildings and deposit certificates (see Note 35), were all 2.328%-2.433% per annum. Long-term borrowings mentioned above will expire before June 2035, and payments of interest and principal are made on schedule.

2) As of June 30, 2025, December 31, 2024 and June 30, 2024, the ranges of interest rates of unsecured bank loans were 1.53%-4.1%, 1.5%-4.1% and 1.275%-4.1% per annum, respectively. Long-term borrowings mentioned above will expire before September 2031, and payments of interest and principal are made on schedule.

21. NOTES PAYABLE AND ACCOUNTS PAYABLE

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Notes payable</u>			
Operating	<u>\$ 278</u>	<u>\$ 197</u>	<u>\$ 19,605</u>
<u>Accounts payable</u>			
Operating	<u>\$ 2,007,067</u>	<u>\$ 2,291,845</u>	<u>\$ 2,537,923</u>

The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

22. OTHER LIABILITIES

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Current</u>			
Other liabilities			
Refund liabilities	\$ 134,714	\$ 164,944	\$ 157,060
Guarantee deposits	1,044	-	-
Others	<u>31,349</u>	<u>53,579</u>	<u>43,957</u>
	<u>\$ 167,107</u>	<u>\$ 218,523</u>	<u>\$ 201,017</u>

(Continued)

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Non-current</u>			
Other liabilities			
Guarantee deposits	\$ 1,473	\$ 2,081	\$ 1,856
Others	<u>9,318</u>	<u>9,349</u>	<u>6,910</u>
	<u>\$ 10,791</u>	<u>\$ 11,430</u>	<u>\$ 8,766</u>
			(Concluded)

23. RETIREMENT BENEFIT PLANS

For the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024, the pension expenses of defined benefit plans were \$296 thousand, \$563 thousand, \$472 thousand and \$1,131 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2024 and 2023, respectively.

24. EQUITY

a. Share capital

Ordinary shares

	June 30, 2025	December 31, 2024	June 30, 2024
Number of shares authorized (in thousands)	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Shares authorized	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>120,570</u>	<u>120,570</u>	<u>120,570</u>
Shares issued	<u>\$ 1,205,707</u>	<u>\$ 1,205,707</u>	<u>\$ 1,205,707</u>

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

b. Capital surplus

	June 30, 2025	December 31, 2024	June 30, 2024
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)</u>			
Issuance of ordinary shares	\$ 2,040,204	\$ 2,040,204	\$ 2,040,204
The difference between the consideration paid and the carrying amount of the subsidiaries' net assets during actual acquisition	10,604	10,659	10,659
Employee share options	44,083	44,083	44,083
Expired employee share options	135	135	135
<u>May only be used to offset a deficit</u>			
Changes in percentage of ownership interests in subsidiaries (2)	<u>35,071</u>	<u>28,735</u>	<u>27,340</u>
	<u>\$ 2,130,097</u>	<u>\$ 2,123,816</u>	<u>\$ 2,122,421</u>

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).
- 2) Such capital surplus arises from the effects of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions or from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Articles, when the Company distributed profit, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit (This shall not apply if the accumulated legal reserve has reached the Company's paid-in capital), 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 compensation of employees and remuneration of directors, refer to compensation of employees and remuneration of directors in Note 26-g.

Proposal for profit distribution or offsetting of losses of the Company should be made at the end of each quarter of the fiscal year. The profit distribution in cash shall be resolved by the board of directors in accordance with Article 228-1 and Article 240-5 of the Company Act which should be submitted in the shareholders' meeting.

The Company is in a period of stable growth. In order to cope with the future operational expansion plan, the total amount of dividends distributed should not be less than 10% of the year's remaining profit. The profit can be as of cash dividends or stock dividends, and the issuance of cash dividends takes precedence over the payment of stock dividends. In principle, stock dividends are limited to 80% of the total dividends distributed.

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 special reserve is appropriated and reversed by the Company under the Rules.

The appropriations of earnings for 2024 and 2023, which were resolved in the shareholders' meetings in June 2025 and 2024, respectively, were as follows:

	<u>Appropriations of earnings</u>		<u>Dividends per share (NT\$)</u>	
	2024	2023	2024	2023
Legal reserve	\$ 262,377	\$ 242,947		
Cash dividends	2,290,845	1,808,562	\$ 19	\$ 15

The above cash dividends have been resolved by the board of directors in March 2025 and 2024, respectively.

d. Special reserve

On the initial application of IFRS Accounting Standards, the recognized unrealized revaluation adjustments, cumulative translation adjustments, and capital surplus transferred to retained earnings amounted to \$313,321 thousand, while an equivalent amount has been appropriated as special reserve.

e. Other equity items

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

	<u>For the Six Months Ended June 30</u>	
	2025	2024
Balance on January 1	\$ (8,934)	\$ (419,351)
Recognized for the period		
Exchange differences on the translation of the financial statements of foreign operations	<u>(1,179,968)</u>	<u>334,629</u>
Balance on June 30	<u>\$ (1,188,902)</u>	<u>\$ (84,722)</u>

2) Unrealized valuation gain or loss on financial assets at FVTOCI

	<u>For the Six Months Ended June 30</u>	
	2025	2024
Balance on January 1	\$ 1,448,130	\$ 1,358,306
Recognized for the period		
Unrealized (loss) gain - equity instruments	<u>(532,515)</u>	<u>181,852</u>
Balance on June 30	<u>\$ 915,615</u>	<u>\$ 1,540,158</u>

f. Non-controlling interests

	For the Six Months Ended June 30	
	2025	2024
Balance on January 1	\$ 1,444,843	\$ 1,369,466
Share in profit for the period	88,588	48,072
Other comprehensive (loss) income during the period		
Exchange differences on the translation of the financial statements of foreign operations	(113,695)	28,672
Changes in ownership interests in subsidiaries (Note 31)	21,704	19,894
Acquisition of non-controlling interests in subsidiaries (Note 31)	(445)	-
Issuance of employee share options by subsidiaries (Note 29)	433	1,437
Dividend payout from subsidiaries	(122,974)	(27,464)
Non-controlling interests arising from acquisition of subsidiaries (Note 30)	<u>101,888</u>	<u>-</u>
Balance on June 30	<u>\$ 1,420,342</u>	<u>\$ 1,440,077</u>

25. REVENUE

a. Disaggregation of revenue

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Adhesives	\$ 4,042,346	\$ 4,270,752	\$ 7,967,958	\$ 7,876,959
Construction materials	970,940	891,102	1,874,612	1,711,416
Coatings	456,044	391,680	911,826	742,972
Others	<u>336,090</u>	<u>229,647</u>	<u>605,499</u>	<u>441,744</u>
	<u>\$ 5,805,420</u>	<u>\$ 5,783,181</u>	<u>\$ 11,359,895</u>	<u>\$ 10,773,091</u>

b. Contract balances

	June 30, 2025	December 31, 2024	June 30, 2024	January 1, 2024
Notes receivable (Note 10)	<u>\$ 330,901</u>	<u>\$ 344,349</u>	<u>\$ 346,662</u>	<u>\$ 343,899</u>
Accounts receivable (including related parties) (Note 10)	<u>\$ 4,688,719</u>	<u>\$ 5,177,677</u>	<u>\$ 5,008,115</u>	<u>\$ 4,406,887</u>
Contract liabilities - current				
Sale of goods	<u>\$ 19,224</u>	<u>\$ 28,778</u>	<u>\$ 33,011</u>	<u>\$ 29,380</u>

The changes in the balance of contract liabilities primarily result from the timing difference between the Group's satisfaction of performance obligations and the respective customer's payment.

26. NET PROFIT

a. Interest income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Bank deposits	\$ 38,262	\$ 36,492	\$ 78,467	\$ 58,906

b. Other income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Dividend income	\$ 316	\$ 1,126	\$ 107,991	\$ 105,376
Grant income	8,983	2,915	16,719	13,670
Rental income	633	419	1,601	768
Others	<u>9,857</u>	<u>14,523</u>	<u>22,079</u>	<u>26,837</u>
	<u>\$ 19,789</u>	<u>\$ 18,983</u>	<u>\$ 148,390</u>	<u>\$ 146,651</u>

c. Other gains and losses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Net foreign exchange (losses) gains	\$ (89,383)	\$ 5,923	\$ (91,076)	\$ 35,489
(Loss) gain on fair value changes of financial assets - financial assets mandatorily classified as at FVTPL	(2,055)	2,390	(12,163)	7,656
Loss from fire	(70,861)	-	(70,861)	-
Others	<u>(29,416)</u>	<u>(714)</u>	<u>(38,251)</u>	<u>(2,939)</u>
	<u>\$ (191,715)</u>	<u>\$ 7,599</u>	<u>\$ (212,351)</u>	<u>\$ 40,206</u>

d. Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Interest on bank loans	\$ 29,781	\$ 23,271	\$ 61,784	\$ 44,010
Interest on lease liabilities	4,717	4,770	9,621	9,394
Interest on contingent consideration	<u>-</u>	<u>-</u>	<u>411</u>	<u>-</u>
	<u>\$ 34,498</u>	<u>\$ 28,041</u>	<u>\$ 71,816</u>	<u>\$ 53,404</u>

e. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Property, plant and equipment	\$ 134,596	\$ 131,728	\$ 268,669	\$ 259,894
Right-of-use assets	31,726	28,098	64,885	53,697
Intangible assets	28,361	22,528	57,732	44,133
Investment properties	<u>18</u>	<u>-</u>	<u>18</u>	<u>-</u>
	<u>\$ 194,701</u>	<u>\$ 182,354</u>	<u>\$ 391,304</u>	<u>\$ 357,724</u>
An analysis of depreciation by function				
Operating costs	\$ 115,212	\$ 110,000	\$ 230,470	\$ 216,333
Operating expenses	51,110	49,826	103,084	97,258
Other gains and losses	<u>18</u>	<u>-</u>	<u>18</u>	<u>-</u>
	<u>\$ 166,340</u>	<u>\$ 159,826</u>	<u>\$ 333,572</u>	<u>\$ 313,591</u>
An analysis of amortization by function				
Operating costs	\$ 300	\$ 404	\$ 556	\$ 801
Operating expenses	<u>28,061</u>	<u>22,124</u>	<u>57,176</u>	<u>43,332</u>
	<u>\$ 28,361</u>	<u>\$ 22,528</u>	<u>\$ 57,732</u>	<u>\$ 44,133</u>

f. Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Short-term employee benefits				
Salaries	\$ 662,789	\$ 599,602	\$ 1,319,301	\$ 1,144,648
Labor and health insurance	46,911	43,913	99,472	89,643
Others	<u>57,234</u>	<u>55,972</u>	<u>116,272</u>	<u>107,732</u>
	<u>766,934</u>	<u>699,487</u>	<u>1,535,045</u>	<u>1,342,023</u>
Post-employment benefits				
Defined contribution plans	37,474	33,646	75,435	65,792
Defined benefit plans (Note 23)	<u>296</u>	<u>563</u>	<u>472</u>	<u>1,131</u>
	<u>37,770</u>	<u>34,209</u>	<u>75,907</u>	<u>66,923</u>
	<u>\$ 804,704</u>	<u>\$ 733,696</u>	<u>\$ 1,610,952</u>	<u>\$ 1,408,946</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 302,879	\$ 272,056	\$ 595,198	\$ 522,388
Operating expenses	<u>501,825</u>	<u>461,640</u>	<u>1,015,754</u>	<u>886,558</u>
	<u>\$ 804,704</u>	<u>\$ 733,696</u>	<u>\$ 1,610,952</u>	<u>\$ 1,408,946</u>

g. Compensation of employees and remuneration of directors

According to the Company's Articles, the Company accrues compensation of employees and remuneration of directors at rates of 2% to 6% and no higher than 3%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. In accordance with the amendments to the Securities and Exchange Act in August 2024, the shareholders of the Company resolved the amendments to the Company's Articles at their 2025 regular meeting. The amendments explicitly stipulate the allocation of no less than 20% of the compensation of employees as compensation distributions for non-executive employees. The compensation of employees (including non-executive employees) and the remuneration of directors for the three months and six months ended June 30, 2025 and 2024 are as follows:

Accrual rate

	For the Six Months Ended June 30	
	2025	2024
Compensation of employees	2.52%	2.07%
Remuneration of directors	1.07%	0.87%

Amount

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Compensation of employees	\$ 20,280	\$ 16,899	\$ 40,560	\$ 33,798
Remuneration of directors	8,580	7,150	17,160	14,300

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

The appropriations of employees' compensation and remuneration of directors for 2024 and 2023 that were resolved by the board of directors in March 2025 and 2024, respectively, are as shown below:

	For the Year Ended December31	
	2024	2023
	Cash	Cash
Compensation of employees	\$ 81,120	\$ 67,600
Remuneration of directors	34,320	28,600

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2024 and 2023.

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

h. Gains or losses on foreign currency exchange

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Foreign exchange gains	\$ 112,655	\$ 79,703	\$ 191,568	\$ 146,869
Foreign exchange losses	<u>(202,038)</u>	<u>(73,780)</u>	<u>(282,644)</u>	<u>(111,380)</u>
	<u>\$ (89,383)</u>	<u>\$ 5,923</u>	<u>\$ (91,076)</u>	<u>\$ 35,489</u>

27. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Current tax				
In respect of the current period	\$ 242,479	\$ 207,553	\$ 389,957	\$ 377,245
Income tax on unappropriated earnings	-	6,504	-	6,504
Adjustments for prior year	<u>(8,087)</u>	<u>(61,756)</u>	<u>(31,272)</u>	<u>(93,933)</u>
	<u>234,392</u>	<u>152,301</u>	<u>358,685</u>	<u>289,816</u>
Deferred tax				
In respect of the current period	<u>(26,767)</u>	<u>36,929</u>	<u>89,591</u>	<u>91,880</u>
	<u>\$ 207,625</u>	<u>\$ 189,230</u>	<u>\$ 448,276</u>	<u>\$ 381,696</u>

b. Income tax recognized in other comprehensive income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
<u>Deferred tax</u>				
In respect of the current period				
Exchange differences on translation of the financial statements of foreign operations	<u>\$ 331,895</u>	<u>\$ (21,390)</u>	<u>\$ 294,992</u>	<u>\$ (83,658)</u>

c. Income tax assessments

The income tax returns of the Company and its domestic subsidiaries through 2023 have been assessed by the tax authorities.

28. EARNINGS PER SHARE

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

Net Profit for the Period

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Profit for the period attributable to owners of the Company	\$ <u>553,543</u>	\$ <u>672,366</u>	\$ <u>1,282,461</u>	\$ <u>1,378,653</u>

The weighted average number of ordinary shares outstanding (in thousands of shares) was as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Weighted average number of ordinary shares used in the computation of basic earnings per share	120,571	120,571	120,571	120,571
Effect of potentially dilutive ordinary shares				
Compensation of employees	<u>67</u>	<u>49</u>	<u>237</u>	<u>190</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>120,638</u>	<u>120,620</u>	<u>120,808</u>	<u>120,761</u>

The Group may settle the compensation of employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

29. SHARE-BASED PAYMENT ARRANGEMENTS

Qualified employees of the Company's subsidiary, Prince Pharmaceutical Co., Ltd. were granted 2,000 units of share options in September 2022. Each option entitles the holder with the right to subscribe for one thousand ordinary shares of Prince Pharmaceutical Co., Ltd. The options granted are exercisable at certain percentages after the first anniversary from the grant date.

Information on employee share options was as follows:

	For the Six Months Ended June 30			
	2025		2024	
	Number of Options (In Thousands)	Weighted- average Exercise Price (NT\$)	Number of Options (In Thousands)	Weighted- average Exercise Price (NT\$)
Balance on January 1	1,185	\$ 24.60	1,588	\$ 24.85
Options forfeited	<u>(164)</u>	-	<u>(340)</u>	-
Balance on June 30	<u>1,021</u>	24.60	<u>1,248</u>	24.60
Options exercisable, end of the period	<u>497</u>	-	<u>128</u>	-

Options granted in September 2022 by Prince Pharmaceutical Co., Ltd. are priced using the Black-Scholes pricing model, and the inputs to the model are as follows:

Grant-date share price (NT\$)	\$ 32.5
Exercise price (NT\$)	\$ 25
Expected volatility	34.85%-42.95%
Expected life (in years)	3 years and one month
Risk-free interest rate	1.31%-1.41%

Expected volatility is based on the volatility of stock returns over the expected life. Expected life of the options shall be in accordance with the regulations of issuance by Prince Pharmaceutical Co., Ltd. The risk-free interest rate is based on the government yield rates of the bonds provided by the TPEX. The determination of fair value does not take into account the services and non-market performance conditions included in the transaction.

In June 2023, Prince Pharmaceutical Co., Ltd. adjusted the exercise price of employee share options granted in September 2022 from NT\$25 to NT\$24.85 in accordance with the Regulations Governing Employee Share Options, and the amendment did not generate incremental fair value. In June 2024, Prince Pharmaceutical Co., Ltd. adjusted the exercise price of employee share options granted in September 2022 from NT\$24.85 to NT\$24.60 in accordance with the Regulations Governing Employee Share Options, and the amendment did not generate incremental fair value.

Compensation costs recognized were \$857 thousand and \$2,846 thousand for the six months ended June 30, 2025 and 2024, respectively.

30. BUSINESS COMBINATIONS

Subsidiaries acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
Yun Teh Industrial Co., Ltd.	Production and sales of polyamide resins, modified amines, anhydrides, modified epoxy resins, and epoxy resins.	January 2, 2025	70%	<u>\$ 418,300</u>

The Group acquired Yun Teh Industrial Co., Ltd. in January 2025. The purpose of the acquisition was to expand the business and strengthen the product portfolio.

a. Consideration transferred

	Amount
Cash	\$ 399,000
Contingent consideration agreement (Note)	<u>19,300</u>
	<u>\$ 418,300</u>

Note: According to the contingent consideration agreement, the parties agree that the outstanding purchase price may be increased or decreased in accordance with the following factors, (1) Yun Teh Industrial Co., Ltd.'s pre-tax profit for 2024 shall amount to no less than \$47,700 thousand, if there is any shortfall, the deficient amount shall be deducted from the final payment. (2) The cash balance retained on the closing date shall be fixed at \$101,000 thousand, and 70% of any excess or shortfall shall be adjusted against the final payment. The fair value of this obligation was estimated to be \$19,300 thousand as of the acquisition date.

b. Assets acquired and liabilities assumed at the date of acquisition

	Amount
Current assets	
Cash and cash equivalents	\$ 99,159
Accounts receivable and other receivables	48,248
Inventories	39,048
Other current assets	1,214
Non-current assets	
Property, plant and equipment	6,128
Right-of-use assets	17,708
Prepayments for equipment	884
Other intangible assets	245,200
Deferred tax assets	1,038
Other non-current assets	342

(Continued)

	Amount
Current liabilities	
Accounts payable and other payables	\$ (36,723)
Contract liabilities	(2,488)
Current tax liabilities	(12,916)
Lease liabilities - current	(6,343)
Other current liabilities	(120)
Non-current liabilities	
Lease liabilities - non-current	(11,409)
Deferred tax liabilities	<u>(49,344)</u>
	<u>\$ 339,626</u>
	(Concluded)

c. Non-controlling interests

The non-controlling interest of Yun Teh Industrial Co., Ltd. recognized at the acquisition date was measured by reference to the fair value of the non-controlling interest and amounted to \$101,888 thousand. This fair value was estimated by applying adjustment for market price and the lack of control or lack of marketability that market participants would consider.

d. Goodwill recognized on acquisitions

	Amount
Consideration transferred	\$ 418,300
Plus: Non-controlling interests	101,888
Less: Fair value of identifiable net assets acquired	<u>(339,626)</u>
Goodwill recognized on acquisitions	<u>\$ 180,562</u>

The goodwill arising from the acquisition of Yun Teh Industrial Co., Ltd. is primarily due to the control premium. In addition, the consideration paid in the acquisition includes expected synergies, revenue growth, and future market development. However, these benefits do not meet the recognition criteria for identifiable intangible assets and, therefore, are not recognized separately.

e. Net cash outflow on the acquisition of subsidiaries

	Amount
Consideration paid in cash	\$ 418,300
Less: Cash and cash equivalent balances acquired	(99,159)
Less: Other payables	<u>(19,300)</u>
	<u>\$ 299,841</u>

31. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

For the Six Months Ended June 30, 2025

	Nan Pao New Materials Technology (Huaian) Co., Ltd. (a)	Nan Pao Fine Chemical Materials (Anhui) Co., Ltd. (b)	Prince Pharmaceutical Co., Ltd. (c)
Consideration received (paid)	\$ 12,803	\$ 14,872	\$ (500)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred (to) from non-controlling interests	(7,285)	(14,419)	445
Differences recognized from equity transactions	<u>\$ 5,518</u>	<u>\$ 453</u>	<u>\$ (55)</u>
<u>Line items adjusted for equity transactions</u>			
Capital surplus - difference between consideration paid and the carrying amount of the subsidiaries' net assets during actual acquisition	\$ -	\$ -	\$ (55)
Capital surplus - changes in percentage of ownership interests in subsidiaries	5,518	453	-
	<u>\$ 5,518</u>	<u>\$ 453</u>	<u>\$ (55)</u>

For the Six Months Ended June 30, 2024

	Nan Pao New Materials Technology (Huaian) Co., Ltd. (a)	Nan Pao Fine Chemical Materials (Anhui) Co., Ltd. (b)
Consideration received	\$ -	\$ 16,015
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests	(4,343)	(15,551)
Differences recognized from equity transactions	<u>\$ (4,343)</u>	<u>\$ 464</u>
<u>Line items adjusted for equity transactions</u>		
Capital surplus - changes in percentage of ownership interests in subsidiaries	<u>\$ (4,343)</u>	<u>\$ 464</u>

- a. In March 2025, the issuance of ordinary shares for cash of Nan Pao New Materials Technology (Huaian) Co., Ltd., the Group did not subscribe the issuance of ordinary shares in accordance with the shareholding ratio, decreasing its shareholding ratio from 94% to 92.06%. In March and April 2024, Nan Pao New Materials Technology (Huaian) Co., Ltd. processed a cash capital increase, which was subscribed by the Group, resulting in an increase in shareholding from 90.91% to 93.51%.

- b. In January 2025, the issuance of ordinary shares for cash of Nan Pao Fine Chemical Materials (Anhui) Co., Ltd., the Group did not subscribe the issuance of ordinary shares in accordance with the shareholding ratio, decreasing its shareholding ratio from 96.41% to 93.36%. In March and May 2024, Nan Pao Fine Chemical Materials (Anhui) Co., Ltd. processed a cash capital increase, which was not subscribed by the Group in accordance with the shareholding ratio, resulting in an decrease in shareholding from 100% to 90.78%.
- c. The Group acquired Prince Pharmaceutical Co., Ltd. interests in June 2025, and the shareholding ratio was increased from 49.53% to 49.59% after acquisition.

The above transactions were accounted for as equity transactions, since the Group did not cease to have control over these subsidiaries.

32. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will have sufficient financial resources and operating plans to fund its working capital needs, capital asset purchases, research and development expenses, debt repayments, stock dividends and other business requirements associated with its existing operations.

33. FINANCIAL INSTRUMENTS

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

The Group believes that the carrying amounts of financial instruments not measured at fair value recognized in the consolidated financial statements approximate their fair values.

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

- 1) Fair value hierarchy

June 30, 2025

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Limited partnership	\$ -	\$ -	\$ 114,873	\$ 114,873
<u>Financial assets at FVTOCI</u>				
Emerging market shares	\$ 20,115	\$ -	\$ -	\$ 20,115
Unlisted shares	-	-	1,106,934	1,106,934
	\$ 20,115	\$ -	\$ 1,106,934	\$ 1,127,049

December 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Limited partnership	\$ _____ -	\$ _____ -	\$ 131,474	\$ 131,474
<u>Financial assets at FVTOCI</u>				
Emerging market shares	\$ 24,177	\$ -	\$ -	\$ 24,177
Unlisted shares	_____ -	_____ -	1,635,387	1,635,387
	<u>\$ 24,177</u>	<u>\$ _____ -</u>	<u>\$ 1,635,387</u>	<u>\$ 1,659,564</u>

June 30, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Limited partnership	\$ _____ -	\$ _____ -	\$ 129,585	\$ 129,585
<u>Financial assets at FVTOCI</u>				
Emerging market shares	\$ 23,061	\$ -	\$ -	\$ 23,061
Unlisted shares	_____ -	_____ -	1,840,902	1,840,902
	<u>\$ 23,061</u>	<u>\$ _____ -</u>	<u>\$ 1,840,902</u>	<u>\$ 1,863,963</u>

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

Financial assets at FVTPL

	For the Six Months Ended June 30	
	2025	2024
Balance on January 1	\$ 131,474	\$ 121,929
Recognized in profit or loss (included in other gains and losses)	(12,163)	7,656
Capital reduction	(4,438)	-
Balance on June 30	<u>\$ 114,873</u>	<u>\$ 129,585</u>

Financial assets at FVTOCI

	For the Six Months Ended June 30	
	2025	2024
Balance on January 1	\$ 1,635,387	\$ 1,661,816
Recognized in other comprehensive (loss) income (included in unrealized valuation (loss) gain on financial assets at FVTOCI)	(528,453)	179,086
Balance on June 30	<u>\$ 1,106,934</u>	<u>\$ 1,840,902</u>

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

a) The market approach is used to estimate the fair values of the unlisted shares, and the determination of fair value takes into consideration the industry type, valuation of comparable companies and the operating situation, or based on the net value of company.

b) Limited partnerships are valued on the basis of their net worth.

c. Categories of financial instruments

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Financial assets</u>			
Financial assets at amortized cost (1)	\$ 12,685,420	\$ 13,218,034	\$ 12,109,954
Financial assets at FVTPL - Mandatorily classified as at FVTPL	114,873	131,474	129,585
Financial assets at FVTOCI	1,127,049	1,659,564	1,863,963
<u>Financial liabilities</u>			
Amortized cost (2)	8,063,186	8,457,506	7,085,567

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, notes receivable, accounts receivable (including related parties) and other receivables.

2) The balances include financial liabilities at amortized cost, which comprise short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings (including current portion of long-term borrowings) and guarantee deposits (included in other current liabilities and other non-current liabilities).

d. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, notes receivable, accounts receivable, notes payable, accounts payable, borrowings, and lease liabilities. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

Major financing activities of the Group are reviewed by the board of directors based on relevant regulations and the internal control system. When executing the financial plans, the Group's treasury department follows the procedures in accordance with the proper segregation of duties and the related financial risk management. And compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below), interest rates (see (b) below) and other prices (see (c) below).

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

a) Foreign currency risk

The Group has foreign currency denominated sales and purchases, which expose the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the period are set out in Note 37.

Sensitivity analysis

The Group is mainly exposed to the USD and the VND.

The following table details the Group's sensitivity to a 1% increase and decrease in the functional currency against the relevant foreign currencies. The sensitivity analysis included only outstanding foreign currency denominated monetary items. A positive number below indicates an increase in pre-tax profit associated with the functional currency weakening 1% against the relevant foreign currency. For a 1% strengthening of the functional currency against the relevant foreign currency, there would be an equal and opposite impact on pre-tax profit, and the balances below would be negative.

	USD Impact			
	For the Six Months Ended			
	June 30			
	2025		2024	
Profit or loss	\$ 5,087	\$	12,313	(i)
	VND Impact			
	For the Six Months Ended			
	June 30			
	2025		2024	
Profit or loss	\$ 6,740	\$	6,522	(ii)

- i. This was mainly attributable to the exposure on outstanding foreign monetary items in USD that were not hedged at the end of the period. The Group's sensitivity to foreign currency decreased during the current period mainly due to the increase of other payables in USD.
- ii. This was mainly attributable to the exposure on outstanding foreign monetary items in VND that were not hedged at the end of the period. The Group's sensitivity to foreign currency was not changed significantly during the current period.

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings.

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

	June 30, 2025	December 31, 2024	June 30, 2024
Fair value interest rate risk			
Financial assets	\$ 2,894,897	\$ 3,390,468	\$ 2,992,203
Financial liabilities	2,023,561	2,241,601	1,762,620
Cash flow interest rate risk			
Financial assets	4,611,684	4,092,249	3,491,316
Financial liabilities	3,486,754	3,316,598	2,328,481

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the period was outstanding for the whole reporting period.

If interest rates had been 0.25% higher/lower and all other variables were held constant, the Group's pre-tax profit for the six months ended June 30, 2025 and 2024 would have decreased/increased by NT\$4,358 thousand and NT\$2,911 thousand, respectively, which was mainly a result of floating rate borrowings.

c) Other price risk

The Group was exposed to equity price risk through its investments in equity securities. Equity investments are held for strategic rather than for trading purposes, the Group does not actively trade these investments.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the period.

If equity prices had been 3% higher/lower, pre-tax profit for the six months ended June 30, 2025 and 2024 would have increased/decreased by \$3,446 thousand and \$3,888 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for the six months ended June 30, 2025 and 2024 would have increased/decreased by \$33,811 thousand and \$55,919 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

The Group's sensitivity to equity prices decreased in the current period due to the recognition of unrealized loss on investments in equity instruments.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. At the end of the period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation, could be equal to the carrying amount of the respective recognized financial assets as stated in the balance sheets.

Since the counterparties of the Group are all creditworthy business organizations, there is no anticipated material credit risk. The Group also continues to evaluate the financial status of clients for accounts receivable.

The Group transacts with a large number of unrelated customers and thus, credit risk is not highly concentrated.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents and liquid financial assets deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group's working capital and the credit line which the Group has obtained are sufficient to support future operational needs, so there is no liquidity risk due to the inability to raise funds to fulfill contractual obligations.

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

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

To the extent that interest flows are at floating rates, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

June 30, 2025

	Less than 1 Year	1-5 Years	Over 5 Years
<u>Non-derivative financial liabilities</u>			
Non-interest bearing liabilities	\$ 5,717,116	\$ 1,473	\$ -
Lease liabilities	130,796	294,337	339,118
Fixed interest rate liabilities	1,251,999	139,188	-
Floating interest rate liabilities	<u>1,381,839</u>	<u>2,036,252</u>	<u>184,739</u>
	<u>\$ 8,481,750</u>	<u>\$ 2,471,250</u>	<u>\$ 523,857</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	6-10 Years	11-20 Years	Over 21 Years
Lease liabilities	<u>\$ 130,796</u>	<u>\$ 294,337</u>	<u>\$ 209,843</u>	<u>\$ 37,024</u>	<u>\$ 92,251</u>

December 31, 2024

	Less than 1 Year	1-5 Years	Over 5 Years
<u>Non-derivative financial liabilities</u>			
Non-interest bearing liabilities	\$ 3,782,316	\$ 2,081	\$ -
Lease liabilities	136,705	314,201	384,521
Fixed interest rate liabilities	1,476,400	68,243	-
Floating interest rate liabilities	<u>1,665,592</u>	<u>1,554,649</u>	<u>209,034</u>
	<u>\$ 7,061,013</u>	<u>\$ 1,939,174</u>	<u>\$ 593,555</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	6-10 Years	11-20 Years	Over 21 Years
Lease liabilities	<u>\$ 136,705</u>	<u>\$ 314,201</u>	<u>\$ 240,269</u>	<u>\$ 50,150</u>	<u>\$ 94,102</u>

June 30, 2024

	Less than 1 Year	1-5 Years	Over 5 Years
<u>Non-derivative financial liabilities</u>			
Non-interest bearing liabilities	\$ 5,723,709	\$ 1,856	\$ -
Lease liabilities	131,136	307,056	427,392
Fixed interest rate liabilities	1,010,794	29,223	-
Floating interest rate liabilities	<u>890,935</u>	<u>1,344,804</u>	<u>190,743</u>
	<u>\$ 7,756,574</u>	<u>\$ 1,682,939</u>	<u>\$ 618,135</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	6-10 Years	11-20 Years	Over 21 Years
Lease liabilities	<u>\$ 131,136</u>	<u>\$ 307,056</u>	<u>\$ 264,044</u>	<u>\$ 67,395</u>	<u>\$ 95,953</u>

The amounts included above for floating interest rate instruments for both non-derivative financial assets and liabilities are subject to change if changes in floating interest rates differ from those estimates of interest rates determined at the end of the period.

b) Financing facilities

	June 30, 2025	December 31, 2024	June 30, 2024
Unsecured bank loan facilities, reviewed annually and payable on demand			
Amount used	\$ 4,663,008	\$ 4,631,329	\$ 3,104,059
Amount unused	<u>11,248,363</u>	<u>9,095,647</u>	<u>9,076,908</u>
	<u>\$ 15,911,371</u>	<u>\$ 13,726,976</u>	<u>\$ 12,180,967</u>
Secured bank loan facilities:			
Amount used	\$ 334,389	\$ 378,016	\$ 389,419
Amount unused	<u>129,306</u>	<u>66,819</u>	<u>74,469</u>
	<u>\$ 463,695</u>	<u>\$ 444,835</u>	<u>\$ 463,888</u>

34. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are the related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed as follows.

a. Related party name and category

Related Party Name	Related Party Category
Pou Chen Corporation and Subsidiaries	Investors with significant influence
Opulence Optonics Co., Ltd.	Other related party
Apogee Optocom Co., Ltd.	Other related party
Shenglin Investment Co., Ltd.	Other related party
Kang Ming Senior High School, Tainan	Other related party
Nan Pao Resins Private Welfare Charity Foundation	Other related party
Yu Po Chemical Co., Ltd. (Note)	Other related party

Note: The Group acquired Yu Po Chemical Co., Ltd., obtaining a 70% controlling interest in November 2024, thereby making it a subsidiary.

b. Sales of goods

Related Party Category	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Investors with significant influence	\$ 394,973	\$ 353,194	\$ 783,094	\$ 719,456
Other related party	<u>30</u>	<u>8,446</u>	<u>41</u>	<u>14,546</u>
	<u>\$ 395,003</u>	<u>\$ 361,640</u>	<u>\$ 783,135</u>	<u>\$ 734,002</u>

The sales prices were not significantly different from those with third parties. The credit term is 30 to 105 days, which is not significantly different from that for non-related parties.

c. Receivables from related parties

Line Item	Related Party Category	June 30, 2025	December 31, 2024	June 30, 2024
Accounts receivable from related parties	Investors with significant influence	\$ 390,026	\$ 452,811	\$ 410,201
	Other related party	<u>-</u>	<u>-</u>	<u>8,854</u>
		<u>\$ 390,026</u>	<u>\$ 452,811</u>	<u>\$ 419,055</u>

The outstanding accounts receivable from related parties are unsecured.

d. Payables to related parties

Line Item	Related Party Category	June 30, 2025	December 31, 2024	June 30, 2024
Other payables	Investors with significant influence	<u>\$ 121</u>	<u>\$ 135</u>	<u>\$ 135</u>

The outstanding accounts payable to related parties are unsecured.

e. Refund liabilities

Line Item	Related Party Category	June 30, 2025	December 31, 2024	June 30, 2024
Refund liabilities (included in other current liabilities)	Investors with significant influence	<u>\$ 49,184</u>	<u>\$ 74,949</u>	<u>\$ 69,082</u>

f. Lease arrangements - the Group is lessee

Line Item	Related Party Category	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2025	2024	2025	2024
Lease expense	Other related party	<u>\$ 460</u>	<u>\$ 457</u>	<u>\$ 917</u>	<u>\$ 914</u>

The Group leased the buildings from related parties, and the rental is based on similar asset's market rates and fixed lease payments are paid monthly.

g. Remuneration of key management personnel

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Short-term employee benefits	\$ 24,405	\$ 22,034	\$ 50,023	\$ 43,596
Post-employment benefits	<u>404</u>	<u>3,358</u>	<u>2,339</u>	<u>3,764</u>
	<u>\$ 24,809</u>	<u>\$ 25,392</u>	<u>\$ 52,362</u>	<u>\$ 47,360</u>

The remuneration of directors and key executives, as determined by the remuneration committee, is based on the reasonableness of industry standards, performance of individuals and the Company, and future risks.

35. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for tariff, letters of credit, long-term and short-term bank borrowings:

	June 30, 2025	December 31, 2024	June 30, 2024
Property, plant and equipment, net	\$ 627,908	\$ 639,426	\$ 649,514
Pledged deposits (classified as financial assets at amortized cost)	34,000	36,746	38,783
Right-of-use assets	<u>3,971</u>	<u>4,634</u>	<u>4,664</u>
	<u>\$ 665,879</u>	<u>\$ 680,806</u>	<u>\$ 692,961</u>

36. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant contingencies and unrecognized commitments of the Group as of June 30, 2025, December 31, 2024 and June 30, 2024 were as follows:

- a. As of June 30, 2025, December 31, 2024 and June 30, 2024, unused letters of credit for purchases of raw materials and machinery and equipment were \$111,176 thousand, \$133,094 thousand and \$139,527 thousand, respectively.
- b. Unrecognized commitments were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Acquisition of property, plant and equipment	\$ 494,732	\$ 275,036	\$ 90,982
Acquisition of raw materials	<u>67,402</u>	<u>92,333</u>	<u>25,666</u>
	<u>\$ 562,134</u>	<u>\$ 367,369</u>	<u>\$ 116,648</u>

- c. Material lawsuits

The Company had won the bid for land, plant, and machinery equipment owned by He Kui Chemical Company from Changhua District Court in 2007 and sold the above assets to its subsidiary, Nan Pao Chemical Co., Ltd., for production purposes. On January 31, 2008, third-party Fu-Chien Management Consulting Company claimed to be the mortgagee of the aforementioned machinery equipment at Taiwan Changhua District Court and seized the batch of machinery equipment. Nan Pao Chemical Co., Ltd. has filed for Third Party of Dissent Action arguing that Fu-Chien Management Consulting Company's claims over the above-mentioned machinery equipment were false. Nevertheless, a fire broke out in Nan Pao Chemical Co., Ltd. in January 2010, with all plants and machinery burnt down. Therefore, the content of litigation was changed to confirming whether the machinery had belonged to Nan Pao Chemical Co., Ltd. If the court believed that machinery was not the property of Nan Pao Chemical Co., Ltd., but was destroyed due to its negligence, Nan Pao Chemical Co., Ltd. would be liable for damage. In June 2017, the Supreme Court of Taiwan ruled in a civil lawsuit that machinery and equipment did not belong to Nan Pao Chemical Co., Ltd.

Based on the ruling of the Changhua District Court, He Kui Chemical Company argued for ownership of machinery equipment in the plant. Based on the aforementioned litigation, He Kui Chemical Company filed for an indemnity lawsuit against Nan Pao Chemical Co., Ltd. for damage caused by use of machinery equipment, and sought for indemnity of \$53,102 thousand. Nevertheless, the amount that He Kui Chemical Company claimed for was based on the purchase price of machinery equipment, and did not factor in depreciation based on the useful life of property, plant, and equipment. The batch of machinery was purchased in the 1990s and early 2000s, with surplus value under \$53,102 thousand. The Company has appropriated a liability reserve of \$38,445 thousand based on the remaining value. (recognized as other non-current liabilities). On May 18, 2022, the Changhua District Court ruled Nan Pao Chemical Co., Ltd. should compensate He Kui Chemical Company \$15,267 thousand plus 5% interest of \$7,979 thousand from March 8, 2012 to the date of settlement, which was a total of \$23,246 thousand. On June 27, 2022, Nan Pao Chemical Co., Ltd. appealed the second trial and withdrew the aforementioned compensation amount in July 2022, and reversed the provision of \$15,199 thousand (recognized as other income) in accordance with the ruling of the first trial. On January 24, 2024, Taiwan High Court Taichung Branch Court ruled Nan Pao Chemical Co., Ltd. should compensate He Kui Chemical Company \$12,892 thousand plus 5% interest from March 8, 2012 to the date of settlement. Nan Pao Chemical Co., Ltd. has filed an appeal against the ruling of Taiwan High Court Taichung Branch Court, on November 27, 2024, the Supreme Court remanded the case, the confirmed amount for Nan Pao Chemical Co., Ltd. was \$4,067 thousand, but the Supreme Court also pointed out the issue of missing documents for He Kui Chemical Company.

37. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than the functional currencies of the entities in the Group and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

(In Thousands of New Taiwan Dollars and Foreign Currencies)

June 30, 2025

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 67,313	29.30 (USD:NTD)	\$ 1,972,283
USD	9,915	7.1586 (USD:CNY)	290,523
USD	11,728	16,461 (USD:IDR)	343,616
USD	5,534	7.8508 (USD:HKD)	162,134
VND	796,400,482	0.000038 (VND:USD)	894,348

(Continued)

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 54,782	29.30 (USD:NTD)	\$ 1,605,106
USD	2,749	7.1587 (USD:CNY)	80,551
USD	13,003	16,461 (USD:IDR)	380,975
USD	4,973	7.851 (USD:HKD)	145,705
USD	1,618	4.2355 (USD:MYR)	47,534
VND	196,081,032	0.000038 (VND:USD)	220,348
			(Concluded)

December 31, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 63,986	32.79 (USD:NTD)	\$ 2,097,769
USD	13,809	7.1884 (USD:CNY)	452,697
USD	13,718	16,150 (USD:IDR)	449,732
USD	5,893	7.7654 (USD:HKD)	193,205
VND	1,108,754,587	0.000039 (VND:USD)	1,432,842

Financial liabilities

Monetary items			
USD	54,808	32.77 (USD:NTD)	1,796,231
USD	2,409	7.1884 (USD:CNY)	78,934
USD	16,592	16,150 (USD:IDR)	543,981
USD	5,459	7.7653 (USD:HKD)	178,987
USD	1,811	4.5027 (USD:MYR)	59,840
VND	219,321,256	0.000039 (VND:USD)	283,088

June 30, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 54,695	32.45 (USD:NTD)	\$ 1,774,852
USD	11,485	7.1268 (USD:CNY)	372,677
USD	12,906	16,389 (USD:IDR)	418,787
USD	6,047	7.8099 (USD:HKD)	196,221
VND	847,202,562	0.000039 (VND:USD)	1,083,224
<u>Financial liabilities</u>			
Monetary items			
USD	27,544	32.43 (USD:NTD)	893,264
USD	2,636	7.1268 (USD:CNY)	85,465
USD	9,177	16,389 (USD:IDR)	297,788
USD	5,655	7.8099 (USD:HKD)	183,495
USD	2,197	4.711 (USD:MYR)	71,243
VND	336,875,755	0.000039 (VND:USD)	431,034

The Group is mainly exposed to the USD. The following information was aggregated by the functional currencies of the entities in the Group, and the exchange rates between the respective functional currencies and the presentation currency were disclosed. The significant realized and unrealized foreign exchange gains (losses) were as follows:

Functional Currency	For the Three Months Ended June 30, 2025		For the Three Months Ended June 30, 2024	
	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
USD	30.823 (USD:NTD)	\$ (24,780)	32.354 (USD:NTD)	\$ (25,756)
NTD	1 (NTD:NTD)	(72,622)	1 (NTD:NTD)	16,474
CNY	4.260 (CNY:NTD)	970	4.458 (CNY:NTD)	4,086
AUD	19.74 (AUD:NTD)	143	21.33 (AUD:NTD)	1,633
IDR	0.00190 (IDR:NTD)	(775)	0.00200 (IDR:NTD)	3,390
VND	0.00119 (VND:NTD)	7,509	0.00128 (VND:NTD)	6,093
Others		<u>172</u>		<u>3</u>
		<u>\$ (89,383)</u>		<u>\$ 5,923</u>

Functional Currency	For the Six Months Ended June 30, 2025		For the Six Months Ended June 30, 2024	
	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
USD	31.859 (USD:NTD)	\$ (37,820)	31.901 (USD:NTD)	\$ (52,691)
NTD	1 (NTD:NTD)	(63,604)	1 (NTD:NTD)	67,295
CNY	4.386 (CNY:NTD)	3,282	4.412 (CNY:NTD)	5,182
AUD	20.19 (AUD:NTD)	(3,279)	21.01 (AUD:NTD)	(664)
IDR	0.00196 (IDR:NTD)	(1,059)	0.00201 (IDR:NTD)	4,058
VND	0.001240 (VND:NTD)	10,151	0.001281 (VND:NTD)	12,354
Others		<u>1,253</u>		<u>(45)</u>
		<u>\$ (91,076)</u>		<u>\$ 35,489</u>

38. SEPARATELY DISCLOSED ITEMS

- a. Information on significant transactions:
 - 1) Financing provided to others (Table 1)
 - 2) Endorsements/guarantees provided (Table 2)
 - 3) Significant marketable securities held (excluding investments 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) Others: Intercompany relationships and significant intercompany transactions (Table 9)
- b. Information on investees (Table 6)
- c. Information on investments in mainland China
 - 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (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 (Table 8):
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period
 - c) The amount of property transactions and the amount of the resultant gains or losses
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes
 - e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds
 - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services

39. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Group's reportable segments were as follows:

Segment revenue and results

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

	Taiwan	Mainland China	Vietnam	Australia	Other Regions	Adjustments and Eliminations	Total
<u>For the six months ended</u> <u>June 30, 2025</u>							
Revenue							
Revenue from external customers	\$ 2,190,301	\$ 3,112,072	\$ 3,080,191	\$ 1,638,789	\$ 1,338,542	\$ -	\$ 11,359,895
Inter-segment revenue	<u>2,056,865</u>	<u>509,206</u>	<u>452,572</u>	<u>7,341</u>	<u>8,653</u>	<u>(3,034,637)</u>	<u>-</u>
Total revenue	<u>\$ 4,247,166</u>	<u>\$ 3,621,278</u>	<u>\$ 3,532,763</u>	<u>\$ 1,646,130</u>	<u>\$ 1,347,195</u>	<u>\$ (3,034,637)</u>	<u>\$ 11,359,895</u>
Segment income	<u>\$ 885,617</u>	<u>\$ 246,654</u>	<u>\$ 437,910</u>	<u>\$ 81,405</u>	<u>\$ 165,831</u>	<u>\$ 77,291</u>	\$ 1,894,708
Interest income							78,467
Other income							148,390
Other gains and losses							(212,351)
Finance costs							(71,816)
Share of loss of associates accounted for using the equity method							(18,073)
Profit before tax							<u>\$ 1,819,325</u>
<u>For the six months ended</u> <u>June 30, 2024</u>							
Revenue							
Revenue from external customers	\$ 1,890,240	\$ 3,156,615	\$ 2,925,061	\$ 1,483,643	\$ 1,317,532	\$ -	\$ 10,773,091
Inter-segment revenue	<u>2,174,094</u>	<u>461,023</u>	<u>767,074</u>	<u>362</u>	<u>13,747</u>	<u>(3,416,300)</u>	<u>-</u>
Total revenue	<u>\$ 4,064,334</u>	<u>\$ 3,617,638</u>	<u>\$ 3,692,135</u>	<u>\$ 1,484,005</u>	<u>\$ 1,331,279</u>	<u>\$ (3,416,300)</u>	<u>\$ 10,773,091</u>
Segment income	<u>\$ 899,693</u>	<u>\$ 219,303</u>	<u>\$ 387,154</u>	<u>\$ 77,119</u>	<u>\$ 159,477</u>	<u>\$ (122,519)</u>	\$ 1,620,227
Interest income							58,906
Other income							146,651
Other gains and losses							40,206
Finance costs							(53,404)
Share of loss of associates accounted for using the equity method							(4,165)
Profit before tax							<u>\$ 1,808,421</u>

Segment profit represents the profit before tax earned by each segment without non-operating income and expenses and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

The decision of the Group's chief operating decision maker is based on the operating results of the different segments. Information on classified assets and liabilities from different business activities are not evaluated, and only the operating results of the reportable segments are shown.

TABLE 1

NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE SIX MONTHS ENDED JUNE 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 4)	Aggregate Financing Limit (Note 4)
													Item	Value		
1	Nan Pao Group Holdings Ltd.	Nan Pao Resins Chemical Co., Ltd.	Other receivables from related party	Yes	\$ 697,305	\$ 615,300	\$ 615,300	-	Demand of short-term financing	\$ -	Operating capital	\$ -	None	\$ -	\$ 6,251,020	\$ 6,251,020
2	Nan Pao Overseas Holdings Ltd.	Nan Pao Resins Chemical Co., Ltd.	Other receivables from related party	Yes	962,945	849,700	849,700	-	Demand of short-term financing	-	Operating capital	-	None	-	7,156,048	7,156,048

Note 1: Foreign currency above is translated into NTD at the exchange rates of the end of the month.

Note 2: The aggregate limit for borrowers is 40% of the Company’s net value as stated in the financial statements. The upper limits for each borrower are:

- For individual entity having business relationship with the Company, shall not exceed the total transaction amount between the parties during the period in 12 months prior to the time or the aggregate limit aforementioned.
- For individual entity having borrow needs short-term financing, shall not exceed the 20% of the Company’s net value.

Note 3: Subsidiaries engage in financing provided to others with the same limit as the parent company, but the net value is based on the lender’s net value.

Note 4: Both the aggregate limit and upper limit for each borrower between foreign subsidiaries held 100% by the Company directly or indirectly lending to the Company shall not exceed the lender’s net value.

TABLE 2

NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Notes 2 & 3)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Notes 2 & 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship (Note 1)										
0	Nan Pao Resins Chemical Co., Ltd.	Nan Pao Group Holdings Ltd.	2	\$ 2,353,106	\$ 33,205	\$ 29,300	\$ -	\$ -	0.25	\$ 5,882,766	Y	N	N
		Nan Pao Resins Chemical Philippines, Inc.	2	2,353,106	33,205	29,300	-	-	0.25	5,882,766	Y	N	N
		Nan Pao Philippines Export Inc.	2	2,353,106	16,603	14,650	-	-	0.12	5,882,766	Y	N	N
		RLA Polymers (M) SDN BHD	2	2,353,106	66,410	-	-	-	-	5,882,766	Y	N	N
		RLA Polymers Pty Ltd.	2	2,353,106	41,620	38,280	32,921	-	0.33	5,882,766	Y	N	N
		Nan Pao Advanced Investment Co., Ltd.	2	2,353,106	182,920	163,640	131,303	-	1.39	5,882,766	Y	N	Y
		Nan Pao New Materials (Huaian) Co., Ltd.	2	2,353,106	137,190	122,730	32,142	-	1.04	5,882,766	Y	N	Y
		Nan Pao New Materials (Huaian) Co., Ltd.	2	2,353,106	114,325	102,275	8,737	-	0.87	5,882,766	Y	N	Y

Note 1: Relationships between the endorser/guarantor and endorsee/guarantee are as follows:

1. Companies with business relationship.
2. The Company directly and indirectly holds more than 50 percent of the voting rights in a company.
3. A company that directly and indirectly holds more than 50 percent of the voting rights in the Company.
4. The Company directly and indirectly holds more than 90 percent of the voting rights between companies.
5. Companies with the same industry or mutual project undertakers that have mutual guarantee based on contract agreements due to contractual project needs.
6. Due to joint venture, the company's shareholders' endorsement is based on their shareholding ratio.
7. The performance guarantee of the pre-sale house sales contract in the same industry in accordance with the Consumer Protection Law is jointly guaranteed.

Note 2: The limit on endorsement/guarantee given on behalf of individual corporation is 20% of the Company's net value at the end of the period, while the aggregate endorsement/guarantee limit is 50% of the Company's net value.

Note 3: The subsidiaries directly and indirectly invested by the Company shall not endorse/guarantee to individual corporation.

TABLE 3

NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

SIGNIFICANT MARKETABLE SECURITIES HELD
JUNE 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2025				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Nan Pao Resins Chemical Co., Ltd.	CDIB - Innolux Limited Partnership	None	Financial assets at fair value through profit or loss - non-current	-	<u>\$ 114,873</u>	9	<u>\$ 114,873</u>	
Nan Pao Resins Chemical Co., Ltd.	Dairen Chemical Corp. - publicly owned company	None	Financial assets at fair value through other comprehensive income - non-current	10,424,970	\$ 1,102,574	2	\$ 1,102,574	
	Hua Chi Venture Capital Co., Ltd. - privately-issued equity	"	"	7,895	1,058	1	1,058	
	Opulence Optronics Co., Ltd. - privately-issued equity	"	"	877,208	3,302	8	3,302	
	Revivegen Co., Ltd. - emerging stock	"	"	649,921	<u>20,115</u>	1	<u>20,115</u>	
					<u>\$ 1,127,049</u>		<u>\$ 1,127,049</u>	

Note 1: The marketable securities listed in the table above refer to the shares, bonds, beneficiary certificates and marketable securities derived from the above accounts which fall within the scope of IFRS 9: Financial Instruments.

Note 2: Disclosure of the marketable securities held is decided by the Company based on the materiality principle.

Note 3: Please refer to Tables 6 and 7 for information on investments in subsidiaries and associates.

TABLE 4

NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE SIX MONTHS ENDED JUNE 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchases/ Sales	Amount (Note)	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance (Note)	% of Total	
Nan Pao Resins Chemical Co., Ltd.	Nan Pao Materials Vietnam Co., Ltd.	Subsidiary	Sales	\$ 155,047	5	Payment within 90 days	Similar to general transactions	Similar to general transactions	\$ 37,796	2	
	PT. Indo Nan Pao Resins Chemical Co., Ltd.	Subsidiary	Sales	257,405	8	Payment within 90 days	Similar to general transactions	Similar to general transactions	225,836	12	
	Nan Pao Advanced Materials Vietnam Co., Ltd.	Subsidiary	Sales	216,652	7	Payment within 90 days	Similar to general transactions	Similar to general transactions	65,706	3	
	Nan Pao Resins (Vietnam) Enterprise Ltd.	Subsidiary	Sales	936,509	29	Payment within 90 days	Similar to general transactions	Similar to general transactions	809,689	42	
Nan Pao Resins (Dongguan) Co., Ltd.	Nan Pao Resins (HK) Ltd.	Same ultimate Parent Company	Processing revenue	148,168	100	Payment within 90 days	No comparable product sales for comparison	No third-party transaction for comparison	80,734	100	
Nan Pao Advanced Materials Vietnam Co., Ltd.	Nan Pao Resins International Ltd.	Same ultimate Parent Company	Sales	157,723	28	Payment within 90 days	Similar to general transactions	Similar to general transactions	106,472	36	
PT. Indo Nan Pao Resins Chemical Co., Ltd.	Pou Chen Corporation and Subsidiaries	Investors with significant influence	Sales	317,050	31	Telegraphic transfer within 90 days	Similar to general transactions	Similar to general transactions	190,508	37	
Nan Pao Resins (Vietnam) Enterprise Ltd.	Pou Chen Corporation and Subsidiaries	Investors with significant influence	Sales	201,192	12	Telegraphic transfer within 60-105 days	Similar to general transactions	Similar to general transactions	77,895	12	
Nan Pao Materials Vietnam Co., Ltd.	Pou Chen Corporation and Subsidiaries	Investors with significant influence	Sales	137,437	13	Telegraphic transfer within 90 days	Similar to general transactions	Similar to general transactions	64,708	15	

Note: Except for investors with significant influence, they would be eliminated during the preparation of the consolidated financial statements.

TABLE 5

NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
JUNE 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance (Note 2)	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Nan Pao Resins Chemical Co., Ltd.	Nan Pao Resins (Vietnam) Enterprise Ltd. PT. Indo Nan Pao Resins Chemical Co., Ltd.	Subsidiary	\$ 809,689	2.24	\$ -	-	\$ 154,365	\$ -
		Subsidiary	225,836	1.68	-	-	47,863	-
PT. Indo Nan Pao Resins Chemical Co., Ltd.	Pou Chen Corporation and Subsidiaries	Investors with significant influence	190,508	2.84	-	-	41,911	94
Nan Pao Advanced Materials Vietnam Co., Ltd.	Nan Pao Resins International Ltd.	Same ultimate Parent Company	106,472	2.61	-	-	23,341	-
Nan Pao Group Holdings Ltd.	Nan Pao Resins Chemical Co., Ltd.	Parent Company	615,300	(Note 1)	-	-	-	-
Nan Pao Overseas Holdings Ltd.	Nan Pao Resins Chemical Co., Ltd.	Parent Company	849,700	(Note 1)	-	-	-	-

Note 1: For the purpose of other receivables at the end of the period, and thus the turnover ratio is not applicable.

Note 2: Except for investors with significant influence, they would be eliminated during the preparation of the consolidated financial statements.

TABLE 6

NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE SIX MONTHS ENDED JUNE 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2025			Net (Loss) Income of the Investee	Share of (Loss) Profit (Note 1)	Note
				Ending Balance	Beginning Balance	Number of Shares	%	Carrying Amount			
Nan Pao Resins Chemical Co., Ltd.	Nan Pao Chemical Co., Ltd.	No.519, Zhongshan Rd., Xigang Dist, Tainan City	Trading of chemical substances	\$ 300,000	\$ 300,000	15,000,000	100	\$ 171,082	\$ (1,355)	\$ (1,355)	
	Nan Pao Application Material Co., Ltd.	No.519, Zhongshan Rd., Xigang Dist, Tainan City	Trading of chemical substances	60,000	60,000	200,000	100	8,693	21	21	
	ITLS International Development Co., Ltd.	3F, No.356, Sec.1, NeiHu Rd., Taipei	Trading of construction materials and chemical substances	696,000	696,000	24,600,000	100	254,745	13,652	13,652	
	Prince Pharmaceutical Co., Ltd.	No. 168, Keyun S. Rd., Kendi Vil., Huwei Township. Yunlin County	Manufacturing, packaging, and processing of raw materials for various pharmaceutical and health food	366,100	365,600	18,151,198	49.59	400,134	17,772	8,802	
	Phymed Bio-Tec Co., Ltd.	No.519, Zhongshan Rd., Xigang Dist, Tainan City	R&D and trading of health food	34,000	34,000	2,400,000	100	8,798	(2,217)	(2,217)	
	Biorich Biotechnology Co., Ltd.	3F, No.356, Sec.1, NeiHu Rd., Taipei	R&D, production, and trading of new high protein business and health food	64,121	64,121	391,462	57.1	22,197	11,056	6,313	
	Nan Pao Advanced Materials Co., Ltd.	No. 521, Zhongshan Rd., Xigang Dist, Tainan City	Trading of adhesives and chemicals	3,500	3,500	350,000	70	10,071	5,204	3,643	
	Nan Pao Fine Materials Co., Ltd.	No.217, Xinxing St., Qingan Vil., Xigang Dist., Tainan City	Production and trading of adhesives and chemicals	13,750	13,750	1,375,000	55	23,556	11,918	9,551	
	FlexUP Technologies Corp.	No.10, Ln. 99, Nanhai St., Nanhai Vil., Xigang Dist., Tainan City	Trading of chemical substances	39,863	39,863	18,880,000	100	79,968	5,519	3,687	
	Perfect & Outstanding Technology Inc.	No. 31, Gongye 2nd Road, Yantian Village, Annan District, Tainan City	Production and trading of renewable energy	40,000	40,000	2,500,000	17.34	19,839	(8,679)	(2,517)	
	Fuqing Nan Pao Investment Ltd.	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG 1110, British Virgin Islands.	General investment	166,699	166,699	4,990,000	100	244,581	12,335	12,335	
	Thai Nan Pao Investment Ltd.	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG 1110, British Virgin Islands.	General investment	169,909	169,909	5,282,000	100	191,994	2,963	2,963	
	Nan Pao Resins India Pvt Ltd.	204, Abhishek, off New Link Road, Andheri (W), Mumbai 400053, India	Trading of adhesives	159,118	100,439	12,112,640	100	46,904	(64,570)	(64,570)	
	Nan Pao Materials Resins India Private Limited	ROOM No.6, FLAT NO.3-D, FRONT BLOCK, 188 P H ROAD, Kilpauk, Perambur Purasawalkam, Chennai-600010, Tamil Nadu, India	Trading of adhesives	156,237	126,330	32,722,000	100	134,852	(1,539)	(1,539)	
	Nan Pao Materials Vietnam Co., Ltd.	LotA4, A5, A10, A11 Daden Industrial Park, Thu Dau Mot City, Binh Duong Province,Vietnam	Production and trading of adhesives and chemicals	685,094	685,094	-	100	1,666,287	175,239	174,601	
	Nan Pao Advanced Materials Vietnam Co., Ltd.	Phuc Son Industrial Area, Ninh Phuc Commune, Ninh Binh City, Ninh Binh province	Production and trading of adhesives and chemicals	465,970	465,970	-	100	805,590	88,669	88,669	
	Nan Pao Overseas Holdings Ltd.	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG 1110, British Virgin Islands.	General investment	4,956,136	4,854,419	15,804	100	7,019,614	165,212	168,798	
	Profit Land Limited	Equity Trust Chambers, P.O. Box 3269, Apia, Samoa	General investment	186,588	186,588	983,333	73.75	767,378	167,358	123,281	Nan Pao Resins Chemical Co., Ltd. and related companies hold 100% of voting shares
	All Saints Enterprises Ltd.	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG 1110, British Virgin Islands.	General investment	143,375	143,375	5,452,549	54.53	168,247	(14,063)	(7,669)	
	Ongoing Profits Ltd.	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG 1110, British Virgin Islands.	General investment	46,426	46,426	1,560,000	32.18	195,190	87,798	29,496	
	PT. Indo Nan Pao Resins Chemical Co., Ltd.	Jl. Pajajaran Raya No.44, Jatiuwung Tangerang 15137, Indonesia	Production and trading of adhesives	48,987	48,987	7,425,000	67.5	296,825	92,981	62,762	
	Nan Pao Philippines Export Inc.	Lot IL-2 Subic Bay Gateway Park Phase II, Subic Bay Freeport Zone	Trading of adhesives	14,993	14,993	25,750,000	100	21,655	1,550	1,550	
	Nan Pao Resins Chemical (Bangladesh) Co., Ltd.	House No, 42 5th floors, Lake drive Road, Sector 7, Ulttara, Dhaka	Trading of adhesives	19,322	19,322	663,625	100	1,502	(2,918)	(2,918)	
	Earnest Wealth Co., Ltd.	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	General investment	42,958	42,958	920,000	51.11	44,145	3,058	1,563	
	Nan Pao Resins International Ltd.	Room 13, 10th Floor, Block B, Tonic Industrial Centre, 19 Lam Hing Street, Kowloon Bay, Kowloon, Hong Kong	Trading of chemical substances and related products	6,804	6,804	1,000	100	15,009	2,270	2,270	
	Nan Pao Resins (HK) Ltd.	Room 13, 10th Floor, Block B, Tonic Industrial Centre, 19 Lam Hing Street, Kowloon Bay, Kowloon, Hong Kong	Production and trading of adhesives	363,753	363,753	13,400,000	100	336,606	22,471	30,044	
	Contact Biosolutions Pty Ltd	Suite 43, 45 Riversdale Roads, Hawthorn Victoria	Production and trading of herbicides	233,590	186,808	3,805	38.11	54,224	(45,122)	(15,556)	

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2025			Net (Loss) Income of the Investee	Share of (Loss) Profit (Note 1)	Note
				Ending Balance	Beginning Balance	Number of Shares	%	Carrying Amount			
ITLS International Development Co., Ltd.	Yun Teh Industrial Co., Ltd.	No. 131, Dafa Rd., Rende Dist., Tainan City	Production and trading of curing agents resin	\$ 399,000	\$ -	3,220,000	70	\$ 394,922	\$ 18,038	\$ 5,354	
	Spark Foamtech Enterprise Company Limited	Factory Lot D8, Street No. 10, Expanded Thuan Dao Industrial Park, Long Dinh Commune, Can Duoc District, Long An Province, Vietnam	Production and trading of footwear materials	83,512	-	-	100	68,751	(8,921)	(8,921)	
	ITLS Holding Pte. Ltd.	8 Boon Lay Way, #09-14, 8 @ Tradehub 21, Singapore 609964	General investment	502,822	502,822	22,064,549	100	102,208	3,008		
	Wealth Castle Development Ltd.	Room 13, 10th Floor, Block B, Tonic Industrial Centre, 19 Lam Hing Street, Kowloon Bay, Kowloon, Hong Kong	General investment	133,608 (USD 4,560,000)	133,608 (USD 4,560,000)	10,000	100	244,125	12,349		
Thai Nan Pao Investment Ltd.	Thai Nanpao Resins Chemical Co., Ltd.	412 Kor Soi, 1cBangpoo Industrial Tumbon Preaksa Ampur Muang Samutprakarn 10280, Thailand	Production and trading of adhesives	163,459 (USD 5,578,821)	163,459 (USD 5,578,821)	21,197,000	100	140,657	1,482		
Earnest Wealth Co., Ltd.	Apex Polytech Co., Ltd.	Lot T29-15A Street 7, Protrade International Industrial Park, An Tay Commune, Ben Cat Town, Binh Duong, Vietnam.	Production and trading of adhesives	62,995 (USD 2,150,000)	62,995 (USD 2,150,000)	-	100	62,478	3,264		
Nan Pao Overseas Holdings Ltd.	Nan Pao Group Holdings Ltd.	Vistra (Cayman) Limited P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands	General investment	3,751,432 (USD 128,035,234)	3,661,284 (USD 124,958,502)	128,035,234	100	6,251,020	164,406		
ITLS Holding Pte. Ltd.	PT. ITLS Indonesia	Jl. Pajajaran Raya No. 44, Kel. Gandasari, Kec. Jatiuwung, Tangerang-15137 Indonesia	Production and trading of construction materials	74,176 (USD 2,531,620)	74,176 (USD 2,531,620)	2,507,109	100	15,379	2,070		
Nan Pao Group Holdings Ltd.	ITLS Vietnam Co., Ltd.	No.16 Kim Dong Street, Ninh Xa Ward, Bac Ninh City, Bac Ninh Province	Production and trading of construction materials	127,557 (USD 4,353,487)	127,557 (USD 4,353,487)	-	100	84,197	1,196		
	Greatwill Materials (HK) Ltd.	Room 13, 10th Floor, Block B, Tonic Industrial Centre, 19 Lam Hing Street, Kowloon Bay, Kowloon, Hong Kong	General investment	36,918 (USD 1,260,000)	36,918 (USD 1,260,000)	7,172	100	573,067	57,578		
	Profit Land Limited	Equity Trust Chambers, P.O. Box 3269, Apia, Samoa	General investment	55,307 (USD 1,887,627)	55,307 (USD 1,887,627)	350,000	26.25	278,148	167,358		
	Nan Pao Resins (Holdings) Ltd.	P.O.Box 71, Craigmuir Chambers, Road Town, Tortola, British Virgin Islands	General investment	616,884 (USD 21,054,073)	616,884 (USD 21,054,073)	10,000	100	406,263	276		
	All Saints Enterprises Ltd.	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG 1110, British Virgin Islands.	General investment	156,259 (USD 5,333,075)	156,259 (USD 5,333,075)	4,547,451	45.47	140,293	(14,063)		
	NP Australia Pty Ltd.	Collins Square Tower Five Level 22, 727 Collins Street, Docklands VIC 3008	General investment	578,312 (AUD 30,214,354)	578,312 (AUD 30,214,354)	30,214,354	100	1,063,412	54,310		
	Ongoing Profits Ltd.	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG 1110, British Virgin Islands.	General investment	112,419 (USD 3,836,817)	112,419 (USD 3,836,817)	3,287,546	67.82	533,451	87,798		
	Treasure Wealth (HK) Ltd.	Room 13, 10th Floor, Block B, Tonic Industrial Centre, 19 Lam Hing Street, Kowloon Bay, Kowloon, Hong Kong	General investment	135,073 (USD 4,610,000)	135,073 (USD 4,610,000)	4,610	100	146,120	2,619		
	Goldford Investments Ltd.	Creque Building, P.O. Box 116, Road Town, Tortola, British Virgin Islands	General investment	17,136 (USD 584,844)	17,136 (USD 584,844)	486,000	100	147,819	3,451		
	Nan Pao Resins Chemical Philippines, Inc.	Road 22 Phase 11, Cogeo Village, Antipolo City, Philippines	Trading of adhesives	6,153 (USD 210,000)	6,153 (USD 210,000)	9,000	100	98,348	5,019		
	Profit Land Limited	Giant Profit Development Ltd.	General investment	234,400 (USD 8,000,000)	234,400 (USD 8,000,000)	10,000	100	1,045,737	165,028		
	Nan Pao Resins (Holdings) Ltd.	Eastlion Enterprises Ltd.	General investment	162,325 (USD 5,540,100)	162,325 (USD 5,540,100)	20,240	100	214,592	(8,627)		
	Nan Pao Resins Development Ltd.	P.O.Box 71, Craigmuir Chambers, Road Town, Tortola, British Virgin Islands	General investment	87,900 (USD 3,000,000)	87,900 (USD 3,000,000)	3,000	100	184,276	8,841		
	All Saints Enterprises Ltd.	Great Mount Enterprises Ltd.	General investment	293,000 (USD 10,000,000)	293,000 (USD 10,000,000)	10,000	100	304,464	(14,131)		
	NP Australia Pty Ltd.	RLA Polymers Pty Ltd.	Production and trading of construction materials and chemical substances	408,346 (AUD 21,334,344)	408,346 (AUD 21,334,344)	16,552,080	100	954,948	54,310		
	Ongoing Profits Ltd.	Rising Sun Associates Ltd.	General investment	142,033 (USD 4,847,546)	142,033 (USD 4,847,546)	3,000,000	100	785,259	87,785		
Treasure Wealth (HK) Ltd.	Noroo-Nan Pao Paints & Coatings (Vietnam) Co., Ltd.	Kcn Nhon Trach II, Xa Hiep Phuoc, Huyen Nhon Trach, Tinh Dong Nai, Vietnam	Production and trading of coatings	134,487 (USD 4,590,000)	134,487 (USD 4,590,000)	-	50	145,116	5,509		
Rising Sun Associates Ltd.	Nan Pao Resins (Vietnam) Enterprise Ltd.	10 Thong Nhat Boulevard, Song Than 2 Industrial Park Di An Town, Binh Duong Province, S.R Vietnam	Production and trading of adhesives	99,861 (USD 3,408,217)	99,861 (USD 3,408,217)	-	100	487,673	87,740		
RLA Polymers Pty Ltd.	RLA Polymers (M) SDN BHD	No.5, Lebuhraya Petai, Pandamaran, 42000 Port Klang, Selangor Darul Ehsan, Malaysia	Production and trading of construction materials and chemical substances	114,302 (AUD 5,971,801)	114,302 (AUD 5,971,801)	18,415,500	100	216,867	6,732		
	Australasian Tiling Adhesives Pty Ltd	3 Progress Court Laverton North VIC 3026	Production and trading of construction materials and chemical substances	86,131 (AUD 4,500,000)	86,131 (AUD 4,500,000)	4,500,000	100	95,432	5,419		
	Changshu Yu Bo Polymer Materials Co., Ltd.	Yu Po Chemical Co., Ltd.	Production and trading of adhesives and chemicals	16,372 (RMB 4,000,000)	16,372 (RMB 4,000,000)	5,000	100	8,244	1,159		

(Concluded)

Note 1: Only the amount of profit or loss recognized by the Company for each subsidiary directly invested and each investee company using the equity method should be shown, other information can be exempted.

Note 2: Please refer to Table 7 for information on investees in mainland China.

NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE SIX MONTHS ENDED JUNE 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 4)	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2025 (Note 4)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2025 (Note 4)	Net (Loss) Income of the Investee	% Ownership of Direct or Indirect Investment	Investment (Loss) Gain (Note 2)	Carrying Amount as of June 30, 2025	Accumulated Repatriation of Investment Income as of June 30, 2025
					Outward	Inward						
Nan Pao Resins (China) Co., Ltd.	Production and trading of adhesives and coatings	\$ 293,000 (USD 10,000,000)	(2) Great Mount Enterprises Ltd.	\$ 316,145 (USD 10,789,932)	\$ -	\$ -	\$ 316,145 (USD 10,789,932)	\$ (14,129)	100	\$ (14,129) (2)B.	\$ 304,350	\$ -
Fuqing Nan Pao Resins Co., Ltd.	Production and trading of adhesives	133,608 (USD 4,560,000)	(2) Wealth Castle Development Ltd.	146,207 (USD 4,990,000)	-	-	146,207 (USD 4,990,000)	12,435	100	12,435 (2)B.	243,941	222,197
Nan Pao Resins (Dongguan) Co., Ltd.	Processing of adhesive products	79,110 (USD 2,700,000)	(2) Eastlion Enterprises Ltd.	74,477 (USD 2,541,860)	-	-	74,477 (USD 2,541,860)	(7,119)	100	(7,119) (2)B.	174,073	-
Dongguan Jiaqin Electronics Co., Ltd.	Production and trading of coatings and advanced resins	87,900 (USD 3,000,000)	(2) Nan Pao Resins Development Ltd.	89,795 (USD 3,064,683)	-	-	89,795 (USD 3,064,683)	8,841	100	8,841 (2)B.	184,260	-
Foshan Nan Pao Advanced Materials Co., Ltd.	Production and trading of adhesives	98,231 (RMB 24,000,000)	(2) Greatwill Materials (HK) Ltd. and Nan Pao Resins (Foshan) Co., Ltd.	-	-	-	-	96,995	60.47	58,653 (2)B.	578,665	49,616
Nan Pao Resins (Foshan) Co., Ltd.	Production and trading of adhesives	234,400 (USD 8,000,000)	(2) Giant Profit Development Ltd.	228,177 (USD 7,787,627)	-	-	228,177 (USD 7,787,627)	165,026	100	165,026 (2)B.	1,044,733	1,365,114
Gangyi Electronic (Dongguan) Co., Ltd. (Note 5)	Production and trading of magnetic covers, magnetic rings, iron cores and electronic components	-	(2) Qang Yi Electronic Factory Company Ltd.	11,720 (USD 400,000)	-	-	11,720 (USD 400,000)	-	-	-	-	-
Nan Pao Advanced Investment Co., Ltd.	General investment	1,449,727 (USD 49,478,733)	(2) Nan Pao Group Holdings Ltd.	1,359,579 (USD 46,402,000)	90,148 (USD 3,076,733)	-	1,449,727 (USD 49,478,733)	(73,232)	100	(73,232) (2)B.	1,034,260	-
Nan Pao (Kunshan) Electronic Commerce Co., Ltd.	Online business agency and general merchandise trading	43,950 (USD 1,500,000)	(3) Nan Pao Advanced Investment Co., Ltd.	-	-	-	-	(29)	100	(29) (2)B.	4,957	-
Nan Pao New Materials Technology (Huaian) Co., Ltd.	Production and trading of carbon fiber	553,830 (USD 18,902,037)	(3) Nan Pao Advanced Investment Co., Ltd.	-	-	-	-	(70,519)	92.06	(65,486) (2)B.	241,444	-
Nan Pao Optoelectronic Materials (Kunshan) Co., Ltd.	Production and trading of adhesives and chemical substances	23,440 (USD 800,000)	(3) Nan Pao Advanced Investment Co., Ltd.	-	-	-	-	(852)	100	(852) (2)B.	8,264	-
Nan Pao Fine Chemical Materials (Anhui) Co., Ltd.	Production and trading of coatings and chemical substances	421,286 (USD 14,378,368)	(3) Nan Pao Advanced Investment Co., Ltd.	-	-	-	-	1,632	93.36	1,494 (2)B.	384,874	-
Changshu Yu Bo Polymer Materials Co., Ltd.	Production and trading of adhesives and chemical substances	190,450 (USD 6,500,000)	(3) Nan Pao Advanced Investment Co., Ltd.	-	-	-	-	13,934	70	(4,965) (2)B.	405,438	-

Accumulated Outward Remittance for Investments in Mainland China as of June 30, 2025 (Note 4)	Investment Amount Authorized by the Investment Commission, MOEA (Note 4)	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA (Note 3)
\$ 2,316,248 (USD 79,052,835)	\$ 4,050,652 (USD 138,247,525)	\$ 7,911,523

Note 1: The methods of investment in mainland China are divided into the following three categories (indicate the category number):

- (1) Direct investment in mainland China.
- (2) Investment in mainland China through companies in a third region (please specify investee company in third region).
- (3) Other methods.

Note 2: Recognized in the investment gain (loss) column in the current period:

- (1) If the Company is still in the preparation stage, and there is still no investment gain or loss, it should be disclosed.
- (2) The basis for recognition of investment gain (loss) which falls under the following 3 categories should be disclosed:

A. The financial statements were audited by an international accounting firm that has a business relationship with an accounting firm in the ROC.

B. The financial statements were audited by the CPA of the parent company in the ROC.

C. Others.

Note 3: The Company's investment limit in mainland China is calculated as follows:
\$13,185,872×60%=\$7,911,523

Note 4: Relevant amounts are calculated based on the exchange rate of US\$1 = NT\$29.30 at the end of the period.
Relevant amounts are calculated based on the exchange rate of RMB 1 = NT\$4.0930 at the end of the period.

Note 5: Gangyi Electronic (Dongguan) Co., Ltd. has already completed its liquidation procedures in October 2017, but its share proceeds have not been remitted to Taiwan; hence, it has not been deducted from the investment amount authorized by the Investment Commission, MOEA.

TABLE 8

NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

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 FOR THE SIX MONTHS ENDED JUNE 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Counterparty	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Unrealized Gain (Note)
			Purchases/Sales	Amount (Note)	% to Total	Payment Terms			Ending Balance (Note)	% to Total	
							Unit Price	Payment Terms			
Nan Pao Resins Chemical Co., Ltd.	Nan Pao Resins (Foshan) Co., Ltd.	Subsidiary	Sales	\$ (84,212)	(3)	Payment within 90 days	Similar to general transactions	Similar to general transactions	\$ 52,382	3	\$ 13,169
	Dongguan Jiaqin Electronics Co., Ltd.	Subsidiary	Sales	(40,955)	(1)	Payment within 90 days	Similar to general transactions	Similar to general transactions	22,413	1	7,173
Foshan Nan Pao Advanced Materials Co., Ltd.	Nan Pao Resins (Foshan) Co., Ltd.	Same ultimate Parent Company	Sales	(25,827)	(2)	Payment within 90 days	Similar to general transactions	Similar to general transactions	13,992	2	-
	PT. Indo Nan Pao Resins Chemical Co., Ltd.	Same ultimate Parent Company	Sales	(13,512)	(1)	Payment within 90 days	Similar to general transactions	Similar to general transactions	8,860	1	-
Nan Pao Resins (Dongguan) Co., Ltd.	Nan Pao Resins (HK) Ltd.	Same ultimate Parent Company	Processing revenue	(148,168)	(100)	Payment within 90 days	No comparable product sales for comparison	No third-party transaction for comparison	80,734	100	-
Nan Pao Resins (Foshan) Co., Ltd.	Fuqing Nan Pao Resins Co., Ltd.	Same ultimate Parent Company	Sales	(41,025)	(4)	Payment within 90 days	Similar to general transactions	Similar to general transactions	25,040	5	-
	Nan Pao Resins (China) Co., Ltd.	Same ultimate Parent Company	Sales	(23,443)	(2)	Payment within 90 days	Similar to general transactions	Similar to general transactions	11,056	2	-
Fuqing Nan Pao Resins Co., Ltd.	Nan Pao Resins (China) Co., Ltd.	Same ultimate Parent Company	Sales	(20,008)	(11)	Payment within 90 days	Similar to general transactions	Similar to general transactions	11,738	13	-
	Nan Pao Resins (Foshan) Co., Ltd.	Same ultimate Parent Company	Sales	(17,169)	(9)	Payment within 90 days	Similar to general transactions	Similar to general transactions	11,212	12	-

Note: The amounts, ending balances and unrealized gains were eliminated during the preparation of the consolidated financial statements.

TABLE 9

NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2025
(Amounts in Thousands of New Taiwan Dollars)**

No.	Company Name	Counterparty	Relationship (Note 1)	Transaction Details			
				Financial Statement Accounts	Amount (Note 2)	Payment Terms	% of Total Sales or Assets
0	Nan Pao Resins Chemical Co., Ltd.	Nan Pao Resins (Vietnam) Enterprise Ltd.	1	Accounts receivable - related parties	\$ 809,689		3
				Sales revenue	936,509	Calculated based on general transaction prices, telegraphic transfer within 90 days	8
		Nan Pao Resins (Foshan) Co., Ltd.	1	Accounts receivable - related parties	52,382		-
				Sales revenue	84,212	Calculated based on general transaction prices, telegraphic transfer within 90 days	1
		PT. Indo Nan Pao Resins Chemical Co., Ltd.	1	Accounts receivable - related parties	225,836		1
				Sales revenue	257,405	Calculated based on general transaction prices, telegraphic transfer within 90 days	2
		Nan Pao Materials Vietnam Co., Ltd.	1	Accounts receivable - related parties	37,796		-
				Sales revenue	155,047	Calculated based on general transaction prices, telegraphic transfer within 90 days	1
		ITLS International Development Co., Ltd.	1	Accounts receivable - related parties	19,232		-
				Sales revenue	36,410	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
		Nan Pao Advanced Materials Vietnam Co., Ltd.	1	Accounts receivable - related parties	65,706		-
				Sales revenue	216,652	Calculated based on general transaction prices, telegraphic transfer within 90 days	2
		Nan Pao Resins (HK) Ltd.	1	Sales revenue	22,420	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
		Nan Pao Advanced Materials Co., Ltd.	1	Accounts receivable - related parties	21,411		-
				Sales revenue	40,770	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
1	Nan Pao Resins (Vietnam) Enterprise Ltd.	Dongguan Jiaqin Electronics Co., Ltd.	1	Accounts receivable - related parties	22,413		-
				Sales revenue	40,955	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
		Spark Foamtech Enterprise Company Limited	1	Accounts receivable - related parties	37,358		-
				Sales revenue	45,029	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
		Yu Po Chemical Co., Ltd.	1	Sales revenue	16,782	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
		Nan Pao Group Holdings Ltd.	1	Other payables - related parties	615,300		2
1	Nan Pao Resins (Vietnam) Enterprise Ltd.	Nan Pao Overseas Holdings Ltd.	1	Other payables - related parties	849,700		3
		PT. Indo Nan Pao Resins Chemical Co., Ltd.	3	Accounts receivable - related parties	23,021		-
				Sales revenue	33,885	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
2	Nan Pao Resins (Foshan) Co., Ltd.	Nan Pao Resins International Ltd.	3	Accounts receivable - related parties	17,065		-
				Sales revenue	27,947	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
		Fuqing Nan Pao Resins Co., Ltd.	3	Accounts receivable - related parties	25,040		-
				Sales revenue	41,025	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
3	Nan Pao Resins (HK) Ltd.	Nan Pao Resins (China) Co., Ltd.	3	Sales revenue	23,443	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
		Nan Pao Resins (Dongguan) Co., Ltd.	3	Other payables - related parties	80,734		-
				Processing fee	148,168	No prices for similar products available for comparison, payment made 90 days from the date of the invoice	1
		Nan Pao Advanced Materials Vietnam Co., Ltd.	3	Accounts receivable - related parties	19,117		-
				Sales revenue	41,157	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
		Nan Pao Materials Vietnam Co., Ltd.	3	Accounts receivable - related parties	15,970		-
				Sales revenue	54,292	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
3	Nan Pao Resins (HK) Ltd.	PT. Indo Nan Pao Resins Chemical Co., Ltd.	3	Accounts receivable - related parties	20,220		-
				Sales revenue	25,720	Calculated based on general transaction prices, telegraphic transfer within 90 days	-

(Continued)

No.	Company Name	Counterparty	Relationship (Note 1)	Transaction Details			
				Financial Statement Accounts	Amount (Note 2)	Payment Terms	% of Total Sales or Assets
4	Nan Pao Materials Vietnam Co., Ltd.	Nan Pao Resins (Vietnam) Enterprise Ltd.	3	Sales revenue	\$ 15,072	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
		Nan Pao Philippines Export Inc.	3	Accounts receivable - related parties	13,237		-
				Sales revenue	24,870	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
		PT. Indo Nan Pao Resins Chemical Co., Ltd.	3	Accounts receivable - related parties	55,264		-
				Sales revenue	78,803	Calculated based on general transaction prices, telegraphic transfer within 90 days	1
		Nan Pao Advanced Materials Vietnam Co., Ltd.	3	Accounts receivable - related parties	24,518		-
				Sales revenue	43,248	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
		Nan Pao Resins (Vietnam) Enterprise Ltd.	3	Accounts receivable - related parties	19,706		-
5	Foshan Nan Pao Advanced Materials Co., Ltd.			Sales revenue	48,347	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
		Nan Pao Resins International Ltd.	3	Accounts receivable - related parties	21,416		-
				Sales revenue	34,523	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
		Nan Pao Resins (Foshan) Co., Ltd.	3	Accounts receivable - related parties	13,992		-
6	Nan Pao Advanced Materials Vietnam Co., Ltd.			Sales revenue	25,827	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
		PT. Indo Nan Pao Resins Chemical Co., Ltd.	3	Sales revenue	13,512	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
		Nan Pao Resins International Ltd.	3	Accounts receivable - related parties	106,472		-
7	Fuqing Nan Pao Resins Co., Ltd.			Sales revenue	157,723	Calculated based on general transaction prices, telegraphic transfer within 90 days	1
		Nan Pao Resins (Foshan) Co., Ltd.	3	Sales revenue	17,169	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
		Nan Pao Resins (China) Co., Ltd.	3	Sales revenue	20,008	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
8	FlexUP Technologies Corp.	Nan Pao Materials Vietnam Co., Ltd.	3	Sales revenue	56,884	Calculated based on general transaction prices, telegraphic transfer within 90 days	1
9	Nan Pao Fine Materials Co., Ltd.	Nan Pao Materials Vietnam Co., Ltd.	3	Sales revenue	47,541	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
		PT. Indo Nan Pao Resins Chemical Co., Ltd.	3	Sales revenue	30,129	Calculated based on general transaction prices, telegraphic transfer within 90 days	-

Note 1: Relationship with counterparty can be specified using the following three categories:

- (1) Parent Company to Subsidiaries.
- (2) Subsidiaries to Parent Company.
- (3) Between Subsidiaries.

Note 2: The amounts were eliminated during the preparation of the consolidated financial statements.

TABLE 10**NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES****CHANGES IN PROPERTY, PLANT AND EQUIPMENT
FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(In Thousands of New Taiwan Dollars)**

	Land	Land improvements	Buildings	Machinery	Transportation equipment	Miscellaneous equipment	Construction in progress	Total
<u>Cost</u>								
Balance on January 1, 2025	\$ 1,186,096	\$ 27,612	\$ 3,791,140	\$ 3,849,799	\$ 303,901	\$ 1,445,919	\$ 167,276	\$ 10,771,743
Acquisitions through business combinations	-	-	-	43,079	1,134	2,421	-	46,634
Additions	-	-	3,351	73,608	5,688	33,336	198,304	314,287
Disposals	-	-	-	(11,793)	(6,008)	(4,591)	-	(22,392)
Reclassification	-	-	16,651	16,166	47	21,140	(54,004)	-
Effects of foreign currency exchange differences	<u>(647)</u>	<u>(250)</u>	<u>(171,017)</u>	<u>(201,332)</u>	<u>(18,262)</u>	<u>(33,584)</u>	<u>(27,051)</u>	<u>(452,143)</u>
Balance on June 30, 2025	<u>\$ 1,185,449</u>	<u>\$ 27,362</u>	<u>\$ 3,640,125</u>	<u>\$ 3,769,527</u>	<u>\$ 286,500</u>	<u>\$ 1,464,641</u>	<u>\$ 284,525</u>	<u>\$ 10,658,129</u>
<u>Accumulated depreciation and impairment</u>								
Balance on January 1, 2025	\$ -	\$ 15,854	\$ 1,196,975	\$ 2,557,043	\$ 217,115	\$ 944,528	\$ -	\$ 4,931,515
Acquisitions through business combinations	-	-	-	37,585	878	2,043	-	40,506
Depreciation expenses	-	1,516	58,112	132,885	12,942	63,214	-	268,669
Disposals	-	-	-	(10,371)	(4,733)	(4,425)	-	(19,529)
Reclassification	-	-	-	(71)	-	71	-	-
Effects of foreign currency exchange differences	<u>-</u>	<u>(51)</u>	<u>(74,329)</u>	<u>(127,181)</u>	<u>(13,563)</u>	<u>(20,817)</u>	<u>-</u>	<u>(235,941)</u>
Balance on June 30, 2025	<u>\$ -</u>	<u>\$ 17,319</u>	<u>\$ 1,180,758</u>	<u>\$ 2,589,890</u>	<u>\$ 212,639</u>	<u>\$ 984,614</u>	<u>\$ -</u>	<u>\$ 4,985,220</u>
Carrying amount on December 31, 2024 and January 1, 2025	<u>\$ 1,186,096</u>	<u>\$ 11,758</u>	<u>\$ 2,594,165</u>	<u>\$ 1,292,756</u>	<u>\$ 86,786</u>	<u>\$ 501,391</u>	<u>\$ 167,276</u>	<u>\$ 5,840,228</u>
Carrying amount on June 30, 2025	<u>\$ 1,185,449</u>	<u>\$ 10,043</u>	<u>\$ 2,459,367</u>	<u>\$ 1,179,637</u>	<u>\$ 73,861</u>	<u>\$ 480,027</u>	<u>\$ 284,525</u>	<u>\$ 5,672,909</u>
<u>Cost</u>								
Balance on January 1, 2024	\$ 1,185,389	\$ 26,256	\$ 3,725,688	\$ 3,637,838	\$ 277,876	\$ 1,340,966	\$ 32,397	\$ 10,226,410
Additions	-	-	11,945	68,400	10,281	48,550	31,946	171,122
Disposals	-	-	(611)	(30,768)	(2,940)	(3,992)	(81)	(38,392)
Reclassification	-	-	-	11,259	-	2,830	(14,089)	-
Effects of foreign currency exchange differences	<u>(176)</u>	<u>-</u>	<u>67,726</u>	<u>81,903</u>	<u>4,380</u>	<u>11,651</u>	<u>1,507</u>	<u>166,991</u>
Balance on June 30, 2024	<u>\$ 1,185,213</u>	<u>\$ 26,256</u>	<u>\$ 3,804,748</u>	<u>\$ 3,768,632</u>	<u>\$ 289,597</u>	<u>\$ 1,400,005</u>	<u>\$ 51,680</u>	<u>\$ 10,526,131</u>
<u>Accumulated depreciation and impairment</u>								
Balance on January 1, 2024	\$ -	\$ 13,064	\$ 1,063,203	\$ 2,301,491	\$ 209,810	\$ 830,489	\$ -	\$ 4,418,057
Depreciation expenses	-	1,349	58,502	128,027	12,337	59,679	-	259,894
Disposals	-	-	(262)	(28,564)	(2,858)	(3,925)	-	(35,609)
Effects of foreign currency exchange differences	<u>-</u>	<u>(1)</u>	<u>27,183</u>	<u>48,110</u>	<u>2,885</u>	<u>6,818</u>	<u>-</u>	<u>84,995</u>
Balance on June 30, 2024	<u>\$ -</u>	<u>\$ 14,412</u>	<u>\$ 1,148,626</u>	<u>\$ 2,449,064</u>	<u>\$ 222,174</u>	<u>\$ 893,061</u>	<u>\$ -</u>	<u>\$ 4,727,337</u>
Carrying amount on June 30, 2024	<u>\$ 1,185,213</u>	<u>\$ 11,844</u>	<u>\$ 2,656,122</u>	<u>\$ 1,319,568</u>	<u>\$ 67,423</u>	<u>\$ 506,944</u>	<u>\$ 51,680</u>	<u>\$ 5,798,794</u>