

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

**Parent Company Only Financial Statements for the  
Years Ended December 31, 2025 and 2024 and  
Independent Auditors' Report**

## **INDEPENDENT AUDITORS' REPORT**

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

### **Opinion**

We have audited the accompanying parent company only financial statements of Nan Pao Resins Chemical Co., Ltd. (the "Company"), which comprise the parent company only balance sheets as of December 31, 2025 and 2024, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including material accounting policy information (collectively referred to as the "parent company only financial statements").

In our opinion, based on our audits and the report of other auditors (please refer to the Other Matter paragraph), the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2025 and 2024, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion based on our audits and the report of other auditors.

### **Key Audit Matters**

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

Key audit matter of the Company's parent company only financial statements for the year ended December 31, 2025 is stated as follows:

Authenticity of Revenue Recognition

As stated in Notes 4-m and 23, the Company's main source of revenue is revenue from the sale of adhesives and coatings. The sales amount of some customers changed significantly and was associated with other specific characteristics in 2025. We considered the materiality of this to the parent company only financial statements as well as the regulations in the auditing standards regarding the presumed significant risk in revenue recognition, and thus deemed the authenticity of revenue recognition of the aforementioned specific customers as a key audit matter.

The key audit procedures performed with respect to the aforementioned key audit matter are as follows:

1. We understood the design of the internal controls related to revenue recognition and tested on a sample basis its operating effectiveness.
2. We selected appropriate samples from the sales receipts of the aforementioned specific customers, and inspected the sales orders signed by external parties based on the revenue recognition terms, commercial invoices, bill of lading and collections of these customers to check whether the sales actually occurred.

**Other Matter**

Among the parent company only financial statements of the Company, the financial statements of some of the invested companies using the equity method were not audited by us, but were audited by other auditors. Our opinion, insofar as it relates to the amounts and related information, is based solely on the report of other auditors. The amounts of investments accounted for using the equity method were NT\$1,819,526 thousand and NT\$1,630,795 thousand as of December 31, 2025 and 2024, respectively, representing 8% and 7% of the total assets, respectively. Share of profit for using the equity method were NT\$158,497 thousand and NT\$116,622 thousand for the years ended December 31, 2025 and 2024, respectively, representing 5% and 4% of profit before tax, respectively.

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

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

Deloitte & Touche  
Taipei, Taiwan  
Republic of China  
March 12, 2026

#### Notice to Readers

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

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

# NAN PAO RESINS CHEMICAL CO., LTD.

## PARENT COMPANY ONLY BALANCE SHEETS DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

|                                                                                                 | December 31, 2025    |            | December 31, 2024    |            |
|-------------------------------------------------------------------------------------------------|----------------------|------------|----------------------|------------|
|                                                                                                 | Amount               | %          | Amount               | %          |
| <b>ASSETS</b>                                                                                   |                      |            |                      |            |
| <b>CURRENT ASSETS</b>                                                                           |                      |            |                      |            |
| Cash (Notes 4 and 6)                                                                            | \$ 633,222           | 3          | \$ 559,593           | 2          |
| Notes receivable (Notes 4, 10 and 23)                                                           | 139,837              | -          | 156,498              | 1          |
| Accounts receivable (Notes 4, 10 and 23)                                                        | 423,905              | 2          | 436,243              | 2          |
| Accounts receivable - related parties (Notes 4, 10, 23 and 31)                                  | 1,525,164            | 7          | 1,585,905            | 7          |
| Other receivables (Notes 4 and 31)                                                              | 108,285              | -          | 10,690               | -          |
| Inventories (Notes 4 and 11)                                                                    | 616,427              | 3          | 600,993              | 3          |
| Other current assets (Note 17)                                                                  | 36,729               | -          | 51,241               | -          |
| Total current assets                                                                            | 3,483,569            | 15         | 3,401,163            | 15         |
| <b>NON-CURRENT ASSETS</b>                                                                       |                      |            |                      |            |
| Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)             | 108,581              | -          | 131,474              | 1          |
| Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8) | 1,153,528            | 5          | 1,659,564            | 7          |
| Financial assets at amortized cost - non-current (Notes 4 and 9)                                | 13,676               | -          | 13,898               | -          |
| Investments accounted for using the equity method (Notes 4 and 12)                              | 14,987,434           | 66         | 14,272,169           | 63         |
| Property, plant and equipment (Notes 4 and 13)                                                  | 2,637,166            | 12         | 2,745,008            | 12         |
| Right-of-use assets (Notes 4 and 14)                                                            | 14,890               | -          | 21,836               | -          |
| Investment properties (Notes 4 and 15)                                                          | 17,760               | -          | 17,760               | -          |
| Other intangible assets (Notes 4 and 16)                                                        | 23,116               | -          | 25,333               | -          |
| Deferred tax assets (Notes 4 and 25)                                                            | 202,957              | 1          | 127,022              | 1          |
| Net defined benefit assets - non-current (Notes 4 and 21)                                       | 130,621              | 1          | 100,717              | 1          |
| Other non-current assets (Note 17)                                                              | 38,889               | -          | 17,296               | -          |
| Total non-current assets                                                                        | 19,328,618           | 85         | 19,132,077           | 85         |
| <b>TOTAL</b>                                                                                    | <u>\$ 22,812,187</u> | <u>100</u> | <u>\$ 22,533,240</u> | <u>100</u> |
| <b>LIABILITIES AND EQUITY</b>                                                                   |                      |            |                      |            |
| <b>CURRENT LIABILITIES</b>                                                                      |                      |            |                      |            |
| Short-term borrowings (Note 18)                                                                 | \$ 1,900,000         | 9          | \$ 2,350,870         | 11         |
| Contract liabilities - current (Notes 4 and 23)                                                 | 26,017               | -          | 8,442                | -          |
| Notes payable (Note 19)                                                                         | 77                   | -          | 64                   | -          |
| Accounts payable (Notes 19 and 31)                                                              | 523,387              | 2          | 510,884              | 2          |
| Other payables (Notes 20 and 31)                                                                | 2,185,179            | 10         | 2,232,765            | 10         |
| Current tax liabilities (Note 25)                                                               | 734,820              | 3          | 413,218              | 2          |
| Lease liabilities - current (Notes 4 and 14)                                                    | 3,763                | -          | 6,006                | -          |
| Other current liabilities (Notes 20 and 31)                                                     | 27,770               | -          | 24,903               | -          |
| Total current liabilities                                                                       | 5,401,013            | 24         | 5,547,152            | 25         |
| <b>NON-CURRENT LIABILITIES</b>                                                                  |                      |            |                      |            |
| Long-term borrowings (Note 18)                                                                  | 2,317,000            | 10         | 1,247,000            | 6          |
| Deferred tax liabilities (Notes 4 and 25)                                                       | 1,288,428            | 6          | 1,231,348            | 5          |
| Lease liabilities - non-current (Notes 4 and 14)                                                | 11,254               | -          | 16,151               | -          |
| Total non-current liabilities                                                                   | 3,616,682            | 16         | 2,494,499            | 11         |
| Total liabilities                                                                               | 9,017,695            | 40         | 8,041,651            | 36         |
| <b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 22)</b>                                   |                      |            |                      |            |
| Share capital - ordinary shares                                                                 | 1,205,707            | 5          | 1,205,707            | 5          |
| Capital surplus                                                                                 | 2,149,362            | 9          | 2,123,816            | 10         |
| Retained earnings                                                                               |                      |            |                      |            |
| Legal reserve                                                                                   | 2,070,613            | 9          | 1,808,236            | 8          |
| Special reserve                                                                                 | 313,321              | 1          | 313,321              | 1          |
| Unappropriated earnings                                                                         | 7,497,231            | 33         | 7,601,313            | 34         |
| Total retained earnings                                                                         | 9,881,165            | 43         | 9,722,870            | 43         |
| Other equity                                                                                    | 558,258              | 3          | 1,439,196            | 6          |
| Total equity                                                                                    | 13,794,492           | 60         | 14,491,589           | 64         |
| <b>TOTAL</b>                                                                                    | <u>\$ 22,812,187</u> | <u>100</u> | <u>\$ 22,533,240</u> | <u>100</u> |

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

(With Deloitte & Touche auditors' report dated March 12, 2026)

# NAN PAO RESINS CHEMICAL CO., LTD.

## PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

|                                                           | 2025             |           | 2024             |           |
|-----------------------------------------------------------|------------------|-----------|------------------|-----------|
|                                                           | Amount           | %         | Amount           | %         |
| OPERATING REVENUE (Notes 4, 23 and 31)                    | \$ 6,596,163     | 100       | \$ 6,926,576     | 100       |
| OPERATING COSTS (Notes 11, 21, 24 and 31)                 | <u>3,780,594</u> | <u>57</u> | <u>4,018,213</u> | <u>58</u> |
| GROSS PROFIT                                              | 2,815,569        | 43        | 2,908,363        | 42        |
| UNREALIZED GAIN ON TRANSACTIONS WITH<br>SUBSIDIARIES      | (368,719)        | (5)       | (417,472)        | (6)       |
| REALIZED GAIN ON TRANSACTIONS WITH<br>SUBSIDIARIES        | <u>417,472</u>   | <u>6</u>  | <u>296,982</u>   | <u>4</u>  |
| REALIZED GROSS PROFIT                                     | <u>2,864,322</u> | <u>44</u> | <u>2,787,873</u> | <u>40</u> |
| OPERATING EXPENSES (Notes 10, 21, 24 and 31)              |                  |           |                  |           |
| Selling and marketing expenses                            | 513,886          | 8         | 465,308          | 6         |
| General and administrative expenses                       | 405,653          | 6         | 410,883          | 6         |
| Research and development expenses                         | 267,883          | 4         | 258,452          | 4         |
| Expected credit loss (gain)                               | <u>1,106</u>     | <u>-</u>  | <u>(1,756)</u>   | <u>-</u>  |
| Total operating expenses                                  | <u>1,188,528</u> | <u>18</u> | <u>1,132,887</u> | <u>16</u> |
| PROFIT FROM OPERATIONS                                    | <u>1,675,794</u> | <u>26</u> | <u>1,654,986</u> | <u>24</u> |
| NON-OPERATING INCOME AND EXPENSES<br>(Notes 4, 12 and 24) |                  |           |                  |           |
| Interest income                                           | 8,053            | -         | 9,287            | -         |
| Other income                                              | 131,012          | 2         | 135,000          | 2         |
| Other gains and losses                                    | (18,114)         | -         | 68,452           | 1         |
| Finance costs                                             | (81,798)         | (1)       | (51,796)         | (1)       |
| Share of profit of subsidiaries and associates            | <u>1,290,499</u> | <u>19</u> | <u>1,405,108</u> | <u>21</u> |
| Total non-operating income and expenses                   | <u>1,329,652</u> | <u>20</u> | <u>1,566,051</u> | <u>23</u> |
| PROFIT BEFORE INCOME TAX                                  | 3,005,446        | 46        | 3,221,037        | 47        |
| INCOME TAX EXPENSE (Notes 4 and 25)                       | <u>563,500</u>   | <u>9</u>  | <u>536,776</u>   | <u>8</u>  |
| NET PROFIT FOR THE YEAR                                   | <u>2,441,946</u> | <u>37</u> | <u>2,684,261</u> | <u>39</u> |

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# NAN PAO RESINS CHEMICAL CO., LTD.

## PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

|                                                                                                       | 2025                |             | 2024                |           |
|-------------------------------------------------------------------------------------------------------|---------------------|-------------|---------------------|-----------|
|                                                                                                       | Amount              | %           | Amount              | %         |
| OTHER COMPREHENSIVE INCOME (LOSS)                                                                     |                     |             |                     |           |
| (Notes 21, 22 and 25)                                                                                 |                     |             |                     |           |
| Items that will not be reclassified subsequently to profit or loss:                                   |                     |             |                     |           |
| Remeasurement of defined benefit plans                                                                | \$ 23,082           | 1           | \$ 39,525           | -         |
| Unrealized loss on investments in equity instruments at fair value through other comprehensive income | (506,036)           | (8)         | (5,328)             | -         |
| Share of other comprehensive income (loss) of subsidiaries accounted for using the equity method      | (382)               | -           | 3,043               | -         |
| Income tax related to items that will not be reclassified subsequently to profit or loss              | (4,616)             | -           | (7,905)             | -         |
|                                                                                                       | <u>(487,952)</u>    | <u>(7)</u>  | <u>29,335</u>       | <u>-</u>  |
| Items that may be reclassified subsequently to profit or loss:                                        |                     |             |                     |           |
| Exchange differences on translation of the financial statements of foreign operations                 | (486,713)           | (7)         | 511,143             | 7         |
| Share of other comprehensive income of subsidiaries accounted for using the equity method             | 18,085              | -           | 1,878               | -         |
| Income tax related to items that may be reclassified subsequently to profit or loss                   | 93,726              | 1           | (102,604)           | (1)       |
|                                                                                                       | <u>(374,902)</u>    | <u>(6)</u>  | <u>410,417</u>      | <u>6</u>  |
| Other comprehensive income (loss) for the year, net of income tax                                     | <u>(862,854)</u>    | <u>(13)</u> | <u>439,752</u>      | <u>6</u>  |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR                                                               | <u>\$ 1,579,092</u> | <u>24</u>   | <u>\$ 3,124,013</u> | <u>45</u> |
| EARNINGS PER SHARE (Note 26)                                                                          |                     |             |                     |           |
| Basic                                                                                                 | <u>\$ 20.25</u>     |             | <u>\$ 22.26</u>     |           |
| Diluted                                                                                               | <u>\$ 20.20</u>     |             | <u>\$ 22.21</u>     |           |

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

(With Deloitte & Touche auditors' report dated March 12, 2026)

(Concluded)

NAN PAO RESINS CHEMICAL CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024  
(In Thousands of New Taiwan Dollars, Except Dividends Per Share )

|                                                                                                                                              | Retained Earnings   |                     |                     |                   |                         | Other Equity                                                                          |                                                                                                       | Total Other Equity | Total 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 |                    |                      |
| 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        |
| Appropriation of 2023 earnings (Note 22)                                                                                                     |                     |                     |                     |                   |                         |                                                                                       |                                                                                                       |                    |                      |
| Legal reserve                                                                                                                                | -                   | -                   | 242,947             | -                 | (242,947)               | -                                                                                     | -                                                                                                     | -                  | -                    |
| Cash dividends distributed by the Company - \$15 per share                                                                                   | -                   | -                   | -                   | -                 | (1,808,562)             | -                                                                                     | -                                                                                                     | -                  | (1,808,562)          |
| Net profit for the year ended December 31, 2024                                                                                              | -                   | -                   | -                   | -                 | 2,684,261               | -                                                                                     | -                                                                                                     | -                  | 2,684,261            |
| Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax                                                    | -                   | -                   | -                   | -                 | 32,622                  | 410,417                                                                               | (3,287)                                                                                               | 407,130            | 439,752              |
| Total comprehensive income (loss) for the year ended December 31, 2024                                                                       | -                   | -                   | -                   | -                 | 2,716,883               | 410,417                                                                               | (3,287)                                                                                               | 407,130            | 3,124,013            |
| Changes in ownership interests in subsidiaries                                                                                               | -                   | (5,691)             | -                   | -                 | -                       | -                                                                                     | -                                                                                                     | -                  | (5,691)              |
| Issuance of employee share options by subsidiaries                                                                                           | -                   | 4,616               | -                   | -                 | -                       | -                                                                                     | -                                                                                                     | -                  | 4,616                |
| Disposal of investments in equity instruments designated as at fair value through other comprehensive income                                 | -                   | -                   | -                   | -                 | (93,111)                | -                                                                                     | 93,111                                                                                                | 93,111             | -                    |
| BALANCE ON DECEMBER 31, 2024                                                                                                                 | 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           |
| Appropriation of 2024 earnings (Note 22)                                                                                                     |                     |                     |                     |                   |                         |                                                                                       |                                                                                                       |                    |                      |
| Legal reserve                                                                                                                                | -                   | -                   | 262,377             | -                 | (262,377)               | -                                                                                     | -                                                                                                     | -                  | -                    |
| Cash dividends distributed by the Company - \$19 per share                                                                                   | -                   | -                   | -                   | -                 | (2,290,845)             | -                                                                                     | -                                                                                                     | -                  | (2,290,845)          |
| Net profit for the year ended December 31, 2025                                                                                              | -                   | -                   | -                   | -                 | 2,441,946               | -                                                                                     | -                                                                                                     | -                  | 2,441,946            |
| Other comprehensive income (loss) for the year ended December 31, 2025, net of income tax                                                    | -                   | -                   | -                   | -                 | 18,084                  | (374,902)                                                                             | (506,036)                                                                                             | (880,938)          | (862,854)            |
| Total comprehensive income (loss) for the year ended December 31, 2025                                                                       | -                   | -                   | -                   | -                 | 2,460,030               | (374,902)                                                                             | (506,036)                                                                                             | (880,938)          | 1,579,092            |
| Arising from the difference between the consideration paid and the carrying amount of the subsidiaries' net assets during actual acquisition | -                   | (55)                | -                   | -                 | -                       | -                                                                                     | -                                                                                                     | -                  | (55)                 |
| Changes in ownership interests in subsidiaries                                                                                               | -                   | 2,407               | -                   | -                 | -                       | -                                                                                     | -                                                                                                     | -                  | 2,407                |
| Changes in capital surplus from investments in associates accounted for using the equity method                                              | -                   | 22,745              | -                   | -                 | (10,890)                | -                                                                                     | -                                                                                                     | -                  | 11,855               |
| Issuance of employee share options by subsidiaries                                                                                           | -                   | 449                 | -                   | -                 | -                       | -                                                                                     | -                                                                                                     | -                  | 449                  |
| BALANCE ON DECEMBER 31, 2025                                                                                                                 | <u>\$ 1,205,707</u> | <u>\$ 2,149,362</u> | <u>\$ 2,070,613</u> | <u>\$ 313,321</u> | <u>\$ 7,497,231</u>     | <u>\$ (383,836)</u>                                                                   | <u>\$ 942,094</u>                                                                                     | <u>\$ 558,258</u>  | <u>\$ 13,794,492</u> |

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

(With Deloitte & Touche auditors' report dated March 12, 2026)

# NAN PAO RESINS CHEMICAL CO., LTD.

## PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

|                                                                                                | 2025         | 2024         |
|------------------------------------------------------------------------------------------------|--------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES                                                           |              |              |
| Income before income tax                                                                       | \$ 3,005,446 | \$ 3,221,037 |
| Adjustments for:                                                                               |              |              |
| Depreciation expenses                                                                          | 253,465      | 234,408      |
| Amortization expenses                                                                          | 10,322       | 9,815        |
| Expected credit loss (reversed) recognized on accounts receivable                              | 1,106        | (1,756)      |
| Net loss (gain) on fair value changes of financial assets at fair value through profit or loss | 14,965       | (13,355)     |
| Finance costs                                                                                  | 81,798       | 51,796       |
| Interest income                                                                                | (8,053)      | (9,287)      |
| Dividend income                                                                                | (111,226)    | (108,914)    |
| Share of profit of subsidiaries and associates                                                 | (1,290,499)  | (1,405,108)  |
| Loss (gain) on disposal of property, plant and equipment                                       | 6,611        | (3,243)      |
| Write-down of inventories                                                                      | 2,064        | -            |
| Unrealized gain on the transactions with subsidiaries                                          | 368,719      | 417,472      |
| Realized gain on the transactions with subsidiaries                                            | (417,472)    | (296,982)    |
| Net gain on foreign currency exchange                                                          | -            | (63)         |
| Gain on lease modification                                                                     | (224)        | -            |
| Changes in operating assets and liabilities                                                    |              |              |
| Notes receivable                                                                               | 16,661       | 39,033       |
| Accounts receivable                                                                            | 11,232       | (51,682)     |
| Accounts receivable - related parties                                                          | 60,741       | (458,467)    |
| Other receivables                                                                              | 2,405        | 5,003        |
| Inventories                                                                                    | (17,498)     | 5,976        |
| Other current assets                                                                           | 14,512       | (30,492)     |
| Contract liabilities                                                                           | 17,575       | (4,974)      |
| Notes payable                                                                                  | 13           | (64)         |
| Accounts payable                                                                               | 12,503       | (197,547)    |
| Other payables                                                                                 | (63,232)     | 50,379       |
| Other current liabilities                                                                      | 2,867        | 3,494        |
| Net defined benefit plans                                                                      | (6,822)      | (6,604)      |
| Cash generated from operations                                                                 | 1,967,979    | 1,449,875    |
| Interest received                                                                              | 8,053        | 9,287        |
| Interest paid                                                                                  | (81,289)     | (49,204)     |
| Income tax paid                                                                                | (171,643)    | (446,648)    |
| Net cash generated from operating activities                                                   | 1,723,100    | 963,310      |
| CASH FLOWS FROM INVESTING ACTIVITIES                                                           |              |              |
| Net increase in financial assets at amortized cost                                             | -            | (195)        |
| Net decrease in financial assets at amortized cost                                             | 222          | -            |
| Proceeds from disposal of financial assets at fair value through profit or loss                | 7,928        | 3,810        |
| Acquisition of associates                                                                      | (172,582)    | (78,119)     |
| Net cash outflow on acquisition of subsidiaries                                                | (482,512)    | -            |

(Continued)

# NAN PAO RESINS CHEMICAL CO., LTD.

## PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

|                                                         | 2025               | 2024               |
|---------------------------------------------------------|--------------------|--------------------|
| Payments for property, plant and equipment              | \$ (184,128)       | \$ (199,576)       |
| Proceeds from disposal of property, plant and equipment | 8,030              | 3,909              |
| Payments for intangible assets                          | (3,754)            | (10,416)           |
| Dividends received                                      | <u>1,194,272</u>   | <u>736,249</u>     |
| Net cash generated from investing activities            | <u>367,476</u>     | <u>455,662</u>     |
| CASH FLOWS FROM FINANCING ACTIVITIES                    |                    |                    |
| Proceeds from short-term borrowings                     | 9,864,424          | 8,023,817          |
| Repayments of short-term borrowings                     | (10,315,294)       | (6,853,289)        |
| Proceeds from long-term borrowings                      | 2,580,000          | 867,000            |
| Repayments of long-term borrowings                      | (1,510,000)        | (306,912)          |
| Increase in other payables                              | -                  | 994,445            |
| Repayment of the principal portion of lease liabilities | (6,213)            | (6,510)            |
| Dividends paid                                          | (2,290,845)        | (1,808,562)        |
| Acquisition of additional interest in subsidiaries      | <u>(339,019)</u>   | <u>(2,778,204)</u> |
| Net cash used in financing activities                   | <u>(2,016,947)</u> | <u>(1,868,215)</u> |
| NET INCREASE (DECREASE) IN CASH                         | 73,629             | (449,243)          |
| CASH AT THE BEGINNING OF THE YEAR                       | <u>559,593</u>     | <u>1,008,836</u>   |
| CASH AT THE END OF THE YEAR                             | <u>\$ 633,222</u>  | <u>\$ 559,593</u>  |

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

(With Deloitte & Touche auditors' report dated March 12, 2026)

(Concluded)

# NAN PAO RESINS CHEMICAL CO., LTD.

## NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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### 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 parent company only financial statements are presented in the Company's functional currency, the New Taiwan dollar.

### 2. APPROVAL OF FINANCIAL STATEMENTS

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

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

- a. Initial application of the amendments to 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 amendments to the IFRS Accounting Standards endorsed and issued into effect by the FSC would not have material impact on the Company's accounting policies.

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

| New, Amended and Revised Standards and Interpretations                                                      | Effective Date<br>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” (including the 2020 and 2021 amendments to IFRS 17)                           | January 1, 2023                     |

As of the date the consolidated financial statements were authorized for issue, the Company has assessed that the application of other standards and interpretations will not have a material impact on the Company's financial position and financial performance.

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

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

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

#### IFRS 18 “Presentation and Disclosure in Financial Statements” and consequential amendments

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

- To classify items of income and expenses presented included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories, the Company shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.
- 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 Company 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 Company shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Company 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 Company as a whole, the Company 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.

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

- The Company shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.
- Interest and dividends received by the Company shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment,

the Company has a specific main operating activity, it shall determine how to classify dividends received, interest received and interest paid in the statement of cash flows by referring to how it classifies dividend income, interest income and interest expense in the statement of profit or loss. The total of each of these cash flows shall be classified in a single category in the statement of cash flows.

Except for the above impact, as of the date the financial statements were authorized for issue, the Company is continuously assessing other impacts of the above amended standards and interpretations on the Company'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**

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

##### **b. Basis of preparation**

The parent company only financial statements have been prepared on the historical cost basis except for financial instruments and contingent considerations assumed in business combinations 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 are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 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.

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

##### **c. Classification of current and non-current assets and liabilities**

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash unless the asset is restricted from being exchanged or used to settle a liability for at least 12

months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period; and
- 3) Liabilities for which the Company does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

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

d. Foreign currencies

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

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items denominated in foreign currencies and measured at historical cost are stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting parent company only financial statements, the functional currencies of the Company's foreign operations (including subsidiaries and associates in other countries that use currencies which are different from the currency of the Company) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

e. Inventories

Inventories consist of raw materials, supplies, goods, work in progress, finished goods and semi-finished goods, and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

f. Investments in subsidiaries

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

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

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

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

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

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business over the cost of acquisition is recognized immediately in profit or loss.

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

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

g. Investments in associates

An associate is an entity over which the Company has significant influence and which is neither a subsidiary nor an interest in a joint venture. The Company uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate. The Company also recognizes the changes in the Company's share of the equity of associates.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

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

surplus - changes in capital surplus from investments in associates accounted for using the equity method. If the Company's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

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

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

h. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in estimates accounted for on a prospective basis.

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

i. Investment properties

Investment properties are land held for a currently undetermined future use.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

j. Intangible assets

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

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

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

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment, right-of-use, investment properties and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

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

l. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

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

a) Measurement categories

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

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends and interest earned on such financial assets are recognized in other income and interest income, respectively; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 30.

ii. Financial assets at amortized cost

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

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

Subsequent to initial recognition, financial assets at amortized cost, including cash, accounts receivable (including related parties), other receivables, and investments in debt instruments, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

- i) Purchased or originated credit-impaired financial asset, for which interest income is calculated by applying the credit adjusted effective interest rate to the amortized cost of such financial assets; and
- ii) Financial asset that is not credit impaired on purchase or origination but has subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

- i) Significant financial difficulty of the issuer or the borrower;
- ii) Breach of contract, such as a default;
- iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or
- iv) The disappearance of an active market for that financial asset because of financial difficulties.

iii. Investments in equity instruments at FVTOCI

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

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

Dividends on these investments in equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly

represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable).

The Company always recognizes lifetime expected credit losses (ECLs) for accounts receivable. For all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

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

For internal credit risk management purposes, the Company considers the following situations as indication that a financial asset is in default (without taking into account any collateral held by the Company):

- i. Internal or external information show that the debtor is unlikely to pay its creditors.
- ii. Financial asset is more than 365 days past due unless the Company has reasonable and corroborative information to support a more lagged default criterion.

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

c) Derecognition of financial assets

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

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

### 3) Financial liabilities

#### a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

#### b) Derecognition of financial liabilities

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

### m. Revenue recognition

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

Revenue from the sale of goods comes from sales of adhesives and coatings. Sales of adhesives and coatings are recognized as revenue when reaching trade terms or after accepting because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Accounts receivables are recognized concurrently. Advance receipts are recognized as a contract liability until trade terms have been reached.

The Company does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

### n. Leases

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

#### 1) The Company as lessor

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

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

#### 2) The Company as lessee

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

Right-of-use assets are initially measured at cost, which includes the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date. Right-of-use assets are subsequently measured at cost less accumulated depreciation and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the parent company only balance sheets.

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

Lease liabilities are initially measured at the present value of the lease payments, which include fixed payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee's incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Company accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease; (b) making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the parent company only balance sheets.

o. Borrowing costs

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

p. Government grants

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants related to income are recognized in other income on a systematic basis over the periods in which the Company recognizes as expenses the related costs that the grants intend to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized in profit or loss in the period in which they are received.

The benefit of a government loan received at a below-market rate of interest is treated as a government grant measured as the difference between the proceeds received and the fair value of the loan based on prevailing market interest rates.

q. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit assets are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial

gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit assets represent the actual surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

r. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable is based on taxable profit for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

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

2) Deferred tax

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

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

### 3) Current and deferred taxes

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

## 5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Management reviews the estimates and underlying assumptions on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

The accounting policies adopted by the Company do not involve material accounting judgements and estimation.

## 6. CASH

|                                       | <b>December 31</b> |                   |
|---------------------------------------|--------------------|-------------------|
|                                       | <b>2025</b>        | <b>2024</b>       |
| Cash on hand                          | \$ 917             | \$ 917            |
| Checking accounts and demand deposits | <u>632,305</u>     | <u>558,676</u>    |
|                                       | <u>\$ 633,222</u>  | <u>\$ 559,593</u> |

## 7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

|                                                     | <b>December 31</b> |                   |
|-----------------------------------------------------|--------------------|-------------------|
|                                                     | <b>2025</b>        | <b>2024</b>       |
| <u>Financial assets at FVTPL - non-current</u>      |                    |                   |
| Financial assets mandatorily classified as at FVTPL |                    |                   |
| Non-derivative financial assets                     |                    |                   |
| Limited partnership                                 | <u>\$ 108,581</u>  | <u>\$ 131,474</u> |

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

|                        | <b>December 31</b>  |                     |
|------------------------|---------------------|---------------------|
|                        | <b>2025</b>         | <b>2024</b>         |
| Emerging market shares | \$ 19,498           | \$ 24,177           |
| Unlisted shares        | <u>1,134,030</u>    | <u>1,635,387</u>    |
|                        | <u>\$ 1,153,528</u> | <u>\$ 1,659,564</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 Company's strategy of holding these investments for long-term purposes.

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

**9. FINANCIAL ASSETS AT AMORTIZED COST - NON-CURRENT**

|                     | <b>December 31</b> |                  |
|---------------------|--------------------|------------------|
|                     | <b>2025</b>        | <b>2024</b>      |
| Refundable deposits | <u>\$ 13,676</u>   | <u>\$ 13,898</u> |

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

|                                                        | <b>December 31</b>  |                     |
|--------------------------------------------------------|---------------------|---------------------|
|                                                        | <b>2025</b>         | <b>2024</b>         |
| <u>Notes receivable</u>                                |                     |                     |
| At amortized cost                                      |                     |                     |
| Notes receivable - operating                           | <u>\$ 139,837</u>   | <u>\$ 156,498</u>   |
| <u>Accounts receivable (including related parties)</u> |                     |                     |
| At amortized cost                                      |                     |                     |
| Gross carrying amount                                  | \$ 1,954,955        | \$ 2,026,928        |
| Less: Allowance for impairment loss                    | <u>5,886</u>        | <u>4,780</u>        |
|                                                        | <u>\$ 1,949,069</u> | <u>\$ 2,022,148</u> |

a. Notes receivable

As of December 31, 2025 and 2024, the notes receivable analyzed by the Company based on the past due days were not overdue, and the Company 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 days to 150 days, and no interest was charged on accounts receivable. In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to

ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the year to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Company's credit risk was significantly reduced.

The Company measures the loss allowance for accounts receivable at an amount equal to lifetime ECLs. The expected credit losses on accounts receivables are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, as well as industry outlook. As the Company'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 Company's different customer base.

The Company writes off an 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 Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

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

#### December 31, 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      | 0.03%               | 0.58%-4%          | 8%-21%           | 28%-47%         | 60%-100%        | 100%          |                     |
| Gross carrying amount          | \$ 1,353,116        | \$ 540,467        | \$ 54,630        | \$ 2,502        | \$ 1,590        | \$ 2,650      | \$ 1,954,955        |
| Loss allowance (Lifetime ECLs) | (112)               | (531)             | (52)             | (1,163)         | (1,378)         | (2,650)       | (5,886)             |
| Amortized cost                 | <u>\$ 1,353,004</u> | <u>\$ 539,936</u> | <u>\$ 54,578</u> | <u>\$ 1,339</u> | <u>\$ 212</u>   | <u>\$ -</u>   | <u>\$ 1,949,069</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      | 0.03%               | 0.58%-4%          | 8%-21%          | 28%-47%         | 60%-100%        | 100%          |                     |
| Gross carrying amount          | \$ 1,441,391        | \$ 577,668        | \$ 3,677        | \$ 1            | \$ 1,074        | \$ 3,117      | \$ 2,026,928        |
| Loss allowance (Lifetime ECLs) | (123)               | (299)             | (289)           | -               | (952)           | (3,117)       | (4,780)             |
| Amortized cost                 | <u>\$ 1,441,268</u> | <u>\$ 577,369</u> | <u>\$ 3,388</u> | <u>\$ 1</u>     | <u>\$ 122</u>   | <u>\$ -</u>   | <u>\$ 2,022,148</u> |

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

|                        | <u>For the Year Ended December 31</u> |                 |
|------------------------|---------------------------------------|-----------------|
|                        | <u>2025</u>                           | <u>2024</u>     |
| Balance on January 1   | \$ 4,780                              | \$ 15,361       |
| Net remeasurement      | 1,106                                 | (1,756)         |
| Amounts written off    | <u>-</u>                              | <u>(8,825)</u>  |
| Balance on December 31 | <u>\$ 5,886</u>                       | <u>\$ 4,780</u> |

## 11. INVENTORIES

|                                        | December 31       |                   |
|----------------------------------------|-------------------|-------------------|
|                                        | 2025              | 2024              |
| Goods                                  | \$ 6,943          | \$ 4,985          |
| Finished goods and semi-finished goods | 254,288           | 261,085           |
| Work in progress                       | 38,855            | 48,328            |
| Raw materials and supplies             | <u>316,341</u>    | <u>286,595</u>    |
|                                        | <u>\$ 616,427</u> | <u>\$ 600,993</u> |

The nature of the cost of goods sold is as follows:

|                          | For the Year Ended December 31 |                     |
|--------------------------|--------------------------------|---------------------|
|                          | 2025                           | 2024                |
| Cost of inventories sold | \$ 3,771,919                   | \$ 4,021,456        |
| Inventory write-downs    | 2,064                          | -                   |
| Others                   | <u>6,611</u>                   | <u>(3,243)</u>      |
|                          | <u>\$ 3,780,594</u>            | <u>\$ 4,018,213</u> |

## 12. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

|                             | December 31          |                      |
|-----------------------------|----------------------|----------------------|
|                             | 2025                 | 2024                 |
| Investments in subsidiaries | \$ 14,786,598        | \$ 14,214,961        |
| Investments in associates   | <u>200,836</u>       | <u>57,208</u>        |
|                             | <u>\$ 14,987,434</u> | <u>\$ 14,272,169</u> |

### a. Investments in subsidiaries

|                                                | December 31  |              |
|------------------------------------------------|--------------|--------------|
|                                                | 2025         | 2024         |
| Name of Subsidiaries                           |              |              |
| Nan Pao Overseas Holdings Ltd.                 | \$ 7,609,140 | \$ 7,682,741 |
| Nan Pao Materials Vietnam Co., Ltd.            | 1,979,007    | 1,849,650    |
| Profit Land Limited                            | 1,012,450    | 1,030,107    |
| Nan Pao Advanced Materials Vietnam Co., Ltd.   | 943,652      | 837,033      |
| Prince Pharmaceutical Co., Ltd.                | 439,751      | 390,462      |
| Nan Pao Resins (HK) Ltd.                       | 384,340      | 349,071      |
| PT. Indo Nan Pao Resins Chemical Co., Ltd.     | 338,736      | 318,936      |
| ITLS International Development Co., Ltd.       | 170,521      | 294,306      |
| Fuqing Nan Pao Investment Ltd.                 | 286,837      | 255,263      |
| Thai Nan Pao Investment Ltd.                   | 210,540      | 203,835      |
| All Saints Enterprises Ltd.                    | 167,833      | 195,375      |
| Ongoing Profits Ltd.                           | 147,407      | 192,917      |
| Nan Pao Chemical Co., Ltd.                     | 165,067      | 189,206      |
| Nan Pao Materials Resins India Private Limited | 136,888      | 121,077      |
|                                                |              | (Continued)  |

|                                                | <b>December 31</b>   |                      |
|------------------------------------------------|----------------------|----------------------|
|                                                | <b>2025</b>          | <b>2024</b>          |
| FlexUP Technologies Corp.                      | \$ 95,194            | \$ 76,282            |
| Nan Pao Resins India Pvt Ltd.                  | 61,583               | 55,116               |
| Earnest Wealth Co., Ltd.                       | 48,643               | 47,374               |
| Nan Pao Fine Materials Co., Ltd.               | 36,839               | 37,451               |
| Nan Pao Philippines Export Inc.                | 24,234               | 22,027               |
| Biorich Biotechnology Co., Ltd.                | 27,773               | 16,863               |
| Nan Pao Resins International Ltd.              | 11,641               | 14,635               |
| Phymed Bio-Tec Co., Ltd.                       | 5,093                | 11,015               |
| Nan Pao Advanced Materials Co., Ltd.           | 15,164               | 10,773               |
| Nan Pao Application Material Co., Ltd.         | 8,706                | 8,673                |
| Nan Pao Resins Chemical (Bangladesh) Co., Ltd. | 4,681                | 4,773                |
| Yun Teh Industrial Co., Ltd.                   | 405,814              | -                    |
| Spark Foamtech Enterprise Company Limited      | 49,064               | -                    |
|                                                | <u>\$ 14,786,598</u> | <u>\$ 14,214,961</u> |
|                                                |                      | (Concluded)          |

|                                                | <b>Proportion of Ownership and Voting Rights</b> |             |
|------------------------------------------------|--------------------------------------------------|-------------|
|                                                | <b>December 31</b>                               |             |
|                                                | <b>2025</b>                                      | <b>2024</b> |
| Name of Subsidiaries                           |                                                  |             |
| Nan Pao Overseas Holdings Ltd.                 | 100%                                             | 100%        |
| Nan Pao Materials Vietnam Co., Ltd.            | 100%                                             | 100%        |
| Profit Land Limited                            | 73.75%                                           | 73.75%      |
| Nan Pao Advanced Materials Vietnam Co., Ltd.   | 100%                                             | 100%        |
| Prince Pharmaceutical Co., Ltd.                | 48.52%                                           | 49.53%      |
| Nan Pao Resins (HK) Ltd.                       | 100%                                             | 100%        |
| PT. Indo Nan Pao Resins Chemical Co., Ltd.     | 67.5%                                            | 67.5%       |
| ITLS International Development Co., Ltd.       | 100%                                             | 100%        |
| Fuqing Nan Pao Investment Ltd.                 | 100%                                             | 100%        |
| Thai Nan Pao Investment Ltd.                   | 100%                                             | 100%        |
| All Saints Enterprises Ltd.                    | 54.53%                                           | 54.53%      |
| Ongoing Profits Ltd.                           | 32.18%                                           | 32.18%      |
| Nan Pao Chemical Co., Ltd.                     | 100%                                             | 100%        |
| Nan Pao Materials Resins India Private Limited | 100%                                             | 100%        |
| FlexUP Technologies Corp.                      | 100%                                             | 100%        |
| Nan Pao Resins India Pvt Ltd.                  | 100%                                             | 100%        |
| Earnest Wealth Co., Ltd.                       | 51.11%                                           | 51.11%      |
| Nan Pao Fine Materials Co., Ltd.               | 55%                                              | 55%         |
| Nan Pao Philippines Export Inc.                | 100%                                             | 100%        |
| Biorich Biotechnology Co., Ltd.                | 57.1%                                            | 57.1%       |
| Nan Pao Resins International Ltd.              | 100%                                             | 100%        |
| Phymed Bio-Tec Co., Ltd.                       | 100%                                             | 100%        |
| Nan Pao Advanced Materials Co., Ltd.           | 70%                                              | 70%         |
| Nan Pao Application Material Co, Ltd.          | 100%                                             | 100%        |
| Nan Pao Resins Chemical (Bangladesh) Co., Ltd. | 100%                                             | 100%        |
| Yun Teh Industrial Co., Ltd.                   | 70%                                              | -           |
| Spark Foamtech Enterprise Company Limited      | 100%                                             | -           |

Refer to Tables 6 and 7 for details of the indirect investments in subsidiaries.

b. Investment in associates

|                                               | <b>December 31</b> |                  |
|-----------------------------------------------|--------------------|------------------|
|                                               | <b>2025</b>        | <b>2024</b>      |
| Investments in associates                     |                    |                  |
| Associates that are not individually material | \$ <u>200,836</u>  | \$ <u>57,208</u> |

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

|                                                             | <b>For the Year Ended December 31</b> |                    |
|-------------------------------------------------------------|---------------------------------------|--------------------|
|                                                             | <b>2025</b>                           | <b>2024</b>        |
| The Company's share of:                                     |                                       |                    |
| Net loss and total comprehensive income (loss) for the year | \$ <u>(40,449)</u>                    | \$ <u>(51,223)</u> |

In December 2024, the Company did not subscribe to the issuance of ordinary share for cash of Contact Biosolutions Pty Ltd. resulting in a increase in the shareholding ratio from 17.16% to 31.6%. This had a profound impact on the Company, the investment is consequently reclassified from financial assets measured at fair value through other comprehensive income to investments accounted for under the equity method.

### 13. PROPERTY, PLANT AND EQUIPMENT

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

|                          |            |
|--------------------------|------------|
| Land improvements        | 3-15 years |
| Buildings                | 2-55 years |
| Machinery                | 2-30 years |
| Transportation equipment | 2-20 years |
| Miscellaneous equipment  | 2-20 years |

Refer to Table 9 for the detailed information of changes in property, plant and equipment.

No impairment assessment was performed for the year ended December 31, 2025 and 2024 as there were no indications of impairment.

As of December 31, 2025 and 2024, all of the Company's property, plant and equipment were not pledged as collateral.

## 14. LEASE ARRANGEMENTS

### a. Right-of-use assets

|                                      | <b>Buildings</b> |
|--------------------------------------|------------------|
| <u>Cost</u>                          |                  |
| Balance on January 1, 2025           | \$ 41,957        |
| Additions                            | 5,423            |
| Disposition                          | <u>(28,435)</u>  |
| Balance on December 31, 2025         | <u>\$ 18,945</u> |
| <u>Accumulated Depreciation</u>      |                  |
| Balance on January 1, 2025           | \$ 20,121        |
| Depreciation expenses                | 6,243            |
| Disposition                          | <u>(22,309)</u>  |
| Balance on December 31, 2025         | <u>\$ 4,055</u>  |
| Carrying amount at December 31, 2025 | <u>\$ 14,890</u> |
| <u>Cost</u>                          |                  |
| Balance on January 1, 2024           | \$ 42,153        |
| Additions                            | 13,522           |
| Disposition                          | <u>(13,718)</u>  |
| Balance on December 31, 2024         | <u>\$ 41,957</u> |
| <u>Accumulated Depreciation</u>      |                  |
| Balance on January 1, 2024           | \$ 27,366        |
| Depreciation expenses                | 6,473            |
| Disposition                          | <u>(13,718)</u>  |
| Balance on December 31, 2024         | <u>\$ 20,121</u> |
| Carrying amount on December 31, 2024 | <u>\$ 21,836</u> |

### b. Lease liabilities

|                        | <u>December 31</u> |                  |
|------------------------|--------------------|------------------|
|                        | 2025               | 2024             |
| <u>Carrying amount</u> |                    |                  |
| Current                | <u>\$ 3,763</u>    | <u>\$ 6,006</u>  |
| Non-current            | <u>\$ 11,254</u>   | <u>\$ 16,151</u> |

Range of discount rate for lease liabilities was as follows:

|           | <b>December 31</b> |             |
|-----------|--------------------|-------------|
|           | <b>2025</b>        | <b>2024</b> |
| Buildings | 1.78%-1.84%        | 0.81%-1.78% |

c. Other lease information

|                                             | <b>For the Year Ended December 31</b> |                  |
|---------------------------------------------|---------------------------------------|------------------|
|                                             | <b>2025</b>                           | <b>2024</b>      |
| Expenses relating to short-term leases      | <u>\$ 1,858</u>                       | <u>\$ 2,138</u>  |
| Expenses relating to low-value asset leases | <u>\$ 1,747</u>                       | <u>\$ 1,958</u>  |
| Total cash outflow for leases               | <u>\$ 10,123</u>                      | <u>\$ 10,816</u> |

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

## 15. INVESTMENT PROPERTIES

|                                       | <b>Land</b>      |
|---------------------------------------|------------------|
| Balance on December 31, 2025 and 2024 | <u>\$ 17,760</u> |

Investment properties measured at fair value were \$174,559 thousand and \$180,945 thousand, respectively, as of December 31, 2025 and 2024. For investment properties not valued by any independent valuer, the Company's management determined their fair values with reference to the closing prices of similar properties in the vicinity of the Company's investment properties.

These investment properties were not pledged as collateral.

## 16. OTHER INTANGIBLE ASSETS

|                                      | <b>Computer Software</b> | <b>Others</b>    | <b>Total</b>      |
|--------------------------------------|--------------------------|------------------|-------------------|
| <u>Cost</u>                          |                          |                  |                   |
| Balance on January 1, 2025           | \$ 75,362                | \$ 22,300        | \$ 97,662         |
| Additions                            | <u>8,105</u>             | <u>-</u>         | <u>8,105</u>      |
| Balance on December 31, 2025         | <u>\$ 83,467</u>         | <u>\$ 22,300</u> | <u>\$ 105,767</u> |
| <u>Accumulated amortization</u>      |                          |                  |                   |
| Balance on January 1, 2025           | \$ 59,196                | \$ 13,133        | \$ 72,329         |
| Amortization expenses                | <u>8,092</u>             | <u>2,230</u>     | <u>10,322</u>     |
| Balance on December 31, 2025         | <u>\$ 67,288</u>         | <u>\$ 15,363</u> | <u>\$ 82,651</u>  |
| Carrying amount on December 31, 2025 | <u>\$ 16,179</u>         | <u>\$ 6,937</u>  | <u>\$ 23,116</u>  |

(Continued)

|                                      | <b>Computer<br/>Software</b> | <b>Others</b>    | <b>Total</b>     |
|--------------------------------------|------------------------------|------------------|------------------|
| <u>Cost</u>                          |                              |                  |                  |
| Balance on January 1, 2024           | \$ 64,946                    | \$ 22,300        | \$ 87,246        |
| Additions                            | <u>10,416</u>                | <u>-</u>         | <u>10,416</u>    |
| Balance on December 31, 2024         | <u>\$ 75,362</u>             | <u>\$ 22,300</u> | <u>\$ 97,662</u> |
| <u>Accumulated amortization</u>      |                              |                  |                  |
| Balance on January 1, 2024           | \$ 51,611                    | \$ 10,903        | \$ 62,514        |
| Amortization expenses                | <u>7,585</u>                 | <u>2,230</u>     | <u>9,815</u>     |
| Balance on December 31, 2024         | <u>\$ 59,196</u>             | <u>\$ 13,133</u> | <u>\$ 72,329</u> |
| Carrying amount on December 31, 2024 | <u>\$ 16,166</u>             | <u>\$ 9,167</u>  | <u>\$ 25,333</u> |
|                                      |                              |                  | (Concluded)      |

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

|                   |          |
|-------------------|----------|
| Computer software | 2-5years |
| Others            | 10years  |

## 17. OTHER ASSETS

|                           | <b>December 31</b> |                  |
|---------------------------|--------------------|------------------|
|                           | <b>2025</b>        | <b>2024</b>      |
| <u>Current</u>            |                    |                  |
| Prepaid expenses          | \$ 33,793          | \$ 24,015        |
| Prepayments               | 956                | 25,170           |
| Others                    | <u>1,980</u>       | <u>2,056</u>     |
|                           | <u>\$ 36,729</u>   | <u>\$ 51,241</u> |
| <u>Non-Current</u>        |                    |                  |
| Prepayments for equipment | <u>\$ 38,889</u>   | <u>\$ 17,296</u> |

## 18. BORROWINGS

### a. Short-term borrowings

|                             | <b>December 31</b>  |                     |
|-----------------------------|---------------------|---------------------|
|                             | <b>2025</b>         | <b>2024</b>         |
| <u>Unsecured borrowings</u> |                     |                     |
| Unsecured bank loans        | <u>\$ 1,900,000</u> | <u>\$ 2,350,870</u> |

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

|                             | December 31  |              |
|-----------------------------|--------------|--------------|
|                             | 2025         | 2024         |
| Unsecured bank loans        | 1.78%-1.84%  | 1.74%-2.025% |
| b. Long-term borrowings     |              |              |
|                             | December 31  |              |
|                             | 2025         | 2024         |
| Unsecured bank loans (Note) | \$ 2,317,000 | \$ 1,247,000 |

Note: Long-term borrowings mentioned above will expire in September 2031, and payments of interest and principal are made on schedule. As of December 31, 2025 and 2024, was 1.81%-1.86% and 1.82%-1.96% per annum, respectively.

## 19. NOTES PAYABLE AND ACCOUNTS PAYABLE

|                         | December 31 |            |
|-------------------------|-------------|------------|
|                         | 2025        | 2024       |
| <u>Notes Payable</u>    |             |            |
| Operating               | \$ 77       | \$ 64      |
| <u>Accounts Payable</u> |             |            |
| Operating               | \$ 523,387  | \$ 510,884 |

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

## 20. OTHER LIABILITIES

|                                         | December 31 |            |
|-----------------------------------------|-------------|------------|
|                                         | 2025        | 2024       |
| Other payables                          |             |            |
| Payables for salaries and bonuses       | \$ 236,109  | \$ 253,474 |
| Payables for compensation of employees  | 77,064      | 81,120     |
| Payables for purchases of equipment     | 22,302      | 26,465     |
| Payables for annual leave               | 25,758      | 23,479     |
| Payables for remuneration of directors  | 32,604      | 34,320     |
| Payables for repair expenses            | 12,018      | 9,756      |
| Payables for export and import expenses | 9,344       | 12,217     |
| Payables for hydro and gas              | 16,616      | 17,537     |
| Payables for professional service fees  | 24,771      | 20,580     |
| Payables for commission                 | 25,043      | 16,830     |
| Payables for labor and health insurance | 11,044      | 10,584     |
| Payables for shipping expenses          | 7,768       | 8,816      |

(Continued)

|                                                  | <b>December 31</b>  |                     |
|--------------------------------------------------|---------------------|---------------------|
|                                                  | <b>2025</b>         | <b>2024</b>         |
| Payables for investments                         | \$ 19,711           | \$ -                |
| Payables to related parties - financing provided | 1,571,500           | 1,639,250           |
| Others                                           | <u>93,527</u>       | <u>78,337</u>       |
|                                                  | <u>\$ 2,185,179</u> | <u>\$ 2,232,765</u> |
| Other liabilities                                |                     |                     |
| Refund liabilities                               | \$ 24,638           | \$ 21,359           |
| Others                                           | <u>3,132</u>        | <u>3,544</u>        |
|                                                  | <u>\$ 27,770</u>    | <u>\$ 24,903</u>    |

(Concluded)

## 21. RETIREMENT BENEFIT PLANS

### a. Defined contribution plan

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

### b. Defined benefit plans

The defined benefit plans adopted by the Company in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contribute amounts equal to 15% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Company's defined benefit plans are as follows:

|                                             | <b>December 31</b>  |                     |
|---------------------------------------------|---------------------|---------------------|
|                                             | <b>2025</b>         | <b>2024</b>         |
| Present value of defined benefit obligation | \$ 252,370          | \$ 260,348          |
| Fair value of plan assets                   | <u>(382,991)</u>    | <u>(361,065)</u>    |
| Net defined benefit assets                  | <u>\$ (130,621)</u> | <u>\$ (100,717)</u> |

Movements in net defined benefit assets were as follows:

|                                                                       | <b>Present Value of<br/>the Defined<br/>Benefit<br/>Obligation</b> | <b>Fair Value of the<br/>Plan Assets</b> | <b>Net Defined<br/>Benefit Assets</b> |
|-----------------------------------------------------------------------|--------------------------------------------------------------------|------------------------------------------|---------------------------------------|
| Balance on January 1, 2024                                            | \$ 285,896                                                         | \$ (340,484)                             | \$ (54,588)                           |
| Service cost                                                          |                                                                    |                                          |                                       |
| Current service cost                                                  | 1,089                                                              | -                                        | 1,089                                 |
| Net interest expense (income)                                         | 3,348                                                              | (4,105)                                  | (757)                                 |
| Recognized in profit or loss                                          | 4,437                                                              | (4,105)                                  | 332                                   |
| Remeasurement                                                         |                                                                    |                                          |                                       |
| Return on plan assets (excluding<br>amounts included in net interest) | -                                                                  | (31,665)                                 | (31,665)                              |
| Actuarial gain - changes in financial<br>assumptions                  | (6,943)                                                            | -                                        | (6,943)                               |
| Actuarial gain - experience<br>adjustments                            | (917)                                                              | -                                        | (917)                                 |
| Recognized in other comprehensive<br>income                           | (7,860)                                                            | (31,665)                                 | (39,525)                              |
| Contributions from the employer                                       | -                                                                  | (6,936)                                  | (6,936)                               |
| Benefits paid                                                         | (22,125)                                                           | 22,125                                   | -                                     |
| Balance on December 31, 2024                                          | 260,348                                                            | (361,065)                                | (100,717)                             |
| Service cost                                                          |                                                                    |                                          |                                       |
| Current service cost                                                  | 506                                                                | -                                        | 506                                   |
| Net interest expense (income)                                         | 4,027                                                              | (5,767)                                  | (1,740)                               |
| Recognized in profit or loss                                          | 4,533                                                              | (5,767)                                  | (1,234)                               |
| Remeasurement                                                         |                                                                    |                                          |                                       |
| Return on plan assets (excluding<br>amounts included in net interest) | -                                                                  | (25,539)                                 | (25,539)                              |
| Actuarial loss - changes in financial<br>assumptions                  | 3,801                                                              | -                                        | 3,801                                 |
| Actuarial gain - experience<br>adjustments                            | (1,344)                                                            | -                                        | (1,344)                               |
| Recognized in other comprehensive<br>income (loss)                    | 2,457                                                              | (25,539)                                 | (23,082)                              |
| Contributions from the employer                                       | -                                                                  | (5,588)                                  | (5,588)                               |
| Benefits paid                                                         | (14,968)                                                           | 14,968                                   | -                                     |
| Balance on December 31, 2025                                          | \$ 252,370                                                         | \$ (382,991)                             | \$ (130,621)                          |

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

|                                     | <b>For the Year Ended December 31</b> |               |
|-------------------------------------|---------------------------------------|---------------|
|                                     | <b>2025</b>                           | <b>2024</b>   |
| Operating costs                     | \$ (603)                              | \$ 168        |
| Selling and marketing expenses      | (116)                                 | 32            |
| General and administrative expenses | (280)                                 | 74            |
| Research and development expenses   | (235)                                 | 58            |
|                                     | <u>\$ (1,234)</u>                     | <u>\$ 332</u> |

Through the defined benefit plans under the Labor Standards Act, the Company is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets shall not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations are as follows:

|                                   | <b>December 31</b> |             |
|-----------------------------------|--------------------|-------------|
|                                   | <b>2025</b>        | <b>2024</b> |
| Discount rates                    | 1.35%              | 1.6%        |
| Expected rates of salary increase | 2.5%               | 2.5%        |

If possible reasonable changes in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

|                                   | <b>December 31</b> |             |
|-----------------------------------|--------------------|-------------|
|                                   | <b>2025</b>        | <b>2024</b> |
| Discount rates                    |                    |             |
| 0.25% increase                    | \$ (3,801)         | \$ (4,194)  |
| 0.25% decrease                    | \$ 3,899           | \$ 4,305    |
| Expected rates of salary increase |                    |             |
| 0.25% increase                    | \$ 3,845           | \$ 4,256    |
| 0.25% decrease                    | \$ (3,768)         | \$ (4,168)  |

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

|                                                       | <b>December 31</b> |             |
|-------------------------------------------------------|--------------------|-------------|
|                                                       | <b>2025</b>        | <b>2024</b> |
| Expected contributions to the plans for the next year | \$ 15,321          | \$ 16,080   |
| Average duration of the defined benefit obligation    | 6 years            | 6 years     |

## 22. EQUITY

### a. Share capital

#### Ordinary shares

|                                                       | <b>December 31</b> |              |
|-------------------------------------------------------|--------------------|--------------|
|                                                       | <b>2025</b>        | <b>2024</b>  |
| Number of shares authorized (in thousands)            | 200,000            | 200,000      |
| Shares authorized                                     | \$ 2,000,000       | \$ 2,000,000 |
| Number of shares issued and fully paid (in thousands) | 120,571            | 120,571      |
| Shares issued                                         | \$ 1,205,707       | \$ 1,205,707 |

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

|                                                                                                                                                         | <b>December 31</b>  |                     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
|                                                                                                                                                         | <b>2025</b>         | <b>2024</b>         |
| <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        |
| The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition | 10,604              | 10,659              |
| Employee share options                                                                                                                                  | 44,083              | 44,083              |
| Expired employee share options                                                                                                                          | 135                 | 135                 |
| <u>May only be used to offset a deficit</u>                                                                                                             |                     |                     |
| Changes in percentage of ownership interests in subsidiaries (2)                                                                                        | 31,591              | 28,735              |
| Share of changes in capital surplus of associates                                                                                                       | 22,745              | -                   |
|                                                                                                                                                         | <u>\$ 2,149,362</u> | <u>\$ 2,123,816</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 after the amendment, refer to compensation of employees and remuneration of directors in Note 24-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 distributed as 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 from the prior 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:

|                | <b>Appropriation of earnings</b> |             | <b>Dividends per share (NT\$)</b> |             |
|----------------|----------------------------------|-------------|-----------------------------------|-------------|
|                | <b>2024</b>                      | <b>2023</b> | <b>2024</b>                       | <b>2023</b> |
| 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.

The appropriation of earnings for 2025, which was proposed by the Company's board of directors in March 2026 was as follows:

|                | <b>Appropriation of earnings</b> | <b>Dividends per share (NT\$)</b> |
|----------------|----------------------------------|-----------------------------------|
| Legal reserve  | \$ 244,914                       |                                   |
| Cash dividends | 2,170,274                        | \$ 18                             |

The above appropriation for cash dividends has been resolved by the Company's board of directors and the rest are pending the resolution of the shareholder meeting scheduled to be held in May 2026.

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

|                                                                                           | <b>For the Year Ended December 31</b> |                   |
|-------------------------------------------------------------------------------------------|---------------------------------------|-------------------|
|                                                                                           | <b>2025</b>                           | <b>2024</b>       |
| Balance on January 1                                                                      | \$ (8,934)                            | \$ (419,351)      |
| Recognized for the year                                                                   |                                       |                   |
| Exchange differences on the translation of the financial statements of foreign operations | (392,987)                             | 408,539           |
| Share from subsidiaries accounted for using the equity method                             | <u>18,085</u>                         | <u>1,878</u>      |
| Other comprehensive (loss) income for the year                                            | <u>(374,902)</u>                      | <u>410,417</u>    |
| Balance on December 31                                                                    | <u>\$ (383,836)</u>                   | <u>\$ (8,934)</u> |

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

|                                                                                                   | <b>For the Year Ended December 31</b> |                     |
|---------------------------------------------------------------------------------------------------|---------------------------------------|---------------------|
|                                                                                                   | <b>2025</b>                           | <b>2024</b>         |
| Balance on January 1                                                                              | \$ 1,448,130                          | \$ 1,358,306        |
| Recognized for the year                                                                           |                                       |                     |
| Unrealized loss - equity instruments                                                              | (506,036)                             | (5,328)             |
| Share from subsidiaries accounted for using the equity method                                     | <u>-</u>                              | <u>2,041</u>        |
| Other comprehensive loss for the year                                                             | <u>(506,036)</u>                      | <u>(3,287)</u>      |
| Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal | <u>-</u>                              | <u>93,111</u>       |
| Balance on December 31                                                                            | <u>\$ 942,094</u>                     | <u>\$ 1,448,130</u> |

## 23. REVENUE

a. Disaggregation of revenue

|           | <b>For the Year Ended December 31</b> |                     |
|-----------|---------------------------------------|---------------------|
|           | <b>2025</b>                           | <b>2024</b>         |
| Adhesives | \$ 5,481,051                          | \$ 5,759,137        |
| Coatings  | 631,238                               | 673,263             |
| Others    | <u>483,874</u>                        | <u>494,176</u>      |
|           | <u>\$ 6,596,163</u>                   | <u>\$ 6,926,576</u> |

b. Contract balances

|                                                           | December 31,<br>2025 | December 31,<br>2024 | January 1,<br>2024  |
|-----------------------------------------------------------|----------------------|----------------------|---------------------|
| Notes receivable (Note 10)                                | <u>\$ 139,837</u>    | <u>\$ 156,498</u>    | <u>\$ 195,531</u>   |
| Accounts receivable (including related parties) (Note 10) | <u>\$ 1,949,069</u>  | <u>\$ 2,022,148</u>  | <u>\$ 1,510,243</u> |
| Contract liabilities - current                            |                      |                      |                     |
| Sale of goods                                             | <u>\$ 26,017</u>     | <u>\$ 8,442</u>      | <u>\$ 13,416</u>    |

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

Revenue in the current year that was recognized from the contract liability balance at the beginning of the year and from the performance obligations satisfied in the previous periods was summarized as follows:

|                                                    | <b>For the Year Ended December 31</b> |                  |
|----------------------------------------------------|---------------------------------------|------------------|
|                                                    | <b>2025</b>                           | <b>2024</b>      |
| From contract liabilities at the start of the year |                                       |                  |
| Sale of goods                                      | <u>\$ 8,442</u>                       | <u>\$ 13,416</u> |

## 24. NET PROFIT

a. Interest income

|               | <b>For the Year Ended December 31</b> |                 |
|---------------|---------------------------------------|-----------------|
|               | <b>2025</b>                           | <b>2024</b>     |
| Bank deposits | <u>\$ 8,053</u>                       | <u>\$ 9,287</u> |

b. Other income

|                 | <b>For the Year Ended December 31</b> |                   |
|-----------------|---------------------------------------|-------------------|
|                 | <b>2025</b>                           | <b>2024</b>       |
| Dividend income | \$ 111,226                            | \$ 108,914        |
| Rental income   | 971                                   | 453               |
| Others          | <u>18,815</u>                         | <u>25,633</u>     |
|                 | <u>\$ 131,012</u>                     | <u>\$ 135,000</u> |

c. Other gains and losses

|                                                                              | <b>For the Year Ended December 31</b> |                  |
|------------------------------------------------------------------------------|---------------------------------------|------------------|
|                                                                              | <b>2025</b>                           | <b>2024</b>      |
| Net foreign exchange (losses) gains                                          | \$ (3,062)                            | \$ 55,706        |
| Fair value changes of financial assets mandatorily classified<br>as at FVTPL | (14,965)                              | 13,355           |
| Others                                                                       | <u>(87)</u>                           | <u>(609)</u>     |
|                                                                              | <u>\$ (18,114)</u>                    | <u>\$ 68,452</u> |

d. Finance costs

|                                      | <b>For the Year Ended December 31</b> |                  |
|--------------------------------------|---------------------------------------|------------------|
|                                      | <b>2025</b>                           | <b>2024</b>      |
| Interest on bank loans               | \$ 81,082                             | \$ 51,586        |
| Interest on lease liabilities        | 305                                   | 210              |
| Interest on contingent consideration | <u>411</u>                            | <u>-</u>         |
|                                      | <u>\$ 81,798</u>                      | <u>\$ 51,796</u> |

e. Depreciation and amortization

|                                         | <b>For the Year Ended December 31</b> |                   |
|-----------------------------------------|---------------------------------------|-------------------|
|                                         | <b>2025</b>                           | <b>2024</b>       |
| An analysis of depreciation by function |                                       |                   |
| Operating costs                         | \$ 174,684                            | \$ 160,251        |
| Operating expenses                      | <u>78,781</u>                         | <u>74,157</u>     |
|                                         | <u>\$ 253,465</u>                     | <u>\$ 234,408</u> |
| An analysis of amortization by function |                                       |                   |
| Operating costs                         | \$ 419                                | \$ 358            |
| Operating expenses                      | <u>9,903</u>                          | <u>9,457</u>      |
|                                         | <u>\$ 10,322</u>                      | <u>\$ 9,815</u>   |

f. Employee benefits expense

|                              | <b>For the Year Ended December 31</b> |                  |
|------------------------------|---------------------------------------|------------------|
|                              | <b>2025</b>                           | <b>2024</b>      |
| Short-term employee benefits |                                       |                  |
| Salaries                     | \$ 860,875                            | \$ 867,725       |
| Labor and health insurance   | 72,243                                | 67,474           |
| Others                       | <u>70,908</u>                         | <u>71,512</u>    |
|                              | <u>1,004,026</u>                      | <u>1,006,711</u> |

(Continued)

|                                                      | <b>For the Year Ended December 31</b> |                     |
|------------------------------------------------------|---------------------------------------|---------------------|
|                                                      | <b>2025</b>                           | <b>2024</b>         |
| Post-employment benefits                             |                                       |                     |
| Defined contribution plans                           | \$ 27,471                             | \$ 26,082           |
| Defined benefit plans (Note 21)                      | <u>(1,234)</u>                        | <u>332</u>          |
|                                                      | <u>26,237</u>                         | <u>26,414</u>       |
|                                                      | <u>\$ 1,030,263</u>                   | <u>\$ 1,033,125</u> |
| An analysis of employee benefits expense by function |                                       |                     |
| Operating costs                                      | \$ 357,027                            | \$ 353,892          |
| Operating expenses                                   | <u>673,236</u>                        | <u>679,233</u>      |
|                                                      | <u>\$ 1,030,263</u>                   | <u>\$ 1,033,125</u> |

(Concluded)

g. Compensation of employees

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 years ended December 31, 2025 and 2024, which were approved by the Company's board of directors in March 2026 and 2025, respectively, are as follows:

Accrual rate

|                           | <b>For the Year Ended December 31</b> |             |
|---------------------------|---------------------------------------|-------------|
|                           | <b>2025</b>                           | <b>2024</b> |
| Compensation of employees | 2.47%                                 | 2.43%       |
| Remuneration of directors | 1.05%                                 | 1.03%       |

Amount

|                           | <b>For the Year Ended December 31</b> |             |
|---------------------------|---------------------------------------|-------------|
|                           | <b>2025</b>                           | <b>2024</b> |
|                           | <b>Cash</b>                           | <b>Cash</b> |
| Compensation of employees | \$ 77,064                             | \$ 81,120   |
| Remuneration of directors | 32,604                                | 34,320      |

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.

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

|                         | <b>For the Year Ended December 31</b> |                  |
|-------------------------|---------------------------------------|------------------|
|                         | <b>2025</b>                           | <b>2024</b>      |
| Foreign exchange gains  | \$ 137,536                            | \$ 123,207       |
| Foreign exchange losses | <u>(140,598)</u>                      | <u>(67,501)</u>  |
|                         | <u>\$ (3,062)</u>                     | <u>\$ 55,706</u> |

## 25. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

|                                       | <b>For the Year Ended December 31</b> |                   |
|---------------------------------------|---------------------------------------|-------------------|
|                                       | <b>2025</b>                           | <b>2024</b>       |
| Current tax                           |                                       |                   |
| In respect of the current year        | \$ 503,248                            | \$ 501,511        |
| Income tax on unappropriated earnings | -                                     | 6,398             |
| Adjustments for prior years           | <u>(10,003)</u>                       | <u>(91,775)</u>   |
|                                       | <u>493,245</u>                        | <u>416,134</u>    |
| Deferred tax                          |                                       |                   |
| In respect of the current year        | <u>70,255</u>                         | <u>120,642</u>    |
|                                       | <u>\$ 563,500</u>                     | <u>\$ 536,776</u> |

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

|                                                       | <b>For the Year Ended December 31</b> |                     |
|-------------------------------------------------------|---------------------------------------|---------------------|
|                                                       | <b>2025</b>                           | <b>2024</b>         |
| Profit before income tax                              | <u>\$ 3,005,446</u>                   | <u>\$ 3,221,037</u> |
| Income tax expense calculated at the statutory rate   | \$ 601,089                            | \$ 644,207          |
| Non-deductible expenses in determining taxable income | 15,610                                | 18,403              |
| Unrecognizable income in determining taxable income   | (20,951)                              | (18,674)            |
| Tax-exempt income                                     | (22,245)                              | (21,783)            |
| Income tax on unappropriated earnings                 | -                                     | 6,398               |
| Adjustments for prior years                           | <u>(10,003)</u>                       | <u>(91,775)</u>     |
|                                                       | <u>\$ 563,500</u>                     | <u>\$ 536,776</u>   |

b. Income tax recognized in other comprehensive income

|                                                                                           | <b>For the Year Ended December 31</b> |                     |
|-------------------------------------------------------------------------------------------|---------------------------------------|---------------------|
|                                                                                           | <b>2025</b>                           | <b>2024</b>         |
| <u>Deferred tax</u>                                                                       |                                       |                     |
| In respect of the current year                                                            |                                       |                     |
| Exchange differences on the translation of the financial statements of foreign operations | \$ 93,726                             | \$ (102,604)        |
| Remeasurement of defined benefit plans                                                    | <u>(4,616)</u>                        | <u>(7,905)</u>      |
|                                                                                           | <u>\$ 89,110</u>                      | <u>\$ (110,509)</u> |

c. Current tax liabilities

|                    | <b>December 31</b> |                   |
|--------------------|--------------------|-------------------|
|                    | <b>2025</b>        | <b>2024</b>       |
| Income tax payable | <u>\$ 734,820</u>  | <u>\$ 413,218</u> |

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2025

|                                                                                    | <b>Opening Balance</b> | <b>Recognized in Profit or Loss</b> | <b>Recognized in Other Comprehensive Income (Loss)</b> | <b>Closing Balance</b> |
|------------------------------------------------------------------------------------|------------------------|-------------------------------------|--------------------------------------------------------|------------------------|
| <u>Deferred Tax Assets</u>                                                         |                        |                                     |                                                        |                        |
| Temporary differences                                                              |                        |                                     |                                                        |                        |
| Write-downs of inventories                                                         | \$ 22,762              | \$ 413                              | \$ -                                                   | \$ 23,175              |
| Refund liabilities                                                                 | 4,272                  | 656                                 | -                                                      | 4,928                  |
| Payables for annual leave                                                          | 4,696                  | 455                                 | -                                                      | 5,151                  |
| Unrealized gross profit                                                            | 83,494                 | (9,750)                             | -                                                      | 73,744                 |
| Exchange differences on translating the financial statements of foreign operations | 2,233                  | -                                   | 93,726                                                 | 95,959                 |
| Others                                                                             | <u>9,565</u>           | <u>(9,565)</u>                      | <u>-</u>                                               | <u>-</u>               |
|                                                                                    | <u>\$ 127,022</u>      | <u>\$ (17,791)</u>                  | <u>\$ 93,726</u>                                       | <u>\$ 202,957</u>      |
| <u>Deferred Tax Liabilities</u>                                                    |                        |                                     |                                                        |                        |
| Temporary differences                                                              |                        |                                     |                                                        |                        |
| Foreign investment income                                                          | \$ 980,390             | \$ 43,428                           | \$ -                                                   | \$ 1,023,818           |
| Provision for land appreciation tax                                                | 231,769                | -                                   | -                                                      | 231,769                |
| Defined benefit obligations                                                        | 19,189                 | 1,365                               | 4,616                                                  | 25,170                 |
| Others                                                                             | <u>-</u>               | <u>7,671</u>                        | <u>-</u>                                               | <u>7,671</u>           |
|                                                                                    | <u>\$ 1,231,348</u>    | <u>\$ 52,464</u>                    | <u>\$ 4,616</u>                                        | <u>\$ 1,288,428</u>    |

For the year ended December 31, 2024

|                                                                                    | Opening Balance     | Recognized in Profit or Loss | Recognized in Other Comprehensive Income (Loss) | Closing Balance     |
|------------------------------------------------------------------------------------|---------------------|------------------------------|-------------------------------------------------|---------------------|
| <u>Deferred Tax Assets</u>                                                         |                     |                              |                                                 |                     |
| Temporary differences                                                              |                     |                              |                                                 |                     |
| Write-downs of inventories                                                         | \$ 23,531           | \$ (769)                     | \$ -                                            | \$ 22,762           |
| Refund liabilities                                                                 | 3,107               | 1,165                        | -                                               | 4,272               |
| Payables for annual leave                                                          | 4,597               | 99                           | -                                               | 4,696               |
| Unrealized gross profit                                                            | 59,396              | 24,098                       | -                                               | 83,494              |
| Exchange differences on translating the financial statements of foreign operations | 104,837             | -                            | (102,604)                                       | 2,233               |
| Others                                                                             | <u>8,756</u>        | <u>809</u>                   | <u>-</u>                                        | <u>9,565</u>        |
|                                                                                    | <u>\$ 204,224</u>   | <u>\$ 25,402</u>             | <u>\$ (102,604)</u>                             | <u>\$ 127,022</u>   |
| <u>Deferred Tax Liabilities</u>                                                    |                     |                              |                                                 |                     |
| Temporary differences                                                              |                     |                              |                                                 |                     |
| Foreign investment income                                                          | \$ 835,667          | \$ 144,723                   | \$ -                                            | \$ 980,390          |
| Provision for land appreciation tax                                                | 231,769             | -                            | -                                               | 231,769             |
| Defined benefit obligations                                                        | <u>9,963</u>        | <u>1,321</u>                 | <u>7,905</u>                                    | <u>19,189</u>       |
|                                                                                    | <u>\$ 1,077,399</u> | <u>\$ 146,044</u>            | <u>\$ 7,905</u>                                 | <u>\$ 1,231,348</u> |

- e. Amount of temporary differences related to investment and unrecognized deferred income tax liabilities

As of December 31, 2025 and 2024, the taxable temporary differences related to the investment of subsidiaries and unrecognized deferred income tax liabilities are both of \$202,248 thousand.

- f. Income tax assessments

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

## 26. 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 Year

|                                        | <u>For the Year Ended December 31</u> |                     |
|----------------------------------------|---------------------------------------|---------------------|
|                                        | 2025                                  | 2024                |
| Net Profit for the year of the Company | <u>\$ 2,441,946</u>                   | <u>\$ 2,684,261</u> |

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

|                                                                                                  | <b>For the Year Ended December 31</b> |                |
|--------------------------------------------------------------------------------------------------|---------------------------------------|----------------|
|                                                                                                  | <b>2025</b>                           | <b>2024</b>    |
| Weighted average number of ordinary shares used in the computation of basic earnings per share   | 120,571                               | 120,571        |
| Effect of potentially dilutive ordinary shares                                                   |                                       |                |
| Compensation of employees                                                                        | <u>295</u>                            | <u>304</u>     |
| Weighted average number of ordinary shares used in the computation of diluted earnings per share | <u>120,866</u>                        | <u>120,875</u> |

The Company may settle the compensation of employees in cash or shares; therefore, the Company 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.

## 27. ACQUISITION OF SUBSIDIARIES

The Company acquired control of Yun Teh Industrial Co., Ltd. in January 2025; The Company obtained control of A.C.N. 154 228 207 Pty Ltd.'s business in September 2024, and gained control of Yu Po Chemical Co., Ltd. in November of the same year; refer to Note 31 of the Company's consolidated financial statements for the year ended December 31, 2025.

## 28. PARTIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES - WITHOUT LOSS OF CONTROL

- a. In March and December 2025, Nan Pao New Materials Technology (Huaian) Co., Ltd. issued new ordinary shares for cash, which the Company did not subscribe for in proportion to its shareholding, resulting in a decrease in the Company's shareholding ratio from 94% to 93.3%. In March, April, July and November 2024, the Company did not subscribe for the issuance of ordinary shares for cash of Nan Pao New Materials Technology (Huaian) Co., Ltd. in proportion to its shareholding, resulting in an increase in the Company's shareholding ratio from 90.91% to 94%.
- b. In January and November 2025, Nan Pao Fine Chemical Materials (Anhui) Co., Ltd. issued new ordinary shares for cash, which the Company did not subscribe in proportion to its shareholding, decreasing its shareholding ratio from 96.41% to 92.11%. In March, May, September and December 2024, the Company did not subscribe for the issuance of ordinary shares for cash of its subsidiary, Nan Pao Fine Chemical Materials (Anhui) Co., Ltd., in proportion to its shareholding, resulting in a decrease in its shareholding ratio from 100% to 96.41%.
- c. The Company acquired Prince Pharmaceutical Co., Ltd. interests in June 2025, and the shareholding ratio was increased from 49.53% to 49.59% after acquisition. In addition, Prince Pharmaceutical Co., Ltd. exercised 805 thousand employee share options in July, September and October 2025, resulting in a decrease in shareholding from 49.59% to 48.52%.

The above transactions were accounted for as equity transactions, since the Company did not cease to have control over these subsidiaries. Refer to Note 32 of the Company's consolidated financial statements for the year ended December 31, 2025 for related information.

## 29. CAPITAL MANAGEMENT

The Company has to maintain large capital for plants and equipment expansion, therefore the Company manages its capital to ensure that the Company 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.

## 30. FINANCIAL INSTRUMENTS

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

The Company 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

December 31, 2025

|                                   | Level 1          | Level 2     | Level 3             | Total               |
|-----------------------------------|------------------|-------------|---------------------|---------------------|
| <u>Financial assets at FVTPL</u>  |                  |             |                     |                     |
| Limited partnership               | \$ _____ -       | \$ _____ -  | \$ 108,581          | \$ 108,581          |
| <u>Financial assets at FVTOCI</u> |                  |             |                     |                     |
| Investments in equity instruments |                  |             |                     |                     |
| Emerging market shares            | \$ 19,498        | \$ -        | \$ -                | \$ 19,498           |
| Unlisted shares                   | _____ -          | _____ -     | 1,134,030           | 1,134,030           |
|                                   | <u>\$ 19,498</u> | <u>\$ -</u> | <u>\$ 1,134,030</u> | <u>\$ 1,153,528</u> |

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> |                  |             |                     |                     |
| Investments in equity instruments |                  |             |                     |                     |
| 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> |

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

Financial assets at FVTPL

|                                                                   | <b>For the Year Ended December 31</b> |                   |
|-------------------------------------------------------------------|---------------------------------------|-------------------|
|                                                                   | <b>2025</b>                           | <b>2024</b>       |
| Balance on January 1                                              | \$ 131,474                            | \$ 121,929        |
| Recognized in profit or loss (included in other gains and losses) | (14,965)                              | 13,355            |
| Return of capital from capital reduction                          | <u>(7,928)</u>                        | <u>(3,810)</u>    |
| Balance on December 31                                            | <u>\$ 108,581</u>                     | <u>\$ 131,474</u> |

Financial assets at FVTOCI

|                                                                                                              | <b>For the Year Ended December 31</b> |                     |
|--------------------------------------------------------------------------------------------------------------|---------------------------------------|---------------------|
|                                                                                                              | <b>2025</b>                           | <b>2024</b>         |
| Balance on January 1                                                                                         | \$ 1,635,387                          | \$ 1,644,596        |
| Recognized in other comprehensive loss (included in unrealized valuation loss on financial assets at FVTOCI) | <u>(501,357)</u>                      | <u>(9,209)</u>      |
| Balance on December 31                                                                                       | <u>\$ 1,134,030</u>                   | <u>\$ 1,635,387</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 partnership are valued on the basis of their net worth.

c. Categories of financial instruments

|                                                                | <b>December 31</b> |              |
|----------------------------------------------------------------|--------------------|--------------|
|                                                                | <b>2025</b>        | <b>2024</b>  |
| <u>Financial assets</u>                                        |                    |              |
| Financial assets at amortized cost (1)                         | \$ 2,844,089       | \$ 2,762,827 |
| Financial assets at FVTPL - Mandatorily classified as at FVTPL | 108,581            | 131,474      |
| Financial assets at FVTOCI - Equity instruments                | 1,153,528          | 1,659,564    |
| <u>Financial liabilities</u>                                   |                    |              |
| Amortized cost (2)                                             | 6,925,643          | 6,341,583    |

- 1) The balances include financial assets at amortized cost, which comprise cash, 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 and long-term borrowings.

d. Financial risk management objectives and policies

The Company's major financial instruments include equity and debt investments, notes receivable, accounts receivable, notes payable, accounts payable, borrowings and lease liabilities. The Company'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 Company 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 Company are reviewed by the board of directors based on relevant regulations and the internal control system. The Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Company did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

The Company'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 price (see (c) below).

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

a) Foreign currency risk

The Company entered into foreign currency denominated sales and purchases, which expose the Company to foreign currency risk.

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

Sensitivity analysis

The Company is mainly exposed to the USD.

The following table details the Company's sensitivity to a 1% increase and decrease in the New Taiwan Dollar (NTD, 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 and other equity associated with the NTD weakening 1% against the relevant currency. For a 1% strengthening of the NTD against the relevant currency, there would be an equal and opposite impact on pre-tax profit and other equity, and the balances below would be negative.

|                | <b>USD Impact</b>                     |             |
|----------------|---------------------------------------|-------------|
|                | <b>For the Year Ended December 31</b> |             |
|                | <b>2025</b>                           | <b>2024</b> |
| Profit or loss | \$ 352                                | \$ 1,125    |

This was mainly attributable to the exposure on outstanding foreign monetary items in USD that were cash, accounts receivable, accounts payable and other payables. The Company's sensitivity to foreign currency was not changed significantly during the current year.

b) Interest rate risk

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

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

|                               | <b>December 31</b> |             |
|-------------------------------|--------------------|-------------|
|                               | <b>2025</b>        | <b>2024</b> |
| Fair value interest rate risk |                    |             |
| Financial assets              | \$ 13,676          | \$ 13,898   |
| Financial liabilities         | 1,115,017          | 1,122,157   |
| Cash flow interest rate risk  |                    |             |
| Financial assets              | 579,114            | 526,498     |
| Financial liabilities         | 3,117,000          | 2,497,870   |

Sensitivity analysis

The sensitivity analysis below was determined based on the Company's exposure to interest rates for both derivative and non-derivative instruments at the end of the year. For floating rate assets and liabilities, the analysis was prepared assuming the amount of each asset and liability outstanding at the end of the year was outstanding for the whole year. If interest rates had been 0.25% higher/lower and all other variables were held constant, the Company's pre-tax profit for the years ended December 31, 2025 and 2024 would decrease/increase by \$6,345 thousand and \$4,928 thousand, respectively, which was mainly a result of floating rate borrowings and bank deposits.

c) Other price risk

The Company was exposed to equity price risk through its investments in equity securities. The equity investments are not held for trading purposes but are strategic investments, and the Company does not actively trade these investments.

Sensitivity analysis

The following sensitivity analysis is based on the equity price risk exposure on the balance sheet date.

If the equity price increased/decreased by 3%, the profit or loss before tax for the year ended December 30, 2025 and 2024 increased/decreased by \$3,257 thousand and \$3,944 thousand, respectively, due to increases/decreases of the fair value of the financial assets measured at fair value through profit or loss. Other comprehensive income before tax for the year ended December 30, 2025 and 2024 increased/decreased by \$34,606 thousand and \$49,787 thousand, respectively, due to the fair value of the financial assets measured at fair value through other comprehensive income.

The Company's sensitivity to equity prices decreased during the current year mainly 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 Company. At the end of the year, the Company's maximum exposure to

credit risk, which would cause a financial loss to the Company due to the failure of the counterparty to discharge its obligation, could be equal to the carrying amount of the respective recognized financial assets as stated in the balance sheets.

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

Because the customer base of the Company is large and unrelated with each other, the concentration of credit risk is not high.

As of December 31, 2025 and 2024, the maximum amount of credit risk that the Company provides endorsements / guarantees is \$36,138 thousand and \$214,856 thousand, respectively.

### 3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash deemed adequate to finance the Company'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 Company's working capital, subsidiary earnings repatriation and the credit line which the Company 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 tables details the Company's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay. The tables 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 year.

#### December 31, 2025

|                                             | <b>Less than<br/>1 Year</b> | <b>1-5 Years</b>    | <b>Over 5 Years</b> |
|---------------------------------------------|-----------------------------|---------------------|---------------------|
| <u>Non-derivative financial liabilities</u> |                             |                     |                     |
| Non-interest bearing liabilities            | \$ 2,733,281                | \$ -                | \$ -                |
| Lease liabilities                           | 4,001                       | 9,695               | 2,030               |
| Fixed interest rate liabilities             | 1,110,011                   | -                   | -                   |
| Floating interest rate liabilities          | 807,281                     | 2,366,121           | 16,907              |
| Financial guarantee contracts               | <u>36,138</u>               | <u>-</u>            | <u>-</u>            |
|                                             | <u>\$ 4,690,712</u>         | <u>\$ 2,375,816</u> | <u>\$ 18,937</u>    |

Additional information about the maturity analysis for lease liabilities:

|                   | <b>Less than<br/>1 Year</b> | <b>1-5 Years</b> | <b>6-10 Years</b> |
|-------------------|-----------------------------|------------------|-------------------|
| Lease liabilities | \$ <u>4,001</u>             | \$ <u>9,695</u>  | \$ <u>2,030</u>   |

December 31, 2024

|                                             | <b>Less than<br/>1 Year</b> | <b>1-5 Years</b>    | <b>Over 5 Years</b> |
|---------------------------------------------|-----------------------------|---------------------|---------------------|
| <u>Non-derivative financial liabilities</u> |                             |                     |                     |
| Non-interest bearing liabilities            | \$ 2,765,072                | \$ -                | \$ -                |
| Lease liabilities                           | 6,293                       | 16,561              | -                   |
| Fixed interest rate liabilities             | 1,109,837                   | -                   | -                   |
| Floating interest rate liabilities          | 1,262,056                   | 1,250,480           | 34,036              |
| Financial guarantee contracts               | <u>214,856</u>              | <u>-</u>            | <u>-</u>            |
|                                             | <u>\$ 5,358,114</u>         | <u>\$ 1,267,041</u> | <u>\$ 34,036</u>    |

Additional information about the maturity analysis for lease liabilities:

|                   | <b>Less than<br/>1 Year</b> | <b>1-5 Years</b> | <b>6-10 Years</b> |
|-------------------|-----------------------------|------------------|-------------------|
| Lease liabilities | \$ <u>6,293</u>             | \$ <u>16,561</u> | \$ <u>-</u>       |

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

b) Financing facilities

|                                                                               | <u>December 31</u>   |                     |
|-------------------------------------------------------------------------------|----------------------|---------------------|
|                                                                               | <b>2025</b>          | <b>2024</b>         |
| Unsecured bank overdraft facilities, reviewed annually and payable on demand: |                      |                     |
| Amount used                                                                   | \$ 4,312,578         | \$ 3,720,774        |
| Amount unused                                                                 | <u>8,230,422</u>     | <u>5,168,671</u>    |
|                                                                               | <u>\$ 12,543,000</u> | <u>\$ 8,889,445</u> |

### 31. TRANSACTIONS WITH RELATED PARTIES

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

a. Related party name and category

| Related Party Name                                  | Related Party Category                                |
|-----------------------------------------------------|-------------------------------------------------------|
| Nan Pao Chemical Co. Ltd.                           | Subsidiary                                            |
| Nan Pao Fine Materials Co., Ltd.                    | Subsidiary                                            |
| ITLS International Development Co., Ltd.            | Subsidiary                                            |
| Nan Pao Philippines Export Inc.                     | Subsidiary                                            |
| Phymed Bio-Tec Co., Ltd.                            | Subsidiary                                            |
| Biorich Biotechnology Co., Ltd.                     | Subsidiary                                            |
| Nan Pao Advanced Materials Co., Ltd.                | Subsidiary                                            |
| Fuqing Nan Pao Resins Co., Ltd.                     | Subsidiary                                            |
| Nan Pao New Materials Technology (Huaian) Co., Ltd. | Subsidiary                                            |
| Thai Nanpao Resins Chemical Co., Ltd.               | Subsidiary                                            |
| Nan Pao Materials Vietnam Co., Ltd.                 | Subsidiary                                            |
| PT. Indo Nan Pao Resins Chemical Co., Ltd.          | Subsidiary                                            |
| Foshan Nan Pao Advanced Materials Co., Ltd.         | Subsidiary                                            |
| Nan Pao Resins (Foshan) Co., Ltd.                   | Subsidiary                                            |
| Nan Pao Resins (HK) Ltd.                            | Subsidiary                                            |
| Dongguan Jiaqin Electronics Co., Ltd.               | Subsidiary                                            |
| Nan Pao Resins (China) Co., Ltd.                    | Subsidiary                                            |
| Nan Pao Advanced Materials Vietnam Co., Ltd.        | Subsidiary                                            |
| RLA Polymers Pty Ltd.                               | Subsidiary                                            |
| Nan Pao Resins (Vietnam) Enterprise Ltd.            | Subsidiary                                            |
| Nan Pao Overseas Holdings Ltd.                      | Subsidiary                                            |
| Nan Pao Group Holdings Ltd.                         | Subsidiary                                            |
| Nan Pao Resins Chemical Philippines, Inc.           | Subsidiary                                            |
| Nan Pao Resins International Ltd.                   | Subsidiary                                            |
| RLA Polymers (M) SDN BHD                            | Subsidiary                                            |
| Prince Pharmaceutical Co., Ltd.                     | Subsidiary                                            |
| Noroo-Nan Pao Paints & Coatings (Vietnam) Co., Ltd. | Subsidiary                                            |
| Nan Pao Resins India Pvt Ltd.                       | Subsidiary                                            |
| Nan Pao Advanced Investment Co., Ltd.               | Subsidiary                                            |
| Changshu Yu Bo Polymer Materials Co., Ltd.          | Subsidiary                                            |
| Yu Po Chemical Co., Ltd.                            | Subsidiary (Other related party before November 2024) |
| Yun Teh Industrial Co., Ltd.                        | Subsidiary                                            |
| Spark Foamtech Enterprise Company Limited           | Subsidiary                                            |
| Perfect & Outstanding Technology Inc.               | Associate                                             |
| Pou Chen Corporation and Subsidiaries               | Investors with significant influence                  |
| Apogee Optocom Co., Ltd.                            | Other related party                                   |
| Nan Pao Resins Private Welfare Charity Foundation   | Other related party                                   |

b. Sales of goods

| Related Party Category/Name                  | For the Year Ended December 31 |                     |
|----------------------------------------------|--------------------------------|---------------------|
|                                              | 2025                           | 2024                |
| Subsidiary                                   |                                |                     |
| Nan Pao Resins (Vietnam) Enterprise Ltd.     | \$ 1,776,406                   | \$ 1,701,236        |
| PT. Indo Nan Pao Resins Chemical Co., Ltd.   | 699,318                        | 885,578             |
| Nan Pao Advanced Materials Vietnam Co., Ltd. | 449,701                        | 444,562             |
| Others                                       | 915,109                        | 1,053,654           |
| Investors with significant influence         | 41,521                         | 54,268              |
| Other related party                          | <u>-</u>                       | <u>26,896</u>       |
|                                              | <u>\$ 3,882,055</u>            | <u>\$ 4,166,194</u> |

The sales prices were not significantly different from those with third parties. The credit term is 45 days to 90 days, which is not significantly different from that for non-related parties.

c. Purchases of goods

| Related Party Category | For the Year Ended December 31 |                  |
|------------------------|--------------------------------|------------------|
|                        | 2025                           | 2024             |
| Subsidiary             | <u>\$ 70,866</u>               | <u>\$ 74,968</u> |

The purchase prices from related parties were not significantly different from those with third parties. The payment term is 30 days to 90 days, which is not significantly different from that for non-affiliates.

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

| Line Item                             | Related Party Category / Name              | December 31         |                     |
|---------------------------------------|--------------------------------------------|---------------------|---------------------|
|                                       |                                            | 2025                | 2024                |
| Accounts receivable - related parties | Subsidiary                                 |                     |                     |
|                                       | Nan Pao Resins (Vietnam) Enterprise Ltd.   | \$ 834,043          | \$ 863,283          |
|                                       | PT. Indo Nan Pao Resins Chemical Co., Ltd. | 358,626             | 387,516             |
|                                       | Others                                     | 328,048             | 325,885             |
|                                       | Investors with significant influence       | 4,447               | 9,221               |
|                                       |                                            | <u>\$ 1,525,164</u> | <u>\$ 1,585,905</u> |
| Other receivables                     | Subsidiary                                 | <u>\$ 100,180</u>   | <u>\$ 267</u>       |

The outstanding accounts receivable from related parties are unsecured.

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

| Line Item        | Related Party Category | December 31      |                  |
|------------------|------------------------|------------------|------------------|
|                  |                        | 2025             | 2024             |
| Accounts payable | Subsidiary             | \$ <u>15,203</u> | \$ <u>19,933</u> |
| Other payables   | Subsidiary             | \$ <u>20,623</u> | \$ <u>889</u>    |

The outstanding accounts payable to related parties are unsecured.

f. Refund liabilities

| Line Item                                                  | Related Party Category               | December 31     |                 |
|------------------------------------------------------------|--------------------------------------|-----------------|-----------------|
|                                                            |                                      | 2025            | 2024            |
| Refund liabilities (included in other current liabilities) | Investors with significant influence | \$ <u>1,300</u> | \$ <u>2,716</u> |

g. Loans from related parties

| Related Party Category / Name  | December 31         |                     |
|--------------------------------|---------------------|---------------------|
|                                | 2025                | 2024                |
| Subsidiary                     |                     |                     |
| Nan Pao Overseas Holdings Ltd. | \$ 911,470          | \$ 950,765          |
| Nan Pao Group Holdings Ltd.    | <u>660,030</u>      | <u>688,485</u>      |
|                                | \$ <u>1,571,500</u> | \$ <u>1,639,250</u> |

h. Endorsements and guarantees

Endorsements and guarantees provided by the Company

| Related Party Category | December 31       |                   |
|------------------------|-------------------|-------------------|
|                        | 2025              | 2024              |
| Subsidiary             |                   |                   |
| Amount endorsed        | \$ <u>120,595</u> | \$ <u>613,723</u> |
| Amount utilized        | \$ <u>36,138</u>  | \$ <u>214,856</u> |

i. Remuneration of key management personnel

|                              | For the Year Ended December 31 |                   |
|------------------------------|--------------------------------|-------------------|
|                              | 2025                           | 2024              |
| Short-term employee benefits | \$ 95,160                      | \$ 101,220        |
| Post-employment benefits     | <u>3,155</u>                   | <u>4,598</u>      |
|                              | \$ <u>98,315</u>               | \$ <u>105,818</u> |

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

### 32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

- a. As of December 31, 2025 and 2024 unused letters of credit for purchases of raw materials and machinery and equipment amounted to approximately \$95,578 thousand and \$122,904 thousand, respectively.
- b. Unrecognized commitments were as follows:

|                                              | <b>December 31</b> |                  |
|----------------------------------------------|--------------------|------------------|
|                                              | <b>2025</b>        | <b>2024</b>      |
| Acquisition of property, plant and equipment | <u>\$ 93,416</u>   | <u>\$ 18,015</u> |

### 33. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2025

|                                                   | <b>Foreign Currency</b> | <b>Exchange Rate</b> | <b>Carrying Amount</b> |
|---------------------------------------------------|-------------------------|----------------------|------------------------|
| <u>Financial assets</u>                           |                         |                      |                        |
| Monetary items                                    |                         |                      |                        |
| USD                                               | \$ 56,843               | 31.43                | \$ 1,786,571           |
| Non-monetary items                                |                         |                      |                        |
| Investments accounted for using the equity method |                         |                      |                        |
| USD (Note)                                        | 387,255                 | 31.43                | 12,171,412             |
| IDR                                               | 226,667,104             | 0.00188              | 426,134                |
| VND                                               | 824,735,574             | 0.00120              | 988,358                |
| <u>Financial liabilities</u>                      |                         |                      |                        |
| Monetary items                                    |                         |                      |                        |
| USD                                               | 55,726                  | 31.43                | 1,751,409              |

December 31, 2024

|                                                   | Foreign Currency | Exchange Rate | Carrying Amount |
|---------------------------------------------------|------------------|---------------|-----------------|
| <u>Financial assets</u>                           |                  |               |                 |
| Monetary items                                    |                  |               |                 |
| USD                                               | \$ 57,799        | 32.78         | \$ 1,894,934    |
| Non-monetary items                                |                  |               |                 |
| Investments accounted for using the equity method |                  |               |                 |
| USD (Note)                                        | 368,086          | 32.785        | 12,067,707      |
| IDR                                               | 227,489,315      | 0.00203       | 461,803         |
| VND                                               | 679,500,632      | 0.00129       | 877,040         |

Financial liabilities

|                |        |       |           |
|----------------|--------|-------|-----------|
| Monetary items |        |       |           |
| USD            | 54,386 | 32.77 | 1,782,402 |

Note: The difference between the amounts of investments accounted for using the equity method is the unrealized gross profit.

The significant (realized and unrealized) foreign exchange gains (losses) were as follows:

| <b>For the Year Ended December 31</b> |                 |                                     |                  |                                     |
|---------------------------------------|-----------------|-------------------------------------|------------------|-------------------------------------|
| Foreign Currency                      | 2025            |                                     | 2024             |                                     |
|                                       | Exchange Rate   | Net Foreign Exchange Gains (Losses) | Exchange Rate    | Net Foreign Exchange Gains (Losses) |
| USD                                   | 31.18 (USD:NTD) | \$ (5,148)                          | 32.112 (USD:NTD) | \$ 52,730                           |
| Others                                |                 | <u>2,086</u>                        |                  | <u>2,976</u>                        |
|                                       |                 | <u>\$ (3,062)</u>                   |                  | <u>\$ 55,706</u>                    |

### 34. 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)

- 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 year, 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 (Tables 2, 4 and 8):
    - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year
    - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year
    - 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 year 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 year or on the financial position, such as the rendering or receipt of services

TABLE 1

NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS  
FOR THE YEAR ENDED DECEMEBR 31, 2025  
(In Thousands of New Taiwan Dollars)

| 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                     | \$ 660,030     | \$ 660,030             | -                | Demand of short-term financing | \$ -                        | Operating capital                | \$ -                          | None       | \$ -  | \$ 6,780,784                               | \$ 6,780,784                       |
| 2   | Nan Pao Overseas Holdings Ltd. | Nan Pao Resins Chemical Co., Ltd. | Other receivables from related party | Yes           | 962,945                        | 911,470        | 911,470                | -                | Demand of short-term financing | -                           | Operating capital                | -                             | None       | -     | 7,752,734                                  | 7,752,734                          |

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 YEAR ENDED DECEMEBR 31, 2025  
(In Thousands of New Taiwan Dollars)

| No. | Endorser/Guarantor                | Endorsee/Guarantee                                  |                          | Limit on Endorsement/<br>Guarantee Given on<br>Behalf of Each Party<br>(Notes 2 & 3) | Maximum Amount<br>Endorsed/<br>Guaranteed During the<br>Period | Outstanding<br>Endorsement/<br>Guarantee at the End<br>of the Period | Actual Amount<br>Borrowed | Amount Endorsed/<br>Guaranteed by<br>Collateral | Ratio of Accumulated<br>Endorsement/<br>Guarantee to Net<br>Equity in Latest<br>Financial Statements<br>(%) | Aggregate<br>Endorsement/<br>Guarantee Limit<br>(Notes 2 & 3) | Endorsement/<br>Guarantee Given<br>by Parent on<br>Behalf of<br>Subsidiaries | Endorsement/<br>Guarantee Given<br>by Subsidiaries<br>on Behalf of<br>Parent | Endorsement/<br>Guarantee Given<br>on Behalf of<br>Companies in<br>Mainland China |
|-----|-----------------------------------|-----------------------------------------------------|--------------------------|--------------------------------------------------------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------------|---------------------------|-------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|------------------------------------------------------------------------------|------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
|     |                                   | Name                                                | Relationship<br>(Note 1) |                                                                                      |                                                                |                                                                      |                           |                                                 |                                                                                                             |                                                               |                                                                              |                                                                              |                                                                                   |
| 0   | Nan Pao Resins Chemical Co., Ltd. | Nan Pao Group Holdings Ltd.                         | 2                        | \$ 2,758,898                                                                         | \$ 33,205                                                      | \$ -                                                                 | \$ -                      | \$ -                                            | -                                                                                                           | \$ 6,897,246                                                  | Y                                                                            | N                                                                            | N                                                                                 |
|     |                                   | Nan Pao Group Holdings Ltd.                         | 2                        | 2,758,898                                                                            | 31,430                                                         | 31,430                                                               | -                         | -                                               | 0.23                                                                                                        | 6,897,246                                                     | Y                                                                            | N                                                                            | N                                                                                 |
|     |                                   | Nan Pao Resins Chemical Philippines, Inc.           | 2                        | 2,758,898                                                                            | 33,205                                                         | -                                                                    | -                         | -                                               | -                                                                                                           | 6,897,246                                                     | Y                                                                            | N                                                                            | N                                                                                 |
|     |                                   | Nan Pao Resins Chemical Philippines, Inc.           | 2                        | 2,758,898                                                                            | 31,430                                                         | 31,430                                                               | -                         | -                                               | 0.23                                                                                                        | 6,897,246                                                     | Y                                                                            | N                                                                            | N                                                                                 |
|     |                                   | Nan Pao Philippines Export Inc.                     | 2                        | 2,758,898                                                                            | 16,603                                                         | -                                                                    | -                         | -                                               | -                                                                                                           | 6,897,246                                                     | Y                                                                            | N                                                                            | N                                                                                 |
|     |                                   | Nan Pao Philippines Export Inc.                     | 2                        | 2,758,898                                                                            | 15,715                                                         | 15,715                                                               | -                         | -                                               | 0.11                                                                                                        | 6,897,246                                                     | Y                                                                            | N                                                                            | N                                                                                 |
|     |                                   | RLA Polymers (M) SDN BHD                            | 2                        | 2,758,898                                                                            | 66,410                                                         | -                                                                    | -                         | -                                               | -                                                                                                           | 6,897,246                                                     | Y                                                                            | N                                                                            | N                                                                                 |
|     |                                   | RLA Polymers Pty Ltd.                               | 2                        | 2,758,898                                                                            | 42,020                                                         | 42,020                                                               | 36,138                    | -                                               | 0.3                                                                                                         | 6,897,246                                                     | Y                                                                            | N                                                                            | N                                                                                 |
|     |                                   | Nan Pao Advanced Investment Co., Ltd.               | 2                        | 2,758,898                                                                            | 182,920                                                        | -                                                                    | -                         | -                                               | -                                                                                                           | 6,897,246                                                     | Y                                                                            | N                                                                            | Y                                                                                 |
|     |                                   | Nan Pao New Materials Technology (Huaian) Co., Ltd. | 2                        | 2,758,898                                                                            | 137,190                                                        | -                                                                    | -                         | -                                               | -                                                                                                           | 6,897,246                                                     | Y                                                                            | N                                                                            | Y                                                                                 |
|     |                                   | Nan Pao New Materials Technology (Huaian) Co., Ltd. | 2                        | 2,758,898                                                                            | 114,325                                                        | -                                                                    | -                         | -                                               | -                                                                                                           | 6,897,246                                                     | 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**  
**DECEMEBR 31, 2025**  
**(In Thousands of New Taiwan Dollars)**

| Holding Company Name              | Type and Name of Marketable Securities                      | Relationship with the Holding Company | Financial Statement Account                                                     | December 31, 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>\$ 108,581</u>   | 9                           | <u>\$ 108,581</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        | \$ 1,132,145        | 2                           | \$ 1,132,145        |      |
|                                   | Hua Chi Venture Capital Co., Ltd. - privately-issued equity | "                                     | "                                                                               | 7,895             | 1,077               | 1                           | 1,077               |      |
|                                   | Opulence Optronics Co., Ltd. - privately-issued equity      | "                                     | "                                                                               | 877,208           | 808                 | 8                           | 808                 |      |
|                                   | Revivegen Co., Ltd. - emerging stock                        | "                                     | "                                                                               | 649,921           | <u>19,498</u>       | 1                           | <u>19,498</u>       |      |
|                                   |                                                             |                                       |                                                                                 |                   | <u>\$ 1,153,528</u> |                             | <u>\$ 1,153,528</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 YEAR ENDED DECEMEBR 31, 2025  
(In Thousands of New Taiwan Dollars)**

| Company Name                                 | Related Party                                | Relationship                         | Transaction Details |               |            |                                         | Abnormal Transaction                       |                                           | Notes/Accounts Receivable (Payable) |            | Note |
|----------------------------------------------|----------------------------------------------|--------------------------------------|---------------------|---------------|------------|-----------------------------------------|--------------------------------------------|-------------------------------------------|-------------------------------------|------------|------|
|                                              |                                              |                                      | Purchases/<br>Sales | Amount (Note) | % of Total | Payment Terms                           | Unit Price                                 | Payment Terms                             | Ending Balance<br>(Note)            | % of Total |      |
| Nan Pao Resins Chemical Co., Ltd.            | Nan Pao Resins (Vietnam) Enterprise Ltd.     | Subsidiary                           | Sales               | \$ 324,290    | 5          | Payment within 90 days                  | Similar to general transactions            | Similar to general transactions           | \$ 67,326                           | 3          |      |
|                                              | PT. Indo Nan Pao Resins Chemical Co., Ltd.   | Subsidiary                           | Sales               | 699,318       | 11         | Payment within 90 days                  | Similar to general transactions            | Similar to general transactions           | 358,626                             | 17         |      |
|                                              | Nan Pao Resins (Foshan) Co., Ltd.            | Subsidiary                           | Sales               | 176,392       | 3          | Payment within 90 days                  | Similar to general transactions            | Similar to general transactions           | 39,519                              | 2          |      |
|                                              | Nan Pao Advanced Materials Vietnam Co., Ltd. | Subsidiary                           | Sales               | 449,701       | 7          | Payment within 90 days                  | Similar to general transactions            | Similar to general transactions           | 49,576                              | 2          |      |
|                                              | Nan Pao Resins (Vietnam) Enterprise Ltd.     | Subsidiary                           | Sales               | 1,776,406     | 27         | Payment within 90 days                  | Similar to general transactions            | Similar to general transactions           | 834,043                             | 40         |      |
| Nan Pao Resins (Dongguan) Co., Ltd.          | Nan Pao Resins (HK) Ltd.                     | Same ultimate Parent Company         | Processing revenue  | 333,041       | 100        | Payment within 90 days                  | No comparable product sales for comparison | No third-party transaction for comparison | 93,533                              | 100        |      |
| Nan Pao Resins (Foshan) Co., Ltd.            | Pou Chen Corporation and Subsidiaries        | Investors with significant influence | Sales               | 143,007       | 7          | Telegraphic transfer within 45 days     | Similar to general transactions            | Similar to general transactions           | 32,780                              | 6          |      |
| Nan Pao Advanced Materials Vietnam Co., Ltd. | Nan Pao Resins International Ltd.            | Same ultimate Parent Company         | Sales               | 313,020       | 27         | Payment within 90 days                  | Similar to general transactions            | Similar to general transactions           | 105,884                             | 33         |      |
| PT. Indo Nan Pao Resins Chemical Co., Ltd.   | Pou Chen Corporation and Subsidiaries        | Investors with significant influence | Sales               | 626,726       | 30         | Telegraphic transfer within 90 days     | Similar to general transactions            | Similar to general transactions           | 218,226                             | 38         |      |
| Nan Pao Resins (Vietnam) Enterprise Ltd.     | Pou Chen Corporation and Subsidiaries        | Investors with significant influence | Sales               | 398,473       | 12         | Telegraphic transfer within 60-105 days | Similar to general transactions            | Similar to general transactions           | 81,749                              | 13         |      |
| Nan Pao Materials Vietnam Co., Ltd.          | Pou Chen Corporation and Subsidiaries        | Investors with significant influence | Sales               | 287,609       | 14         | Telegraphic transfer within 90 days     | Similar to general transactions            | Similar to general transactions           | 67,830                              | 14         |      |
|                                              | PT. Indo Nan Pao Resins Chemical Co., Ltd.   | Same ultimate Parent Company         | Sales               | 154,069       | 7          | Payment within 90 days                  | Similar to general transactions            | Similar to general transactions           | 62,058                              | 13         |      |
|                                              | Nan Pao Resins (Vietnam) Enterprise Ltd.     | Same ultimate Parent Company         | Sales               | 119,147       | 6          | Payment within 90 days                  | Similar to general transactions            | Similar to general transactions           | 36,318                              | 7          |      |
| FlexUP Technologies Corp.                    | Nan Pao Materials Vietnam Co., Ltd.          | Same ultimate Parent Company         | Sales               | 119,710       | 86         | Payment within 90 days                  | Similar to general transactions            | Similar to general transactions           | 28,534                              | 89         |      |
| Nan Pao Resins (HK) Ltd.                     | Nan Pao Materials Vietnam Co., Ltd.          | Same ultimate Parent Company         | Sales               | 130,480       | 22         | Payment within 90 days                  | Similar to general transactions            | Similar to general transactions           | 47,250                              | 27         |      |
| NANPAO FINE MATERIALS CO., LTD               | Nan Pao Materials Vietnam Co., Ltd.          | Same ultimate Parent Company         | Sales               | 103,350       | 49         | Payment within 90 days                  | Similar to general transactions            | Similar to general transactions           | 26,866                              | 62         |      |

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  
DECEMEBR 31, 2025  
(In Thousands of New Taiwan Dollars)**

| Company Name                                 | Related Party                                                                          | Relationship                         | Ending Balance<br>(Note 2) | Turnover Rate | Overdue |                | Amount Received in<br>Subsequent Period | Allowance for<br>Impairment Loss |
|----------------------------------------------|----------------------------------------------------------------------------------------|--------------------------------------|----------------------------|---------------|---------|----------------|-----------------------------------------|----------------------------------|
|                                              |                                                                                        |                                      |                            |               | Amount  | Actions Taken  |                                         |                                  |
| Nan Pao Resins Chemical Co., Ltd.            | Nan Pao Resins (Vietnam) Enterprise Ltd.<br>PT. Indo Nan Pao Resins Chemical Co., Ltd. | Subsidiary                           | \$ 834,043                 | 2.09          | \$ -    | Not applicable | \$ 265,321                              | \$ -                             |
|                                              |                                                                                        | Subsidiary                           | 358,626                    | 1.87          | -       | Not applicable | 149,224                                 | -                                |
|                                              |                                                                                        | Subsidiary                           | 100,000                    | (Note 1)      | -       | Not applicable | -                                       | -                                |
| PT. Indo Nan Pao Resins Chemical Co., Ltd.   | Pou Chen Corporation and Subsidiaries                                                  | Investors with significant influence | 218,226                    | 2.77          | -       | Not applicable | 105,026                                 | 117                              |
| Nan Pao Advanced Materials Vietnam Co., Ltd. | Nan Pao Resins International Ltd.                                                      | Same ultimate Parent Company         | 105,884                    | 2.77          | -       | Not applicable | 25,992                                  | -                                |
| Nan Pao Group Holdings Ltd.                  | Nan Pao Resins Chemical Co., Ltd.                                                      | Parent Company                       | 660,030                    | (Note 1)      | -       | Not applicable | -                                       | -                                |
| Nan Pao Overseas Holdings Ltd.               | Nan Pao Resins Chemical Co., Ltd.                                                      | Parent Company                       | 911,470                    | (Note 1)      | -       | Not applicable | -                                       | -                                |

Note 1: For the purpose of other receivables at the end of the period, and thus the turnover rate 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 YEAR ENDED DECEMEBR 31, 2025**  
**(In Thousands of New Taiwan Dollars, In Dollars of Foreign Currency)**

| Investor Company                  | Investee Company                               | Location                                                                                                             | Main Businesses and Products                                                                         | Original Investment Amount |                   | As of December 31, 2025 |       |                 | Net Income (Loss) of the Investee | Share of Profit (Loss) (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   | \$ 165,067      | \$ (7,371)                        | \$ (7,371)                      |                                                                                    |
|                                   | 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   | 8,706           | 33                                | 33                              |                                                                                    |
|                                   | ITLS International Development Co., Ltd.       | 3F, No.356, Sec.1, NeiHu Rd., Taipei                                                                                 | Trading of construction materials and chemical substances                                            | 596,000                    | 696,000           | 14,600,000              | 100   | 170,521         | (2,802)                           | (2,802)                         |                                                                                    |
|                                   | 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              | 48.52 | 439,751         | 96,321                            | 47,353                          |                                                                                    |
|                                   | 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   | 5,093           | (5,922)                           | (5,922)                         |                                                                                    |
|                                   | 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  | 27,773          | 20,820                            | 11,889                          |                                                                                    |
|                                   | 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    | 15,164          | 12,480                            | 8,736                           |                                                                                    |
|                                   | 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    | 36,840          | 37,532                            | 22,834                          |                                                                                    |
|                                   | 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               | 16.7  | 39,657          | (19,110)                          | (5,444)                         |                                                                                    |
|                                   | 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   | 95,194          | 20,877                            | 18,912                          |                                                                                    |
|                                   | 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   | 286,837         | 30,324                            | 30,324                          |                                                                                    |
|                                   | 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   | 210,540         | 3,834                             | 3,834                           |                                                                                    |
|                                   | Nan Pao Resins India Pvt Ltd.                  | 204, Abhishek, off New Link Road, Andheri (W), Mumbai 400053, India                                                  | Trading of adhesives                                                                                 | 159,118                    | 100,439           | 22,124,340              | 100   | 61,583          | (82,581)                          | (82,581)                        |                                                                                    |
|                                   | 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           | 41,151,000              | 100   | 136,888         | (2,850)                           | (2,850)                         |                                                                                    |
|                                   | Nan Pao Materials Vietnam Co., Ltd.            | LotA4, A5, A10, A11 Dai Dang 3 Street, Dai Dang Industrial Park, Binh Duong Ward, Ho Chi Minh City, Vietnam          | Production and trading of adhesives and chemicals                                                    | 685,094                    | 685,094           | -                       | 100   | 1,979,007       | 370,444                           | 363,473                         |                                                                                    |
|                                   | Nan Pao Advanced Materials Vietnam Co., Ltd.   | Phuc Son Industrial Area, Dong Hoa Lu Ward, Ninh Binh Province, Vietnam                                              | Production and trading of adhesives and chemicals                                                    | 465,970                    | 465,970           | -                       | 100   | 943,652         | 174,358                           | 174,358                         |                                                                                    |
|                                   | Nan Pao Overseas Holdings Ltd.                 | Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG 1110, British Virgin Islands.              | General investment                                                                                   | 5,066,596                  | 4,854,419         | 16,154                  | 100   | 7,609,140       | 276,239                           | 279,553                         |                                                                                    |
|                                   | Profit Land Limited                            | Equity Trust Chambers, P.O. Box 3269, Apia, Samoa                                                                    | General investment                                                                                   | 186,588                    | 186,588           | 983,333                 | 73.75 | 1,012,450       | 390,925                           | 288,853                         | 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 | 167,833         | (42,361)                          | (23,099)                        | Nan Pao Resins Chemical Co., Ltd. and related companies hold 100% of voting shares |
|                                   | 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 | 147,407         | 205,220                           | 67,037                          | Nan Pao Resins Chemical Co., Ltd. and related companies hold 100% of voting shares |
|                                   | 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  | 338,736         | 154,084                           | 104,007                         |                                                                                    |
|                                   | 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   | 24,235          | 3,570                             | 3,570                           |                                                                                    |
|                                   | Nan Pao Resins Chemical (Bangladesh) Co., Ltd. | House No, 42 5 <sup>th</sup> floors, Lake drive Road, Sector 7, Ulttara, Dhaka                                       | Trading of adhesives                                                                                 | 25,894                     | 19,322            | 930,045                 | 100   | 4,681           | (6,614)                           | (6,614)                         |                                                                                    |

(Continued)

| Investor Company                         | Investee Company                          | Location                                                                                                                           | Main Businesses and Products                        | Original Investment Amount     |                                | As of December 31, 2025 |       |                 | Net Income (Loss) of the Investee | Share of Profit (Loss) (Note 1) | Note                                                                               |
|------------------------------------------|-------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|--------------------------------|--------------------------------|-------------------------|-------|-----------------|-----------------------------------|---------------------------------|------------------------------------------------------------------------------------|
|                                          |                                           |                                                                                                                                    |                                                     | Ending Balance                 | Beginning Balance              | Number of Shares        | %     | Carrying Amount |                                   |                                 |                                                                                    |
| Nan Pao Resins Chemical Co., Ltd.        | 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 | \$ 48,643       | \$ 7,505                          | \$ 3,836                        |                                                                                    |
|                                          | 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   | 11,641          | (2,334)                           | (2,334)                         |                                                                                    |
|                                          | 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   | 384,340         | 57,120                            | 52,517                          |                                                                                    |
|                                          | 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    | 405,814         | 46,938                            | 16,576                          |                                                                                    |
|                                          | 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   | 49,064          | (33,174)                          | (33,174)                        |                                                                                    |
|                                          | Contact Biosolutions Pty Ltd.             | Suite 43, 45 Riversdale Roads, Hawthorn Victoria 3122 Australia                                                                    | Production and trading of herbicides                | 233,590                        | 186,808                        | 3,805                   | 38.11 | 35,420          | (98,805)                          | (34,964)                        |                                                                                    |
| ITLS International Development Co., Ltd. | Advanced Pao Trusval Technology Co., Ltd  | No. 185, Kewang Road, Longtan District, Taoyuan City, Taiwan (R.O.C.).                                                             | Manufacturing and trading of adhesive tapes.        | 125,800                        | -                              | 12,580,000              | 34.00 | 125,759         | (121)                             | (41)                            |                                                                                    |
|                                          | ITLS Holding Pte. Ltd.                    | 8 Boon Lay Way, #09-14, 8 @ Tradehub 21, Singapore 609964                                                                          | General investment                                  | 418,742                        | 502,822                        | 18,564,549              | 100   | 23,648          | (24,294)                          |                                 |                                                                                    |
| Fuqing Nan Pao Investment Ltd.           | Wealth Castle Development Ltd.            | Room 13, 10th Floor, Block B, Tonic Industrial Centre, 19 Lam Hing Street, Kowloon Bay, Kowloon, Hong Kong                         | General investment                                  | 143,321<br>(USD 4,560,000)     | 143,321<br>(USD 4,560,000)     | 10,000                  | 100   | 287,210         | 30,453                            |                                 |                                                                                    |
| 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                 | 175,342<br>(USD 5,578,821)     | 175,342<br>(USD 5,578,821)     | 21,197,000              | 100   | 155,706         | 1,779                             |                                 |                                                                                    |
| Earnest Wealth Co., Ltd.                 | Apex Polytech Co., Ltd.                   | Lot No. T29-15A, Street 7, Protrade International Industrial Park, Tay Nam Ward, Ho Chi Minh City, Vietnam                         | Production and trading of adhesives                 | 67,575<br>(USD 2,150,000)      | 67,575<br>(USD 2,150,000)      | -                       | 100   | 71,224          | 7,517                             |                                 |                                                                                    |
| 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, KYI-1205 Cayman Islands      | General investment                                  | 4,134,152<br>(USD 131,535,234) | 3,927,446<br>(USD 124,958,502) | 128,035,234             | 100   | 6,780,784       | 274,329                           |                                 |                                                                                    |
| 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    | 79,569<br>(USD 2,531,620)      | 79,569<br>(USD 2,531,620)      | 2,507,109               | 100   | 16,020          | 1,790                             |                                 |                                                                                    |
|                                          | ITLS Vietnam Co., Ltd.                    | No.16 Kim Dong Street, Ninh Xa Ward, Bac Ninh City, Bac Ninh Province                                                              | Production and trading of construction materials    | -                              | 136,830<br>(USD 4,353,487)     | -                       | -     | -               | 1,208                             |                                 |                                                                                    |
| Nan Pao Group Holdings Ltd.              | Greatwill Materials (HK) Ltd.             | Room 13, 10th Floor, Block B, Tonic Industrial Centre, 19 Lam Hing Street, Kowloon Bay, Kowloon, Hong Kong                         | General investment                                  | 39,602<br>(USD 1,260,000)      | 39,602<br>(USD 1,260,000)      | 7,172                   | 100   | 682,339         | 111,635                           |                                 |                                                                                    |
|                                          | Profit Land Limited                       | Equity Trust Chambers, P.O. Box 3269, Apia, Samoa                                                                                  | General investment                                  | 59,328<br>(USD 1,887,627)      | 59,328<br>(USD 1,887,627)      | 350,000                 | 26.25 | 364,644         | 390,925                           |                                 |                                                                                    |
|                                          | Nan Pao Resins (Holdings) Ltd.            | P.O.Box 71, Craigmuir Chambers, Road Town, Tortola, British Virgin Islands                                                         | General investment                                  | 661,730<br>(USD 21,054,073)    | 661,730<br>(USD 21,054,073)    | 10,000                  | 100   | 437,811         | (4,699)                           |                                 |                                                                                    |
|                                          | All Saints Enterprises Ltd.               | Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG 1110, British Virgin Islands.                            | General investment                                  | 167,619<br>(USD 5,333,075)     | 167,619<br>(USD 5,333,075)     | 4,547,451               | 45.47 | 139,948         | (42,361)                          |                                 |                                                                                    |
|                                          | NP Australia Pty Ltd.                     | 215 Colchester Road Kilsyth. VIC 3137                                                                                              | General investment                                  | 634,784<br>(AUD 30,214,354)    | 634,784<br>(AUD 30,214,354)    | 30,214,354              | 100   | 1,223,993       | 104,548                           |                                 |                                                                                    |
|                                          | Ongoing Profits Ltd.                      | Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG 1110, British Virgin Islands.                            | General investment                                  | 120,591<br>(USD 3,836,817)     | 120,591<br>(USD 3,836,817)     | 3,287,546               | 67.82 | 440,626         | 205,220                           |                                 |                                                                                    |
|                                          | Treasure Wealth (HK) Ltd.                 | Room 13, 10th Floor, Block B, Tonic Industrial Centre, 19 Lam Hing Street, Kowloon Bay, Kowloon, Hong Kong                         | General investment                                  | 144,892<br>(USD 4,610,000)     | 144,892<br>(USD 4,610,000)     | 4,610                   | 100   | 156,848         | 6,582                             |                                 | Nan Pao Resins Chemical Co., Ltd. and related companies hold 100% of voting shares |
|                                          | Goldford Investments Ltd.                 | Creque Building, P.O. Box 116, Road Town, Tortola, British Virgin Islands                                                          | General investment                                  | 18,382<br>(USD 584,844)        | 18,382<br>(USD 584,844)        | 486,000                 | 100   | 161,743         | 6,529                             |                                 |                                                                                    |
|                                          | Nan Pao Resins Chemical Philippines, Inc. | Road 22 Phase 11, Cogeo Village, Antipolo City, Philippines                                                                        | Trading of adhesives                                | 6,600<br>(USD 210,000)         | 6,600<br>(USD 210,000)         | 9,000                   | 100   | 105,060         | 9,165                             |                                 | Nan Pao Resins Chemical Co., Ltd. and related companies hold 100% of voting shares |
|                                          | Giant Profit Development Ltd.             | Room 13, 10th Floor, Block B, Tonic Industrial Centre, 19 Lam Hing Street, Kowloon Bay, Kowloon, Hong Kong                         | General investment                                  | 251,440<br>(USD 8,000,000)     | 251,440<br>(USD 8,000,000)     | 10,000                  | 100   | 1,373,972       | 388,382                           |                                 |                                                                                    |
| Nan Pao Resins (Holdings) Ltd.           | Eastlion Enterprises Ltd.                 | P.O.Box 71, Craigmuir Chambers, Road Town, Tortola, British Virgin Islands                                                         | General investment                                  | 174,125<br>(USD 5,540,100)     | 174,125<br>(USD 5,540,100)     | 20,240                  | 100   | 220,193         | (21,625)                          |                                 |                                                                                    |
|                                          | Nan Pao Resins Development Ltd.           | P.O.Box 71, Craigmuir Chambers, Road Town, Tortola, British Virgin Islands                                                         | General investment                                  | 94,290<br>(USD 3,000,000)      | 94,290<br>(USD 3,000,000)      | 3,000                   | 100   | 209,503         | 16,686                            |                                 |                                                                                    |

(Continued)

| Investor Company                           | Investee Company                                    | Location                                                                                                | Main Businesses and Products                                             | Original Investment Amount     |                                | As of December 31, 2025 |     |                 | Net Income (Loss) of the Investee | Share of Profit (Loss) (Note 1) | Note |
|--------------------------------------------|-----------------------------------------------------|---------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|--------------------------------|--------------------------------|-------------------------|-----|-----------------|-----------------------------------|---------------------------------|------|
|                                            |                                                     |                                                                                                         |                                                                          | Ending Balance                 | Beginning Balance              | Number of Shares        | %   | Carrying Amount |                                   |                                 |      |
| All Saints Enterprises Ltd.                | Great Mount Enterprises Ltd.                        | Unit 2102, 21/F The Broadway, No., 54-62 Lockhart, Road, Wanchai, Hong Kong                             | General investment                                                       | \$ 314,300<br>(USD 10,000,000) | \$ 314,300<br>(USD 10,000,000) | 10,000                  | 100 | \$ 303,444      | \$ (42,391)                       |                                 |      |
| NP Australia Pty Ltd.                      | RLA Polymers Pty Ltd.                               | 215 Colchester Road Kilsyth. VIC 3137                                                                   | Production and trading of construction materials and chemical substances | 448,221<br>(AUD 21,334,344)    | 448,221<br>(AUD 21,334,344)    | 16,552,080              | 100 | 1,104,937       | 104,548                           |                                 |      |
| Ongoing Profits Ltd.                       | Rising Sun Associates Ltd.                          | Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG 1110, British Virgin Islands. | General investment                                                       | 152,358<br>(USD 4,847,546)     | 152,358<br>(USD 4,847,546)     | 3,000,000               | 100 | 648,406         | 205,319                           |                                 |      |
| Treasure Wealth (HK) Ltd.                  | Noroo-Nan Pao Paints & Coatings (Vietnam) Co., Ltd. | Kcn Nhon Trach II, Xa Nhon Trach, Tinh Dong Nai, Vietnam                                                | Production and trading of coatings                                       | 144,264<br>(USD 4,590,000)     | 144,264<br>(USD 4,590,000)     | -                       | 50  | 155,782         | 13,708                            |                                 |      |
| Rising Sun Associates Ltd.                 | Nan Pao Resins (Vietnam) Enterprise Ltd.            | 10 Thong Nhat Boulevard, Song Than 2 Industrial Di An Ward, Ho Chi Minh City, Vietnam                   | Production and trading of adhesives                                      | 107,120<br>(USD 3,408,217)     | 107,120<br>(USD 3,408,217)     | -                       | 100 | 643,188         | 204,979                           |                                 |      |
| RLA Polymers Pty Ltd.                      | RLA Polymers (M) SDN BHD                            | No.2A & 2B, Jalan Canang Emas 7/KS10, Telok Gong, 42000 Pelabuhan Klang, Selangor D.E, Malaysia         | Production and trading of construction materials and chemical substances | 125,464<br>(AUD 5,971,801)     | 125,464<br>(AUD 5,971,801)     | 18,415,500              | 100 | 251,249         | 15,573                            |                                 |      |
|                                            | Australasian Tiling Adhesives Pty Ltd               | 3 Progress Court Laverton North VIC 3026                                                                | Production and trading of construction materials and chemical substances | 94,542<br>(AUD 4,500,000)      | 94,542<br>(AUD 4,500,000)      | 4,500,000               | 100 | 113,991         | 14,229                            |                                 |      |
| Changshu Yu Bo Polymer Materials Co., Ltd. | Yu Po Chemical Co., Ltd.                            | No.519, Zhongshan Rd., Xigang Dist, Tainan City                                                         | Production and trading of adhesives and chemicals                        | 17,886<br>(RMB 4,000,000)      | 17,886<br>(RMB 4,000,000)      | 5,000                   | 100 | 18,727          | 929                               |                                 |      |

(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.

TABLE 7

NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE YEAR ENDED DECEMEBR 31, 2025  
(In Thousands of New Taiwan Dollars, In Dollars of Foreign Currency)

| Investee Company                                        | Main Businesses and Products                                                                          | Paid-in Capital<br>(Note 4)    | Method of Investment (Note 1)                                                 | Accumulated Outward<br>Remittance for Investment<br>from Taiwan as of January<br>1, 2025 (Note 4) | Remittance of Funds        |        | Accumulated Outward<br>Remittance for Investment<br>from Taiwan as of<br>December 31, 2025<br>(Note 4) | Net Income (Loss) of the<br>Investee | % Ownership of<br>Direct or Indirect<br>Investment | Investment<br>Gain (Loss)<br>(Note 2) | Carrying Amount as of<br>December 31, 2025 | Accumulated<br>Repatriation of<br>Investment<br>Income as of<br>December 31, 2025 |
|---------------------------------------------------------|-------------------------------------------------------------------------------------------------------|--------------------------------|-------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|----------------------------|--------|--------------------------------------------------------------------------------------------------------|--------------------------------------|----------------------------------------------------|---------------------------------------|--------------------------------------------|-----------------------------------------------------------------------------------|
|                                                         |                                                                                                       |                                |                                                                               |                                                                                                   | Outward                    | Inward |                                                                                                        |                                      |                                                    |                                       |                                            |                                                                                   |
| Nan Pao Resins (China) Co., Ltd.                        | Production and trading of adhesives<br>and coatings                                                   | \$ 314,300<br>(USD 10,000,000) | (2) Great Mount Enterprises<br>Ltd.                                           | \$ 339,128<br>(USD 10,789,932)                                                                    | \$ -                       | \$ -   | \$ 339,128<br>(USD 10,789,932)                                                                         | \$ (42,331)                          | 100                                                | \$ (42,331)<br>(2)B.                  | \$ 303,380                                 | \$ -                                                                              |
| Fuqing Nan Pao Resins Co., Ltd.                         | Production and trading of adhesives                                                                   | 143,321<br>(USD 4,560,000)     | (2) Wealth Castle Development<br>Ltd.                                         | 156,836<br>(USD 4,990,000)                                                                        | -                          | -      | 156,836<br>(USD 4,990,000)                                                                             | 30,262                               | 100                                                | 30,262<br>(2)B.                       | 286,734                                    | 222,197                                                                           |
| Nan Pao Resins (Dongguan) Co.,<br>Ltd.                  | Processing of adhesive products                                                                       | 84,861<br>(USD 2,700,000)      | (2) Eastlion Enterprises Ltd.                                                 | 79,891<br>(USD 2,541,860)                                                                         | -                          | -      | 79,891<br>(USD 2,541,860)                                                                              | (18,953)                             | 100                                                | (18,953)<br>(2)B.                     | 177,937                                    | -                                                                                 |
| Dongguan Jiaqin Electronics Co.,<br>Ltd.                | Production and trading of coatings and<br>advanced resins                                             | 94,290<br>(USD 3,000,000)      | (2) Nan Pao Resins<br>Development Ltd.                                        | 96,323<br>(USD 3,064,683)                                                                         | -                          | -      | 96,323<br>(USD 3,064,683)                                                                              | 16,686                               | 100                                                | 16,686<br>(2)B.                       | 209,486                                    | -                                                                                 |
| Foshan Nan Pao Advanced<br>Materials Co., Ltd.          | Production and trading of adhesives                                                                   | 107,318<br>(RMB 24,000,000)    | (2) Greatwill Materials (HK)<br>Ltd. and Nan Pao Resins<br>(Foshan) Co., Ltd. | -                                                                                                 | -                          | -      | -                                                                                                      | 187,653                              | 60.47                                              | 113,474<br>(2)B.                      | 689,314                                    | 49,616                                                                            |
| Nan Pao Resins (Foshan) Co.,<br>Ltd.                    | Production and trading of adhesives                                                                   | 251,440<br>(USD 8,000,000)     | (2) Giant Profit Development<br>Ltd.                                          | 244,765<br>(USD 7,787,627)                                                                        | -                          | -      | 244,765<br>(USD 7,787,627)                                                                             | 388,412                              | 100                                                | 388,412<br>(2)B.                      | 1,372,927                                  | 1,365,114                                                                         |
| Gangyi Electronic (Dongguan)<br>Co., Ltd. (Note 5)      | Production and trading of magnetic<br>covers, magnetic rings, iron cores<br>and electronic components | -                              | (2) Qang Yi Electronic Factory<br>Company Ltd.                                | 12,571<br>(USD 400,000)                                                                           | -                          | -      | 12,571<br>(USD 400,000)                                                                                | -                                    | -                                                  | -                                     | -                                          | -                                                                                 |
| Nan Pao Advanced Investment<br>Co., Ltd.                | General investment                                                                                    | 1,665,122<br>(USD 52,978,733)  | (2) Nan Pao Group Holdings<br>Ltd.                                            | 1,458,415<br>(USD 46,402,000)                                                                     | 206,707<br>(USD 6,576,733) | -      | 1,665,122<br>(USD 52,978,733)                                                                          | (214,319)                            | 100                                                | (214,319)<br>(2)B.                    | 1,089,371                                  | -                                                                                 |
| Nan Pao (Kunshan) Electronic<br>Commerce Co., Ltd.      | Online business agency and general<br>merchandise trading                                             | 47,145<br>(USD 1,500,000)      | (3) Nan Pao Advanced<br>Investment Co., Ltd.                                  | -                                                                                                 | -                          | -      | -                                                                                                      | (63)                                 | 100                                                | (63)<br>(2)B.                         | 5,381                                      | -                                                                                 |
| Nan Pao New Materials<br>Technology (Huaian) Co., Ltd.  | Production and trading of carbon fiber                                                                | 704,096<br>(USD 22,402,037)    | (3) Nan Pao Advanced<br>Investment Co., Ltd.                                  | -                                                                                                 | -                          | -      | -                                                                                                      | (149,174)                            | 93.30                                              | (137,887)<br>(2)B.                    | 293,862                                    | -                                                                                 |
| Nan Pao Optoelectronic Materials<br>(Kunshan) Co., Ltd. | Production and trading of adhesives<br>and chemical substances                                        | 25,144<br>(USD 800,000)        | (3) Nan Pao Advanced<br>Investment Co., Ltd.                                  | -                                                                                                 | -                          | -      | -                                                                                                      | (2,634)                              | 100                                                | (2,634)<br>(2)B.                      | 7,189                                      | -                                                                                 |
| Nan Pao Fine Chemical Materials<br>(Anhui) Co., Ltd.    | Production and trading of coatings and<br>chemical substances                                         | 458,038<br>(USD 14,573,267)    | (3) Nan Pao Advanced<br>Investment Co., Ltd.                                  | -                                                                                                 | -                          | -      | -                                                                                                      | (1,796)                              | 92.11                                              | (1,702)<br>(2)B.                      | 417,322                                    | -                                                                                 |
| Changshu Yu Bo Polymer<br>Materials Co., Ltd.           | Production and trading of adhesives<br>and chemical substances                                        | 204,295<br>(USD 6,500,000)     | (3) Nan Pao Advanced<br>Investment Co., Ltd.                                  | -                                                                                                 | -                          | -      | -                                                                                                      | 23,456                               | 70                                                 | (65,705)<br>(2)B.                     | 380,088                                    | -                                                                                 |

| Accumulated Outward Remittance for Investments in<br>Mainland China as of<br>December 31, 2025 (Note 4) | Investment Amount Authorized by the<br>Investment Commission, MOEA (Note 4) | Upper Limit on the Amount of Investments Stipulated by the Investment Commission,<br>MOEA<br>(Note 3) |
|---------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| \$ 2,594,636<br>(USD 82,552,835)                                                                        | \$ 4,596,560<br>(USD 146,247,525)                                           | \$ 9,258,266                                                                                          |

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:  
\$15,430,443×60%=\$9,258,266

Note 4: Relevant amounts are calculated based on the exchange rate of USD\$1 = NT\$31.43 at the end of the period.  
Relevant amounts are calculated based on the exchange rate of CNY 1 = NT\$4.4716 at the end of the period.

Note 5: Gangyi Electronic (Dongguan) Co., Ltd. has 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 YEAR ENDED DECEMEBR 31, 2025**  
**(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

| Company Name                                | Counterparty                                      | Relationship                 | Transaction Details |               |            |                        | Abnormal Transaction                       |                                           | Notes/Accounts Receivable (Payable) |            |                        |
|---------------------------------------------|---------------------------------------------------|------------------------------|---------------------|---------------|------------|------------------------|--------------------------------------------|-------------------------------------------|-------------------------------------|------------|------------------------|
|                                             |                                                   |                              | Purchases/Sales     | Amount (Note) | % to Total | Payment Terms          |                                            |                                           | Ending Balance (Note)               | % to Total | Unrealized Gain (Note) |
|                                             |                                                   |                              |                     |               |            |                        | Unit Price                                 | Payment Terms                             |                                     |            |                        |
| Nan Pao Resins Chemical Co., Ltd.           | Nan Pao Resins (Foshan) Co., Ltd.                 | Subsidiary                   | Sales               | \$ (176,392 ) | (3)        | Payment within 90 days | Similar to general transactions            | Similar to general transactions           | \$ 39,519                           | 2          | \$ 11,315              |
|                                             | Dongguan Jiaqin Electronics Co., Ltd.             | Subsidiary                   | Sales               | (82,646 )     | (1)        | Payment within 90 days | Similar to general transactions            | Similar to general transactions           | 22,721                              | 1          | 7,247                  |
| Foshan Nan Pao Advanced Materials Co., Ltd. | PT. Indo Nan Pao Resins Chemical Co., Ltd.        | Same ultimate Parent Company | Sales               | (18,591 )     | (1)        | Payment within 90 days | Similar to general transactions            | Similar to general transactions           | 2,716                               | -          | -                      |
|                                             | Nan Pao Resins (Foshan) Co., Ltd.                 | Same ultimate Parent Company | Sales               | (50,421 )     | (2)        | Payment within 90 days | Similar to general transactions            | Similar to general transactions           | 13,722                              | 2          | -                      |
| Nan Pao Resins (Dongguan) Co., Ltd.         | Nan Pao Resins (HK) Ltd.                          | Same ultimate Parent Company | Processing Revenue  | (333,041 )    | (100)      | Payment within 90 days | No comparable product sales for comparison | No third-party transaction for comparison | 93,533                              | 100        | -                      |
| Nan Pao Resins (Foshan) Co., Ltd.           | Fuqing Nan Pao Resins Co., Ltd.                   | Same ultimate Parent Company | Sales               | (82,676 )     | (4)        | Payment within 90 days | Similar to general transactions            | Similar to general transactions           | 23,738                              | 5          | -                      |
|                                             | Nan Pao Resins (China) Co., Ltd.                  | Same ultimate Parent Company | Sales               | (48,854 )     | (2)        | Payment within 90 days | Similar to general transactions            | Similar to general transactions           | 13,892                              | 3          | -                      |
|                                             | Nan Pao Resins (Dongguan) Co., Ltd.               | Same ultimate Parent Company | Sales               | (12,087 )     | (1)        | Payment within 90 days | Similar to general transactions            | Similar to general transactions           | 3,919                               | 1          | -                      |
|                                             | Nan Pao Fine Chemical Materials (Anhui) Co., Ltd. | Same ultimate Parent Company | Sales               | (12,068 )     | (1)        | Payment within 90 days | Similar to general transactions            | Similar to general transactions           | 4,377                               | 1          | -                      |
| Fuqing Nan Pao Resins Co., Ltd.             | Nan Pao Resins (China) Co., Ltd.                  | Same ultimate Parent Company | Sales               | (37,765 )     | (10)       | Payment within 90 days | Similar to general transactions            | Similar to general transactions           | 9,319                               | 10         | -                      |
|                                             | Nan Pao Resins (Foshan) Co., Ltd.                 | Same ultimate Parent Company | Sales               | (39,479 )     | (11)       | Payment within 90 days | Similar to general transactions            | Similar to general transactions           | 13,451                              | 15         | -                      |

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.**

**CHANGES IN PROPERTY, PLANT AND EQUIPMENT  
FOR THE YEAR ENDED DECEMEBR 31, 2025 AND 2024  
(In Thousands of New Taiwan Dollars)**

|                                      | Land              | Land Improvement | Buildings           | Machinery and<br>equipment | Transportation<br>equipment | Miscellaneous<br>equipment | Total               |
|--------------------------------------|-------------------|------------------|---------------------|----------------------------|-----------------------------|----------------------------|---------------------|
| <u>Cost</u>                          |                   |                  |                     |                            |                             |                            |                     |
| Balance on January 1, 2025           | \$ 970,170        | \$ 25,584        | \$ 1,502,449        | \$ 1,428,250               | \$ 130,917                  | \$ 838,160                 | \$ 4,895,530        |
| Additions                            | 3,139             | 2,592            | 14,037              | 75,396                     | 6,537                       | 52,320                     | 154,021             |
| Disposals                            | <u>-</u>          | <u>(2,325)</u>   | <u>-</u>            | <u>(51,298)</u>            | <u>(3,797)</u>              | <u>(33,959)</u>            | <u>(91,379)</u>     |
| Balance on December 31, 2025         | <u>\$ 973,309</u> | <u>\$ 25,851</u> | <u>\$ 1,516,486</u> | <u>\$ 1,452,348</u>        | <u>\$ 133,657</u>           | <u>\$ 856,521</u>          | <u>\$ 4,958,172</u> |
| <u>Accumulated depreciation</u>      |                   |                  |                     |                            |                             |                            |                     |
| Balance on January 1, 2025           | \$ -              | \$ 15,470        | \$ 374,084          | \$ 1,081,530               | \$ 94,246                   | \$ 585,192                 | \$ 2,150,522        |
| Depreciation expenses                | -                 | 3,059            | 53,310              | 116,207                    | 9,581                       | 65,065                     | 247,222             |
| Disposals                            | <u>-</u>          | <u>(2,325)</u>   | <u>-</u>            | <u>(43,781)</u>            | <u>(3,472)</u>              | <u>(27,160)</u>            | <u>(76,738)</u>     |
| Balance on December 31, 2025         | <u>\$ -</u>       | <u>\$ 16,204</u> | <u>\$ 427,394</u>   | <u>\$ 1,153,956</u>        | <u>\$ 100,355</u>           | <u>\$ 623,097</u>          | <u>\$ 2,321,006</u> |
| Carrying amount on December 31, 2025 | <u>\$ 973,309</u> | <u>\$ 9,647</u>  | <u>\$ 1,089,092</u> | <u>\$ 298,392</u>          | <u>\$ 33,302</u>            | <u>\$ 233,424</u>          | <u>\$ 2,637,166</u> |
| <u>Cost</u>                          |                   |                  |                     |                            |                             |                            |                     |
| Balance on January 1, 2024           | \$ 970,170        | \$ 24,278        | \$ 1,485,703        | \$ 1,364,019               | \$ 118,856                  | \$ 787,991                 | \$ 4,751,017        |
| Additions                            | -                 | 1,306            | 16,746              | 76,387                     | 29,537                      | 60,162                     | 184,138             |
| Disposals                            | <u>-</u>          | <u>-</u>         | <u>-</u>            | <u>(12,156)</u>            | <u>(17,476)</u>             | <u>(9,993)</u>             | <u>(39,625)</u>     |
| Balance on December 31, 2024         | <u>\$ 970,170</u> | <u>\$ 25,584</u> | <u>\$ 1,502,449</u> | <u>\$ 1,428,250</u>        | <u>\$ 130,917</u>           | <u>\$ 838,160</u>          | <u>\$ 4,895,530</u> |
| <u>Accumulated depreciation</u>      |                   |                  |                     |                            |                             |                            |                     |
| Balance on January 1, 2024           | \$ -              | \$ 12,785        | \$ 322,125          | \$ 989,606                 | \$ 102,469                  | \$ 534,561                 | \$ 1,961,546        |
| Depreciation expenses                | -                 | 2,685            | 51,959              | 104,080                    | 8,587                       | 60,624                     | 227,935             |
| Disposals                            | <u>-</u>          | <u>-</u>         | <u>-</u>            | <u>(12,156)</u>            | <u>(16,810)</u>             | <u>(9,993)</u>             | <u>(38,959)</u>     |
| Balance on December 31, 2024         | <u>\$ -</u>       | <u>\$ 15,470</u> | <u>\$ 374,084</u>   | <u>\$ 1,081,530</u>        | <u>\$ 94,246</u>            | <u>\$ 585,192</u>          | <u>\$ 2,150,522</u> |
| Carrying amount on December 31, 2024 | <u>\$ 970,170</u> | <u>\$ 10,114</u> | <u>\$ 1,128,365</u> | <u>\$ 346,720</u>          | <u>\$ 36,671</u>            | <u>\$ 252,968</u>          | <u>\$ 2,745,008</u> |

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**STATEMENT 1****NAN PAO RESINS CHEMICAL CO., LTD.****STATEMENT OF CASH AND CASH EQUIVALENTS****DECEMBER 31, 2025****(In Thousands of New Taiwan Dollars, In Dollars of Foreign Currency)**

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| <b>Item</b>                      | <b>Description</b>                                                                                                             | <b>Amount</b>     |
|----------------------------------|--------------------------------------------------------------------------------------------------------------------------------|-------------------|
| Cash on hand                     |                                                                                                                                | \$ 917            |
| Deposits                         |                                                                                                                                |                   |
| Demand deposits                  |                                                                                                                                | 340,464           |
| Check deposits                   |                                                                                                                                | 53,191            |
| Foreign currency deposits (Note) | US\$ 7,276,348, JPY\$ 8,122,880.83,<br>RMB\$ 488,337.5, AUD\$ 16,148.65,<br>EUR\$ 151,062.15, HKD\$ 53,076.65<br>and GBP\$ 0.3 | 238,650           |
|                                  |                                                                                                                                | <hr/>             |
|                                  |                                                                                                                                | <u>\$ 633,222</u> |

Note: Foreign currency denominated assets held are converted at the exchange rate on the balance sheet date. US\$ 1=NT\$ 31.43, JPY 1=NT\$ 0.2008, RMB 1=NT\$ 4.496, AUD 1=NT\$ 21.01, EUR 1=NT\$ 36.90, HKD 1=NT\$ 4.038 and GBP 1=NT\$ 42.33.

**NAN PAO RESINS CHEMICAL CO., LTD.**

**STATEMENT OF CHANGES IN FINANCIAL ASSETTS AT FAIR VALUE THROUGH PROFIT OR LOSS - NON-CURRENT  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)**

| Investee Company                   | Balance on January 1, 2025 |                   | Addition       |             | Reductions (Note) |                  | Balance on December 31, 2025 |                   | Collateral |
|------------------------------------|----------------------------|-------------------|----------------|-------------|-------------------|------------------|------------------------------|-------------------|------------|
|                                    | Shares / Units             | Fair Value        | Shares / Units | Amount      | Shares / Units    | Amount           | Shares / Units               | Fair Value        |            |
| Limited Partnership                |                            |                   |                |             |                   |                  |                              |                   |            |
| CDIB - Innolux Limited Partnership | -                          | \$ <u>131,474</u> | -              | \$ <u>-</u> | -                 | \$ <u>22,893</u> | -                            | \$ <u>108,581</u> | None       |

Note: The decrease in the year refers to the refund of capital from capital reduction amounting to \$7,928 thousand and the loss on valuation amounting to \$14,965 thousand.

**STATEMENT 3**

**NAN PAO RESINS CHEMICAL CO., LTD.**

**STATEMENT OF NOTES RECEIVABLE**

**DECEMBER 31, 2025**

**(In Thousands of New Taiwan Dollars)**

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| <b>Customer Name</b> | <b>Amount</b>     |
|----------------------|-------------------|
| Unrelated parties    |                   |
| Customer A           | \$ 8,485          |
| Customer B           | 8,366             |
| Customer C           | 7,438             |
| Customer D           | 7,165             |
| Others (Note)        | <u>108,383</u>    |
|                      | <u>\$ 139,837</u> |

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

**STATEMENT 4****NAN PAO RESINS CHEMICAL CO., LTD.****STATEMENT OF ACCOUNTS RECEIVABLE****DECEMBER 31, 2025****(In Thousands of New Taiwan Dollars)**

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| <b>Customer Name</b>                       | <b>Amount</b>              |
|--------------------------------------------|----------------------------|
| Unrelated parties                          |                            |
| Customer A                                 | \$ 45,384                  |
| Customer B                                 | 44,823                     |
| Others (Note)                              | <u>339,584</u>             |
|                                            | 429,791                    |
| <br>Less: Allowance for impairment loss    | <br><u>5,886</u>           |
|                                            | <u><u>\$ 423,905</u></u>   |
| <br>Related parties                        |                            |
| Nan Pao Resins (Vietnam) Enterprise Ltd.   | \$ 834,043                 |
| PT. Indo Nan Pao Resins Chemical Co., Ltd. | 358,626                    |
| Others (Note)                              | <u>332,495</u>             |
|                                            | <u><u>\$ 1,525,164</u></u> |

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

**STATEMENT 5****NAN PAO RESINS CHEMICAL CO., LTD.****STATEMENT OF OTHER RECEIVABLES****DECEMBER 31, 2025****(In Thousands of New Taiwan Dollars)**

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| <b>Item</b>                           | <b>Description</b>                               | <b>Amount</b>     |
|---------------------------------------|--------------------------------------------------|-------------------|
| Tax refund receivables - Business tax | Business tax refund                              | \$ 7,424          |
| Other receivables - related parties   | Refund of capital from capital reduction,<br>etc | 100,180           |
| Others                                | Substitute molds, electricity sales, etc         | <u>681</u>        |
|                                       |                                                  | <u>\$ 108,285</u> |

**STATEMENT 6****NAN PAO RESINS CHEMICAL CO., LTD.****STATEMENT OF INVENTORIES****DECEMBER 31, 2025****(In Thousands of New Taiwan Dollars)**

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| <b>Item</b>                            | <b>Amount</b>     |                     |
|----------------------------------------|-------------------|---------------------|
|                                        | <b>Cost</b>       | <b>Market Price</b> |
| Merchandise                            | \$ 6,943          | \$ 11,429           |
| Finished goods and semi-finished goods | 254,288           | 510,006             |
| Work in progress                       | 38,855            | 72,129              |
| Raw materials                          | 304,027           | 325,475             |
| Supplies                               | <u>12,314</u>     | <u>12,314</u>       |
|                                        | <u>\$ 616,427</u> | <u>\$ 931,353</u>   |

Note: Market price is meant net realizable value.

NAN PAO RESINS CHEMICAL CO., LTD.

STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)

| Investee Company                             | Balance on January 1, 2025 |                     | Additions (Reductions) |             | Unrealized<br>Gain (loss) on<br>Financial Assets<br>at Fair Value<br>Through Other<br>Comprehensive<br>Income | Balance on December 31, 2025 |                     | Fair Value          | Note     | Collateral |
|----------------------------------------------|----------------------------|---------------------|------------------------|-------------|---------------------------------------------------------------------------------------------------------------|------------------------------|---------------------|---------------------|----------|------------|
|                                              | Shares                     | Amount              | Shares                 | Amount      |                                                                                                               | Shares                       | Amount              |                     |          |            |
| Emerging market shares                       |                            |                     |                        |             |                                                                                                               |                              |                     |                     |          |            |
| Revivegen Environmental Technology Co., Ltd. | 649,921                    | \$ 24,177           | -                      | \$ -        | \$ (4,679)                                                                                                    | 649,921                      | \$ 19,498           | \$ 19,498           | (Note 3) | None       |
| Publicly owned company                       |                            |                     |                        |             |                                                                                                               |                              |                     |                     |          |            |
| Dairen Chemical Corp.                        | 10,424,970                 | 1,630,626           | -                      | -           | (498,481)                                                                                                     | 10,424,970                   | 1,132,145           | 1,132,145           | (Note 1) | None       |
| Unlisted shares                              |                            |                     |                        |             |                                                                                                               |                              |                     |                     |          |            |
| Hua Chi Venture Capital Co., Ltd.            | 7,895                      | 1,459               | -                      | -           | (382)                                                                                                         | 7,895                        | 1,077               | 1,077               | (Note 2) | None       |
| Opulence Optronics Co., Ltd.                 | 877,208                    | <u>3,302</u>        | -                      | <u>-</u>    | <u>(2,494)</u>                                                                                                | 877,208                      | <u>808</u>          | <u>808</u>          | (Note 1) | None       |
|                                              |                            | <u>\$ 1,659,564</u> |                        | <u>\$ -</u> | <u>\$ (506,036)</u>                                                                                           |                              | <u>\$ 1,153,528</u> | <u>\$ 1,153,528</u> |          |            |

Note 1: Fair value is based on market value method used by the appraiser.

Note 2: Fair value is based on the investee company’s most recent net asset value.

Note 3: Fair value is based on the latest transaction price of the asset.

NAN PAO RESINS CHEMICAL CO., LTD.

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)

| Investee Company                                                 | Balance on January 1, 2025 |               | Additions (Reductions) |              | Note    | Gain (loss) on Investments | Cumulative Translation Adjustment | Adjustments in other comprehensive income (loss) | Balance on December 31, 2025 |                             |               |               |            |
|------------------------------------------------------------------|----------------------------|---------------|------------------------|--------------|---------|----------------------------|-----------------------------------|--------------------------------------------------|------------------------------|-----------------------------|---------------|---------------|------------|
|                                                                  | Shares                     | Amount        | Shares                 | Amount       |         |                            |                                   |                                                  | Shares                       | Proportion of Ownership (%) | Amount        | Fair Value    | Collateral |
| Nan Pao Overseas Holdings Ltd. (foreign company)                 | 15,496                     | \$ 7,682,741  | 658                    | \$ (136,131) | Note 1  | \$ 279,553                 | \$ (217,023)                      | \$ -                                             | 16,154                       | 100                         | \$ 7,609,140  | \$ 7,752,734  | None       |
| Fuqing Nan Pao Investment Ltd. (foreign company)                 | 4,990,000                  | 255,263       | -                      | (872)        | Note 4  | 30,324                     | 2,122                             | -                                                | 4,990,000                    | 100                         | 286,837       | 287,709       | None       |
| Thai Nan Pao Investment Ltd. (foreign company)                   | 5,282,000                  | 203,835       | -                      | (988)        | Note 4  | 3,834                      | 3,859                             | -                                                | 5,282,000                    | 100                         | 210,540       | 211,803       | None       |
| Nan Pao Resins India Pvt Ltd. (foreign company)                  | 12,112,640                 | 55,116        | 10,011,700             | 95,078       | Note 11 | (82,581)                   | (6,030)                           | -                                                | 22,124,340                   | 100                         | 61,583        | 62,561        | None       |
| Nan Pao Materials Vietnam Co., Ltd. (foreign company)            | -                          | 1,849,650     | -                      | (151,678)    | Note 2  | 363,473                    | (82,438)                          | -                                                | -                            | 100                         | 1,979,007     | 2,022,225     | None       |
| Nan Pao Advanced Materials Vietnam Co., Ltd. (foreign company)   | -                          | 837,033       | -                      | (4,699)      | Note 4  | 174,358                    | (63,040)                          | -                                                | -                            | 100                         | 943,652       | 988,358       | None       |
| Nan Pao Chemical Co. Ltd. (unlisted company)                     | 15,000,000                 | 189,206       | -                      | (16,768)     | Note 6  | (7,371)                    | -                                 | -                                                | 15,000,000                   | 100                         | 165,067       | 165,067       | None       |
| ITLS International Development Co., Ltd. (unlisted company)      | 24,600,000                 | 294,306       | (10,000,000)           | (139,068)    | Note 5  | (2,802)                    | 18,085                            | -                                                | 14,600,000                   | 100                         | 170,521       | 169,977       | None       |
| Phymed Bio-Tec Co., Ltd. (unlisted company)                      | 2,400,000                  | 11,015        | -                      | -            |         | (5,922)                    | -                                 | -                                                | 2,400,000                    | 100                         | 5,093         | 5,093         | None       |
| Nan Pao Application Material Co., Ltd. (unlisted company)        | 200,000                    | 8,673         | -                      | -            |         | 33                         | -                                 | -                                                | 200,000                      | 100                         | 8,706         | 8,706         | None       |
| Biorich Biotechnology Co., Ltd. (unlisted company)               | 391,462                    | 16,863        | -                      | (979)        | Note 6  | 11,889                     | -                                 | -                                                | 391,462                      | 57.1                        | 27,773        | 27,773        | None       |
| Prince Pharmaceutical Co., Ltd. (emerging company)               | 18,131,198                 | 390,462       | 20,000                 | 2,137        | Note 7  | 47,353                     | -                                 | (201)                                            | 18,151,198                   | 48.52                       | 439,751       | 406,925       | None       |
| Nan Pao Advanced Materials Co., Ltd. (unlisted company)          | 350,000                    | 10,773        | -                      | (4,345)      | Note 6  | 8,736                      | -                                 | -                                                | 350,000                      | 70                          | 15,164        | 15,164        | None       |
| PT. Indo Nan Pao Resins Chemical Co., Ltd. (foreign company)     | 7,425,000                  | 318,936       | -                      | (52,614)     | Note 8  | 104,007                    | (31,412)                          | (181)                                            | 7,425,000                    | 67.5                        | 338,736       | 426,134       | None       |
| All Saints Enterprises Ltd. (foreign company)                    | 5,452,549                  | 195,375       | -                      | -            |         | (23,099)                   | (4,443)                           | -                                                | 5,452,549                    | 54.53                       | 167,833       | 167,833       | None       |
| Ongoing Profits Ltd. (foreign company)                           | 1,560,000                  | 192,917       | -                      | (94,259)     | Note 9  | 67,037                     | (18,288)                          | -                                                | 1,560,000                    | 32.18                       | 147,407       | 209,073       | None       |
| Profit Land Limited (foreign company)                            | 983,333                    | 1,030,107     | -                      | (268,724)    | Note 10 | 288,853                    | (37,786)                          | -                                                | 983,333                      | 73.75                       | 1,012,450     | 1,024,477     | None       |
| Nan Pao Philippines Export Inc. (foreign company)                | 25,750,000                 | 22,027        | -                      | -            |         | 3,570                      | (1,363)                           | -                                                | 25,750,000                   | 100                         | 24,234        | 24,234        | None       |
| Nan Pao Fine Materials Co., Ltd. (unlisted company)              | 1,375,000                  | 37,451        | -                      | (23,446)     | Note 6  | 22,834                     | -                                 | -                                                | 1,375,000                    | 55                          | 36,839        | 40,914        | None       |
| Nan Pao Resins Chemical (Bangladesh) Co., Ltd. (foreign company) | 663,625                    | 4,773         | 266,420                | 6,571        | Note 3  | (6,614)                    | (49)                              | -                                                | 930,045                      | 100                         | 4,681         | 4,681         | None       |
| FlexUP Technologies Corp. (unlisted company)                     | 18,880,000                 | 76,282        | -                      | -            |         | 18,912                     | -                                 | -                                                | 18,880,000                   | 100                         | 95,194        | 98,982        | None       |
| Earnest Wealth Co., Ltd. (foreign company)                       | 920,000                    | 47,374        | -                      | -            |         | 3,836                      | (2,567)                           | -                                                | 920,000                      | 51.11                       | 48,643        | 36,990        | None       |
| Nan Pao Resins (HK) Ltd. (foreign company)                       | 13,400,000                 | 349,071       | -                      | (2,534)      | Note 4  | 52,517                     | (14,714)                          | -                                                | 13,400,000                   | 100                         | 384,340       | 409,504       | None       |
| Nan Pao Resins International Ltd. (foreign company)              | 1,000                      | 14,635        | -                      | -            |         | (2,334)                    | (660)                             | -                                                | 1,000                        | 100                         | 11,641        | 11,641        | None       |
| Nan Pao Materials Resins India Private Limited (foreign company) | 32,722,000                 | 121,077       | 8,429,000              | 29,908       | Note 3  | (2,850)                    | (11,247)                          | -                                                | 41,151,000                   | 100                         | 136,888       | 136,888       | None       |
| Yun Teh Industrial Co., Ltd. (unlisted company)                  | -                          | -             | 3,220,000              | 389,238      | Note 14 | 16,576                     | -                                 | -                                                | 3,220,000                    | 70                          | 405,814       | 105,741       | None       |
| Spark Foamtech Enterprise Company Limited (foreign company)      | -                          | -             | -                      | 83,512       | Note 3  | (33,174)                   | (1,274)                           | -                                                | -                            | 100                         | 49,064        | 49,064        | None       |
| Perfect & Outstanding Technology Inc. (unlisted company)         | 2,500,000                  | 22,356        | -                      | 22,745       | Note 13 | (5,444)                    | -                                 | -                                                | 2,500,000                    | 16.7                        | 39,657        | 6,776         | None       |
| Contact Biosolutions Pty Ltd. (foreign company)                  | 2,680                      | 34,852        | 1,125                  | 35,892       | Note 12 | (34,964)                   | (360)                             | -                                                | 3,805                        | 38.11                       | 35,420        | 35,420        | None       |
| Advanced Pao Trusval Technology CO., LTD.                        | -                          | -             | 12,580,000             | 125,800      | Note 15 | (41)                       | -                                 | -                                                | 12,580,000                   | 34                          | 125,759       | 125,759       | None       |
|                                                                  |                            | \$ 14,272,169 |                        | \$ (106,224) |         | \$ 1,290,499               | \$ (468,628)                      | \$ (382)                                         |                              |                             | \$ 14,987,434 | \$ 15,038,206 |            |

Note 1: The details of decrease were as follows:

|                                                                                           |                     |
|-------------------------------------------------------------------------------------------|---------------------|
| Addition of investments                                                                   | \$ 212,177          |
| Cash dividends paid                                                                       | (345,422)           |
| Capital surplus increase - recognition of changes in equity of investment in subsidiaries | 1,222               |
| Adjustments of unrealized gain on downstream transactions                                 | (4,108)             |
|                                                                                           | <u>\$ (136,131)</u> |

Note 2: The details of decrease were as follows:

|                                                           |                     |
|-----------------------------------------------------------|---------------------|
| Cash dividends paid                                       | \$ (149,600)        |
| Adjustments of unrealized gain on downstream transactions | (2,078)             |
|                                                           | <u>\$ (151,678)</u> |

Note 3: The net increase for the year amount is addition of investments in subsidiaries

Note 4: The net decrease for the year is adjustments of unrealized gain on downstream transactions

Note 5: The details of decrease were as follows:

|                                                         |    |                  |
|---------------------------------------------------------|----|------------------|
| Cash dividends paid                                     | \$ | (40,474)         |
| Return of capital from capital reduction                |    | (100,000)        |
| Adjustments of realized gain on downstream transactions |    | <u>1,406</u>     |
|                                                         | \$ | <u>(139,068)</u> |

Note 6: The decrease for the year is cash dividends paid.

Note 7: The details of increase were as follows:

|                                                                                                                                                                       |    |              |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|--------------|
| Addition of investments                                                                                                                                               | \$ | 499          |
| Capital surplus decrease - recognition of difference between the consideration paid and the carrying amount of the subsidiaries' net assets during actual acquisition |    | 55           |
| Capital surplus increase - recognition of changes in equity of investment in subsidiaries                                                                             |    | 1,244        |
| Capital surplus increase - recognition of changes in employee share options of the subsidiaries                                                                       |    | <u>449</u>   |
|                                                                                                                                                                       | \$ | <u>2,247</u> |

Note 8: The details of decrease were as follows:

|                                                         |    |                 |
|---------------------------------------------------------|----|-----------------|
| Cash dividends paid                                     | \$ | (108,083)       |
| Adjustments of realized gain on downstream transactions |    | <u>55,469</u>   |
|                                                         | \$ | <u>(52,614)</u> |

Note 9: The details of decrease were as follows:

|                                                           |    |                 |
|-----------------------------------------------------------|----|-----------------|
| Cash dividends paid                                       | \$ | (92,828)        |
| Adjustments of unrealized gain on downstream transactions |    | <u>(1,431)</u>  |
|                                                           | \$ | <u>(94,259)</u> |

Note 10: The details of decrease were as follows:

|                                                         |    |                  |
|---------------------------------------------------------|----|------------------|
| Cash dividends paid                                     | \$ | (272,675)        |
| Adjustments of realized gain on downstream transactions |    | <u>3,951</u>     |
|                                                         | \$ | <u>(268,724)</u> |

Note 11: The details of increase were as follows:

|                                                                                           |    |               |
|-------------------------------------------------------------------------------------------|----|---------------|
| Addition of investments                                                                   | \$ | 89,864        |
| Capital surplus decrease - recognition of changes in equity of investment in subsidiaries |    | 59            |
| Adjustments of realized gain on downstream transactions                                   |    | <u>5,273</u>  |
|                                                                                           | \$ | <u>95,196</u> |

Note 12: The details of increase were as follows:

|                                                                                                                        |    |                 |
|------------------------------------------------------------------------------------------------------------------------|----|-----------------|
| Addition of investments                                                                                                | \$ | 46,782          |
| Retained earnings decrease - recognition of changes in investments in associates accounted for using the equity method |    | <u>(10,890)</u> |
|                                                                                                                        | \$ | <u>35,892</u>   |

Note 13: The net increase for the year is the recognition of changes in investments in associates accounted for using the equity method, increasing capital surplus.

Note 14: The details of increase were as follows:

|                                                           |    |                |
|-----------------------------------------------------------|----|----------------|
| Addition of investments                                   | \$ | 418,300        |
| Cash dividends paid                                       |    | (28,426)       |
| Adjustments of unrealized gain on downstream transactions |    | <u>(636)</u>   |
|                                                           | \$ | <u>389,238</u> |

Note 15: The increase were addition of investment in associates.

**STATEMENT 9****NAN PAO RESINS CHEMICAL CO., LTD.****STATEMENT OF SHORT-TERM BORROWINGS****DECEMBER 31, 2025****(In Thousands of New Taiwan Dollars)**

|                                                       | <b>Maturity Date</b> | <b>Interest rate<br/>(%)</b> | <b>Balance</b>      | <b>Credit Line</b> | <b>Collateral</b> |
|-------------------------------------------------------|----------------------|------------------------------|---------------------|--------------------|-------------------|
| Borrowings of unsecured loans                         |                      |                              |                     |                    |                   |
| Yuanta Bank                                           | 2025.12-2026.03      | 1.83                         | \$ 500,000          | \$ 1,000,000       | None              |
| E. Sun Bank                                           | 2025.12-2026.01      | 1.81                         | 600,000             | 800,000            | None              |
| Cathay United Bank                                    | 2025.10-2026.01      | 1.81                         | 200,000             | 534,310            | None              |
| HSBC Bank                                             | 2025.10-2026.01      | 1.78097                      | 200,000             | 1,100,050          | None              |
| CTBC Bank                                             | 2025.10-2026.01      | 1.84                         | 200,000             | 600,000            | None              |
| The Export-Import Bank<br>of the Republic of<br>China | 2025.12-2026.12      | 1.7949                       | 200,000             | 300,000            | None              |
|                                                       |                      |                              | <hr/>               |                    |                   |
|                                                       |                      |                              | <u>\$ 1,900,000</u> |                    |                   |

**NAN PAO RESINS CHEMICAL CO., LTD.**

**STATEMENT OF NOTES PAYABLE  
DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)**

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| <b>Vendor Name</b> | <b>Amount</b> |
|--------------------|---------------|
| Vendor A           | \$ 63         |
| Vendor B           | <u>14</u>     |
|                    | <u>\$ 77</u>  |

**STATEMENT 11**

**NAN PAO RESINS CHEMICAL CO., LTD.**

**STATEMENT OF ACCOUNTS PAYABLE  
DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)**

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| <b>Vendor Name</b> | <b>Amount</b>     |
|--------------------|-------------------|
| Others (Note)      | <u>\$ 523,387</u> |

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

NAN PAO RESINS CHEMICAL CO., LTD.

STATEMENT OF LONG-TERM BORROWINGS  
DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)

| Contract Period and Repayment Method            |                                                                                                                                       | Interest rate (%) | Balance on December 31, 2025 |              |              | Collateral |
|-------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|-------------------|------------------------------|--------------|--------------|------------|
|                                                 |                                                                                                                                       |                   | Current Portion              | Over 1 Year  | Total        |            |
| Borrowings of unsecured loans                   |                                                                                                                                       |                   |                              |              |              |            |
| CTBC Bank                                       | 2025.10-2027.10, repaid in the due date with revolving basis within the quota                                                         | 1.86              | \$ -                         | \$ 150,000   | \$ 150,000   | None       |
| Mizuho Bank                                     | 2025.12-2027.12, repaid in the due date with revolving basis within the quota                                                         | 1.81-1.82         | -                            | 1,540,000    | 1,540,000    | None       |
| DBS Bank                                        | 2025.05-2027.05, repaid in the due date with revolving basis within the quota                                                         | 1.85              | -                            | 550,000      | 550,000      | None       |
| The Export-Import Bank of the Republic of China | 2024.09-2031.09, not with revolving basis within the quota, 6 monthly repays the principal portion of the borrowings since March 2027 | 1.8266            | -                            | 77,000       | 77,000       | None       |
|                                                 |                                                                                                                                       |                   |                              |              |              |            |
|                                                 |                                                                                                                                       |                   | \$ -                         | \$ 2,317,000 | \$ 2,317,000 |            |

**STATEMENT 13****NAN PAO RESINS CHEMICAL CO., LTD.****STATEMENT OF LEASE LIABILITIES****DECEMBER 31, 2025****(In Thousands of New Taiwan Dollars)**

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| <b>Name</b> | <b>Description</b> | <b>Leasing Period</b> | <b>Discount<br/>Rates (%)</b> | <b>Balance on<br/>year end</b> |
|-------------|--------------------|-----------------------|-------------------------------|--------------------------------|
| Buildings   | Taipei Office      | 2024.09.11-2029.09.10 | 1.78                          | \$ 10,233                      |
| Buildings   | Kaohsiung Office   | 2025.10.25-2035.10.24 | 1.81                          | 3,780                          |
| Buildings   | Taichung Office    | 2025.09.30-2027.09.29 | 1.82                          | 682                            |
| Buildings   | Taoyuan Office     | 2025.02.01-2027.01.31 | 1.84                          | <u>322</u>                     |
|             |                    |                       |                               | <u>\$ 15,017</u>               |

**STATEMENT 14****NAN PAO RESINS CHEMICAL CO., LTD.****STATEMENT OF OPERATING REVENUE  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)**

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| <b>Item</b>           | <b>Quantities<br/>(Ton)</b> | <b>Amount</b>       |
|-----------------------|-----------------------------|---------------------|
| Adhesives             | 49,330                      | \$ 5,954,334        |
| Coatings              | 6,078                       | 668,641             |
| Others (Note)         |                             | <u>56,363</u>       |
|                       |                             | 6,679,338           |
| Less : Sales returns  |                             | 3,673               |
| Sales discounts       |                             | <u>79,502</u>       |
| Net operating revenue |                             | <u>\$ 6,596,163</u> |

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

**STATEMENT 15****NAN PAO RESINS CHEMICAL CO., LTD.**
**STATEMENT OF OPERATING COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**  
**(In Thousands of New Taiwan Dollars)**

| Item                                              | Amount              |
|---------------------------------------------------|---------------------|
| Merchandise, beginning of year                    | \$ 4,985            |
| Add: Merchandise purchased                        | 106,926             |
| Less: Merchandise, end of year                    | 6,943               |
| Others                                            | 902                 |
| Cost of commodity transaction                     | <u>104,066</u>      |
| Raw materials, beginning of year                  | 274,746             |
| Add: Raw materials purchased                      | 2,599,376           |
| Less: Raw materials, end of year                  | 304,027             |
| Raw materials costs of sales                      | 226,759             |
| Others                                            | 9,039               |
| Raw materials consumption                         | <u>2,334,297</u>    |
| Supplies, beginning of year                       | 11,849              |
| Add: Supplies purchased                           | 209,612             |
| Less: Supplies, end of year                       | 12,314              |
| Supplies costs of sales                           | 118                 |
| Others                                            | 1,838               |
| Supplies consumption                              | <u>207,191</u>      |
| Direct labor                                      | 178,676             |
| Manufacturing expenses                            | <u>726,253</u>      |
| Cost input during the year                        | 3,446,417           |
| Add: Work in progress, beginning of year          | 48,328              |
| Finished goods and semi-finished goods reworked   | 776,051             |
| Less: Work in progress, end of year               | <u>38,855</u>       |
| Manufacturing cost                                | 4,231,941           |
| Add: Semi-finished goods, beginning of year       | 29,852              |
| Less: Semi-finished goods, end of year            | 29,076              |
| Semi-finished goods used                          | 425,087             |
| Others                                            | <u>3,308</u>        |
| Finished goods costs                              | 3,804,322           |
| Add: Finished goods, beginning of year            | 231,233             |
| Less: Finished goods, end of year                 | 225,212             |
| Finished goods used                               | 350,964             |
| Others                                            | <u>21,817</u>       |
| Finished goods costs of sales                     | <u>3,437,562</u>    |
| Subtotal                                          | 3,541,628           |
| Costs from sale of raw materials and supplies     | 226,877             |
| Revenue from sale of scraps                       | (1,485)             |
| Gain on physical count and disposal               | <u>6,963</u>        |
| The cost of inventories                           | <u>3,773,983</u>    |
| Loss on disposal of property, plant and equipment | <u>6,611</u>        |
| Operating Costs                                   | <u>\$ 3,780,594</u> |

**STATEMENT 16****NAN PAO RESINS CHEMICAL CO., LTD.****STATEMENT OF OPERATING EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)**

| Item                      | Selling and<br>Marketing<br>Expenses | General and<br>Administrative<br>Expenses | Research and<br>Development<br>Expenses | Expected<br>Credit Loss | Total               |
|---------------------------|--------------------------------------|-------------------------------------------|-----------------------------------------|-------------------------|---------------------|
| Payroll expense           | \$ 210,651                           | \$ 195,352                                | \$ 157,921                              | \$ -                    | \$ 563,924          |
| Shipping expense          | 44,400                               | 52                                        | 422                                     | -                       | 44,874              |
| Donation                  | 1,300                                | 20,442                                    | 1                                       | -                       | 21,743              |
| Depreciation expense      | 9,363                                | 23,545                                    | 45,873                                  | -                       | 78,781              |
| Commission expense        | 30,858                               | -                                         | -                                       | -                       | 30,858              |
| Export and import expense | 57,453                               | -                                         | -                                       | -                       | 57,453              |
| Remuneration of directors | -                                    | 32,604                                    | -                                       | -                       | 32,604              |
| Professional service fee  | 9,077                                | 46,877                                    | 4,412                                   | -                       | 60,366              |
| Expected credit loss      | -                                    | -                                         | -                                       | 1,106                   | 1,106               |
| Others                    | <u>150,784</u>                       | <u>86,781</u>                             | <u>59,254</u>                           | <u>-</u>                | <u>296,819</u>      |
| Total                     | <u>\$ 513,886</u>                    | <u>\$ 405,653</u>                         | <u>\$ 267,883</u>                       | <u>\$ 1,106</u>         | <u>\$ 1,188,528</u> |

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

**STATEMENT 17****NAN PAO RESINS CHEMICAL CO., LTD.**
**STATEMENT OF EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION  
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024  
(In Thousands of New Taiwan Dollars)**

|                            | For the Year Ended December 31, 2025 |                                     |                     | For the Year Ended December 31, 2024 |                                     |                     |
|----------------------------|--------------------------------------|-------------------------------------|---------------------|--------------------------------------|-------------------------------------|---------------------|
|                            | Classified as<br>Operating Costs     | Classified as<br>Operating Expenses | Total               | Classified as<br>Operating Costs     | Classified as<br>Operating Expenses | Total               |
| Employee benefits          |                                      |                                     |                     |                                      |                                     |                     |
| Salaries                   | \$ 296,951                           | \$ 563,924                          | \$ 860,875          | \$ 295,783                           | \$ 571,942                          | \$ 867,725          |
| Labor and health insurance | 31,259                               | 40,984                              | 72,243              | 29,309                               | 38,165                              | 67,474              |
| Post-employment benefits   | 9,891                                | 16,346                              | 26,237              | 10,196                               | 16,218                              | 26,414              |
| Remuneration of directors  | -                                    | 32,604                              | 32,604              | -                                    | 34,320                              | 34,320              |
| Others                     | 18,926                               | 19,378                              | 38,304              | 18,604                               | 18,588                              | 37,192              |
|                            | <u>\$ 357,027</u>                    | <u>\$ 673,236</u>                   | <u>\$ 1,030,263</u> | <u>\$ 353,892</u>                    | <u>\$ 679,233</u>                   | <u>\$ 1,033,125</u> |
| Depreciation               | \$ 174,684                           | \$ 78,781                           | \$ 253,465          | \$ 160,251                           | \$ 74,157                           | \$ 234,408          |
| Amortization               | 419                                  | 9,903                               | 10,322              | 358                                  | 9,457                               | 9,815               |

Note 1: For the years ended December 31, 2025 and 2024, there were 857 and 847 employees in the Company, respectively. In addition, the Company had 4 non-employee directors for the years then ended.

Note 2: Companies whose stocks have been listed on TWSE or traded over the counter in Taipei Exchange should additionally disclose the following information:

- Average labor cost for the years ended December 31, 2025 and 2024 were NT\$1,170 thousand and NT\$1,185 thousand, respectively.
- Average salary and bonuses for the years ended December 31, 2025 and 2024 were NT\$1,009 thousand and NT\$1,029 thousand, respectively.
- The average salary and bonuses increased by (1.94)% year-over-year.

Note 3: The Company has established audit committee with no supervisors.

Note 4: Remuneration policy was as follows:

- According to the Company's Article No.18, when the directors of the Company do business, it was authorized to the board of directors that they determine the remuneration based on their devoted time and contribution to the Company's operations with not exceeding the highest level (industry standard) of the Company's compensation policy. In addition, according to the Company's Article No.25, if the Company makes a profit in the year, the board of directors could decide no more than 3% of the profit as the remuneration of directors.
- According to the Company's Article No.23, the Company's managers process business based on the orders of the board of directors, and their compensation is determined with the Article 29 of "Company Act". The compensation is based on their performance and contribution to the Company's operations with market standard.
- For the directors and managers listed above, the policies, regulations, standards and structures of salary, and remuneration all are approved by the Salary and Compensation Committee in accordance with "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange".
- Employee benefits include basic fixed salary, bonus and compensation of employees. It is determined by their performance, contribution, the market value of their duty and considering the future operation risk of the Company. It is positively related to business performance of the Company. According to the Company's Article No.25, if the Company makes a profit in the year, the Company accrued the compensation of employees at rates of 2% to 6%.