Stock Symbol: 1313

UPC Technology Corporation and Subsidiaries

Consolidated Financial Statements and Independent Auditors' Report

For the Years Ended December 31, 2025 and 2024

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Representation Letter

Considering that the companies to be included into the consolidated financial statements of affiliates under the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises were the same as those to be included into the consolidated financial statements of the parent and subsidiaries under IFRS 10 for 2025 (from January 1, 2025 to December 31, 2025), and the relevant information to be disclosed in the consolidated financial statements of the affiliates has already been disclosed in the said consolidated financial statements of the parent and subsidiaries, no consolidated financial statements of affiliates were prepared separately.

Very truly yours,

Company Name: UPC Technology Corporation

Person in Charge: Miau, Matthew Feng Chiang

March 6, 2026

Independent Auditor's Report

The Board of Directors and Stockholders
UPC Technology Corporation,

Opinion

We have audited the accompanying consolidated financial statements of UPC Technology Corporation and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the consolidated statements of comprehensive income, changes in equity, and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China.

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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountants of the Republic of China. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2025 is described as follows:

Recognition of Operating Revenue

The main revenue of the Group comes from the sale of plasticizers. The recognition of such revenue has a significant impact on the financial statements. Considering factors such as the market and risks in China, as well as the fact that the sales revenue of the Group in China relies on manual inspection of relevant documents to determine revenue recognition, the authenticity of UPC Group's revenue in China was identified as a key audit matter. In addition to evaluating and testing the relevant internal control systems for such operating revenue, checked the transaction records and supporting documents to ensure the occurrence of the transactions, and confirmed that the recognition of revenue was in compliance with IFRS. Please refer to Note 4 (14) of the consolidated financial statements.

Other Matters

We have also audited the parent company only financial statements of UPC Technology Corp. as of and for the years ended December 31, 2025 and 2024 on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS, IAS, IFRIC and SIC endorsed and issued into effect by the FSC of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group 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 Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated 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. 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 Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated 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 auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group 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 statements 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 consolidated financial statements for the year ended December 31, 2025, and are therefore the key audit matters. We describe these matters in our auditor's 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 Chien-Liang Liu and Yi-wen Wang.

Deloitte & Touche
Taipei, Taiwan
Republic of China
March 6, 2026

<u>*Notice to Readers*</u>

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

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

UPC Technology Corporation and Subsidiaries

Consolidated Balance Sheet

December 31, 2025 and 2024

In Thousands of New Taiwan Dollars

Code	Assets	December 31, 2025 Amount	%	December 31, 2024 Amount	%
	Current assets				
1100	Cash and cash equivalents (Note 6)	$ 3,174,614	6	$ 4,862,588	9
1120	Financial assets at FVTOCI (Note 7)	769,768	1	1,080,489	2
1136	Financial assets at amortized cost (Note 8)	334,570	1	138,475	-
1150	Notes receivable (Note 9 and 16)	1,095,955	2	1,082,739	2
1170	Trade receivables (Note 9)	2,703,327	5	3,863,333	7
1200	Other receivables	466,011	1	286,606	-
1210	Other receivables from related parties (Note 31)	3,760	-	2,303	-
1220	Current tax assets (Note 25)	23,172	-	33,699	-
130X	Inventories (Note 10)	6,815,084	13	7,933,041	14
1479	Other current assets (Note 15)	1,298,424	2	1,552,516	3
11XX	Total current assets	16,684,685	31	20,835,789	37
	Non-current assets				
1517	Financial assets at FVTOCI (Note 7)	18,722,266	35	16,274,404	28
1550	Investments accounted for using the equity method (Note 12)	22,879	-	23,564	-
1600	Property, plant and equipment (Note 13)	14,385,904	27	15,953,808	28
1755	Right-of-use assets (Note 14)	1,401,761	3	1,520,521	3
1801	Computer software	16,185	-	17,889	-
1840	Deferred income tax assets (Note 25)	1,876,077	3	2,099,206	4
1990	Other non-current assets (Note 15 and 31)	400,158	1	345,724	-
15XX	Total non-current assets	36,825,230	69	36,235,116	63
1XXX	Total assets	$ 53,509,915	100	$ 57,070,905	100
Code	**Liabilities and Equity**				
	Current liabilities				
2100	Short-term borrowings (Note 16)	$ 3,952,317	7	$ 5,517,537	10
2150	Notes payable (Note 18)	106,742	-	403,333	1
2170	Trade payables (Note 18 and 31)	1,083,899	2	2,092,005	3
2219	Other payables (Note 19)	952,712	2	987,109	2
2230	Current tax liabilities (Note 25)	132,872	-	80,186	-
2250	Provisions (Note 20)	207,326	1	188,774	-
2280	Lease liabilities (Note 14)	13,534	-	13,337	-
2399	Other current liabilities (Note 19)	515,922	1	635,827	1
21XX	Total current liabilities	6,965,324	13	9,918,108	17
	Non-current liabilities				
2530	Bonds payable (Note 17)	2,998,400	6	2,997,382	5
2540	Long-term borrowings (Note 16 and 33)	13,540,724	25	14,038,572	25
2550	Provisions (Note 20)	6,618	-	16,006	-
2570	Deferred income tax liabilities (Note 25)	247,444	1	267,686	1
2580	Lease liabilities (Note 14)	7,518	-	21,502	-
2630	Long-term deferred revenue (Note 28)	104,126	-	139,917	-
2640	Net defined benefit liabilities (Note 21)	192,418	-	192,232	-
2645	Guarantee deposits received (Note 31)	16,821	-	13,811	-
25XX	Total non-current liabilities	17,114,069	32	17,687,108	31
2XXX	Total liabilities	24,079,393	45	27,605,216	48
	Equity (Note 22)				
	Share capital				
3110	Ordinary shares	13,308,461	25	13,677,186	24
3140	Capital collected in advance	-	-	1,751	-
3100	Total share capital	13,308,461	25	13,678,937	24
3200	Capital surplus	1,142,455	2	1,373,465	3
	Retained earnings				
3310	Legal reserve	1,890,118	4	2,838,651	5
3320	Special reserve	341,773	1	341,773	1
3350	Unappropriated earnings (accumulated deficit)	(1,329,620)	(3)	(948,533)	(2)
3300	Total retained earnings	902,271	2	2,231,891	4
3400	Other equity	14,077,335	26	12,620,337	22
3500	Treasury shares	-	-	(438,941)	(1)
3XXX	Total equity	29,430,522	55	29,465,689	52
	Total liabilities and equity	$ 53,509,915	100	$ 57,070,905	100

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

UPC Technology Corporation and Subsidiaries

Consolidated Statement of Comprehensive Income

For the Years Ended December 31, 2025 and 2024

In Thousands of New Taiwan Dollars,

Except Earning (Losses) Per Share

Code		2025 Amount	2025 %	2024 Amount	2024 %
	Operating revenue (Note 23)				
4100	Sales	$ 58,527,090	100	$ 73,056,122	100
4800	Other operating revenue	239,138	-	264,158	-
4000	Total operating revenue	58,766,228	100	73,320,280	100
	Operating cost (Note 24)				
5110	Cost of goods sold (Note 10 and 31)	57,385,148	98	73,315,979	100
5800	Other operating costs	196,698	-	180,624	-
5000	Total operating cost	57,581,846	98	73,496,603	100
5900	Gross profit (loss)	1,184,382	2	(176,323)	-
	Operating expenses (Note 24 and 31)				
6100	Selling and marketing expenses	1,443,855	2	1,376,758	2
6200	General and administrative expenses	1,197,393	2	1,119,955	2
6450	Expected credit loss (gain)	(4,108)	-	2,821	-
6000	Total operating expenses	2,637,140	4	2,499,534	4
6900	Net loss from operations	(1,452,758)	(2)	(2,675,857)	(4)
	Non-operating income and expenses				
7060	Share of profit or loss of associates accounted for using the equity method (Note 12)	252	-	382	-
7100	Interest income (Note 24)	57,704	-	77,426	-
7190	Other income (Note 24 and 31)	671,923	1	613,935	1
7020	Other gains and losses (Note 24)	(60,620)	-	(200,216)	-
7050	Financial cost (Note 24)	(455,912)	(1)	(529,247)	(1)
7000	Total non-operating income and expenses	213,347	-	(37,720)	-

(To be continued)

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Code		2025 Amount	2025 %	2024 Amount	2024 %
7900	Loss before income tax	($ 1,239,411)	(2)	($ 2,713,577)	(4)
7950	Income tax (benefit) expense (Note 25)	314,122	1	(329,722)	(1)
8200	Net loss for the year	(1,553,533)	(3)	(2,383,855)	(3)
	Other comprehensive income (Note 22)				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans	2,407	-	24,938	-
8316	Unrealized gain (loss) on investments in equity instruments at FVTOCI.	2,329,940	4	614,140	1
8320	Share of the other comprehensive (loss) income of associates accounted for using the equity method (Note 12)	35	-	(1,915)	-
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 25)	(480)	-	(4,990)	-
		2,331,902	4	632,173	1
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translating the financial statements of foreign operations	(642,341)	(1)	1,416,787	2
8399	Income tax relating to items that may be reclassified subsequently to profit or loss (Note 25)	5,450	-	(8,280)	-
		(636,891)	(1)	1,408,507	2
8300	Other comprehensive income of the year (net after taxes)	1,695,011	3	2,040,680	3
8500	Total comprehensive income (loss) for the year	$ 141,478	-	($ 343,175)	-
	Loss per share (Note 26)				
9710	Basic	($ 1.17)		($ 1.79)	

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

UPC Technology Corporation and Subsidiaries

Consolidated Statement of Changes in Equity

For the Years Ended December 31, 2025 and 2024

In Thousands of New Taiwan Dollars

		Share capital				Retained earnings				Other equity				
Code		Ordinary Share	Capital Collected in Advance	Total	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings (accumulated deficit)	Total	Exchange differences on translating foreign operations	Unrealized gain (loss) on financial assets at FVTOCI	Total	Treasury shares	Total equity
A1	Balance at January 1, 2024	$ 13,635,771	$ 11,726	$ 13,647,497	$ 1,378,837	$ 2,838,651	$ 341,773	$ 1,660,705	$ 4,841,129	($ 735,830)	$ 11,356,839	$ 10,621,009	($ 438,941)	$ 30,049,531
	Appropriation of 2023 earnings													
B5	Cash dividends	-	-	-	-	-	-	(265,511)	(265,511)	-	-	-	-	(265,511)
C17	Unclaimed dividends of shareholders	-	-	-	840	-	-	-	-	-	-	-	-	840
D1	Net loss in 2024	-	-	-	-	-	-	(2,383,855)	(2,383,855)	-	-	-	-	(2,383,855)
D3	Other comprehensive income (loss) in 2024, net of income tax	-	-	-	-	-	-	19,948	19,948	1,408,507	612,225	2,020,732	-	2,040,680
D5	Total comprehensive income (loss) in 2024	-	-	-	-	-	-	(2,363,907)	(2,363,907)	1,408,507	612,225	2,020,732	-	(343,175)
G1	Issue of ordinary shares under employee share options	41,415	(35,203)	6,212	(6,212)	-	-	-	-	-	-	-	-	-
H1	Advance share payments for issuing of ordinary shares under employee share options	-	25,228	25,228	-	-	-	-	-	-	-	-	-	25,228
Q1	Disposal of investments in equity instruments at FVTOCI	-	-	-	-	-	-	20,180	20,180	-	(21,404)	(21,404)	-	(1,224)
Z1	Balance at December 31, 2024	13,677,186	1,751	13,678,937	1,373,465	2,838,651	341,773	(948,533)	2,231,891	672,677	11,947,660	12,620,337	(438,941)	29,465,689
	Appropriation of 2024 earnings													
B13	Accumulated deficits covered by legal reserve	-	-	-	-	(948,533)	-	948,533	-	-	-	-	-	-
C15	Cash dividend distribution from capital surplus	-	-	-	(199,412)	-	-	-	-	-	-	-	-	(199,412)
C17	Unclaimed dividends of shareholders	-	-	-	1,543	-	-	-	-	-	-	-	-	1,543
D1	Net loss in 2025	-	-	-	-	-	-	(1,553,533)	(1,553,533)	-	-	-	-	(1,553,533)
D3	Other comprehensive income (loss) in 2025, net of income tax	-	-	-	-	-	-	1,927	1,927	(636,891)	2,329,975	1,693,084	-	1,695,011
D5	Total comprehensive income (loss) in 2025	-	-	-	-	-	-	(1,551,606)	(1,551,606)	(636,891)	2,329,975	1,693,084	-	141,478
G1	Issue of ordinary shares under employee share options	17,925	(15,005)	2,920	(2,920)	-	-	-	-	-	-	-	-	-
H1	Advance share payments for issuing of ordinary shares under employee share options	-	13,254	13,254	-	-	-	-	-	-	-	-	-	13,254
N1	Share-based payment transaction - employees share option plan	-	-	-	22,070	-	-	-	-	-	-	-	-	22,070
L3	Treasury Stock Retired	(386,650)	-	(386,650)	(52,291)	-	-	-	-	-	-	-	438,941	-
Q1	Disposal of investments in equity instruments at FVTOCI	-	-	-	-	-	-	221,986	221,986	-	(236,086)	(236,086)	-	(14,100)
Z1	Balance at December 31, 2025	$ 13,308,461	$ -	$ 13,308,461	$ 1,142,455	$ 1,890,118	$ 341,773	($ 1,329,620)	$ 902,271	$ 35,786	$ 14,041,549	$ 14,077,335	$ -	$ 29,430,522

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

UPC Technology Corporation and Subsidiaries

Consolidated Cash Flow Statement

For the Years Ended December 31, 2025 and 2024

In Thousands of New Taiwan Dollars

Code		2025	2024
	Cash flow from operating activities		
A10000	Loss before income tax	($ 1,239,411)	($ 2,713,577)
A20010	Adjustments for:		
A20300	Expected credit loss (gain)	(4,108)	2,821
A20100	Depreciation expense	1,757,146	1,795,529
A20200	Amortization expense	139,130	167,986
A20900	Financial cost	455,912	529,247
A21200	Interest income	(57,704)	(77,426)
A21300	Dividend income	(385,036)	(397,414)
A21900	Compensation costs of employee share-based payment	22,070	-
A23000	Gain on disposal of non-current assets held-for-sale	(354,749)	-
A22500	Loss (gain) on disposal of property, plant and equipment	12,719	(621)
A23700	Write-down (reversed) of inventories	388,314	-
A22900	Gain on disposal of right-of-use assets	(932)	-
A20400	Net gain on financial assets at FVTPL	(203)	(253)
A22300	Share of profit or loss of associates accounted for using the equity method	(252)	(382)
A29900	Long-term deferred revenue transferred to other revenue	(37,422)	(13,195)
A23800	Write-down (reversed) of inventories	(122,348)	131,495
A24600	Gain on lease modification, net	-	(105)
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	(33,155)	(281,199)
A31150	Trade receivables	1,058,603	285,016
A31180	Other receivables	55,912	(11,665)
A31190	Other receivable from related parties	(1,457)	330
A31200	Inventories	1,112,173	1,351,238
A31240	Other current assets	235,343	773,905
A32130	Notes payable	(281,786)	262,816
A32150	Trade payables	(1,023,385)	431,527
A32180	Other payables	58,593	(183,874)
A32200	Provisions	12,479	27,735
A32230	Other current liabilities	(105,523)	118,116

(To be continued)

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Code		2025	2024
A32240	Net defined benefit liabilities	$ 2,593	($ 18,651)
A32250	Long-term deferred income	5,159	-
A33000	Cash generated from (used in) operations	1,668,675	2,179,399
A33100	Interest received	62,831	73,580
A33500	Income taxes paid	(102,392)	(277,215)
AAAA	Net cash generated from (used in) operating activities	1,629,114	1,975,764
	Cash flow from investing activities		
B00010	Acquisitions of financial assets at FVTOCI	(99,624)	(262,141)
B00020	Proceeds from disposal of financial assets at FVTOCI	286,359	26,209
B00030	Proceeds from the capital reduction of financial assets at FVTOCI	5,912	13,514
B00040	Acquisition of financial assets at amortized cost	(334,570)	(216,505)
B00050	Proceeds from disposal of financial assets at amortized cost	136,819	412,639
B00100	Acquisition of financial assets at FVTPL	(29,100)	(33,300)
B00200	Proceeds from disposal of financial assets at FVTPL	29,303	40,405
B02600	Proceeds from disposal of non-current assets held-for-sale	160,027	-
B02700	Purchase of property, plant and equipment (including prepayment for equipment)	(985,913)	(1,148,262)
B02800	Proceeds from disposal or property, plant and equipment	5,586	163,666
B02900	Proceeds from disposal of right-of-use assets	1,010	-
B03700	Increase in refundable deposits	(122,840)	(24,269)
B03800	Decrease in refundable deposits	114,672	12,122
B04500	Payments of computer software	(8,475)	(18,951)
B06700	Increase in other non-current assets	(188,952)	(64,289)
B07600	Dividends received	385,036	397,414
BBBB	Net cash used in investing activities	(644,750)	(701,748)
	Cash Flow from Financing Activities		
C00100	Proceeds from short-term borrowings	68,345,569	85,331,481
C00200	Repayment of short-term borrowings	(69,767,953)	(84,245,883)
C01600	Proceeds from long-term borrowings	87,427,969	85,701,993
C01700	Repayment of long-term borrowings	(87,870,985)	(85,829,393)
C03000	Guarantee deposit received	3,024	36
C03100	Guarantee deposit refunded	(14)	(4)

(To be continued)

(Continued from the previous page)

Code		2025	2024
C04020	Repayment of the principal portion of lease liabilities	($ 13,184)	($ 13,600)
C04500	Cash dividends	(199,412)	(265,511)
C04800	Proceeds from exercise of employee share options	13,254	25,228
C05600	Interest paid	(459,841)	(527,095)
CCCC	Net cash generated from (used in) financing activities	(2,521,573)	177,252
DDDD	Effect of exchange rate changes on cash and cash equivalents	(150,765)	201,796
EEEE	Net increase (decrease) in cash and cash equivalents	(1,687,974)	1,653,064
E00100	Cash and cash equivalents at the beginning of the year	4,862,588	3,209,524
E00200	Cash and cash equivalents at the end of the year	$ 3,174,614	$ 4,862,588

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

UPC Technology Corporation and Subsidiaries

Notes to Consolidated Financial Statements

January 1 to December 31, 2025 and 2024

(Unless otherwise specified, amounts are in thousands of New Taiwan Dollars)

I. Organization and Operations

UPC Technology Corporation ("the Company") was incorporated in August 1976 and mainly manufactures and sells petrochemical products, such as phthalic anhydride and plasticizers. The Company's shares have been listed on the Taiwan Stock Exchange since March 1989.

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

II. Approval of Financial Statements

The consolidated financial statements were approved by the Board of Directors on March 6, 2026.

III. Application of New, Amended and Revised International Financial Reporting Standards

(I) The initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC), (collectively, "IFRSs Accounting Standards" endorsed and issued into effect by the Financial Supervisory Commission (FSC).

The application of the IFRSs Accounting Standards endorsed and issued into effect by the FSC did not have material impact in the accounting policies of the Company.

(II) The IFRS Accounting Standards applicable in 2026, as endorsed by the FSC

New/amended/revised standards or interpretations	Effective date announced by IASB
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
"Annual Improvements to IFRS Accounting Standards-Volume 11"	January 1, 2026
IFRS 17 "Insurance Contracts" (including amendments made in 2020 and 2021)	January 1, 2023

By the time the release date of the consolidated financial statements was approved, the Company has confirmed that the amendments to the applicable standards and interpretations approved by the FSC in 2026 will not have a significant impact on its financial position and financial performance based on its assessment.

(III) The IFRS Accounting Standards released by the IASB but not yet endorsed and issued into effect by the FSC

New/amended/revised standards or interpretation	Effective date announced by IASB
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note 2)
IFRS 19 "Disclosure Initiative-Subsidiaries without Public Accountability: Disclosures"(including amendments made in 2025)	January 1, 2027
Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency "	January 1, 2027

Note 1: Unless otherwise noted, the above new/revised/amended standards and interpretations take effective in their respective annual reporting periods beginning on or after their respective dates.

Note 2: The FSC announced on September 25, 2025 that enterprises in Taiwan shall adopt IFRS 18 effective from January 1, 2028. Such enterprises may also elect to adopt IFRS 18 early upon its recognition by the Financial Supervisory Commission.

IFRS 18 "Presentation and Disclosure in Financial Statements" and related conforming amendments

IFRS 18 will replace IAS 1 "Presentation of Financial Statements". The main changes in this standard include:

- The Consolidated Company should assess whether it has specific principal operating activities involving investments in particular types of assets and the provision of financing to customers, based on which to classify the revenue and expense items in the income statement into categories such as operating, investing, financing, income tax, and discontinued operations.
- An entity must present totals and subtotals in the statement of profit or loss for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Requirements for provision of guidance to enhance aggregation and disaggregation: The Consolidated Company should identify assets, liabilities, equity, income, expenses, losses, and cash flows in each transaction or other events, and classify and aggregate them based on shared characteristics so that the main line items presented in the financial statements share at least one similar characteristic. Items should be disaggregated based on characteristics that are not shared. The Consolidated Company should label such items as "other" only if it cannot find a more informative title.
- Increasing the disclosure of management-defined performance measures (MPMs): When the Consolidated Company engages in public communications outside financial statements and communicates to management's view of a specific aspect of the financial performance of the entity as a whole, the Consolidated Company should disclose information about its MPMs in a single note to the financial statements, including a description of how the MPM is measured, how the MPM is calculated, and a reconciliation between the MPM and the total or subtotal required by IFRS Accounting Standards, including the income tax effect and the effect on non-controlling interests for each item disclosed in the reconciliation.

In addition, IAS 7 *Statement of Cash Flows* is amended as follows: In addition, the following conforming amendments are made to IAS 7 "Statement of Cash Flows":

- When the Consolidated Company prepares cash flows from operating activities using the indirect method, it should use operating profit or loss as the starting point for reconciliation.
- Interest and dividends received by the Consolidated Company should be classified as investing activities, while interest and dividends paid should be classified as financing activities. If the Consolidated Company, upon assessment, has specific principal operating activities, it shall consider the classification of dividend income, interest income, and interest expense presented in the income statement in order to determine the classification of dividends received, interest received, and interest paid in the statement of cash flows; however, each of the above cash flows may be classified only under a single activity in the statement of cash flows.

In addition to the above impacts, by the time the release date of the consolidated financial statements was approved, the Consolidated Company has continued to evaluate other impacts of the amendments to various standards and interpretations on its financial position and financial performance, and the relevant impacts will be disclosed when the evaluation is completed.

IV. Summary of Significant Accounting Policies

(I) Statement of compliance

The consolidated financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS Accounting Standards endorsed and issued into effect by the FSC.

(II) Basis for preparation

Except for financial instruments measured at fair value and net defined benefit liabilities recognized as the present value of defined benefit obligations less the fair value of plan assets, the consolidated financial statements were prepared on a historical cost basis.

The fair value measurement is classified into three levels based on the observability and significance of relevant inputs:

1. Level 1 inputs: Quoted (unadjusted) prices in active markets for identical assets or liabilities on the measurement date.
2. Level 2 inputs: Inputs, other than quoted market prices within level 1 that are observable, either directly (i.e., prices) or indirectly (derived from prices) for assets or liabilities.
3. Level 3 inputs: Unobservable inputs for assets or liabilities.

(III) Criteria for 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 balance sheet date; and
3. Cash or cash equivalents (excluding assets restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date).

Current liabilities include:

1. Liabilities held primarily for the purpose of trading;
2. Liabilities due to be settled within 12 months after the balance sheet date; and
3. Liabilities for which there is no substantive right on the balance sheet date to defer the repayment deadline to at least 12 months after the balance sheet date.

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

(IV) Basis for consolidation

The consolidated financial statements include the financial statements of the Company and entities controlled by the Company (subsidiaries). The consolidated statement of comprehensive income includes the operating profit or loss of acquired or disposed subsidiaries from the acquisition date to the disposal date during the current period. The subsidiaries' financial statements have been properly adjusted to make their accounting policies consistent with those of the Consolidated Company. In the preparation of the consolidated financial statements, all inter-entity transactions, account balances, revenues, and expenses are eliminated in full. The total comprehensive income of subsidiaries is attributed to the Company's owners and non-controlling interests, even if the non-controlling interests result in a deficit balance.

When changes in the Consolidated Company's ownership interest in a subsidiary do not result in a loss of control, they are treated as equity transactions. The carrying amounts of the Consolidated Company and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. The difference between the adjustment amount of non-controlling interests and the fair value of consideration paid or received is recognized directly in equity and attributed to the Company's owners.

For details of subsidiaries, shareholding ratios, and business activities, please refer to Note 11, Table 7, and Table 8.

(V) Foreign currencies

When the financial statements of each individual entity are prepared, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the exchange rates prevailing on the transaction dates.

Foreign currency monetary items are translated at the closing rate at each balance sheet date. Exchange differences arising from the settlement or translation of monetary items are recognized in profit or loss in the period in which they occur.

Foreign currency non-monetary items measured at fair value are translated at the exchange rates prevailing at the dates when the fair values were determined. Exchange differences arising from such translation are recognized in profit or loss, except for exchange differences arising from fair value changes that are recognized in other comprehensive income, which are recognized in other comprehensive income.

Foreign currency non-monetary items measured at historical cost are translated at the exchange rates prevailing at the transaction dates and are not subsequently retranslated.

When preparing consolidated financial statements, the assets and liabilities of foreign operations (including subsidiaries and associates whose operating countries or currencies differ from the Company's) are translated into NTD at the exchange rates prevailing at each balance sheet date. Revenue and expense items are translated at the average exchange rate for the period. Exchange differences arising from such translation are recognized in other comprehensive income and attributed to the Company's owners and non-controlling interests separately.

(VI) Inventories

Inventories primarily include merchandise, raw materials, supplies, finished goods, semi-finished goods, work-in-progress, and construction land. Inventories are measured at the lower of cost or net realizable value. When comparing cost and net realizable value, individual items are used as the basis, except for inventories of the same category. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventories is calculated using the weighted-average method.

(VII) Investments in associates

An associate is an entity over which the Consolidated Company has significant influence but is neither a subsidiary nor a joint venture.

The Consolidated Company accounts for investments in associates using the equity method. Under the equity method, investments in associates are initially recognized at cost, and the carrying amount after the acquisition date is subsequently increased or decreased according to the Consolidated Company's share of the profit or loss and other comprehensive income of the associate, as well as by profit distributions. In addition, changes in the equity of the associate are recognized in proportion to the Consolidated Company's ownership percentage.

When an associate issues new shares and the Consolidated Company does not subscribe for them in proportion to its ownership, resulting in a change in the Consolidated Company's ownership percentage and a corresponding increase or decrease in the equity value of the investment, the increase or decrease is adjusted to capital surplus – changes in equity value in associates and joint ventures and investments using the equity method. However, if the Consolidated Company's ownership interest in the associate decreases due to not subscribing for or acquiring new shares in proportion to its ownership, the amounts previously recognized in other comprehensive income related to the associate are reclassified in proportion to the decrease, based on the same basis as if the associate had directly disposed of the related assets or liabilities. If the aforementioned adjustment requires a debit to capital surplus, and the balance of capital surplus arising from investments accounted for using the equity method is insufficient, the difference is debited to retained earnings.

When the Consolidated Company's share of losses on an associate equal or exceeds its interest in the associate (including the carrying amount of the investment in the associate under the equity method and other long-term interests that, in substance, form part of the Company's net investment in the associate), the Consolidated Company ceases recognizing further losses. The Consolidated Company recognizes additional losses and liabilities only to the extent of legal obligations, constructive obligations, or payments made on behalf of the associate.

When assessing impairment, the Consolidated Company treats the entire carrying amount of the investment (including goodwill) as a single asset and compares its recoverable amount to its carrying amount for impairment testing. The impairment loss recognized is not allocated to any asset that forms part of the carrying amount of the investment, including goodwill. Any reversal of impairment loss is recognized to the extent of a subsequent increase in the recoverable amount of the investment.

The Consolidated Company discontinues the equity method from the date its investment ceases to be an associate, and measures any retained interest in the former associate at fair value. The difference between the fair value plus the disposal proceeds and the carrying amount of the investment at the date the equity method is discontinued is recognized in profit or loss for the period. In addition, all amounts previously recognized in other comprehensive income related to the associate are accounted for on the same basis as if the associate had directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture, or vice versa, the Consolidated Company continues to apply the equity method and does not remeasure the retained interest.

Profits or losses resulting from upstream, downstream, and lateral transactions between the Consolidated Company and its associates are recognized in the consolidated financial statements only to the extent that they are unrelated to the Consolidated Company's interest in the associates.

(VIII) Property, plant and equipment

Property, plant and equipment are recognized at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment under construction are recognized at cost less accumulated impairment losses. Cost includes professional service fees and borrowing costs that meet the capitalization criteria. Such assets are measured at the lower of cost and net realizable value before they reach the expected condition for use, and their sales proceeds and costs are recognized in profit or loss. These assets are classified into the appropriate category of property, plant and equipment and begin to be depreciated when they are completed and ready for intended use.

Except for owned land, which is not depreciated, other property, plant and equipment are depreciated on a straight-line basis over their useful lives, with each significant part being depreciated separately. The Consolidated Company reviews the estimated useful lives, residual values, and depreciation methods at least at the end of each annual reporting period, and the effects of changes in accounting estimates are applied prospectively.

Upon derecognition of property, plant and equipment, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

(IX) Computer software

Computer software is measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment losses. The Consolidated Company amortizes computer software using the straight-line method and reviews the estimated useful lives, residual values, and amortization methods at least at the end of each annual reporting period. The residual value of computer software with finite useful lives is estimated to be zero, unless the Consolidated Company expects to dispose of the software before the end of its economic life. The effects of changes in accounting estimates are treated prospectively.

Computer software is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of computer software is the difference between the net disposal proceeds and the carrying amount of the asset, and is recognized in profit or loss.

(X) Property, plant and equipment, right-of-use assets, and intangible assets

The Consolidated Company assesses at each balance sheet date whether there is any indication that property, plant and equipment, right-of-use assets, and intangible assets may be impaired. If any indication of impairment exists, the recoverable amount of the asset is estimated. If it is not possible to estimate the recoverable amount of an individual asset, the Consolidated Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Shared assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication of impairment.

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

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to its revised recoverable amount, but the increased carrying amount shall not exceed the carrying amount that would have been determined had no impairment loss been recognized in prior years (less amortization or depreciation). The reversal of an impairment loss is recognized in profit or loss.

(XI) Non-current assets held for sale

A non-current asset is classified as held for sale when its carrying amount is expected to be recovered principally through a sale transaction rather than through continuing use. To meet this classification, the non-current asset must be available for immediate sale in its present condition and its sale must be highly probable. The sale is considered highly probable when management at an appropriate level has committed to a plan to sell the asset, and the sale is expected to be completed within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell, and depreciation of such assets ceases.

(XII) Financial instruments

Financial assets and financial liabilities are recognized in the consolidated balance sheet when the Consolidated Company becomes a party to the contractual provisions of the instrument.

Upon initial recognition of financial assets and financial liabilities, if the financial asset or financial liability is not measured at FVTPL, it is measured at fair value plus transaction costs that are directly attributable to the acquisition or issuance of the financial asset or financial liability. Transaction costs that are directly attributable to the acquisition or issuance of financial assets or financial liabilities measured at FVTPL are recognized immediately in profit or loss.

1. Financial assets

The Consolidated Company recognizes and derecognizes regular purchases and sales of financial assets on the trade date.

(1) Measurement categories

The Consolidated Company's financial assets are classified as financial assets measured at FVTPL, financial assets measured at amortized cost, and equity instrument investments measured at FVTOCIs.

A. Financial assets measured at FVTPL

Financial assets measured at FVTPL include financial assets mandatorily measured at FVTPL. Financial assets mandatorily measured at FVTPL include equity instrument investments that the Consolidated Company does not designate as measured at FVTOCI, and debt instrument investments that do not meet the criteria for classification as measured at amortized cost or FVTOCI.

Financial assets measured at FVTPL are measured at fair value. Dividends and interest are recognized in other income and interest income, respectively. Gains or losses from remeasurement (including any dividends or interest arising from the financial asset) are recognized in other gains and losses. Refer to Note 30, "Financial instruments", for the determination of fair value.

B. Financial assets measured at amortized cost

The Consolidated Company classifies financial assets as measured at amortized cost if both of the following conditions are met:

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

Financial assets measured at amortized cost (including cash and cash equivalents, notes receivable, accounts receivable, other receivables, time deposits with original maturities of more than three months, and guarantee deposits paid) are measured at amortized cost using the effective interest method, less any impairment losses. Any foreign exchange gains or losses are recognized in profit or loss.

Interest income is calculated by multiplying the effective interest rate by the gross carrying amount of the financial asset, except in the following two cases:

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

Credit-impaired financial assets refer to financial assets, of which issuers or debtors have experienced significant financial difficulties, defaulted, or are likely to file for bankruptcy or other financial reorganization, or where the active market for the financial assets has disappeared due to financial difficulties.

Cash equivalents include time deposits and bank acceptance bills that are highly liquid, readily convertible into known amounts of cash, and subject to an insignificant risk of changes in value, with maturities of three months or less from the date of acquisition. They are used to meet short-term cash commitments and represent highly liquid investments with insignificant risk of changes in value.

C. Equity instrument investments measured at FVTOCI

At initial recognition, the Consolidated Company may make an irrevocable election to designate equity instrument investments that are neither held for trading nor contingent consideration recognized in a business combination as measured at FVTOCI.

Equity instrument investments measured at FVTOCI are measured at fair value, with subsequent changes in fair value reported in other comprehensive income and accumulated in other equity. Upon disposal of the investment, accumulated gains or losses are transferred directly to retained earnings and are not reclassified to profit or loss.

Dividends from equity instrument investments measured at FVTOCI are recognized in profit or loss when the Consolidated Company's right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment.

(2) Impairment of financial assets

The Consolidated Company assesses the impairment losses of financial assets measured at amortized cost (including accounts receivable) at each balance sheet date based on expected credit losses.

Accounts receivable are recognized with a loss allowance based on lifetime expected credit losses. Other financial assets are first assessed for significant increases in credit risk since initial recognition. If there has been no significant increase, a loss allowance is recognized based on 12-month expected credit losses. If there has been a significant increase, a loss allowance is recognized based on lifetime expected credit losses.

Expected credit losses are the weighted average of credit losses, with the risk of default occurring as the weights 12-month expected credit losses represent the expected credit losses that result from default events on a financial instrument that are possible within 12 months after the reporting date, and lifetime expected credit losses represent the expected credit losses that result from all possible default events over the expected life of a financial instrument.

For internal credit risk management purposes, the Consolidated Company determines that the following conditions represent a default of a financial asset, without considering collateral held:

A. There is internal or external information indicating that the debtor is unlikely to pay its obligations.
B. There are past due events, unless there is reasonable and supportable information indicating that a delayed default criterion is more appropriate.

Impairment losses for all financial assets are recognized by reducing their carrying amounts through allowance accounts, except for impairment losses on debt instrument investments measured at FVTOCI, which are recognized in other comprehensive income without reducing their carrying amounts.

(3) Derecognition of financial assets

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

Upon derecognition of a financial asset measured at amortized cost in its entirety, the difference between the carrying amount and the consideration received is recognized in profit or loss. Upon derecognition of a debt instrument investment measured at FVTOCI in its entirety, the difference between the carrying amount and the sum of the consideration received plus any cumulative gains or losses recognized in other comprehensive income is recognized in profit or loss. Upon derecognition of an equity instrument investment measured at FVTOCI in its entirety, accumulated gains or losses are transferred directly to retained earnings and are not reclassified to profit or loss.

2. Equity Instruments

Debt and equity instruments issued by the Consolidated Company are classified as financial liabilities or equity in accordance with the substance of the contractual arrangement and the definitions of financial liabilities and equity instruments.

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

Repurchased equity instruments of the Company itself are recognized and deducted within equity. Purchases, sales, issuances, or cancellations of the Company's own equity instruments are not recognized in profit or loss.

3. Financial liabilities

(1) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method, except for the following:

<u>Financial liabilities measured at FVTPL</u>

Financial liabilities measured at FVTPL are financial liabilities held for trading.

Financial liabilities held for trading are measured at fair value, and gains or losses from remeasurement (including any dividends or interest paid on the financial liability) are recognized in profit or loss.

(2) Derecognition of financial liabilities

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

(XIII) Provisions

The amount recognized as a provision is the best estimate of the expenditure required to settle the obligation at the balance sheet date, taking into account the risks and uncertainties of the obligation. Provisions are measured at the present value of the estimated cash flows required to settle the obligation.

The liability provision for carbon fee is recognized in accordance with the China's carbon fee collection measures and other relevant regulations, and is measured at the best estimate of the expenditure required to settle the obligation for the current year.

(XIV) Revenue recognition

The Consolidated Company recognizes revenue when it satisfies a performance obligation in a contract with a customer, after allocating the transaction price to each performance obligation.

1. Revenue from sale of goods

Revenue from the sale of goods is derived from the sale of petrochemical products. Since the customer has the right to determine the price and use of the goods and bears the primary responsibility for resale and the risk of obsolescence when the petrochemical products arrive at the customer's designated location, the Consolidated Company recognizes revenue and accounts receivable at that point in time.

2. Revenue from services

Revenue from services is derived from warehousing and logistics services. Revenue is recognized as the services are provided, in accordance with the contract.

(XV) Leases

The Consolidated Company assesses at the inception of a contract whether the contract is, or contains, a lease.

1. The Consolidated Company as lessor

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee. All other leases are classified as operating leases.

Under operating leases, lease payments, and net of lease incentives, are recognized as income on a straight-line basis over the relevant lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognized as an expense on a straight-line basis over the lease term. Lease negotiations with lessees are accounted for as a new lease from the effective date of the lease modification.

Contingent rents that are not based on an index or rate are recognized as revenue in the period in which they are incurred.

2. The Consolidated Company as lessee

Except for lease payments for low-value asset leases and short-term leases, which are recognized as an expense on a straight-line basis over the lease term, right-of-use assets and lease liabilities are recognized on the lease commencement date for all other leases.

Right-of-use assets are initially measured at cost, which includes the initial measurement amount of the lease liability, lease payments paid before the commencement date less any lease incentives received, initial direct costs, and estimated costs of restoring the underlying asset. They are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, adjusted for remeasurements of the lease liability. Right-of-use assets are presented separately in the consolidated balance sheet.

Right-of-use assets are depreciated on a straight-line basis from the commencement date to the earlier of the end of the useful life or the end of the lease term.

Lease liabilities are initially measured at the present value of lease payments, which include fixed payments, substantively fixed payments, and variable lease payments that depend on an index or rate. Lease payments are discounted using the interest rate implicit in the lease if that rate is readily determinable. If that rate is not readily determinable, the lessee's incremental borrowing rate is used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, and interest expense is recognized over the lease term. If there is a change in future lease payments due to a change in the lease term or an index or rate used to determine lease payments, the Consolidated Company remeasures the lease liability and adjusts the right-of-use asset accordingly. However, if the carrying amount of the right-of-use asset has been reduced to zero, any remaining remeasurement amount is recognized in profit or loss. For lease modifications that are not treated as separate leases, remeasurements of lease liabilities due to a reduction in the lease scope reduce the right-of-use asset, and gains or losses on partial or full lease termination are recognized. Remeasurements of lease liabilities due to other modifications adjust the right-of-use asset. Lease liabilities are presented separately in the consolidated balance sheet.

(XVI) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized as part of the cost of that asset until substantially all the activities necessary to prepare the asset for its intended use or sale are complete.

Investment income earned on the temporary investment of specific borrowings prior to their expenditure on qualifying assets is deducted from borrowing costs eligible for capitalization.

All other borrowing costs are recognized as an expense in the period in which they are incurred.

(XVII) Government grants

Government grants are recognized only when there is reasonable assurance that the Consolidated Company will comply with the conditions attached to them and that the grants will be received.

Government grants related to income are recognized on a systematic basis over the periods in which the Consolidated Company recognizes the related costs as expenses that the grants are intended to compensate, either as a reduction of the related costs or as other income. Government grants related to assets, which are conditional upon the Consolidated Company purchasing, constructing, or otherwise acquiring non-current assets, are recognized as deferred income and reclassified to profit or loss on a reasonable and systematic basis over the useful lives of the related assets.

Government grants that are intended to compensate for expenses or losses already incurred or to provide immediate financial support to the Consolidated Company with no related future costs are recognized in profit or loss in the period in which they become receivable.

(XVIII) Employee benefits

1. Short-term employee benefits

Liabilities for short-term employee benefits are measured at the undiscounted amounts expected to be paid in exchange for employee services.

2. Post-employment benefits

Pension costs for defined contribution pension plans are recognized as an expense as employees provide services.

Defined benefit costs for defined benefit pension plans, including service costs, net interest, and remeasurements, are actuarially determined using the projected unit credit method. Service costs, including current service costs, and net interest on the net defined benefit liability are recognized as employee benefit expenses when they occur. Remeasurements, including actuarial gains and losses and returns on plan assets excluding interest, are recognized in other comprehensive income and included in retained earnings when they occur, and are not reclassified to profit or loss in subsequent periods.

The net defined benefit liability represents the shortfall in contributions to defined benefit pension plans.

3. Other long-term employee benefits

The accounting treatment for other long-term employee benefits is the same as that for defined benefit pension plans, except that the related remeasurements are recognized in profit or loss.

(XIX) Share-based payment agreements

Equity-settled share-based payment arrangements are recognized as an expense on a straight-line basis over the vesting period, based on the fair value of the equity instruments at the grant date and the best estimate of the number of equity instruments expected to vest, with a corresponding adjustment to capital surplus - employee stock options. If the equity instruments vest immediately on the grant date, the expense is recognized in full on the grant date. For transfers of shares to employees, the grant date is the date the employees are notified.

(XX) Income taxes

Income tax expense is the sum of current income tax and deferred income tax.

1. Current income tax

The Consolidated Company determines its current income (loss) based on the regulations established by each tax jurisdiction where it files income tax returns and calculates the income tax payable (recoverable) accordingly.

The additional income tax on undistributed earnings calculated in accordance with the Income Tax Act of the Republic of China is recognized in the year of the shareholders' meeting resolution.

Adjustments to prior year income tax payable are included in current income tax.

2. Deferred income tax

Deferred income tax is calculated based on temporary differences arising from differences between the carrying amounts of assets and liabilities and their tax bases used for calculating taxable income.

Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are recognized only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and tax loss carryforwards can be utilized.

Deferred tax liabilities are recognized for all taxable temporary differences associated with investments in subsidiaries and associates, except where the Consolidated Company is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognized for deductible temporary differences associated with such investments only to the extent that it is probable that sufficient taxable profit will be available against which the temporary differences can be utilized and are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered. Unrecognized deferred tax assets are also reviewed at each balance sheet date and increased to the extent that it is probable that future taxable profit will allow all or part of the asset to be recovered.

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

3. Current and deferred income tax

Current and deferred income tax are recognized in profit or loss, except for those related to items recognized in other comprehensive income or directly in equity, in which case the current and deferred income tax are recognized in other comprehensive income or directly in equity, respectively.

V. Major Sources of Critical Accounting Judgments, Estimates, and Assumptions Uncertainty

In adopting accounting policies, the Consolidated Company's management makes judgments, estimates, and assumptions based on historical experience and other relevant factors when information is not readily available from other sources Actual results may differ from these estimates.

The Consolidated Company's management continues to review its estimates and underlying assumptions, including the potential impact of significant accounting estimates on cash flow projections, growth rates, discount rates, and profitability.

Major Sources of Estimates and Assumptions Uncertainty

(I) Impairment of property, plant and equipment

Impairment of assets related to the production of maleic anhydride is assessed based on the recoverable amount of those assets, which is the higher of their fair value less costs of disposal and their value in use. Changes in market prices, future cash flows or discount rates may affect the recoverable amount of these assets, which could result in the Consolidated Company recognising additional impairment losses or reversing previously recognised impairment losses.

(II) **Income Tax**

As of December 31, 2025 and 2024, the carrying amounts of deferred tax assets related to unused tax losses were NT$ 1,635,825 thousand and NT$ 1,848,760 thousand, respectively. Due to the unpredictability of future profits, the Consolidated Company did not recognize deferred tax assets for tax losses of NT$ 387,106 thousand and NT$ 212,664 thousand, respectively. The main source of estimation uncertainty is the realizability of deferred tax assets, which depends primarily on the availability of sufficient future profits or taxable temporary differences. If actual future profits are lower than expected, a material reversal of deferred tax assets may occur, which would be recognized in the period in which the reversal takes place.

VI. Cash and Cash Equivalents

	December 31, 2025	December 31, 2024
Cash on hand and petty cash	$ 158	$ 239
Bank checks and demand deposits	3,107,606	4,788,013
Cash equivalents (investments with original maturities of three months or less)		
Banker's acceptances	30,829	33,834
Bank time deposits	36,021	40,502
	$ 3,174,614	$ 4,862,588

Interest rate ranges for bank deposits at the balance sheet date are as follows:

	December 31, 2025	December 31, 2024
Bank demand deposits and time deposits	0.01%~3.12%	0.01%~4.50%

VII. Financial Assets at FVTOCI (Equity Instrument Investments)

	December 31, 2025	December 31, 2024
Current		
Domestic investments		
TWSE/TPEx-listed stocks	$ 769,768	$ 1,080,489
Non-current		
Domestic investments		
Stocks listed on TWSE/TPEx and the emerging stock market	$ 17,909,133	$ 15,501,660
Stocks not listed on TWSE/TPEx	783,159	772,744
Subtotal	18,692,292	16,274,404
Foreign investments		
Stocks not listed on TWSE/TPEx	29,974	-
	$ 18,722,266	$ 16,274,404

The Consolidated Company primarily invests in common stocks of domestic and foreign companies for long-term strategic purposes, expecting to profit from long-term investments. The Consolidated Company’s management believes that recognizing short-term fair value fluctuations of these investments in profit or loss is inconsistent with the aforementioned long-term investment plan. Therefore, it chooses to designate these investments as measured at FVTOCI.

VIII. Financial Assets Measured at Amortized Cost

	December 31, 2025	December 31, 2024
Domestic investments		
Time deposits with original maturities exceeding three months (1)	$ 334,570	$ 100,000
Restricted deposits (2)	-	38,475
	$ 334,570	$ 138,475

(1) As of December 31, 2025 and 2024, the interest rates for time deposits with original maturities exceeding three months ranged from 0.66% to 2.05% and 0.67% to 1.37%, respectively.

(2) As of December 31, 2024, the interest rates for restricted deposits ranged from 0.1% to 0.95%; they are mainly held as performance bonds for banks and litigation preservation funds.

IX. Notes receivable, accounts receivable

	December 31, 2025	December 31, 2024
Notes receivable		
Measured at amortized cost		
Gross carrying amount	$ 1,096,106	$ 1,082,912
Less: Loss allowance	(151)	(173)
	$ 1,095,955	$ 1,082,739
Trade receivables		
Measured at amortized cost		
Gross carrying amount	$ 2,713,816	$ 3,878,273
Less: Loss allowance	(10,489)	(14,940)
	$ 2,703,327	$ 3,863,333

For information on discounted notes receivable transactions, refer to Notes XVI. and XXX(V).

The average credit period for the Consolidated Company's sales of goods is 30 days.

Before accepting new customers, the Consolidated Company evaluates the credit quality of potential customers and sets credit limits through internal credit and sales management departments. Customers' credit limits and ratings are reviewed semi-annually.

To mitigate credit risk, the Consolidated Company's management assigns a dedicated team to determine credit limits, approve credit, and implement other monitoring procedures to ensure that appropriate actions are taken to recover overdue receivables. Additionally, the Consolidated Company individually reviews the recoverable amounts of receivables at the balance sheet date to ensure that appropriate impairment losses are recognized for unrecoverable receivables. Accordingly, management believes that the Consolidated Company's credit risk has been significantly reduced.

As of December 31, 2025 and 2024, no customer's receivables exceeded 5% of total receivables.

The Consolidated Company recognizes the loss allowance for receivables based on lifetime expected credit losses. Lifetime expected credit losses are determined based on the customer's past default records, current financial position, and industry economic conditions, with expected credit loss ratios set for different customer credit ratings of receivables.

If there is evidence that a counterparty is facing significant financial difficulties and the Consolidated Company cannot reasonably expect to recover the amount, e.g., when the counterparty is undergoing liquidation or the debt is overdue for more than one year, the Consolidated Company recognizes a 100% allowance for doubtful accounts for receivables overdue for more than one year. However, collection activities continue, and any amounts recovered from collection are recognized in profit or loss.

The Consolidated Company measures the loss allowance for receivables using a provision matrix as follows:

December 31, 2025

	Credit rating A	Credit rating B	Credit rating C	Credit rating D	Credit rating E	Notes receivable	Total
Gross carrying amount	$ 1,000,978	$ 573,068	$ 305,293	$ 156,738	$ 677,739	$ 1,096,106	$ 3,809,922
Loss allowance (lifetime expected credit losses)	(2,283)	(1,928)	(1,681)	(1,687)	(2,910)	(151)	(10,640)
Amortized cost	$ 998,695	$ 571,140	$ 303,612	$ 155,051	$ 674,829	$ 1,095,955	$ 3,799,282

December 31, 2024

	Credit rating A	Credit rating B	Credit rating C	Credit rating D	Credit rating E	Notes receivable	Total
Gross carrying amount	$ 377,640	$ 1,328,507	$ 982,042	$ 544,170	$ 645,914	$ 1,082,912	$ 4,961,185
Loss allowance (lifetime expected credit losses)	(864)	(4,141)	(4,973)	(3,857)	(1,105)	(173)	(15,113)
Amortized cost	$ 376,776	$ 1,324,366	$ 977,069	$ 540,313	$ 644,809	$ 1,082,739	$ 4,946,072

The aging analysis of accounts receivable is as follows:

	December 31, 2025	December 31, 2024
Not overdue	$ 3,806,591	$ 4,948,712
Less than 30 days	3,331	10,820
31 to 60 days	-	1,653
61 to 90 days	-	-
91 days and over	-	-
Total	$ 3,809,922	$ 4,961,185

The changes in the allowance for losses on accounts receivable are as follows:

	2025	2024
Beginning balance	$ 14,940	$ 11,665
Add: Impairment losses provided for the year	5,726	7,122
Less: Impairment losses reversed for the year	(9,812)	(4,394)
Foreign currency translation differences	(365)	547
Ending balance	$ 10,489	$ 14,940

The changes in the allowance for losses on notes receivable are as follows:

	2025	2024
Beginning balance	$ 173	$ 80
Add: Impairment losses provided for the year	270	348
Less: Impairment losses reversed for the year	(292)	(255)
Ending balance	$ 151	$ 173

X. Inventories

	December 31, 2025	December 31, 2024
Finished goods	$ 2,735,069	$ 2,570,445
Semi-finished goods	309,407	293,612
Work in progress	111,432	169,320
Raw materials	1,228,762	2,022,422
Materials	859,441	961,314
Inventory in transit	848,919	1,307,952
Construction land	890,943	908,263
	6,983,973	8,233,328
Less: Loss allowance	(168,889)	(300,287)
	$ 6,815,084	$ 7,933,041

The cost of goods sold recorded by the Consolidated Company is all related to inventories.

The cost of goods sold for 2025 and 2024 included inventory valuation losses (gain from inventory price recovery) of (NT$122,348 thousand) and NT$131,495 thousand, respectively. The recovery of inventory net realizable value is due to the increase in selling prices of the inventory in specific markets.

As of December 31, 2025 and 2024, the inventories expected to be recovered after more than 12 months are construction land.

XI. Subsidiaries

(I) The subsidiaries included in the scope of the consolidated financial statements are as follows:

			Percentage of ownership held			
Investing company name	Subsidiary name	Nature of business	December 31, 2025	December 31, 2024	Description	Remarks
The Company's	Constant Holdings Ltd. (CHL)	investment	100%	100%		Note 1
The Company's	Glory Ace	Trading	100%	100%		Note 2
The Company's	UPC Venture Capital (UVC)	investment	100%	100%		Note 2
The Company's	Wei Chen lnvestment Corporation (Wei Chen)	investment	100%	100%		Note 2
The Company's	Taiwan Union International Investment Corporation (Taiwan Union)	investment	100%	100%		Note 2
The Company's	UPC(M) Chemicals	Production and sales of plasticizers and PA	100%	100%		Note 2
CHL	Star Bright	investment	100%	100%		Note 2
CHL	Goldendust	investment	100%	100%		Note 1
CHL	Natural	investment	100%	100%		Note 2
CHL	Magic Props	investment	100%	100%		Note 2
CHL	Pure Fantasy	investment	100%	100%		Note 2
CHL	Union Hong Kong	Trading	100%	100%		Note 2
CHL	Modern Vantage	investment	100%	100%		Note 2
CHL	Charmon	investment	100%	100%		Note 2
CHL	Linkhope	investment	100%	100%		Note 2
CHL	Reachworld	investment	100%	100%		Note 2
CHL	Daywinn	investment	-	-		Notes 2, 4
CHL	Dragonoble	investment	100%	100%		Note 2
CHL	Pagerise	investment	100%	100%		Note 2
CHL	Greaterise	investment	100%	100%		Note 2
CHL	Granfaith	investment	100%	100%		Note 2
Star Bright	Logical Path	investment	100%	100%		Note 2
Goldendust	Zhongshan Unicizers	Production and sales of plasticizers and PA	100%	100%		Note 1
Natural and Daywinn	Taizhou Union Plastics	Production and sales of polyvinyl chloride (PVC) powder	100%	100%	Natural holds 74.41% and Daywin holds 25.59%. (After Natural's merger with Daywinn, Natural holds 100%.)	Notes 2, 4
Modern Vantage	Taizhou Union Logistics	Warehousing	100%	100%		Note 2
Charmon and Zhongshan Unicizers	Taizhou Union Chemical	Production and sales of plasticizers and PA	100%	100%	Charmon holds 49.90% and Zhongshan Unicizers holds 50.10%.	Note 2
Linkhope	Jiangsu Union Logistics	Logistics	100%	100%		Note 2
Reachworld	Guangdong Union Logistics	Logistics	100%	100%		Note 2
Dragonoble, Zhongshan Unicizers, Natural, Linkhope and Reachworld	Panjin Union Chemical	Production and sales of plasticizers and PA	100%	100%	Dragonoble holds 19.53%, Zhongshan Unicizers holds 20.94%, Natural holds 46.63%, Linkhope holds 7.88% and Reachworld holds 5.02%.	Notes 2,5
Pagerise	Panjin Union Logistics	Warehousing	100%	100%		Note 2
Greaterise	Panjin Union Materials	Production and sales of maleic anhydride (MA) and related downstream derivatives	100%	100%		Note 2
Zhongshan Unicizers, Logical Path, Pure Fantasy, and Goldendust	Zhuhai Unicizers	Production and sales of plasticizers, PA, and MA	100%	100%	Zhongshan Unicizers holds 50.28%, Logical Path holds 6.48%, Pure Fantasy holds 17.75%, and Goldendust holds 25.49%.	Note 1
Zhongshan Unicizers, Logical Path, Goldendust, and Magic Props	Zhenjiang Union	Production and sales of plasticizers and PA	100%	100%	Zhongshan Unicizers holds 50.49%, Logical Path holds 4.01%, Goldendust holds 3.71%, and Magic Props holds 41.79%.	Note 1
Zhenjiang Union	ZhenJiang Union Torch Estate	Real estate business	100%	100%		Note 2
Granfaith and Zhongshan Unicizers	Nanchong Unicizers	Production and sales of plasticizers and PA	100%	100%	Granfaith holds 53.00% and Zhongshan Unicizers holds 47.00%.	Notes 2
UPC(M) Chemicals	UPCM Trading (Thailand)	Trading	100%	100%		Note 2
UPC(M) Chemicals	UPCM Trading (Vietnam)	Trading	100%	100%		Note 2
Taizhou Union Plastics	Panjin Plastics	Production and sales of VCM	-	-		Notes 2, 3

Note 1: It is a significant subsidiary.

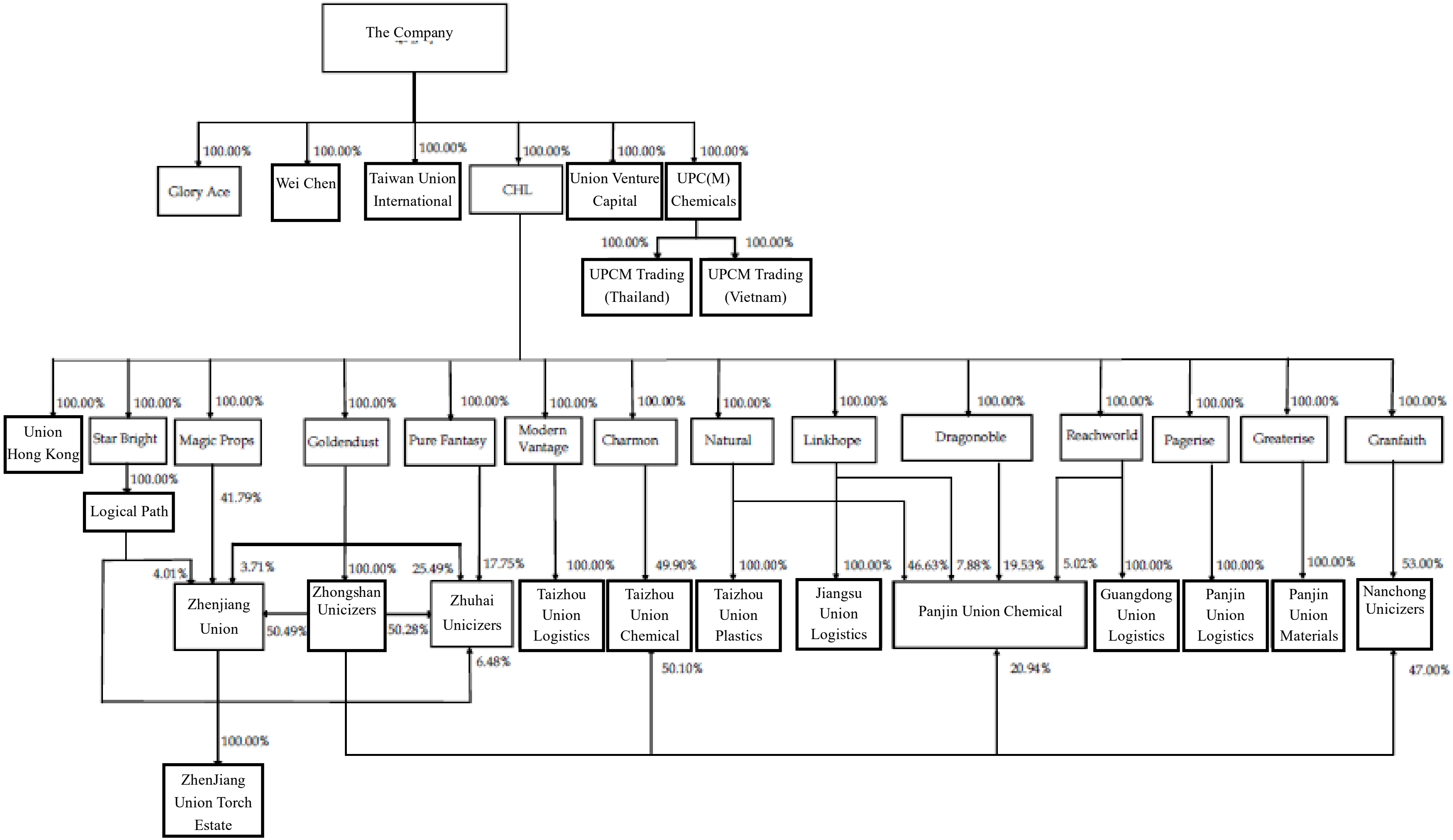
Note 2: It is a non-significant subsidiary.

Note 3: Panjin Plastics ceased operations and completed deregistration in June 2024.

Note 4: To simplify the Group's investment structure and reduce costs, the Consolidated Company's Board of Directors resolved to undertake organizational restructuring in March 2024. CHL's subsidiary, Natural, merged with CHL's subsidiary, Daywinn, acquiring 100% equity of the latter. After the merger, Natural became the surviving company, and Daywinn was dissolved. After the organizational restructuring, Natural holds 100% of the equity of Taizhou Union Plastics.

Note5: In May 2024, the Group's Board of Directors, based on operational strategy and management considerations, resolved to reduce capital by US$ 80,000,000 to make up for losses and indirectly increase its investment in Panjin Union Chemical by US$ 36,780,000. In January 2025, Natural, Reachworld, and Linkhope made additional investments in Panjin Union Chemical, reducing Dragonoble's shareholding in Panjin Union Chemical from 48.26% to 19.53%, and Zhongshan Unicizers' shareholding from 51.74% to 20.94%. The remaining shares were acquired by Natural, Linkhope, and Reachworld, with percentages of ownership of 46.63%, 7.88%, and 5.02% respectively.

As of December 31, 2025, the investment relationships and shareholding percentages of the Company and its controlled entities are as shown in the following table:



(II) Subsidiaries not Included in consolidated financial statements: None.

XII. Investments accounted for using the equity method

Individually immaterial associates	December 31, 2025	December 31, 2024
Unlisted companies		
Harbinger Ruyi	$ 22,879	$ 23,564

The Consolidated Company's ownership interest and voting rights percentages in associates at the balance sheet date are as follows:

Company name	December 31, 2025	December 31, 2024
Harbinger Ruyi	28.57%	28.57%

Summary information of individually immaterial associates

	2025	2024
The Consolidated Company's share		
Profit of this year	$ 252	$ 382
Other comprehensive income	35	(1,915)
Total comprehensive income	$ 287	($ 1,533)

XIII. Property, plant and equipment

	Land	Buildings	Machinery and equipment	Warehouse equipment	Utilities equipment	Transportation equipment	Other equipment	Construction in progress and equipment pending inspection	Total
Cost									
Balance at January 1, 2024	$ 1,126,898	$ 8,716,178	$13,090,327	$ 4,775,710	$ 4,289,476	$ 298,075	$ 1,561,712	$ 2,992,677	$36,851,053
Additions	-	136,506	119,630	197,736	59,298	24,440	78,439	483,689	1,099,738
Disposals	-	(1,261)	(202,724)	(69,666)	(10,962)	(13,339)	(44,261)	-	(342,213)
Reclassifications	-	23,993	46,005	57,700	42,260	1,009	9,500	(278,721)	(98,254)
Net exchange differences	-	417,901	628,022	220,256	198,545	15,387	72,437	148,378	1,700,926
Balance at December 31, 2024	$ 1,126,898	$ 9,293,317	$13,681,260	$ 5,181,736	$ 4,578,617	$ 325,572	$ 1,677,827	$ 3,346,023	$39,211,250
Accumulated depreciation									
Balance at January 1, 2024		$ 3,410,709	$ 9,562,784	$ 3,146,444	$ 3,085,533	$ 204,450	$ 1,317,842		$20,727,762
Disposals		(490)	(95,075)	(27,773)	(8,302)	(12,693)	(34,835)		(179,168)
Reclassifications		(835)	(714)	(2,100)	(2,922)	-	-		(6,571)
Depreciation expense		376,241	719,126	285,256	252,426	28,671	80,972		1,742,692
Net exchange differences		157,598	458,435	143,112	142,381	10,518	60,683		972,727
Balance at December 31, 2024		$ 3,943,223	$10,644,556	$ 3,544,939	$ 3,469,116	$ 230,946	$ 1,424,662		$23,257,442
Net balance as of December 31, 2024	$ 1,126,898	$ 5,350,094	$ 3,036,704	$ 1,636,797	$ 1,109,501	$ 94,626	$ 253,165	$ 3,346,023	$15,953,808
Cost									
Balance at January 1, 2025	$ 1,126,898	$ 9,293,317	$13,681,260	$ 5,181,736	$ 4,578,617	$ 325,572	$ 1,677,827	$ 3,346,023	$39,211,250
Additions	-	27,491	114,815	49,926	45,808	28,683	36,965	614,442	918,130
Disposals	-	(832)	(56,060)	(10,355)	(38,963)	(47,559)	(6,450)	(7,960)	(168,179)
Reclassifications	-	627,804	148,448	333,645	114,736	4,533	24,343	(1,357,583)	(104,074)
Net exchange differences	-	(159,435)	(251,895)	(87,442)	(78,063)	(7,125)	(30,699)	(83,652)	(698,311)
Balance at December 31, 2025	$ 1,126,898	$ 9,788,345	$13,636,568	$ 5,467,510	$ 4,622,135	$ 304,104	$ 1,701,986	$ 2,511,270	$39,158,816
Accumulated depreciation									
Balance at January 1, 2025		$ 3,943,223	$10,644,556	$ 3,544,939	$ 3,469,116	$ 230,946	$ 1,424,662		$23,257,442
Disposals		(559)	(51,284)	(10,001)	(37,235)	(44,482)	(6,313)		(149,874)
Reclassifications		(31,637)	(4,869)	(1,241)	(10,125)	-	(349)		(48,221)
Depreciation expense		21,002	243,796	59,187	54,150	4,496	5,683		388,314
Net exchange differences		356,382	689,546	293,802	253,247	27,941	86,193		1,707,111
Balance at December 31, 2025		(63,053)	(177,636)	(57,011)	(54,380)	(5,098)	(24,682)		(381,860)
		$ 4,225,358	$11,344,109	$ 3,829,675	$ 3,674,773	$ 213,803	$ 1,485,194		$24,772,912
Net balance as of December 31, 2025	$ 1,126,898	$ 5,562,987	$ 2,292,459	$ 1,637,835	$ 947,362	$ 90,301	$ 216,792	$ 2,511,270	$14,385,904

Due to poor market sales of certain products, the expected future cash inflows from some of the machinery and equipment used by the Consolidated Company to produce those products decreased, causing their recoverable amount to fall below their carrying amount. As a result, the Consolidated Company recognised an impairment loss of NT$ 388,314 thousand in 2025. This impairment loss has been included under other gains and losses in the consolidated statement of comprehensive income. The Consolidated Company determined the recoverable amount of the machinery and equipment based on fair value less costs of disposal. The related fair value was determined using the cost approach, with key assumptions including physical and economic obsolescence factors, representing a Level 3 fair value measurement.

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

Buildings	
Main building of plant	50 years
Road construction	15 to 40 years
Others	3 to 50 years
Machinery and equipment	5 to 20 years
Warehouse equipment	5 to 15 years
Utilities equipment	5 to 15 years
Transportation equipment	5 to 8 years
Other equipment	3 to 20 years

XIV. Lease agreements

(I) Right-of-use assets

	December 31, 2025	December 31, 2024
Carrying amount of right-of-use assets		
Land	$ 1,377,805	$ 1,484,853
Buildings	23,956	35,668
	$ 1,401,761	$ 1,520,521

	2025	2024
Depreciation expense of right-of-use assets		
Land	$ 38,962	$ 40,593
Buildings	11,073	11,890
Other equipment	-	354
	$ 50,035	$ 52,837

(II) Lease liabilities

	December 31, 2025	December 31, 2024
Carrying amount of lease liabilities		
Current	$ 13,534	$ 13,337
Non-current	$ 7,518	$ 21,502

The discount rate ranges for lease liabilities are as follows:

	December 31, 2025	December 31, 2024
Land	3.66%	3.66%
Buildings	1.80%~3.66%	1.80%~3.66%
Other equipment	4.35%	4.35%

(III) Significant lease activities and terms

The Consolidated Company leases land and buildings as plants and offices, with lease terms ranging from 3 to 50 years. Upon the termination of the lease term, the Consolidated Company has no preferential purchase rights to the leased land and buildings, and it is agreed that the Consolidated Company shall not sublease or transfer all or part of the leased assets without the lessor's consent.

(IV) Other lease information

	2025	2024
Short-term lease expenses	$ 45,484	$ 28,487
Low-value asset lease expenses	$ 683	$ 998
Variable lease payment expenses not included in the measurement of lease liabilities	$ 1,201	$ 1,241
Total cash outflow from leases	$ 61,159	$ 45,327

The Consolidated Company elected to apply the recognition exemptions for office equipment leases that qualify as short-term leases and certain warehouse equipment leases that qualify as low-value asset leases, and does not recognize related right-of-use assets and lease liabilities for these leases.

XV. Other assets

	December 31, 2025	December 31, 2024
Current		
Other assets		
Prepayments for suppliers	$ 1,017,392	$ 1,097,650
Excess Business Tax paid	52,700	198,841
Prepaid expenses	228,332	256,025
	$ 1,298,424	$ 1,552,516
Non-current		
Other assets		
Refundable deposits	$ 63,477	$ 55,259
Long-term prepaid expenses	276,750	210,699
Prepaid equipment payments	59,931	79,766
	$ 400,158	$ 345,724

XVI. Borrowings

(I) Short-term borrowings

	December 31, 2025	December 31, 2024
Discounted notes payable		
Discounted banker's acceptances (1)	$ 1,165,885	$ 1,289,141
Unsecured borrowings		
Bank credit borrowings (2)	2,786,432	4,228,396
	$ 3,952,317	$ 5,517,537

(1) The interest rates for discounted notes payable as of December 31, 2025 and 2024, were 0.51% to 1.20% and 0.25% to 1.35%, respectively.

(2) The interest rates for bank credit borrowings as of December 31, 2025 and 2024, were 1.30% to 2.60% and 1.52% to 3.25%, respectively.

(3) For information on utilized and unutilized bank financing facilities, please refer to Note XXX.

(II) Long-term borrowings

	December 31, 2025	December 31, 2024
Unsecured borrowings		
Bank credit borrowings	$ 400,000	$ 400,000
Revolving credit borrowings	13,140,724	13,638,572
	$ 13,540,724	$ 14,038,572
Borrowing details		
Annual interest rate	1.90%~2.55%	1.92%~3.15%
Maturity date	Successively due before November 2029	Successively due before November 2028

XVII. Corporate bonds payable

	December 31, 2025	December 31, 2024
Domestic secured corporate bonds	$ 3,000,000	$ 3,000,000
Less: Discount on corporate bonds	(1,600)	(2,618)
	$ 2,998,400	$ 2,997,382

The main conditions for issuance of each series of domestic secured corporate bonds are as follows:

Series	Issuance period	Total issuance amount	Coupon rate	Principal and interest repayment method
Series 1 in 2022	July 2022 to July 2027	3,000,000	1.80%	Principal repaid in a lump sum at maturity, interest paid annually.

XVIII. Notes payable and accounts payable

Notes payable and accounts payable are mainly incurred from operations, with an average credit period of 30 days. The Consolidated Company has a financial risk management policy in place to ensure that all payables are repaid within the pre-agreed credit terms.

XIX. Other liabilities

	December 31, 2025	December 31, 2024
Current		
Other payables		
Equipment payments payable	$ 126,167	$ 217,320
Salaries and bonuses payable	153,985	160,762
Interest payable	36,530	41,477
Utilities payable	84,446	73,205
Sales freight payable	111,495	111,794
Others	440,089	382,551
	$ 952,712	$ 987,109
Other liabilities		
Contract liabilities	$ 511,648	$ 631,701
Others	4,274	4,126
	$ 515,922	$ 635,827

XX. Provisions

	December 31, 2025	December 31, 2024
Current		
Safety provision (1)	$ 200,852	$ 188,774
Carbon fee (2)	6,474	-
	$ 207,326	$ 188,774
Non-current		
Employee benefits (3)	$ 6,618	$ 16,006

(I) The safety provision is accrued by the Consolidated Company's subsidiaries in China in accordance with the regulations of the Ministry of Emergency Management of the People's Republic of China and related regulations. Enterprises that produce, store, or transport hazardous chemicals identified by the government determine the accrued amount for the current year based on the previous year's operating revenue, using a graduated declining rate method. This amount is then evenly accrued monthly and reversed when actual safety expenditures are incurred.

(II) The Consolidated Company has recognized the provision for carbon fee liabilities in accordance with Taiwan's charging rates of carbon fees and other relevant laws and regulations since 2025. The provision for carbon fee liabilities of the Consolidated Company is calculated based on the general rate.

(III) The employee benefits provision is the estimated provision for employee death benefits calculated according to the Consolidated Company's employee death benefit regulations. The present value of this long-term employee benefit obligation is calculated by a qualified actuary.

XXI. Post-employment benefit plans

(I) Defined contribution plans

The Consolidated Company in Taiwan adopts the pension system of the “Labor Pension Act”, which is a government-managed defined contribution pension plan. The Consolidated Company monthly contributes an amount, equal to 6% of employees' monthly salaries, to individual accounts at the Bureau of Labor Insurance.

The employees of the Consolidated Company's subsidiaries in China and Malaysia are members of government-operated retirement benefit plans in those regions. The subsidiaries are required to contribute a specific percentage of salary costs to the retirement benefit plans to fund the plans. The Consolidated Company's obligation to these government-operated retirement benefit plans is limited to contributing the specific amounts.

The pension expenses recognized by the Consolidated Company under the defined contribution plans for 2025 and 2024 were NT$110,556 thousand and NT$118,011 thousand, respectively.

(II) Defined benefit plans

The Consolidated Company in Taiwan adopts the pension system of the “Labor Standards Act”, which is a defined benefit pension plan. Employee pension benefits are calculated based on years of service and the average salary of the six months prior to approved retirement. Every month, the Consolidated Company contributes an amount, equal to 2% of employees' total monthly salaries, to an employee retirement fund, which is deposited in a special account at the Bank of Taiwan in the name of the Supervisory Committee of Labor Retirement Reserve. Before the end of the year, if the estimated balance of the special account is insufficient to pay the estimated pension benefits for employees who are expected to meet the retirement conditions in the following year, the difference will be contributed in one lump sum before the end of March of the following year. The special account is managed by the Bureau of Labor Funds, Ministry of Labor, and the Consolidated Company has no right to influence the investment management strategy.

The amounts of the defined benefit plans included in the consolidated balance sheet are as follows:

	December 31, 2025	December 31, 2024
Present value of defined benefit obligations	$ 424,685	$ 452,583
Fair value of plan assets	(232,267)	(260,351)
Net defined benefit liabilities	$ 192,418	$ 192,232

The changes in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities
Balance at January 1, 2024	$ 524,583	($ 288,762)	$ 235,821
Current service cost	2,587	-	2,587
Interest expense (income)	6,558	(3,626)	2,932
Recognized in profit or loss	9,145	(3,626)	5,519
Remeasurements			
Return on plan assets (excluding amounts included in net interest)	-	(26,021)	(26,021)
Actuarial gains and losses - changes in financial assumptions	(3,131)	-	(3,131)
Actuarial gains and losses - experience adjustments	4,214	-	4,214
Recognized in other comprehensive income	1,083	(26,021)	(24,938)
Employer contributions	-	(2,520)	(2,520)
Benefit payments	(82,228)	60,578	(21,650)
Balance at December 31, 2024	$ 452,583	($ 260,351)	$ 192,232
Balance at January 1, 2025	$ 452,583	($ 260,351)	$ 192,232
Current service cost	2,226	-	2,226
Interest expense (income)	5,998	(3,370)	2,628
Recognized in profit or loss	8,224	(3,370)	4,854
Remeasurements			
Return on plan assets (excluding amounts included in net interest)	-	(20,321)	(20,321)
Actuarial gains and losses - changes in financial assumptions	2,746	-	2,746
Actuarial gains and losses - experience adjustments	15,168	-	15,168
Recognized in other comprehensive income	17,914	(20,321)	(2,407)
Employer contributions	-	(2,261)	(2,261)
Benefit payments	(54,036)	54,036	-
Balance at December 31, 2025	$ 424,685	($ 232,267)	$ 192,418

The Consolidated Company is exposed to the following risks from the pension system of the “Labor Standards Act”:

1. Investment risk: The Bureau of Labor Funds, Ministry of Labor, invests the labor pension fund in domestic and foreign equity and debt securities and bank deposits through self-management and entrusted management. However, the amount of income of plan assets that the Consolidated Company allocate is calculated based on the yield not lower than the local bank's two-year deposit interest rate.

2. Interest rate risk: A decrease in the interest rate of government bonds or corporate bonds will increase the present value of defined benefit obligations, but the return on debt investments in plan assets will also increase. Such bonds have a partial offsetting effect on net defined benefit liabilities.

3. Salary risk: The present value of defined benefit obligations is calculated with reference to the future salaries of plan members. Therefore, an increase in plan members' salaries will increase the present value of defined benefit obligations.

The present value of the Consolidated Company's defined benefit obligations is calculated by a qualified actuary. The significant assumptions at the measurement date are as follows:

	December 31, 2025	December 31, 2024
Discount rate	1.250%	1.375%
Expected rate of salary increase	3.000%	3.000%

If significant actuarial assumptions change reasonably and plausibly, the amounts by which the present value of defined benefit obligations would increase (decrease) under the condition that all other assumptions remain unchanged are as follows:

	December 31, 2025	December 31, 2024
Discount rate		
Increase by 0.25%	($ 5,460)	($ 6,150)
Decrease by 0.25%	$ 5,594	$ 6,300
Expected rate of salary increase		
Increase by 0.25%	$ 5,408	$ 6,099
Decrease by 0.25%	($ 5,306)	($ 5,984)

Because actuarial assumptions may be correlated, it is unlikely that only a single assumption will change. Therefore, the above sensitivity analysis may not reflect the actual changes in the present value of defined benefit obligations.

	December 31, 2025	December 31, 2024
Expected contributions within one year	$ 2,149	$ 2,404
Average duration of defined benefit obligations	5.9 years	5.9 years

XXII. Equity

(I) Ordinary share capital

	December 31, 2025	December 31, 2024
Authorized shares (thousand shares)	2,000,000	2,000,000
Authorized capital	$ 20,000,000	$ 20,000,000
Issued and fully paid shares (thousand shares)	1,330,846	1,367,719
Issued capital	$ 13,308,461	$ 13,677,186
Capital collected in advance	$ -	$ 1,751

The par value of each issued ordinary share is NT$10, and each share has one voting right and the right to receive dividends.

The authorized capital includes 100,000 thousand shares reserved for the issuance of employee stock options. The remaining unissued shares will be issued in tranches by the Board of Directors as needed, some of which may be preferred shares.

The changes in the Company's share capital are due to employees exercising stock options and the cancellation of treasury shares.

(II) Capital surplus

	December 31, 2025	December 31, 2024
Available for offsetting losses, issuing cash dividends, or capitalizing (Note)		
Shares issued at a premium	$ 544,914	$ 764,382
Donated assets	19,835	19,835
Transfer from employee stock option exercise and forfeiture	367,336	357,470
Treasury stock transactions	183,691	218,846
Available for offsetting losses		
Unclaimed dividends of shareholders	5,649	4,106
Not available for any purpose		
Employee stock options	21,030	8,826
	$ 1,142,455	$ 1,373,465

Note: This type of capital surplus can be used to offset losses and, when there are no losses, to issue cash dividends or capitalize, provided that the amount capitalized each year is limited to a certain percentage of the paid-in capital.

(III) Retained earnings and dividend policy

According to the Company's Articles of Incorporation regarding the profit distribution policy, after paying taxes and offsetting prior years' accumulated losses from the current year's earnings, 10% should first be set aside as legal reserve and appropriated or reversed as special reserve according to relevant regulations. The Company may then appropriate or reverse a certain amount as special reserve according to the relevant regulations. The residual earnings, plus the accumulated undistributed earnings, may be distributed to shareholders according to the distribution plan proposed by the Board of Directors. When the distribution is made in the form of new shares, the distribution proposal shall be submitted to the shareholders' meeting for resolution before distribution. When the distribution is made in cash, the Board of Directors shall be authorized to resolve the distribution by a super majority vote and report it to the shareholders' meeting.

The Company's Articles of Incorporation regarding the distribution of employee and director compensation are described in Note 24(7), Employee and director compensation.

The legal reserve shall be appropriated until its balance reaches the total paid-in capital. The legal reserve may be used to offset losses. When there are no losses, the portion of the legal reserve exceeding 25% of the total paid-in capital may be capitalized or distributed as cash dividends. The Board of Directors is also authorized to make a supermajority resolution to distribute all or part of the aforementioned legal reserve and capital surplus in cash and report to the shareholders' meeting.

The Company's earnings distribution plan for 2023 is as follows:

	2023
Legal reserve	$ -
Cash dividends	$ 265,511
Cash dividend per share (NT$)	$ 0.2

The above cash dividends were resolved by the Board of Directors on March 6, 2024.

The Company's Board of Directors resolved on March 6, 2026 to use the legal reserve of NT$1,329,620 thousand to offset the accumulated losses. The aforesaid loss offset proposal is subject to approval by the shareholders' meeting to be held on May 26, 2026.

The Company's shareholders' meeting held on May 28, 2025 resolved to approve the proposal to offset the 2024 losses using the legal reserve of NT$ 948,533 thousand, and on June 2, 2025, the Board of Directors resolved to distribute cash to shareholders from the capital reserve totaling NT$ 199,412 thousand, at NT$0.15 per share.

(IV) Special reserve

When the Consolidated Company adopted IFRS for the first time, the amount of unrealized revaluation gains transferred to retained earnings was NT$341,773 thousand, and a special reserve of the same amount was appropriated.

The special reserve appropriated for land can be reversed upon disposal or reclassification.

(V) Other equity interests

1. Exchange differences arising from translation of financial statements of foreign operations

	2025	2024
Beginning balance	$ 672,677	($ 735,830)
Arising during the year		
Exchange differences of foreign operations	(642,341)	1,416,787
Related income tax	5,450	(8,280)
Ending balance	$ 35,786	$ 672,677

2. Unrealized profit and losses of financial assets measured at FVTOCI

	2025	2024
Beginning balance	$ 11,947,660	$ 11,356,839
Arising during the year		
Unrealized gains or losses - equity instruments	2,329,940	614,140
Share of associates accounted for using the equity method	35	(1,915)
Cumulative gains or losses from disposal of equity instruments transferred to retained earnings	(236,086)	(21,404)
Ending balance	$ 14,041,549	$ 11,947,660

(VI) Treasury stock

	Reason for repurchase
	Transfer of shares to employees (thousand shares)
Number of shares as of January 1, 2024	38,665
Increase during the year	-
Number of shares as of December 31, 2024	38,665
Number of shares as of January 1, 2025	38,665
Cancel during the year	(38,665)
Number of shares as of December 31, 2025	-

Pursuant to the relevant provisions of the "Rules for Transferring Repurchased Shares to Employees", the Company's Board of Directors resolved on January 16, 2025 to transfer 8,665 thousand shares of treasury stock to employees, with March 31, 2025 as the grant date. However, as the employees did not exercise the subscription rights, all of the aforementioned treasury shares were cancelled in 2025.

The treasury stocks held by the Company shall not be pledged and do not have the right to receive dividends or voting rights, as stipulated by the Securities and Exchange Act.

XXIII. Revenue

	2025	2024
Product sales revenue	$ 58,527,090	$ 73,056,122
Transportation and warehousing logistics revenue	239,138	264,158
	$ 58,766,228	$ 73,320,280

XXIV. Net profit (loss) for the year

The net profit (loss) for the year includes the following items:

(I) Interest Income

	2025	2024
Bank deposits	$57,704	$ 77,426

(II) Other income

	2025	2024
Operating lease rental income	$ 96,149	$ 82,393
Dividend income	385,036	397,414
Government grant income (Note 28)	69,574	68,352
Other income	121,164	65,776
	$ 671,923	$ 613,935

(III) Other gains and losses

	2025	2024
Gains and losses on financial assets and liabilities		
Financial assets mandatorily measured at FVTPL	$ 203	$ 253
Net foreign currency exchange gains (losses)	63,710	(155,636)
Gains (losses) on disposal of property, plant, and equipment	(12,719)	621
Bank charges (including corporate bonds payable)	(26,283)	(27,215)
Impairment loss on property, plant, and equipment	(388,314)	-
Gain on disposal of non-current assets held for sale	354,749	-
Gain on disposal of right-of-use assets	932	-
Miscellaneous expenses	(52,898)	(18,239)
	($ 60,620)	($ 200,216)

(IV) Financial costs

	2025	2024
Bank loan interest (including bonds payable)	$ 455,305	$ 528,246
Interest on lease liabilities	607	1,001
	$ 455,912	$ 529,247

(V) Depreciation and amortization

	2025	2024
Property, plant and equipment	$ 1,707,111	$ 1,742,692
Right-of-use assets	50,035	52,837
Computer software	10,020	7,636
Long-term prepaid expenses	129,110	160,350
Total	$ 1,896,276	$ 1,963,515
Summary of depreciation expenses by function		
Operating costs	$ 1,490,191	$ 1,532,716
Operating expenses	246,684	249,649
Other losses	20,271	13,164
	$ 1,757,146	$ 1,795,529
Summary of amortization expenses by function		
Operating costs	$ 127,171	$ 158,992
Operating expenses	11,959	8,994
	$ 139,130	$ 167,986

(VI) Employee benefits expenses

	2025	2024
Short-term employee benefits	$ 1,313,813	$ 1,324,323
Post-employment benefits (Note 21)		
Defined contribution plans	110,556	118,011
Defined benefit plans	4,854	5,519
Subtotal of post-employment benefits	115,410	123,530
Share-based payments		
Equity settlement	22,070	-
Other employee benefits	170,756	107,819
Total employee benefit expenses	$ 1,622,049	$ 1,555,672
Summary by function		
Operating costs	$ 971,930	$ 975,201
Operating expenses	650,119	580,471
	$ 1,622,049	$ 1,555,672

(VII) Employee and director compensation

The Company allocates employee and director compensation at no less than 1% and no more than 1% of the current year's profit after deducting accumulated losses, respectively. Pursuant to the amendments to the Securities and Exchange Act in August 2024, the Company had amended its Articles of Incorporation upon approval at the 2025 Shareholders' Meeting. The amendments stipulated that no less than 1% of the annual employee compensation pool shall be allocated as bonuses for non-managerial employees or used for base salary adjustments.

No employee or director compensation was estimated for 2025 and 2024 due to pre-tax losses.

For information on employee and director compensation resolved by the Company's Board of Directors, please refer to the “Market Observation Post System” on the Taiwan Stock Exchange.

(VIII) Foreign currency exchange gains and losses

	2025	2024
Total foreign currency exchange gains	$ 290,924	$ 380,987
Total foreign currency exchange losses	(227,214)	(536,623)
Net gain (loss)	$ 63,710	($ 155,636)

XXV. Income tax

(I) Income tax recognized in profit or loss

The main components of income tax (benefit) expense are as follows:

	2025	2024
Current income tax		
Arising during the year	$ 160,981	$ 313,221
Adjustments of prior years	(10,087)	(5,758)
	150,894	307,463
Deferred income tax		
Arising during the year	$ 163,228	($ 637,185)
Income tax (benefit) expense recognized in profit or loss	$ 314,122	($ 329,722)

The reconciliation of accounting income and income tax (benefit) expense is as follows:

	2025	2024
Pre-tax net loss from continuing operations	($ 1,239,411)	($ 2,713,577)
Income tax benefit calculated at the statutory tax rate (25%) on pre-tax net loss	($ 309,853)	($ 678,394)
Permanent differences	763,406	347,598
Tax-exempt income	(77,008)	(79,483)
Deduction of unrecognized losses	210,234	105,840
Effect of different tax rates for companies operating in other jurisdictions	(262,570)	(19,525)
Adjustments of prior years' income tax	(10,087)	(5,758)
Income tax (benefit) expense recognized in profit or loss	$ 314,122	($ 329,722)

The tax rate applicable to the Consolidated Company's subsidiaries in China is 25%; the tax amounts in other jurisdictions are calculated based on the applicable tax rates in those jurisdictions.

(II) Income tax directly recognized in equity

	2025	2024
Current income tax expense		
Disposal of investments in equity instruments at FVTOCI	$14,100	$ 1,224

(III) Income tax recognized in other comprehensive income

	2025	2024
Deferred income tax expense		
Arising during the year		
Exchange differences of foreign operations	($ 5,450)	$ 8,280
Remeasurements of defined benefit plans	480	4,990
	(4,970)	13,270
Income tax expense recognized in other comprehensive income	($ 4,970)	$ 13,270

(IV) Current income tax assets and liabilities

	December 31, 2025	December 31, 2024
Income tax assets for the current period		
Refundable tax	$ 23,172	$ 33,699
Current income tax liabilities		
Income tax payable	$ 132,872	$ 80,186

(V) Deferred tax assets and liabilities

The changes in deferred tax assets and liabilities are as follows:

2025

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Exchange differences	Ending balance
Deferred tax assets					
Temporary differences					
Inventory loss allowance	$ 69,641	($ 27,714)	$ -	($ 2,050)	$ 39,877
Exchange differences of foreign operations	14,580	-	5,450	-	20,030
Defined benefit pension plans	38,430	520	(480)	-	38,470
Allowance for doubtful accounts	3,002	(881)	-	(81)	2,040
Right-of-use assets	78,944	(2,097)	-	(1,595)	75,252
Others	45,849	19,193	-	(459)	64,583
	250,446	(10,979)	4,970	(4,185)	240,252
Loss carryforwards	1,848,760	(170,418)	-	(42,517)	1,635,825
	$2,099,206	($ 181,397)	$ 4,970	($ 46,702)	$1,876,077
Deferred tax liabilities					
Temporary differences					
Overseas equity investment income	$ 121,910	$ 3,520	$ -	$ -	$ 125,430
Land revaluation gains	99,828	-	-	-	99,828
Others	45,948	(21,689)	-	(2,073)	22,186
	$ 267,686	($ 18,169)	$ -	($ 2,073)	$ 247,444

2024

Deferred tax assets	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Exchange differences	Ending balance
Temporary differences					
Inventory loss allowance	$ 39,323	$ 28,089	$ -	$ 2,229	$ 69,641
Exchange differences of foreign operations	22,860	-	(8,280)	-	14,580
Defined benefit pension plans	47,150	(3,730)	(4,990)	-	38,430
Allowance for doubtful accounts	2,451	419	-	132	3,002
Right-of-use assets	77,122	(2,166)	-	3,988	78,944
Others	35,596	8,705	-	1,548	45,849
	224,502	31,317	(13,270)	7,897	250,446
Loss carryforwards	1,178,934	601,683	-	68,143	1,848,760
	$ 1,403,436	$ 633,000	($ 13,270)	$ 76,040	$ 2,099,206

Deferred tax liabilities	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Exchange differences	Ending balance
Temporary differences					
Overseas equity investment income	$ 118,990	$ 2,920	$ -	$ -	$ 121,910
Land revaluation gains	99,828	-	-	-	99,828
Others	49,827	(7,105)	-	3,226	45,948
	$ 268,645	($ 4,185)	$ -	$ 3,226	$ 267,686

(VI) The amount of unused loss carryforwards that are not recognized as deferred tax assets in the consolidated balance sheet

	December 31, 2025	December 31, 2024
Loss carryforwards		
Maturing in 2030	$ 311,334	$ -
Maturing in 2034	-	212,664
Maturing in 2035	75,772	-
	$ 387,106	$ 212,664

(VII) Information on unused loss carryforwards

The information on loss carryforwards as of December 31, 2025, is as follows:

Unused balance	Last deductible year
$ 58,187	2026
1,821,959	2027
1,107,790	2028
2,102,131	2029
1,234,607	2030
212,664	2034
415,145	2035
$ 6,952,483	

(VIII) Unrecognized deferred tax liabilities related to investments

As of December 31, 2025 and 2024, the taxable temporary differences related to investments in subsidiaries that were not recognized as deferred tax liabilities were NT$1,329,822 thousand and NT$ 1,584,243 thousand, respectively.

(IX) Domestic income tax approval

	Approved Year
The Company	2023
Taiwan Union	2023
Wei Chen	2023
UPC Venture	2023

XXVI. Loss per share

Unit: NT$ per share

	2025	2024
Basic loss per share	($ 1.17)	($ 1.79)

The net loss and weighted average number of ordinary shares used to calculate loss per share are as follows:

Net loss for the year

	2025	2024
Net loss used to calculate basic loss per share	($ 1,553,533)	($ 2,383,855)

Number of shares

Unit: thousand shares

	2025	2024
Weighted average number of ordinary shares used to calculate basic loss per share	1,330,100	1,328,274

XXVII. Share-based payment agreements

Employee stock option plan - stock warrants

Issued in 2019

The Company issued 40,000 units of employee stock options on August 15, 2019, with each unit entitling the holder to purchase one thousand ordinary shares. The grant recipients include employees of the Company and its subsidiaries who meet certain conditions. The term of the stock options is six years, and the holders can exercise 50%, 75%, and 100% of the options after two, three, and four years from the issuance date, respectively.

The information on employee stock options is as follows:

Employee stock options	2025 Unit	2025 Weighted average exercise price (NT$)	2024 Unit	2024 Weighted average exercise price (NT$)
Outstanding at the beginning of the year	3,653	$ 8.50	6,621	$ 8.50
Exercised during the year	(1,587)	8.35	(2,968)	8.50
Forfeited during the year	(2,066)	8.30	-	8.50
Outstanding at the end of the year	-		3,653	8.50
Exercisable at the end of the year	-		3,653	8.50

Issued in 2025

The Company issued 32,000 units of employee stock options on April 17, 2025, with each unit entitling the holder to purchase one thousand ordinary shares at a subscription price of NT$ 8.15 per share. The grant recipients include employees of the Company and its subsidiaries who meet certain conditions. The term of the stock options is six years, and the holders can exercise 50%, 75%, and 100% of the options after two, three, and four years from the issuance date, respectively.

The information on employee stock options is as follows:

Employee stock options	2025 Unit	2025 Weighted average exercise price (NT$)
Outstanding at the beginning of the year	-	
Exercised during the year	32,000	$ 8.15
Forfeited during the year	(998)	8.00
Outstanding at the end of the year	31,002	8.00
Exercisable at the end of the year	-	

The employee stock options granted by the Company in April 2025 were valued using the Black-Scholes-Merton model. The inputs used in the valuation model are as follows:

	April 2025
Share price at grant date	NT$ 8.15
Exercise price (Note)	NT$ 8.15
Expected volatility	33.74%, 35.28%, and 35.07%
Term	4 years, 4.5 years, and 5 years
Expected dividend yield	-
Risk-free interest rate	1.42%, 1.44%, and 1.46%

The Company calculated the fair value of the employee stock options granted on April 17, 2025, which will vest in installments (two, three, and four years from the issuance date), based on the grant date. The compensation cost recognized in 2025 was NT$ 21,030 thousand.

Note: The exercise price is adjusted according to the formula specified in the issuance regulations.

(II) Employee stock option plan - transfer of treasury stocks

The Company transferred 8,665 thousand treasury stocks to employees at the grant date of March 31, 2025. The fair value of employee stock options, calculated using the Black-Scholes-Merton model, amounts to NT$ 0.12 per share. The inputs used in the valuation model are as follows:

	March 2025
Share price at grant date	NT$ 8.95
Exercise price (Note)	NT$ 9.10
Expected volatility	29.47%
Term	11 days
Expected dividend yield	1.34%

In March 2025, the Company recognized compensation costs of NT$ 1,040 thousand in accordance with the aforementioned treasury stock transfer method. Please refer to Note 22.

XXIX. Government grants

In 2025 and 2024, the Consolidated Company received financial support subsidies of NT$ 31,840 thousand and NT$ 55,157 thousand, respectively, in China, which are immediate financial support granted by local governments based on investment agreements.

In 2017, the Consolidated Company received air pollution control subsidies of CNY 2,972 thousand in China, which were recorded as long-term deferred income and are being transferred to other income over the useful lives of the related assets. Amounts of NT$ 1,248 thousand and NT$ 1,289 thousand were transferred to other income in 2025 and 2024, respectively. As of December 31, 2025 and 2024, the unamortized long-term deferred income translated into NTD was NT$1,441 thousand and NT$ 2,774 thousand, respectively.

In 2017, 2016, and 2014, the Consolidated Company received special subsidies of CNY 20,000 thousand, CNY 3,250 thousand, and CNY 26,400 thousand from Panjin City, Liaoning Province, and strategic emerging industry development subsidies from Sichuan Province, respectively, specifically to subsidize Panjin Union Logistics and Nanchong Unicizers for the purchase and installment of equipment. These amounts were recorded as long-term deferred income and are being transferred to other income over the useful lives of the related assets after the installment is completed. Amounts of NT$ 34,840 thousand and NT$ 11,906 thousand were transferred to other income in 2025 and 2024, respectively. As of December 31, 2025 and 2024, the total unamortized long-term deferred income translated into NTD was NT$ 98,766 thousand and NT$137,143 thousand, respectively.

The Consolidated Company received subsidies totaling CNY 1,182 thousand in 2025 for three technical renovation projects related to the updating of production line equipment in China. The amount was recorded as long-term deferred income and is being transferred to other income over the useful lives of the related assets. The amount transferred to other income during 2025 was NT$ 1,334 thousand. As of December 31, 2025, the total unamortized long-term deferred income translated into NTD was 3,919 thousand.

XXIX. Capital risk management

The Consolidated Company manages capital to ensure that each entity within the Group can continue as a going concern by optimizing the balance of debt and total assets to maximize shareholder returns. There is no expected significant change in the short term based on the Consolidated Company's overall strategy.

The Consolidated Company's capital structure consists of net debt (total liabilities less cash and cash equivalents and financial assets measured at amortized cost) / net assets (total assets less cash and cash equivalents and financial assets measured at amortized cost).

The Consolidated Company's senior management reviews the Group's capital structure quarterly, taking into account the cost of each type of capital and related risks. Based on senior management’s suggestions, the Consolidated Company will balance its overall capital structure through dividend policies and the issuance of new debt or repayment of old debt.

The Consolidated Company's target net debt ratio (net debt to net assets) is 50%.

Net debt ratio

The net debt ratio at the balance sheet date is as follows:

	December 31, 2025	December 31, 2024
Total liabilities	$ 24,079,393	$ 27,605,216
Cash and cash equivalents (Note)	(3,509,184)	(5,001,063)
Net liabilities	$ 20,570,209	$ 22,604,153
Total assets	$ 53,509,915	$ 57,070,905
Cash and cash equivalents (Note)	(3,509,184)	(5,001,063)
Net assets	$ 50,000,731	$ 52,069,842
Net debt ratio	41%	43%

Note: Cash and cash equivalents include financial assets measured at amortized cost.

XXX. Financial instruments

(I) Fair value information-financial instruments not measured at fair value

December 31, 2025

	Carrying amount	Fair value Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities measured at amortized cost					
- Domestic corporate bonds payable	$ 2,998,400	$ -	$ 2,998,898	$ -	$ 2,998,898

December 31, 2024

	Carrying amount	Fair value Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities measured at amortized cost					
- Domestic corporate bonds payable	$ 2,997,382	$ -	$ 2,999,909	$ -	$ 2,999,909

Except as described above, the Consolidated Company's management believes that the carrying amounts of financial assets and liabilities not measured at fair value approximate their fair values or that their fair values cannot be reliably measured.

(II) Fair value information-financial instruments measured at fair value on a recurring basis

1. Fair value hierarchy

December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets measured at FVTOCI				
Equity instrument investments				
Domestic stocks listed on TWSE/TPEx and the emerging stock market	$ 18,678,901	$ -	$ -	$ 18,678,901
Domestic stocks not listed on TWSE/TPEx	-	-	783,159	783,159
Foreign unlisted stocks	-	-	29,974	29,974
Total	$ 18,678,901	$ -	$ 813,133	$ 19,492,034

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets measured at FVTOCI				
Equity instrument investments				
Domestic stocks listed on TWSE/TPEx and the emerging stock market	$ 16,582,149	$ -	$ -	$ 16,582,149
Domestic stocks not listed on TWSE/TPEx	-	-	772,744	772,744
Foreign unlisted stocks	-	-	-	-
Total	$ 16,582,149	$ -	$ 772,744	$ 17,354,893

There were no transfers between Level 1 and Level 2 fair values in 2025 and 2024.

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

2025

	Financial assets measured at FVTOCI Equity instruments of financial assets
Beginning balance	$ 772,744
Recognized in other comprehensive income (unrealized gains or losses on financial assets measured at FVTOCI)	71,436
Purchases	99,624
Transfer-out	(124,608)
Capital returned for capital reduction	(5,912)
Impact of Exchange Rate Fluctuations	(151)
Ending balance	$ 813,133

2024

Financial assets	Financial assets measured at FVTOCI Equity instruments of financial assets
Beginning balance	$ 754,797
Recognized in other comprehensive income (unrealized gains or losses on financial assets measured at FVTOCI)	(18,547)
Purchases	50,008
Capital returned for capital reduction	(13,514)
Ending balance	$ 772,744

3. Valuation techniques and inputs for level 2 fair value measurements

Financial instrument category	Valuation techniques and inputs
Financial liabilities - Domestic corporate bonds payable	Fair value is calculated based on the weighted average hundred-dollar price reported by the Taipei Exchange on the reporting date.

4. Valuation techniques and inputs for level 3 fair value measurements

Domestic and foreign unlisted equity investment fair value is primarily estimated using the asset-based approach. The asset-based approach is mainly used for venture capital companies, referencing their net asset value to assess fair value.

(III) Financial instrument type

	December 31, 2025	December 31, 2024
Financial assets		
Financial assets measured at amortized cost (Note 1)	$ 7,841,714	$ 10,291,303
Equity instrument investments measured at FVTOCI	19,492,034	17,354,893
Financial liabilities		
Financial liabilities measured at amortized cost (Note 2)	22,497,630	25,888,987

Note 1: The balance includes cash and cash equivalents, financial assets measured at amortized cost, notes receivable, accounts receivable, other receivables, and refundable deposits.

Note 2: The balance includes short-term borrowings, notes payable, accounts payable, other payables, bonds payable, long-term borrowings, and guarantee deposits received.

(IV) Financial risk management objectives and policies

The Consolidated Company's primary financial instruments are equity investments, receivables, payables, and borrowings. The Consolidated Company's financial management department provides services to various business units, coordinating domestic and international financial market operations. It monitors and manages financial risks related to corporate operations through internal risk reports that analyze exposures based on risk levels and scope. These risks include market risk (including foreign exchange risk, interest rate risk, and other price risk), credit risk, and liquidity risk.

1. Market risk

The Consolidated Company's operating activities expose it to foreign exchange rate change risk and interest rate change risk.

There have been no changes in the Consolidated Company's market risk exposures related to financial instruments or in the methods used to manage and measure these exposures.

(1) Foreign exchange risk

The Company and several subsidiaries engage in foreign currency-denominated sales and purchase transactions, resulting in exposure to foreign exchange change risk. Approximately 15% of the Consolidated Company's sales and 30% of its costs are denominated in currencies other than the functional currencies of the entities of the Group in which the transactions take place.

The carrying amounts of significant foreign currency-denominated monetary assets and liabilities as of the balance sheet date (including foreign currency-denominated monetary items eliminated in the consolidated financial statements) are disclosed in Note 33.

Sensitivity analysis

The Consolidated Company is primarily affected by fluctuations in the US dollar (USD) exchange rate.

The following table shows the sensitivity analysis of the Consolidated Company when the exchange rates of the NTD, CNY, and MYR increase or decrease by 3% against the USD. The 3% sensitivity rate is used for reporting foreign exchange risk to senior management and represents management's assessment of the reasonably possible range of foreign exchange rate changes. The sensitivity analysis includes only outstanding foreign currency monetary items with their period-end translation by a 3% change in exchange rates adjusted. Positive numbers in the table below indicate the increase (decrease) in pre-tax net profit (loss) when the NTD, CNY, and MYR appreciate by 3% against the USD; the impact on pre-tax net profit (loss) when these currencies depreciate by 3% against the USD would be equal in amount but negative.

	Impact of USD	
	2025	2024
Profit or loss	$ 20,843	$ 68,688

The above impacts primarily arise from USD-denominated receivables, payables, and borrowings outstanding at the balance sheet date.

The Consolidated Company's sensitivity to exchange rates has decreased in the current period, mainly due to an decrease in period-end USD payables, resulting in a lower net foreign currency liability.

(2) Interest rate risk

The Consolidated Company's interest rate exposure arises from borrowing funds at both fixed and floating rates. The Consolidated Company periodically evaluates whether to use hedging instruments to align its interest rate views with established risk appetite, ensuring the most cost-effective hedging strategy.

The carrying amounts of financial assets and liabilities exposed to interest rate risk at the balance sheet date are as follows:

	December 31, 2025	December 31, 2024
Fair value interest rate risk		
- Financial assets	$ 370,591	$ 178,977
- Financial liabilities	17,120,185	17,070,443
Cash flow interest rate risk		
- Financial liabilities	3,392,308	5,517,887

The Consolidated Company is exposed to fair value interest rate risk due to its fixed-rate bank borrowings and bonds payable. The Consolidated Company holds floating-rate borrowings as the target to mitigate fair value interest rate risk.

The Consolidated Company is exposed to cash flow interest rate risk due to its floating-rate bank borrowings. These situations align with the Consolidated Company's policy of maintaining a certain level of floating-rate borrowings to mitigate fair value interest rate risk.

Sensitivity analysis

The following sensitivity analysis is determined based on the interest rate exposures of non-derivative instruments at the balance sheet date. For floating-rate liabilities, the analysis assumes that the outstanding liabilities at the balance sheet date were outstanding throughout the reporting period. The change rate used for reporting interest rates to senior management is an increase or decrease of 50 basis points, representing management's assessment of the reasonably possible range of interest rate changes.

If interest rates increase/decrease by 50 basis points, the Consolidated Company's pre-tax net loss for 2025 and 2024 would increase/decrease by NT$ 16,962 thousand and NT$ 27,589 thousand, respectively, assuming all other variables remain constant.

The Consolidated Company's sensitivity to interest rates has decreased compared to the same period last year, primarily due to an decrease in the amount of floating-rate borrowings in the current period.

(3) Other price risks

The Consolidated Company is exposed to equity price risk due to its holdings of fund beneficiary certificates and equity securities investments. These equity investments are primarily strategic investments and are not held for trading; the Consolidated Company does not actively trade these investments. The Consolidated Company's equity price risk is concentrated in domestic strategic equity instrument investments.

Sensitivity analysis

The following sensitivity analysis is based on the equity price exposures at the balance sheet date.

If equity prices increase/decrease by 5%, the after-tax other comprehensive income for 2025and 2024 would increase/decrease by NT$ 974,602 thousand and NT$ 867,745 thousand, respectively, due to changes in the fair value of financial assets measured at FVTOCI.

The Consolidated Company's sensitivity to price risk has increased compared to the same period last year, primarily due to an increase in the market value of equity securities investments in the current year.

2. Credit risk

Credit risk is the risk of financial loss to the Group if a counterparty fails to meet its contractual obligations. As of the balance sheet date, the maximum credit risk exposure from the counterparty’s default, which could result in financial loss, primarily arises from the carrying amounts of financial assets recognized in the consolidated balance sheet.

The Consolidated Company's policy is to transact only with reputable counterparties. Before accepting new customers, the Consolidated Company assesses the credit quality of potential customers and sets credit limits through internal credit checks and relevant sales management departments. Customer credit limits and ratings are reviewed twice a year.

Additionally, the Consolidated Company individually reviews the recoverable amounts of receivables at the balance sheet date to ensure that appropriate impairment losses are recognized for unrecoverable receivables.

The Consolidated Company's accounts receivable are from a large number of customers, and the Consolidated Company has no significant credit exposure to any single counterparty or group of counterparties with similar characteristics. At no time during 2025 and 2024 did the concentration of credit risk from any counterparty exceed 5% of total monetary assets.

The Consolidated Company's credit risk by geographic region is primarily concentrated in China, accounting for approximately 46% and 58% of total receivables as of December 31, 2025 and 2024, respectively.

3. Liquidity risk

The Consolidated Company manages and maintains sufficient cash and cash equivalents to support operations and mitigate the impact of cash flow fluctuations. The Consolidated Company's management monitors the use of bank financing limits and ensures compliance with loan agreement terms.

Bank borrowings are a significant source of liquidity for the Consolidated Company. The Consolidated Company's unused financing limits as of December 31, 2025 and 2024, are disclosed in the (2) Financing limits section below.

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

The remaining contractual maturity analysis for non-derivative financial liabilities is prepared based on the undiscounted cash flows of financial liabilities, based on the earliest date the Consolidated Company could be required to repay. Therefore, bank borrowings that the Consolidated Company could be required to repay immediately are included in the earliest period in the table, regardless of the probability of the bank immediately exercising this right. The maturity analysis of other non-derivative financial liabilities is prepared based on the agreed repayment dates.

	Within 3 months	3 months to 1 year	1 to 5 years	Over 5 years
December 31, 2025				
Non-derivative financial liabilities				
Non-interest-bearing liabilities	$ 966,232	$ 1,177,121	$ -	$ -
Lease liabilities	3,466	10,411	5,935	2,035
Floating-rate instruments	1,146,124	76,939	2,243,737	-
Fixed-rate instruments	1,601,530	1,141,822	14,841,407	-
	$ 3,717,352	$ 2,406,293	$ 17,091,079	$ 2,035

	Within 3 months	3 months to 1 year	1 to 5 years	Over 5 years
December 31, 2024				
Non-derivative financial liabilities				
Non-interest-bearing liabilities	$ 2,462,851	$ 1,019,596	$ -	$ -
Lease liabilities	3,514	10,446	19,207	3,119
Floating-rate instruments	1,621,028	314,135	3,759,882	-
Fixed-rate instruments	2,073,691	1,534,510	14,037,431	-
	$ 6,161,084	$ 2,878,687	$ 17,816,520	$ 3,119

(2) Financing limits

	December 31, 2025	December 31, 2024
Unsecured bank financing limits		
- Utilized amount	$ 17,493,041	$ 19,556,109
- Unutilized amount	26,800,178	27,869,772
	$ 44,293,219	$ 47,425,881

(V) Information on the transfer of financial assets

In 2025 and 2024, the Consolidated Company discounted some bankers' acceptance notes receivable issued by banks in China. The contracts stipulate that if the bankers' acceptance notes receivable cannot be collected at maturity, the transferee has the right to request the Consolidated Company to settle the outstanding balance. Therefore, the Consolidated Company did not transfer the significant risks and rewards of these bankers' acceptance notes receivable and continues to recognize them.

As of December 31, 2025 and 2024, the carrying amounts of the transferred bankers' acceptance notes receivable that were not derecognized were NT$1,165,885 thousand and NT$1,289,141 thousand, respectively (including NT$ 622,480 thousand and NT$ 572,363 thousand of inter-subsidiary acceptance notes eliminated in the consolidation), and the carrying amounts of the related liabilities were NT$ 1,165,885 thousand and NT$ 1,289,141 thousand, respectively.

XXXI. Related Party Transactions

Transactions, account balances, revenues, and expenses between the Company and its subsidiaries (which are related parties of the Company) are fully eliminated upon consolidation and are therefore not disclosed in this note. Transactions between the Consolidated Company and other related parties are as follows:

(I) Related party names and relationships

Related party name	Relationship with the Consolidated Company
Lien Hwa Industrial Holdings	Same Chairman / Investor with significant influence
Lien Hwa Property Development Corporation	Subsidiary of Lien Hwa Industrial Holdings
Linde Lien Hwa Industrial Gases Co., Ltd.	Associate of Lien Hwa Industrial Holdings
Linde Lien Hwa Industrial Gases Co., Ltd. (Suzhou)	Associate of Linde Lien Hwa Industrial Gases Co., Ltd.
Asia Union Electronic Chemical Corp. (AUECC)	Associate of Linde Lien Hwa Industrial Gases Co., Ltd.
Harbinger Venture Management Co., Ltd. (Harbinger Venture Management)	Same Chairman
Lien Hwa United LPG	The Company is a director of the company

(II) Purchases

Related party category	2025	2024
Associates with investors with significant influence	$ 37,771	$ 35,677

(III) Lease agreements (lessee)

Account item	Related party category / Name	December 31, 2025	December 31, 2024
Lease liabilities	Lien Hwa Property Development Corporation	$ 10,643	$ 20,838

Related party category / Name	2025	2024
Interest expense		
Associates with investors with significant influence	$ -	$ 108
Lien Hwa Property Development Corporation	291	480
	$ 291	$ 588

(IV) Lease agreements (lessor)

Operating lease out

The total future lease payments to be received are summarized as follows:

Related party name	December 31, 2025	December 31, 2024
AUECC	$ 398,407	$ 9,052
Lien Hwa United	3,969	3,969
	$ 402,376	$ 13,021

Lease income is summarized as follows:

Related party name	2025	2024
AUECC	$ 31,707	$ 19,377
Lien Hwa United	5,530	5,530
	$ 37,237	$ 24,907

(V) Service revenue

Account item	Related party category / Name	2025	2024
Other income	Associates with investors with significant influence	$ 64	$ 48
	Lien Hwa Property Development Corporation	480	512
		$ 544	$ 560

Transactions between the Consolidated Company and related parties are made on normal commercial terms.

(VI) Other accounts receivable from related parties (excluding loans to related parties)

Account item	Related party name	December 31, 2025	December 31, 2024
Other receivable from related parties	Lien Hwa United	$ 1,215	$ 1,584
	Linde Lien Hwa Industrial Gases Co., Ltd.	2,503	638
	Lien Hwa Property Development Corporation	42	81
		$ 3,760	$ 2,303

(VII) Refundable deposits

Account item	Related party name	December 31, 2025	December 31, 2024
Other non-current assets	Lien Hwa Property Development Corporation	$ 1,307	$ 1,307

(VIII) Accounts payable to related parties

Account item	Related party category	December 31, 2025	December 31, 2024
Trade payables	Associates with investors with significant influence	$ 1,222	$ 2,176

(IX) Guarantee deposit received

Account item	Related party name	December 31, 2025	December 31, 2024
Guarantee deposit received	AUECC	$ 6,696	$ 3,685

(X) Reward and compensation of key management personnel

The total compensation of directors and other key management personnel is as follows:

	2025	2024
Short-term employee benefits	$ 22,086	$ 22,451
Post-employment benefits	216	237
Share-based payments	2,161	-
	$ 24,463	$ 22,688

The compensation of directors and other key management personnel is determined by the Remuneration Committee based on individual performance and market trends.

XXXII. Significant Contingent Liabilities and Unrecognized Commitments

In addition to those described in other notes, the Consolidated Company's significant commitments and contingencies as of the balance sheet date are as follows:

(I) As of December 31, 2025 and 2024, the amounts of letters of credit issued but with documents not yet received for the purchase of raw materials and machinery and equipment were NT$ 41,098 thousand and NT$146,226 thousand, respectively.

(II) The Consolidated Company's unrecognized contractual commitments are as follows:

	December 31, 2025	December 31, 2024
Purchase of raw materials and auxiliary materials.	$ 1,781,550	$ 2,168,821
Purchase of property, plant and equipment	$ 328,672	$ 477,094

(III) As of December 31, 2025, the amounts of financial guarantees provided by the Company for the borrowing limits of directly or indirectly invested companies are as follows:

1. Taizhou Union Plastics – USD 10,000 thousand.
2. Nanchong Unicizers - CNY 490,000 thousand.
3. Panjin Union Materials - CNY 86,500 thousand.

4. Panjin Union Chemical- CNY 900,000 thousand.

5. Panjin Union Logistics- CNY 5,000 thousand.

XXXIII. Information on foreign-currency assets and liabilities with significant influence

Foreign currencies other than the functional currencies of the Consolidated Company's individual entities are presented in aggregate below. The exchange rates disclosed are the rates used to translate these foreign currencies into the functional currencies. Foreign-currency assets and liabilities with significant influence are as follows:

December 31, 2025

	Foreign currency	Exchange rate	Carrying amount
Foreign-currency assets			
Monetary items			
USD	$ 1,318	31.430(USD: NTD)	$ 41,425
USD	11,470	7.029 (USD: CNY)	360,502
MYR	10,483	0.247 (MYR: USD)	81,213
			$ 483,140
Non-monetary items			
Investments accounted for using the equity method			
USD	728	31.430(USD: NTD)	$ 22,879
Foreign-currency liabilities			
Monetary items			
USD	4,517	31.430(USD: NTD)	$ 141,969
USD	31,693	7.029 (USD: CNY)	996,111
MYR	5,141	0.247 (MYR: USD)	39,828
			$ 1,177,908

December 31, 2024

	Foreign currency	Exchange rate	Carrying amount
Foreign-currency assets			
Monetary items			
USD	$ 3,253	32.785 (USD: NTD)	$ 106,650
USD	6,691	7.188 (USD: CNY)	219,364
MYR	14,676	0.224 (MYR: USD)	107,640
			$ 433,654
Non-monetary items			
Investments accounted for using the equity method			
USD	719	32.785 (USD: NTD)	$ 23,564

(To be continued)

(Continued from the previous page)

Foreign-currency liabilities			
Monetary items			
USD	9,886	32.785 (USD: NTD)	$ 324,113
USD	68,486	7.188 (USD: CNY)	2,245,314
MYR	20,974	0.224 (MYR: USD)	153,833
			$ 2,723,260

The Consolidated Company's net foreign-currency exchange gains (losses) for 2025 and 2024 were NT$ 63,710 thousand and NT$ (155,636) thousand, respectively. Due to the wide variety of functional currencies used in foreign-currency transactions among the Group's entities, exchange gains and losses cannot be disclosed for each foreign currency with significant influence.

XXXVII. Additional Disclosures

(I) Information on significant transactions and investees:

1. Loans to Others - Table 1.
2. Endorsements/Guarantees for Others - Table 2.
3. Securities Held at the End of the Period (Excluding Investments in Subsidiaries and Associates) - Table 3.
4. Purchases and Sales with Related Parties with Amounts Reaching NT$100 Million or 20% of Paid-in Capital - Table 4.
5. Receivables from Related Parties with Amounts Reaching NT$100 Million or 20% of Paid-in Capital - Table 5.
6. Others: Business Relationships and Significant Transaction Activities and Amounts Between Parent and Subsidiaries and Among Subsidiaries - Table 6.
7. Information on Investees - Table 7.

(II) Information on investment in China:

1. Names of investees in China, principal business activities, paid-in capital, investment methods, funds inflow and outflow, shareholding, current-period profit or loss and recognized investment profit or loss, period-end investment carrying amounts, repatriated investment profit or loss, and investment limits in China - Table 8.

2. The following significant transactions with investees in China, directly or indirectly through third regions, and their prices, payment terms, and unrealized gains or losses:

(1) Purchase amounts and percentages, and period-end balances and percentages of related accounts payable - Table 9.

(2) Sales amounts and percentages, and period-end balances and percentages of related accounts receivable - None.

(3) Property transaction amounts and resulting gains or losses - None.

(4) Period-end balances and purposes of notes endorsements/guarantees or collateral provided - Note 32 and Table 2.

(5) Maximum balance of financing, period-end balance, interest rate ranges, and total interest for the current period - None.

(6) Other transactions with significant impacts on current-period profit or loss or financial position, such as provision or receipt of services - None.

XXXV. Segment Information

(I) General Information

Information provided to the chief operating decision maker for allocating resources and assessing segment performance focuses on the regions where the products are provided. The reportable segments are as follows:

East China segment -	Zhenjiang Union, Taizhou Union Chemical, Taizhou Union Plastics, Taizhou Union Logistics, Jiangsu Union Logistics, and ZhenJiang Union Torch Estate.
South China segment -	Zhongshan Unicizers, Zhuhai Unicizers, and Guangdong Union Logistics.
North China segment -	Panjin Union Chemical, Panjin Union Logistics, Panjin Union Materials, and Panjin Plastics (deregistered in June 2024).
Central China segment -	Nanchong Unicizers .
Taiwan segment -	UPC Technology Corporation., Wei Chen, Union Venture Capital, and Taiwan Union International.
Other segments -	Union Hong Kong, Glory Ace, UPC(M) Chemicals, UPCM Trading (Thailand), UPCM Trading (Vietnam) , and other overseas investment companies.

(II) Reportable segment information

2025	East China segment	South China segment	North China segment	Central China segment	Taiwan segment	Other segments	Reconciliations and eliminations	Total
Revenue from external customers	$ 24,953,641	$ 14,624,688	$ 8,045,574	$ 2,370,122	$ 3,525,689	$ 5,246,514	$ -	$ 58,766,228
Inter-segment revenue	3,664,184	2,866,800	903,267	507,936	362,338	8,173,794	(16,478,319)	-
Total revenue	$ 28,617,825	$ 17,491,488	$ 8,948,841	$ 2,878,058	$ 3,888,027	$ 13,420,308	($ 16,478,319)	$ 58,766,228
Interest income	$ 72,382	$ 11,970	$ 6,810	$ 306	$ 1,987	$ 43,058	($ 78,809)	$ 57,704
Financial cost	35,043	84,357	88,499	26,187	300,317	318	(78,809)	455,912
Significant revenue and expenses								
Depreciation expense	572,420	223,768	443,095	188,396	174,324	155,143	-	1,757,146
Amortization expense	53,367	27,129	11,775	11,270	27,468	8,121	-	139,130
Segment profit (loss)	396,204	(81,868)	(780,150)	(715,116)	(299,022)	(73,581)	-	(1,553,533)

December 31, 2025	East China segment	South China segment	North China segment	Central China segment	Taiwan segment	Other segments	Reconciliations and eliminations	Total
Segment assets	$ 15,195,667	$ 7,756,456	$ 9,114,257	$ 1,508,828	$ 47,674,122	$ 10,877,382	($ 38,616,797)	$ 53,509,915
Segment liabilities	6,282,726	5,382,263	6,458,753	1,923,271	16,228,051	1,871,357	(14,067,028)	24,079,393

2024	East China segment	South China segment	North China segment	Central China segment	Taiwan segment	Other segments	Reconciliations and eliminations	Total
Revenue from external customers	$ 37,162,319	$ 18,870,113	$ 5,224,307	$ 3,153,442	$ 3,340,406	$ 5,569,693	$ -	$ 73,320,280
Inter-segment revenue	2,803,044	3,017,993	4,643,817	502,813	1,217,323	13,560,963	(25,745,953)	-
Total revenue	$ 39,965,363	$ 21,888,106	$ 9,868,124	$ 3,656,255	$ 4,557,729	$ 19,130,656	($ 25,745,953)	$ 73,320,280
Interest income	$ 272,994	$ 14,487	$ 8,577	$ 723	$ 5,682	$ 38,658	($ 263,695)	$ 77,426
Financial cost	58,873	97,395	264,291	84,594	286,921	868	(263,695)	529,247
Significant revenue and expenses								
Depreciation expense	574,721	243,093	464,960	195,376	174,138	143,241	-	1,795,529
Amortization expense	68,991	44,966	9,719	17,332	16,622	10,356	-	167,986
Segment profit (loss)	200,921	(604,635)	(1,055,782)	(321,488)	(149,423)	(453,448)	-	(2,383,855)

December 31, 2024	East China segment	South China segment	North China segment	Central China segment	Taiwan segment	Other segments	Reconciliations and eliminations	Total
Segment assets	$ 18,292,546	$ 8,243,166	$ 9,492,249	$ 2,343,019	$ 47,670,751	$ 13,730,440	($ 42,701,266)	$ 57,070,905
Segment liabilities	9,615,832	5,736,062	7,174,516	2,018,450	16,213,437	3,120,550	(16,273,631)	27,605,216

(III) Revenue from major products and services

The Consolidated Company mainly produces and sells petrochemical products, with total revenue accounting for over 90% of total operating revenue.

(IV) Information on geographic regions

The Company mainly operates in China. Information on revenue from external customers by operating location and non-current assets by asset location is as follows:

	Revenue from external customers		Non-current assets	
	2025	2024	December 31, 2025	December 31, 2024
China	$ 49,994,025	$ 64,410,181	$ 13,464,294	$ 14,834,982
Taiwan	3,525,689	3,340,406	1,980,806	2,101,525
Others	5,246,514	5,569,693	758,908	901,435
	$ 58,766,228	$ 73,320,280	$ 16,204,008	$ 17,837,942

Non-current assets refer to property, plant and equipment, computer software, right-of-use assets, and other non-current assets.

(V) Information on major customers

No single customer accounted for 10% or more of the Consolidated Company's total revenue in 2025 and 2024.

UPC Technology Corporation and Subsidiaries

Table of Loans to Others

January 1, 2025 to December 31, 2025

Table 1

Unit: NT$ thousand, unless otherwise stated

No. (Note 1)	Lending Company	Borrower	Transaction Item	Related Party Status	Maximum Balance in Current Period	Period-End Balance	Amount Disbursed	Interest Rate Range for Amount Disbursed	Nature of Loan (Note 2)	Business Transaction Amount	Reason for Short-Term Financing Needs	Allowance for Doubtful Accounts	Collateral		Individual Loan Limit	Total Loan Limit
													Name	Value		
1	Zhenjiang Union	ZhenJiang Union Torch Estate	Amounts Receivable from Related Parties	Yes	$ 1,252,048 (CNY 280,000 thousand)	$ 827,246 (CNY 185,000 thousand)	$ 764,644 (CNY 171,000 thousand)	1.51%	2	$ -	Daily operations	$ -	-	$ -	$ 1,395,069 (CNY 311,984 thousand) (Note 3)	$ 2,790,137 (CNY 623,968 thousand) (Note 4)
1	Zhenjiang Union	Panjin Union Chemical	Amounts Receivable from Related Parties	Yes	1,028,468 (CNY 230,000 thousand)	581,308 (CNY 130,000 thousand)	290,654 (CNY 65,000 thousand)	1.51%	2	-	Daily operations	-	-	-	1,395,069 (CNY 311,984 thousand) (Note 3)	2,790,137 (CNY 623,968 thousand) (Note 4)
1	Zhenjiang Union	Panjin Union Materials	Amounts Receivable from Related Parties	Yes	871,962 (CNY 195,000 thousand)	648,382 (CNY 145,000 thousand)	648,382 (CNY 145,000 thousand)	1.51%	2	-	Daily operations	-	-	-	1,395,069 (CNY 311,984 thousand) (Note 3)	2,790,137 (CNY 623,968 thousand) (Note 4)
1	Zhenjiang Union	Nanchong Unicizers	Amounts Receivable from Related Parties	Yes	134,148 (CNY 30,000 thousand)	134,148 (CNY 30,000 thousand)	134,148 (CNY 30,000 thousand)	1.51%	2	-	Daily operations	-	-	-	1,395,069 (CNY 311,984 thousand) (Note 3)	2,790,137 (CNY 623,968 thousand) (Note 4)
1	Zhenjiang Union	Zhuhai Unicizers	Amounts Receivable from Related Parties	Yes	89,432 (CNY 20,000 thousand)	89,432 (CNY 20,000 thousand)	44,716 (CNY 10,000 thousand)	1.51%	2	-	Daily operations	-	-	-	1,395,069 (CNY 311,984 thousand) (Note 3)	2,790,137 (CNY 623,968 thousand) (Note 4)
2	Glory Ace	Union Hong Kong	Amounts Receivable from Related Parties	Yes	625,457 (USD 19,900 thousand)	625,457 (USD 19,900 thousand)	-	NA	2	-	Daily operations	-	-	-	635,859 (USD 20,231 thousand) (Note 5)	635,859 (USD 20,231 thousand) (Note 6)
3	CHL	Union Hong Kong	Amounts Receivable from Related Parties	Yes	939,757 (USD 29,900 thousand)	625,457 (USD 19,900 thousand)	-	NA	2	-	Daily operations	-	-	-	10,386,737 (USD 330,472 thousand) (Note 7)	20,773,474 (USD 660,944 thousand) (Note 8)
3	CHL	UPCM Trading (Thailand)	Amounts Receivable from Related Parties	Yes	94,290 (USD 3,000 thousand)	-	-	NA	2	-	Daily operations	-	-	-	10,386,737 (USD 330,472 thousand) (Note 7)	20,773,474 (USD 660,944 thousand) (Note 8)
4	Guangdong Union Logistics	Zhuhai Unicizers	Amounts Receivable from Related Parties	Yes	98,375 (CNY 22,000 thousand)	98,375 (CNY 22,000 thousand)	55,895 (CNY 12,500 thousand)	1.51%	2	-	Daily operations	-	-	-	106,591 (CNY 23,837 thousand) (Note 9)	106,591 (CNY 23,837 thousand) (Note 10)
5	Jiangsu Union Logistics	Panjin Union Chemical	Amounts Receivable from Related Parties	Yes	67,074 (CNY 15,000 thousand)	67,074 (CNY 15,000 thousand)	67,074 (CNY 15,000 thousand)	1.51%	2	-	Daily operations	-	-	-	111,790 (CNY 25,000 thousand) (Note 11)	111,790 (CNY 25,000 thousand) (Note 12)
5	Jiangsu Union Logistics	Panjin Union Materials	Amounts Receivable from Related Parties	Yes	44,716 (CNY 10,000 thousand)	-	-	NA	2	-	Daily operations	-	-	-	111,790 (CNY 25,000 thousand) (Note 11)	111,790 (CNY 25,000 thousand) (Note 12)
5	Jiangsu Union Logistics	Zhenjiang Union	Amounts Receivable from Related Parties	Yes	58,131 (CNY 13,000 thousand)	22,358 (CNY 5,000 thousand)	-	NA	2	-	Daily operations	-	-	-	111,790 (CNY 25,000 thousand) (Note 11)	111,790 (CNY 25,000 thousand) (Note 12)
6	Taizhou Union Plastics	Nanchong Unicizers	Amounts Receivable from Related Parties	Yes	134,148 (CNY 30,000 thousand)	134,148 (CNY 30,000 thousand)	89,432 (CNY 20,000 thousand)	2.30%	2	-	Daily operations	-	-	-	1,328,639 (CNY 297,128 thousand) (Note 13)	2,657,278 (CNY 594,257 thousand) (Note 14)
6	Taizhou Union Plastics	Panjin Union Logistics	Amounts Receivable from Related Parties	Yes	715,456 (CNY 160,000 thousand)	402,444 (CNY 90,000 thousand)	290,654 (CNY 65,000 thousand)	2.30%~2.50%	2	-	Daily operations	-	-	-	1,328,639 (CNY 297,128 thousand) (Note 13)	2,657,278 (CNY 594,257 thousand) (Note 14)
6	Taizhou Union Plastics	Panjin Union Materials	Amounts Receivable from Related Parties	Yes	760,172 (CNY 170,000 thousand)	447,160 (CNY 100,000 thousand)	380,086 (CNY 85,000 thousand)	2.30%~2.50%	2	-	Daily operations	-	-	-	1,328,639 (CNY 297,128 thousand) (Note 13)	2,657,278 (CNY 594,257 thousand) (Note 14)
6	Taizhou Union Plastics	Taizhou Union Logistics	Amounts Receivable from Related Parties	Yes	268,296 (CNY 60,000 thousand)	134,148 (CNY 30,000 thousand)	89,432 (CNY 20,000 thousand)	2.30%	2	-	Daily operations	-	-	-	1,328,639 (CNY 297,128 thousand) (Note 13)	2,657,278 (CNY 594,257 thousand) (Note 14)
6	Taizhou Union Plastics	Taizhou Union Chemical	Amounts Receivable from Related Parties	Yes	89,432 (CNY 20,000 thousand)	89,432 (CNY 20,000 thousand)	-	NA	2	-	Daily operations	-	-	-	1,328,639 (CNY 297,128 thousand) (Note 13)	2,657,278 (CNY 594,257 thousand) (Note 14)
6	Taizhou Union Plastics	Zhuhai Unicizers	Amounts Receivable from Related Parties	Yes	536,592 (CNY 120,000 thousand)	536,592 (CNY 120,000 thousand)	402,444 (CNY 90,000 thousand)	2.30%~2.50%	2	-	Daily operations	-	-	-	1,328,639 (CNY 297,128 thousand) (Note 13)	2,657,278 (CNY 594,257 thousand) (Note 14)
7	Zhongshan Unicizers	Zhuhai Unicizers	Amounts Receivable from Related Parties	Yes	1,609,776 (CNY 360,000 thousand)	1,341,480 (CNY 300,000 thousand)	894,320 (CNY 200,000 thousand)	1.51%	2	-	Daily operations	-	-	-	1,896,742 (CNY 424,175 thousand) (Note 15)	3,793,484 (CNY 848,351 thousand) (Note 16)

(To be continued)

(Continued from the previous page)

No. (Note 1)	Lending Company	Borrower	Transaction Item	Related Party Status	Maximum Balance in Current Period	Period-End Balance	Amount Disbursed	Interest Rate Range for Amount Disbursed	Nature of Loan (Note 2)	Business Transaction Amount	Reason for Short-Term Financing Needs	Allowance for Doubtful Accounts	Collateral		Individual Loan Limit	Total Loan Limit
													Name	Value		
8	Zhuhai Unicizers	Zhongshan Unicizers	Amounts Receivable from Related Parties	Yes	$ 134,148 (CNY 30,000 thousand)	$ -	$ -	NA	2	-	Daily operations	-	-	-	$ 587,607 (CNY 131,409 thousand) (Note 17)	$ 1,175,215 (CNY 262,818 thousand) (Note 18)
9	Taizhou Union Chemical	Taizhou Union Logistics	Amounts Receivable from Related Parties	Yes	402,444 (CNY 90,000 thousand)	268,296 (CNY 60,000 thousand)	13,415 (CNY 3,000 thousand)	2.50%	2	-	Daily operations	-	-	-	960,501 (CNY 214,800 thousand) (Note 19)	1,921,002 (CNY 429,601 thousand) (Note 20)
9	Taizhou Union Chemical	Nanchong Unicizers	Amounts Receivable from Related Parties	Yes	268,296 (CNY 60,000 thousand)	268,296 (CNY 60,000 thousand)	89,432 (CNY 20,000 thousand)	2.30%~2.50%	2	-	Daily operations	-	-	-	960,501 (CNY 214,800 thousand) (Note 19)	1,921,002 (CNY 429,601 thousand) (Note 20)
9	Taizhou Union Chemical	Taizhou Union Plastics	Amounts Receivable from Related Parties	Yes	178,864 (CNY 40,000 thousand)	178,864 (CNY 40,000 thousand)	-	NA	2	-	Daily operations	-	-	-	960,501 (CNY 214,800 thousand) (Note 19)	1,921,002 (CNY 429,601 thousand) (Note 20)
9	Taizhou Union Chemical	Zhenjiang Union	Amounts Receivable from Related Parties	Yes	134,148 (CNY 30,000 thousand)	-	-	NA	2	-	Daily operations	-	-	-	960,501 (CNY 214,800 thousand) (Note 19)	1,921,002 (CNY 429,601 thousand) (Note 20)
9	Taizhou Union Chemical	Zhuhai Unicizers	Amounts Receivable from Related Parties	Yes	134,148 (CNY 30,000 thousand)	134,148 (CNY 30,000 thousand)	-	NA	2	-	Daily operations	-	-	-	960,501 (CNY 214,800 thousand) (Note 19)	1,921,002 (CNY 429,601 thousand) (Note 20)
9	Taizhou Union Chemical	Panjin Union Logistics	Amounts Receivable from Related Parties	Yes	402,444 (CNY 90,000 thousand)	134,148 (CNY 30,000 thousand)	134,148 (CNY 30,000 thousand)	2.50%	2	-	Daily operations	-	-	-	960,501 (CNY 214,800 thousand) (Note 19)	1,921,002 (CNY 429,601 thousand) (Note 20)
9	Taizhou Union Chemical	Panjin Union Chemical	Amounts Receivable from Related Parties	Yes	268,296 (CNY 60,000 thousand)	134,148 (CNY 30,000 thousand)	89,432 (CNY 20,000 thousand)	2.50%	2	-	Daily operations	-	-	-	960,501 (CNY 214,800 thousand) (Note 19)	1,921,002 (CNY 429,601 thousand) (Note 20)
10	Panjin Union Chemical	Panjin Union Materials	Amounts Receivable from Related Parties	Yes	380,086 (CNY 85,000 thousand)	380,086 (CNY 85,000 thousand)	236,995 (CNY 53,000 thousand)	1.51%	2	-	Daily operations	-	-	-	607,263 (CNY 135,805 thousand) (Note 21)	1,214,534 (CNY 271,611 thousand) (Note 22)
10	Panjin Union Chemical	Panjin Union Logistics	Amounts Receivable from Related Parties	Yes	290,654 (CNY 65,000 thousand)	290,654 (CNY 65,000 thousand)	225,369 (CNY 50,400 thousand)	1.51%	2	-	Daily operations	-	-	-	607,263 (CNY 135,805 thousand) (Note 21)	1,214,534 (CNY 271,611 thousand) (Note 22)
11	Natural	Nanchong Unicizers	Amounts Receivable from Related Parties	Yes	1,274,406 (CNY 285,000 thousand)	760,172 (CNY 170,000 thousand)	715,456 (CNY 160,000 thousand)	-	2	-	Daily operations	-	-	-	6,373,625 (CNY1,425,357 thousand) (Note 23)	6,373,625 (CNY1,425,357 thousand) (Note 24)
11	Natural	Panjin Union Materials	Amounts Receivable from Related Parties	Yes	1,010,582 (CNY 226,000 thousand)	992,695 (CNY 222,000 thousand)	634,967 (CNY 142,000 thousand)	-	2	-	Daily operations	-	-	-	6,373,625 (CNY1,425,357 thousand) (Note 23)	6,373,625 (CNY1,425,357 thousand) (Note 24)
11	Natural	Panjin Union Chemical	Amounts Receivable from Related Parties	Yes	1,757,339 (CNY 393,000 thousand)	1,436,278 (CNY 321,200 thousand)	1,100,908 (CNY 246,200 thousand)	-	2	-	Daily operations	-	-	-	6,373,625 (CNY1,425,357 thousand) (Note 23)	6,373,625 (CNY1,425,357 thousand) (Note 24)
11	Natural	Zhuhai Unicizers	Amounts Receivable from Related Parties	Yes	116,262 (CNY 26,000 thousand)	-	-	-	2	-	Daily operations	-	-	-	6,373,625 (CNY1,425,357 thousand) (Note 23)	6,373,625 (CNY1,425,357 thousand) (Note 24)
Total					$ 16,169,847	$ 11,782,426	$ 7,392,003									

Note 1: Zhenjiang Union: Enter 1. Glory Ace: Enter 2. CHL: Enter 3. Guangdong Union Logistics: Enter 4. Jiangsu Union Logistics: Enter 5. Taizhou Union Plastics: Enter 6. Zhongshan Unicizers: Enter 7. Zhuhai Unicizers: Enter 8. Taizhou Union Chemical: Enter 9. Panjin Union Chemical: Enter 10. Natural: Enter 11.

Note 2: The nature of the loan shall be filled in as follows:

(1) Business transactions: Enter 1.

(2) Short-term financing needs: Enter 2.

Note 3: Individual loan limit for Zhenjiang Union shall be no more than 50% of the net worth in its most recent financial statements audited or reviewed by CPAs.

Note 4: Total loan limit for Zhenjiang Union shall be no more than 100% of the net worth in its most recent financial statements audited or reviewed by CPAs.

Note 5: Individual loan limit for Glory Ace shall be no more than 100% of the net worth in its most recent financial statements audited or reviewed by CPAs.

Note 6: Total loan limit for Glory Ace shall be no more than 100% of the net worth in its most recent financial statements audited or reviewed by CPAs.

Note 7: Individual loan limit for CHL shall be no more than 50% of the net worth in its most recent financial statements audited or reviewed by CPAs.

Note 8: Total loan limit for CHL shall be no more than 100% of the net worth in its most recent financial statements audited or reviewed by CPAs.

Note 9: Individual loan limit for Guangdong Union Logistics shall be no more than 100% of the net worth in its most recent financial statements audited or reviewed by CPAs.

Note 10: Total loan limit for Guangdong Union Logistics shall be no more than 100% of the net worth in its most recent financial statements audited or reviewed by CPAs.

Note 11: Individual loan limit for Jiangsu Union Logistics shall be no more than 100% of the net worth in its most recent financial statements audited or reviewed by CPAs

Note 12: Total loan limit for Jiangsu Union Logistics shall be no more than 100% of the net worth in its most recent financial statements audited or reviewed by CPAs.

Note 13: Individual loan limit for Taizhou Union Plastics shall be no more than 50% of the net worth in its most recent financial statements audited or reviewed by CPAs.

Note 14: Total loan limit for Taizhou Union Plastics shall be no more than 100% of the net worth in its most recent financial statements audited or reviewed by CPAs.

Note 15: Individual loan limit for Zhongshan Unicizers shall be no more than 50% of the net worth in its most recent financial statements audited or reviewed by CPAs.

Note 16: Total loan limit for Zhongshan Unicizers shall be no more than 100% of the net worth in its most recent financial statements audited or reviewed by CPAs.

Note 17: Individual loan limit for Zhuhai Unicizers shall be no more than 50% of the net worth in its most recent financial statements audited or reviewed by CPAs.

Note 18: Total loan limit for Zhuhai Unicizers shall be no more than 100% of the net worth in its most recent financial statements audited or reviewed by CPAs.

Note 19: Individual loan limit for Taizhou Union Chemical shall be no more than 50% of the net worth in its most recent financial statements audited or reviewed by CPAs.

Note 20: Total loan limit for Taizhou Union Chemical shall be no more than 100% of the net worth in its most recent financial statements audited or reviewed by CPAs.

Note 21: Individual loan limit for Panjin Union Chemical shall be no more than 50% of the net worth in its most recent financial statements audited or reviewed by CPAs.

Note 22: Total loan limit for Panjin Union Chemical shall be no more than 100% of the net worth in its most recent financial statements audited or reviewed by CPAs.

Note 23: Individual loan limit for Natural shall be no more than 100% of the net worth in its most recent financial statements audited or reviewed by CPAs.

Note 24 : Total loan limit for Natural shall be no more than 100% of the net worth in its most recent financial statements audited or reviewed by CPAs.

UPC Technology Corporation and Subsidiaries

Table of Endorsements/Guarantees for Others

January 1, 2025 to December 31, 2025

Table 2

Unit: NT$ thousand, unless otherwise stated

No. (Note 1)	Name of Endorser/ Guarantor	Endorsed/Guaranteed Party Company name	Endorsed/Guaranteed Party Relationship (Note 2)	Endorsement/ Guarantee Limit per Individual Entity	Maximum Endorsement/ Guarantee Balance in Current Period	Period-End Endorsement/ Guarantee Balance	Amount Disbursed	Amount of Endorsement/ Guarantee Secured by Property	Cumulative Endorsement/Guarantee Amount as Percentage of Most Recent Financial Statement Net Worth (%)	Maximum Endorsement/ Guarantee Limit	Endorsement/ Guarantee from Parent Company to Subsidiary	Endorsement / Guarantee from Subsidiary to Parent Company	Endorsement / Guarantee for Entities in China
0	UPC Technology Corporation	Taizhou Union Plastics	(2)	$ 14,855,334 (Note 3)	$ 314,300 (USD10,000 thousand)	$ 314,300 (USD 10,000 thousand)	$38,666 (USD 1,230 thousand)	$ -	1.06%	$ 44,566,002 (Note 3)	Y	N	Y
		Nanchong Unicizers	(2)		2,191,084 (CNY 490,000 thousand)	2,191,084 (CNY490,000 thousand)	617,171 (CNY138,020thousand)	-	7.37%		Y	N	Y
		Panjin Union Materials	(2)		901,027 (CNY 201,500 thousand)	386,793 (CNY 86,500 thousand)	-	-	1.30%		Y	N	Y
		Panjin Union Chemical	(2)		4,069,156 (CNY910,000 thousand)	4,024,440 (CNY 900,000 thousand)	1,763,839 (CNY 386,203 thousand and EUR 1,000 thousand)	-	13.55%		Y	N	Y
		Panjin Union Logistics	(2)		22,358 (CNY 5,000 thousand)	22,358 (CNY 5,000 thousand)	-	-	0.08%		Y	N	Y

Note 1: UPC Technology Corporation: Enter 0.

Note 2: The relations between the endorsed/guaranteed party and the Company are classified into seven categories, as indicated below:

(1) Companies with which the Company has business relations.

(2) Companies in which the Company directly or indirectly holds more than 50% of the voting shares.

(3) Companies that directly or indirectly hold more than 50% of the Company's voting shares.

(4) Companies in which the Company directly or indirectly holds 90% or more of the voting shares.

(5) Companies that are jointly guaranteeing each other in the same industry or as joint developers for construction project contracting in accordance with contracts.

(6) Companies jointly guaranteed by all investing shareholders in proportion to their shareholdings due to joint investment.

(7) Joint and several liability guarantees between companies in the same industry for pre-sale housing contract performance guarantees as regulated by the Consumer Protection Act.

Note 3: The total endorsement/guarantee amount shall not exceed 150% of the Company's net worth in its most recent financial statements audited or reviewed by CPAs. The endorsement/guarantee amount for a single entity shall not exceed 50% of the Company's net worth in its most recent financial statements audited or reviewed by CPAs.

UPC Technology Corporation and Subsidiaries

Securities Held at the End of the Period

As of December 31, 2025

Table 3

In Thousands of New Taiwan Dollars

Holding Company	Type and Name of Securities (Note 1)	Relations with Issuer (Note 2)	Account Item	Period-End				Remarks
				Number of Shares or Units (Thousands)	Carrying amount (Note 3)	Shareholding Ratio (%)	Fair value	
UPC Technology Corporation	Domestic stocks listed on TWSE/TPEx							
	Lien Hwa Industrial Holdings	Same Chairman	Financial assets measured at FVTOCI - non-current	173,831	$ 8,265,656	9.68	$ 8,265,656	
	MiTAC Holdings	〃	〃	109,783	9,485,239	8.27	9,485,239	
	Domestic stocks not listed on TWSE/TPEx							
	Lien Hwa United LPG	The Company is a director of the company	〃	5,532	76,333	17.29	76,333	
	Harbinger Venture Capital	Same Chairman	〃	7	30	3.35	30	
	Harbinger VI Venture Capital	The Company is a director of the company	〃	3,214	32,460	13.28	32,460	
Union Venture Capital	Domestic stocks listed on TWSE/TPEx and the emerging stock market							
	ACTi		〃	387	7,800	1.46	7,800	
	Visco Vision Inc.		〃	123	21,498	0.20	21,498	
	Domestic stocks not listed on TWSE/TPEx							
	Harbinger III Venture Capital		〃	15	207	15.00	207	
	Harbinger VI Venture Capital	The Company is a director of the company	〃	739	7,466	3.05	7,466	
	Harbinger VII Venture Capital		〃	5,299	68,353	9.33	68,353	
	Harbinger VIII Venture Capital		〃	9,007	104,125	8.45	104,125	
	Harbinger IX Venture Capital		〃	5,000	50,000	9.70	50,000	
	Taiwan Mobile Communication Inc.		〃	477	2,891	1.10	2,891	
	Foreign stocks not listed on TWSE/TPEx							
	MAXUS			(Note 4)	29,974	1.99	29,974	
Wei Chen	Domestic stocks not listed on TWSE/TPEx							
	Lian Yung Investment		〃	9,217	209,323	19.99	209,323	
	Tong Da Investment		〃	4,848	137,735	19.99	137,735	

(To be continued)

(Continued from the previous page)

Holding Company	Type and Name of Securities (Note 1)	Relations with Issuer (Note 2)	Account Item	Period-End				Remarks
				Number of Shares or Units (Thousands)	Carrying amount (Note 3)	Shareholding Ratio (%)	Fair value	
Taiwan Union	Domestic listed stocks and the emerging stock market							
	ASIA POLYMER		Financial assets measured at FVTOCI - current	14,311	$ 188,190	2.41	$ 188,190	
	Taita Chemical Company, Limited		〃	8,855	98,733	2.23	98,733	
	Synnex Technology International	Same Chairman	〃	4,950	286,605	0.30	286,605	
	CCI Yilan		〃	2,200	196,240	2.78	196,240	
	MiTAC Digital Technology		Financial assets measured at FVTOCI - non-current	2,317	128,940	2.12	128,940	
	Domestic stocks not listed on TWSE/TPEx							
	Harbinger Venture Management	〃	〃	863	24,956	19.99	24,956	
	Mitac Incorporated	〃	〃	914	69,264	0.23	69,264	
	MiTAC Computing Technology Corporation		〃	1	16	-	16	
CHL	Foreign unlisted stocks							
	Budworth		〃	30	-	3.33	-	

Note 1: Securities refer to stocks, beneficiary certificates, and derivatives thereof within the scope of IFRS 9 “Financial Instruments”.

Note 2: If the issuer of the securities is not a related party, this field can be left blank.

Note 3: For securities measured at fair value, the carrying amount field should include the fair value adjustment and the carrying amount after deducting the allowance for losses. For securities not measured at fair value, the carrying amount field should include the carrying amount of amortized cost (after deducting the allowance for losses).

Note 4: It is a limited company.

Note 5: For information on investments in subsidiaries and associates, please refer to Table 7 and Table 8.

UPC Technology Corporation and Subsidiaries

Purchases and sales with related parties with amounts reaching NT$100 million or more than 20% of paid-in capital

January 1, 2025 to December 31, 2025

Table 4

In Thousands of New Taiwan Dollars

Purchasing (Selling) Company	Counterparty	Relationship	Transaction Type				Conditions Differing from Normal Transactions and Reasons		Notes/Accounts Receivable (Payable)		Remarks
			Purchases (Sales)	Amount	Percentage of Total Purchases (Sales) (%)	Credit Period	Unit Price	Credit Period	Balance	Percentage of Total Notes/ Accounts Receivable (Payable) (%)	
UPC Technology Corporation	UPC(M) Chemicals	Also, companies with direct or indirect investments from UPC Technology Corporation	Sales	($ 335,651)	(8.63%)	In principle, 45 days, adjusted according to actual circumstances			$ -	-	
UPC(M) Chemicals	UPCM Trading (Thailand)	〃	Sales	(891,252)	(18.84%)	In principle, 90 days, adjusted according to actual circumstances			135,087	18.36%	
UPC(M) Chemicals	UPCM Trading (Vietnam)	〃	Sales	(437,732)	(9.25%)	In principle, 90 days, adjusted according to actual circumstances			73,463	9.98%	
Taizhou Union Chemical	Nanchong Unicizers	〃	Sales	(307,199)	(2.85%)	In principle, 30 days, adjusted according to actual circumstances			186,582	16.50%	
Taizhou Union Chemical	Panjin Union Chemical	〃	Sales	(353,923)	(3.28%)	In principle, 30 days, adjusted according to actual circumstances			92,392	8.17%	
Taizhou Union Chemical	Taizhou Union Plastics	〃	Sales	(173,674)	(1.61%)	In principle, 30 days, adjusted according to actual circumstances			-	-	
Taizhou Union Chemical	Zhenjiang Union	〃	Sales	(143,929)	(1.33%)	In principle, 30 days, adjusted according to actual circumstances			15,217	1.35%	
Taizhou Union Chemical	Zhongshan Unicizers	〃	Sales	(185,029)	(1.71%)	In principle, 30 days, adjusted according to actual circumstances			29,759	2.63%	
Zhuhai Unicizers	Panjin Union Chemical	〃	Sales	(754,624)	(5.91%)	In principle, 30 days, adjusted according to actual circumstances			196,225	19.66%	
Zhuhai Unicizers	UPC Technology Corporation	〃	Sales	(350,949)	(2.75%)	In principle, 45 days, adjusted according to actual circumstances			3,029	0.30%	
Zhuhai Unicizers	UPCM Trading (Vietnam)	〃	Sales	(300,057)	(2.35%)	In principle, 90 days, adjusted according to actual circumstances			52,352	5.25%	
Zhuhai Unicizers	Zhongshan Unicizers	〃	Sales	(1,164,845)	(9.12%)	In principle, 30 days, adjusted according to actual circumstances			122,768	12.30%	
Zhenjiang Union	Panjin Union Chemical	〃	Sales	(127,754)	(1.17%)	In principle, 30 days, adjusted according to actual circumstances			38,210	6.84%	
Zhenjiang Union	Taizhou Union Chemical	〃	Sales	(1,785,233)	(16.31%)	In principle, 30 days, adjusted according to actual circumstances			-	-	

(To be continued)

(Continued from the previous page)

Purchasing (Selling) Company	Counterparty	Relationship	Transaction Type				Conditions Differing from Normal Transactions and Reasons		Notes/Accounts Receivable (Payable)		Remarks
			Purchases (Sales)	Amount	Percentage of Total Purchases (Sales) (%)	Credit Period	Unit Price	Credit Period	Balance	Percentage of Total Notes/ Accounts Receivable (Payable) (%)	
Panjin Union Chemical	Zhenjiang Union	Also, companies with direct or indirect investments from UPC Technology Corporation	Sales	($ 471,122)	(5.34%)	In principle, 30 days, adjusted according to actual circumstances			$ 51,776	25.81%	
Panjin Union Chemical	Zhongshan Unicizers	〃	Sales	(290,123)	(3.29%)	In principle, 30 days, adjusted according to actual circumstances			49,956	24.90%	
Nanchong Unicizers	Taizhou Union Chemical	〃	Sales	(206,984)	(7.19%)	In principle, 30 days, adjusted according to actual circumstances			35,882	13.47%	
Nanchong Unicizers	Zhenjiang Union	〃	Sales	(275,695)	(9.58%)	In principle, 30 days, adjusted according to actual circumstances			42,480	15.95%	
Union Hong Kong	Taizhou Union Chemical	〃	Sales	(3,886,589)	(56.89%)	In principle, 120 days, adjusted according to actual circumstances			631,519	43.95%	
Union Hong Kong	UPC(M) Chemicals	〃	Sales	(1,722,303)	(25.21%)	In principle, 120 days, adjusted according to actual circumstances			591,378	41.16%	
Union Hong Kong	Zhuhai Unicizers	〃	Sales	(1,090,756)	(15.97%)	In principle, 120 days, adjusted according to actual circumstances			190,967	13.29%	
Union Hong Kong	Zhongshan Unicizers	〃	Sales	(131,666)	(1.93%)	In principle, 120 days, adjusted according to actual circumstances			198	0.01%	

UPC Technology Corporation and Subsidiaries

Receivables from related parties with amounts reaching NT$100 million or 20% of paid-in capital

As of December 31, 2025

Table 5

In Thousands of New Taiwan Dollars

Company with Receivables	Counterparty	Relationship	Balance of receivables from related parties		Turnover Rate (Times/Year)	Overdue receivables from related parties		Amounts receivable from related parties recovered after period-end (Note)	Allowance for Losses
						Amount	Handling Method		
UPC(M) Chemicals	UPCM Trading (Thailand)	Also, companies with direct or indirect investments from UPC Technology Corporation	Accounts receivable	$ 135,087	6.62	$ -		$ 130,195	$ -
Union Hong Kong	Taizhou Union Chemical	〃	Accounts receivable	631,519	4.17	-		423,732	-
Union Hong Kong	UPC(M) Chemicals	〃	Accounts receivable	591,378	2.94	-		300,519	-
Union Hong Kong	Zhuhai Unicizers	〃	Accounts receivable	190,967	2.36	-		152,611	-
Taizhou Union Chemical	Nanchong Unicizers	〃	Accounts receivable and notes receivable	186,582	1.51	-		43,343	-
Zhuhai Unicizers	Panjin Union Chemical	〃	Accounts receivable and notes receivable	196,225	6.94	-		82,377	-
Zhuhai Unicizers	Zhongshan Unicizers	〃	Accounts receivable and notes receivable	122,768	9.70	-		693	-
Magic Props	Zhenjiang Union	〃	Other receivables	638,469	-	-		-	-
Goldendust	Zhongshan Unicizers	〃	Other receivables	1,090,624	-	-		-	-
Zhongshan Unicizers	Taizhou Union Chemical	〃	Other receivables	319,425	-	-		-	-
Zhongshan Unicizers	Zhuhai Unicizers	〃	Other receivables	897,008	-	-		27,282	-
Zhongshan Unicizers	Zhenjiang Union	〃	Other receivables	771,388	-	-		-	-
Taizhou Union Chemical	Panjin Union Logistics	〃	Other receivables	134,250	-	-		-	-
Zhenjiang Union	Nanchong Unicizers	〃	Other receivables	134,148	-	-		44,716	-
Zhenjiang Union	Panjin Union Chemical	〃	Other receivables	290,895	-	-		44,957	-
Zhenjiang Union	Panjin Union Materials	〃	Other receivables	648,382	-	-		-	-
Zhenjiang Union	ZhenJiang Union Torch Estate	〃	Other receivables	764,644	-	-		-	-
Panjin Union Chemical	Panjin Union Logistics	〃	Other receivables	226,637	-	-		1,269	-
Panjin Union Chemical	Panjin Union Materials	〃	Other receivables	237,454	-	-		459	-
Taizhou Union Plastics	Panjin Union Logistics	〃	Other receivables	290,858	-	-		-	-
Taizhou Union Plastics	Panjin Union Materials	〃	Other receivables	380,372	-	-		-	-
Taizhou Union Plastics	Zhuhai Unicizers	〃	Other receivables	402,735	-	-		-	-
Charmon	Taizhou Union Chemical	〃	Other receivables	318,150	-	-		-	-
Natural	Nanchong Unicizers	〃	Other receivables	715,456	-	-		53,659	-
Natural	Panjin Union Chemical	〃	Other receivables	1,100,908	-	-		228,052	-
Natural	Panjin Union Materials	〃	Other receivables	634,967	-	-		590,251	-
Natural	Taizhou Union Plastics	〃	Other receivables	269,637	-	-		-	-

Note: Amount recovered as of March 6, 2026.

UPC Technology Corporation and Subsidiaries

Business Relationships and Significant Transaction Activities Between Parent and Subsidiaries

January 1, 2025 to December 31, 2025

Table 6

In Thousands of New Taiwan Dollars

No. (Note 1)	Transacting Party Name	Counterparty	Relations with Transacting Party (Note 2)	Transaction Activities			
				Account Item	Amount (Notes 4 and 5)	Transaction Conditions	Percentage of Consolidated Total Revenue or Total Assets (%) (Note 3)
0	UPC Technology Corporation	UPC(M) Chemicals	1	Sales	$ 335,651	Transactions Under Normal Commercial Terms	1%
1	Zhongshan Unicizers	Zhuhai Unicizers	3	Other receivable from related parties	897,008	Transactions Under Normal Commercial Terms	2%
1	Zhongshan Unicizers	Zhenjiang Union	3	Other receivable from related parties	771,388	Transactions Under Normal Commercial Terms	1%
1	Zhongshan Unicizers	Taizhou Union Chemical	3	Other receivable from related parties	319,425	Transactions Under Normal Commercial Terms	1%
2	Taizhou Union Chemical	Zhongshan Unicizers	3	Sales	185,029	Transactions Under Normal Commercial Terms	-
2	Taizhou Union Chemical	Panjin Union Logistics	3	Other receivable from related parties	134,250	Transactions Under Normal Commercial Terms	-
2	Taizhou Union Chemical	Panjin Union Chemical	3	Sales	353,923	Transactions Under Normal Commercial Terms	1%
2	Taizhou Union Chemical	Nanchong Unicizers	3	Sales	307,199	Transactions Under Normal Commercial Terms	1%
2	Taizhou Union Chemical	Taizhou Union Plastics	3	Sales	173,674	Transactions Under Normal Commercial Terms	-
2	Taizhou Union Chemical	Zhenjiang Union	3	Sales	143,929	Transactions Under Normal Commercial Terms	-
2	Taizhou Union Chemical	Nanchong Unicizers	3	Accounts Receivable and Notes Receivable - Related Parties	186,582	Transactions Under Normal Commercial Terms	-
2	Taizhou Union Chemical	Taizhou Union Plastics	3	Other income	194,511	Transactions Under Normal Commercial Terms	-
3	Union Hong Kong	Taizhou Union Chemical	3	Accounts Receivable - Related Parties	631,519	Transactions Under Normal Commercial Terms	1%
3	Union Hong Kong	UPC(M) Chemicals	3	Accounts Receivable - Related Parties	591,378	Transactions Under Normal Commercial Terms	1%
3	Union Hong Kong	Taizhou Union Chemical	3	Sales	3,886,589	Transactions Under Normal Commercial Terms	7%
3	Union Hong Kong	UPC(M) Chemicals	3	Sales	1,722,303	Transactions Under Normal Commercial Terms	3%
3	Union Hong Kong	Zhuhai Unicizers	3	Accounts Receivable - Related Parties	190,967	Transactions Under Normal Commercial Terms	-
3	Union Hong Kong	Zhuhai Unicizers	3	Sales	1,090,756	Transactions Under Normal Commercial Terms	2%
3	Union Hong Kong	Zhongshan Unicizers	3	Sales	131,666	Transactions Under Normal Commercial Terms	-
4	Panjin Union Chemical	Panjin Union Materials	3	Other receivable from related parties	237,454	Transactions Under Normal Commercial Terms	-
4	Panjin Union Chemical	Panjin Union Logistics	3	Other receivable from related parties	226,637	Transactions Under Normal Commercial Terms	-
4	Panjin Union Chemical	Zhongshan Unicizers	3	Sales	290,123	Transactions Under Normal Commercial Terms	-
4	Panjin Union Chemical	Zhenjiang Union	3	Sales	471,122	Transactions Under Normal Commercial Terms	1%
5	Taizhou Union Plastics	Zhuhai Unicizers	3	Other receivable from related parties	402,735	Transactions Under Normal Commercial Terms	1%
5	Taizhou Union Plastics	Panjin Union Logistics	3	Other receivable from related parties	290,858	Transactions Under Normal Commercial Terms	1%
5	Taizhou Union Plastics	Panjin Union Materials	3	Other receivable from related parties	380,372	Transactions Under Normal Commercial Terms	1%
6	Zhuhai Unicizers	Zhongshan Unicizers	3	Accounts Receivable and Notes Receivable - Related Parties	122,768	Transactions Under Normal Commercial Terms	-
6	Zhuhai Unicizers	Panjin Union Chemical	3	Accounts Receivable and Notes Receivable - Related Parties	196,225	Transactions Under Normal Commercial Terms	-
6	Zhuhai Unicizers	Zhongshan Unicizers	3	Sales	1,164,845	Transactions Under Normal Commercial Terms	2%
6	Zhuhai Unicizers	UPC Technology Corporation	2	Sales	350,949	Transactions Under Normal Commercial Terms	1%
6	Zhuhai Unicizers	Panjin Union Chemical	3	Sales	754,624	Transactions Under Normal Commercial Terms	1%

(To be continued)

(Continued from the previous page)

No. (Note 1)	Transacting Party Name	Counterparty	Relations with Transacting Party (Note 2)	Transaction Activities			
				Account Item	Amount (Notes 4 and 5)	Transaction Conditions	Percentage of Consolidated Total Revenue or Total Assets (%) (Note 3)
6	Zhuhai Unicizers	UPCM Trading (Vietnam)	3	Sales	$ 300,057	Transactions Under Normal Commercial Terms	1%
7	Zhenjiang Union	Panjin Union Chemical	3	Other receivable from related parties	290,895	Transactions Under Normal Commercial Terms	1%
7	Zhenjiang Union	ZhenJiang Union Torch Estate	3	Other receivable from related parties	764,644	Transactions Under Normal Commercial Terms	1%
7	Zhenjiang Union	Nanchong Unicizers	3	Other receivable from related parties	134,148	Transactions Under Normal Commercial Terms	-
7	Zhenjiang Union	Panjin Union Materials	3	Other receivable from related parties	648,382	Transactions Under Normal Commercial Terms	1%
7	Zhenjiang Union	Panjin Union Chemical	3	Sales	127,754	Transactions Under Normal Commercial Terms	-
7	Zhenjiang Union	Taizhou Union Chemical	3	Sales	1,785,233	Transactions Under Normal Commercial Terms	3%
8	Nanchong Unicizers	Taizhou Union Chemical	3	Sales	206,984	Transactions Under Normal Commercial Terms	-
8	Nanchong Unicizers	Zhenjiang Union	3	Sales	275,695	Transactions Under Normal Commercial Terms	-
9	UPC(M) Chemicals	UPCM Trading (Vietnam)	3	Sales	437,732	Transactions Under Normal Commercial Terms	1%
9	UPC(M) Chemicals	UPCM Trading (Thailand)	3	Sales	891,252	Transactions Under Normal Commercial Terms	2%
9	UPC(M) Chemicals	UPCM Trading (Thailand)	3	Accounts Receivable- Related Parties	135,087	Transactions Under Normal Commercial Terms	-
10	Magic Props	Zhenjiang Union	3	Other receivable from related parties	638,469	Transactions Under Normal Commercial Terms	1%
11	Charmon	Taizhou Union Chemical	3	Other receivable from related parties	318,150	Transactions Under Normal Commercial Terms	1%
12	Natural	Taizhou Union Plastics	3	Other receivable from related parties	269,637	Transactions Under Normal Commercial Terms	1%
12	Natural	Panjin Union Chemical	3	Other receivable from related parties	1,100,908	Transactions Under Normal Commercial Terms	2%
12	Natural	Panjin Union Materials	3	Other receivable from related parties	634,967	Transactions Under Normal Commercial Terms	1%
12	Natural	Nanchong Unicizers	3	Other receivable from related parties	715,456	Transactions Under Normal Commercial Terms	1%
13	Goldendust	Zhongshan Unicizers	3	Other receivable from related parties	1,090,624	Transactions Under Normal Commercial Terms	2%

Note 1: The business transaction information between the parent company and subsidiaries should be separately indicated in the Item No. column. The item numbers should be filled in as follows:

1. Parent company: Enter 0.
2. Subsidiaries: Number each subsidiary sequentially from 1 in Arabic numerals.

Note 2: The relations with the transacting party are classified into three categories, and only the type should be indicated:

1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

Note 3: The calculation of the transaction amount as a percentage of consolidated total revenue or total assets is as follows: For balance sheet items, calculate the period-end balance as a percentage of consolidated total assets. For income statement items, calculate the cumulative amount for the current period as a percentage of consolidated total revenue.

Note 4: Disclose transaction amounts of NT$100,000 thousand or more.

Note 5: Eliminated upon consolidation.

UPC Technology Corporation and Subsidiaries

Information on Investees

January 1, 2025 to December 31, 2025

Table 7

In Thousands of New Taiwan Dollars

Investing company name	Investee Name	Location	Principal Business Activities	Original Investment Amount		Period-End Holdings			Investee Profit (Loss) for the Current Period	Investment Profit (Loss) Recognized for the Current Period	Remarks
				Period-End Investment Carrying Amount	End of Previous Year	Number of Shares (Thousands)	Percentage (%)	Carrying amount			
UPC Technology Corporation	CHL	Tortola, British Virgin Islands	investment	$ 13,127,287	$ 13,127,287	433,310	100	$ 20,402,804	($ 1,115,777)	($ 1,115,777)	Subsidiary
	Glory Ace	Tortola, British Virgin Islands	Trading	128,451	128,451	605	100	653,597	17,597	17,597	〃
	Union Venture Capital	Tiding Blvd., Taipei City	investment	250,013	250,013	22,701	100	315,991	5,618	5,618	〃
	Wei Chen	Nangang Rd., Taipei City	investment	160,000	160,000	16,000	100	383,724	12,555	12,555	〃
	Taiwan Union	Nangang Rd., Taipei City	investment	453,525	453,525	78,719	100	1,315,834	48,158	48,158	〃
	UPC(M) Chemicals	Selangeor, Malaysia	Production and sales of plasticizers and PA	1,838,838	1,838,838	163,427	100	1,492,590	(156,329)	(156,329)	〃
CHL	Star Bright	Tortola, British Virgin Islands	investment	1,348	1,348	51	100	266,208	(23,673)		Sub-subsidiary
	Goldendust	〃	〃	3,070,575	3,070,575	99,208	100	5,412,632	(231,033)		〃
	Natural	〃	〃	3,989,953	3,989,953	128,780	100	6,225,606	(144,478)		〃
	Magic Props	〃	〃	919,533	919,533	28,140	100	2,018,753	11,456		〃
	Pure Fantasy	〃	〃	217,544	217,544	6,331	100	194,618	(66,256)		〃
	Modern Vantage	〃	〃	763,540	763,540	25,334	100	1,094,813	80,401		〃
	Charmon	〃	〃	972,950	972,950	31,637	100	1,436,516	156,028		〃
	Linkhope	〃	〃	88,755	88,755	3,000	100	250,626	(16,315)		〃
	Reachworld	〃	〃	87,960	87,960	3,000	100	192,485	(12,705)		〃
	Dragonoble	〃	〃	1,494,521	1,494,521	50,670	100	70,314	(66,039)		〃
	Pagerise	〃	〃	965,857	965,857	32,000	100	908,955	(55,075)		〃
	Greaterise	〃	〃	1,502,187	1,502,187	49,000	100	585,111	(387,696)		〃
	Granfaith	〃	〃	1,072,934	1,072,934	35,351	100	(180,691)	(379,116)		〃
	Union Hong Kong	Tsimshatsui Kowloon, Hong Kong	Trading	913,293	913,293	232,409	100	1,206,281	508		〃
	Harbinger Ruyi	Tortola, British Virgin Islands	investment	30,465	30,465	1,000	28.57	22,879	881		Investees Accounted for Using the Equity Method
Star Bright	Logical Path	Tsimshatsui Kowloon, Hong Kong	investment	37	37	10	100	266,518	(23,558)		Sub-subsidiary
UPC(M) Chemicals	UPCM Trading (Thailand)	Bangkok, Thailand	Trading	28,905	28,905	30,000	100	64,519	18,069		Sub-subsidiary
	UPCM Trading (Vietnam)	Ho Chi Minh City Vietnam	Trading	17,867	17,867	(Note 2)	100	3,995	(1,338)		Sub-subsidiary

Note 1: For information on investees in China, please refer to Table 8.

Note 2: It is a limited company.

UPC Technology Corporation and Subsidiaries

Summary of Information on Investment in China

January 1, 2025 to December 31, 2025

Table 8

Unit: NT$ thousand, unless otherwise stated

Investing company name	Name of Investee in China	Principal Business Activities	Paid-in Capital	Investment Method (Note 1)	Cumulative Investment Amount Remitted from Taiwan at the Beginning of the Period	Investment Amount Remitted or Repatriated in the Current Period		Cumulative Investment Amount Remitted from Taiwan at the End of the Period	Shareholding Ratio of Direct or Indirect Investment by the Company (%)	Investee Profit (Loss) for the Current Period	Investment Profit (Loss) Recognized for the Current Period (Note 2)	Period-End Investment Carrying Amount	Investment Profit Repatriated as of the End of the Period
						Remitted Out	Repatriated						
Goldendust	Zhongshan Unicizers	Production and sales of plasticizers and PA	USD 108,080 thousand	(2)	$ 2,484,411	$ -	$ -	$ 2,484,411	100	($ 160,970)	($ 160,970) (II)2.	$ 3,863,322	$ -
Zhongshan Unicizers, Logical Path, Goldendust, and Magic Props	Zhenjiang Union	Production and sales of plasticizers and PA	USD 77,340 thousand	(2)	543,823	-	-	543,823	100	(5,983)	(5,983) (II)2.	2,792,966	-
Zhongshan Unicizers, Logical Path, Pure Fantasy, and Goldendust	Zhuhai Unicizers	Production and sales of plasticizers, PA, and MA	USD 35,500 thousand	(2)	-	-	-	-	100	(372,705)	(372,705) (II)2.	994,057	-
Charmon and Zhongshan Unicizers	Taizhou Union Chemical	Production and sales of plasticizers and PA	USD 63,400 thousand	(2)	466,785	-	-	466,785	100	298,853	298,853 (II)2.	2,227,189	-
Modern Vantage	Taizhou Union Logistics	Warehousing	USD 23,700 thousand	(2)	648,157	-	-	648,157	100	80,508	80,508 (II)2.	1,095,157	-
Natural	Taizhou Union Plastics	Production and sales of PVC	USD 86,078 thousand	(2)	3,068,081	-	-	3,068,081	100	12,412	12,412 (II)2.	2,675,173	-
Linkhope	Jiangsu Union Logistics	Logistics	USD 3,000 thousand	(2)	88,755	-	-	88,755	100	10,414	10,414 (II)2.	122,460	-
Reachworld	Guangdong Union Logistics	Logistics	USD 3,000 thousand	(2)	87,960	-	-	87,960	100	4,319	4,319 (II)2.	111,015	-
Dragonoble, Zhongshan Unicizers, Natural, Linkhope, and Reachworld	Panjin Union Chemical	Production and sales of plasticizers and PA	USD 61,780 thousand	(2)	1,494,521	-	-	1,494,521	100	(337,593)	(337,593) (II)2.	1,160,830	-
Zhenjiang Union	ZhenJiang Union Torch Estate	Real estate business	CNY 60,000 thousand	(3)	-	-	-	-	100	(11,515)	(11,515) (II)2.	206,918	-
Pagerise	Panjin Union Logistics	Warehousing	USD 32,000 thousand	(2)	965,857	-	-	965,857	100	(54,968)	(54,968) (II)2.	909,245	-
Greaterise	Panjin Union Materials	Production and sales of MA and related downstream derivatives	USD 49,000 thousand	(2)	1,502,187	-	-	1,502,187	100	(387,590)	(387,590) (II)2.	585,431	-
Granfaith and Zhongshan Unicizers	Nanchong Unicizers	Production and sales of plasticizers and PA	USD 67,000 thousand	(2)	922,434	-	-	922,434	100	(715,116)	(715,116) (II)2.	(414,443)	-

Cumulative Investment Amount Remitted from Taiwan to China at the End of the Period	Investment Amount Approved by the Investment Commission, MOEA	Investment Limit for China as Stipulated by the Investment Commission, MOEA
$ 12,272,971 (Note 3)	$ 16,735,470 (USD 532,468 thousand) (Note 4)	(Note 5)

Note 1: Investment methods are classified into the following four types, and only the type should be indicated:

(1) Direct investment in China.

(2) Reinvestment in China through a third region (details of investors in the third region are shown in the table above).

(3) Other methods - Direct investment by Zhenjiang Union.

Note 2: In the "Investment Profit (Loss) Recognized for the Current Period" column:

(I) If the investee is in the preparation stage without investment profit or loss, it should be stated.

(II) The basis for recognizing investment profit or loss is classified into the following three types, which should be stated.

1. Financial statements audited by an international accounting firm with a cooperation relationship with a Taiwan-based accounting firm.

2. Financial statements audited by the parent company's auditing CPAs in Taiwan.

3. Others: Based on unaudited financial statements.

Note 3: Excluding: (I) Investment amount of NT$934,394 thousand remitted from Taiwan to China in prior years, which was remitted back to a third region after the investee was liquidated upon business termination; (II) Investment amount of NT$3,502,208 thousand remitted from a third region using its own funds to China.

Note 4: Converted to NTD at the exchange rate of US$1 = NT$31.43 as of December 31, 2025, excluding capital increase from earnings.

Note 5: Approved by the Operational Headquarters of the Industrial Development Administration on June 17, 2024, therefore not subject to investment limits.

UPC Technology Corporation and Subsidiaries

Table of Significant Transactions with Investees in China

January 1, 2025 to December 31, 2025

Table 9

Unit: NT$ thousand

I. Purchase Transactions

Investee Name	Third-Region Entity	Price and Payment Terms	Purchase		Period-End Notes/Accounts Payable	
			Amount	%	Balance	%
Zhuhai Unicizers	-	Equivalent to those with non-related parties	$ 350,949	11.84%	$ 3,029	1.61%

II. Endorsement/Guarantee Transactions (Refer to Note 32 and Table 2)