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

## Consolidated Financial Statements for the Three Months Ended March 31, 2026 and 2025 and Independent Auditors’ Review Report

**INDEPENDENT AUDITORS' REVIEW REPORT**

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

**Introduction**

We have reviewed the accompanying consolidated balance sheets of Nan Pao Resins Chemical Co., Ltd. (the "Company") and its subsidiaries (collectively, the "Group") as of March 31, 2026 and 2025, and the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including material accounting policy information. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

**Scope of Review**

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

**Basis for Qualified Conclusion**

As disclosed in Note 13 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. Total assets of these non-significant subsidiaries were NT$6,529,351 thousand and NT$6,161,134 thousand as of March 31, 2026 and 2025, respectively, both representing 22% of the consolidated total assets. Total liabilities of these subsidiaries were NT$1,522,639 thousand and NT$1,402,347 thousand as of March 31, 2026 and 2025, respectively, both representing 10% of the consolidated total liabilities. The amounts of comprehensive income of these subsidiaries were NT$97,449 thousand and NT$75,211 thousand for the three months ended March 31, 2026 and 2025, respectively, representing 6% and 11% of the consolidated total comprehensive income, respectively, and the information of these subsidiaries disclosed in the notes to the consolidated financial statements was based on the financial statements that were not reviewed to prepare. Furthermore, as disclosed in Note 14 to the consolidated financial statements, the financial statements of some non-significant investments for using the equity method were not reviewed. Investments accounted for using the equity method were NT$214,136 thousand and NT$84,037 thousand as of March 31, 2026 and 2025, respectively, and share of loss for using the equity method were

NT$17,611 thousand and NT$8,099 thousand for the three months ended March 31, 2026 and 2025, respectively.

**Qualified Conclusion**

Based on our and others reviews (see Other Matter), except for adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not give a true and fair view of (or "do not present fairly, in all material respects,") the consolidated financial position of the Group as of March 31, 2026 and 2025, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2026 and 2025 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

**Other Matter**

Among the subsidiaries included in the consolidated financial statements of the Group, some subsidiaries were reviewed by other auditors. Our conclusion, insofar as it relates to the amounts and related information included for these subsidiaries, is based solely on the report of other auditors. The total assets of these subsidiaries were NT$2,365,773 thousand and NT$2,281,799 thousand as of March 31, 2026 and 2025, respectively, both representing 8% of the consolidated total assets. The amounts of operating revenue were NT$870,114 thousand and NT$735,820 thousand for the three months ended March 31, 2026 and 2025, respectively, representing 15% and 13% of the consolidated operating revenue, respectively.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China
May 13, 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 review such consolidated financial statements are those generally applied in the Republic of China.*

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

## NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

**CONSOLIDATED BALANCE SHEETS**
**(In Thousands of New Taiwan Dollars)**

| | March 31, 2026 | | December 31, 2025 | | March 31, 2025 | |
|---|---|---|---|---|---|---|
| **ASSETS** | **Amount** | **%** | **Amount** | **%** | **Amount** | **%** |
| CURRENT ASSETS | | | | | | |
| Cash and cash equivalents (Note 6) | $ 8,106,662 | 28 | $ 7,346,151 | 27 | $ 7,826,998 | 28 |
| Financial assets at amortized cost - current (Notes 9, 34 and 36) | 425,895 | 1 | 498,981 | 2 | 407,613 | 2 |
| Notes receivable (Notes 10 and 26) | 330,156 | 1 | 400,731 | 1 | 346,842 | 1 |
| Accounts receivable (Notes 10 and 26) | 4,719,835 | 16 | 4,593,072 | 17 | 4,492,413 | 16 |
| Accounts receivable - related parties (Notes 10, 26 and 35) | 379,893 | 1 | 414,027 | 1 | 440,069 | 1 |
| Other receivables | 304,416 | 1 | 173,182 | 1 | 256,523 | 1 |
| Current tax assets | 33,750 | - | 13,738 | - | 31,842 | - |
| Inventories (Note 11) | 3,500,082 | 12 | 3,044,759 | 11 | 3,205,637 | 11 |
| Non-current assets held for sale (Note 12) | 92,272 | - | 92,272 | - | - | - |
| Other current assets (Note 20) | 1,020,015 | 4 | 949,278 | 3 | 967,203 | 3 |
| Total current assets | 18,912,976 | 64 | 17,526,191 | 63 | 17,975,140 | 63 |
| NON-CURRENT ASSETS | | | | | | |
| Financial assets at fair value through profit or loss - non-current (Notes 7 and 34) | 116,507 | - | 108,581 | - | 116,928 | 1 |
| Financial assets at fair value through other comprehensive income - non-current (Notes 8 and 34) | 1,542,252 | 5 | 1,153,528 | 4 | 1,406,208 | 5 |
| Financial assets at amortized cost - non-current (Notes 9, 34 and 36) | 34,870 | - | 35,594 | - | 36,063 | - |
| Investments accounted for using the equity method (Note 14) | 214,136 | 1 | 200,836 | 1 | 84,037 | - |
| Property, plant and equipment (Notes 15 and 36) | 5,854,746 | 20 | 5,768,005 | 21 | 5,853,576 | 21 |
| Right-of-use assets (Notes 16 and 36) | 1,199,162 | 4 | 1,291,169 | 5 | 1,424,428 | 5 |
| Investment properties (Note 17) | 25,469 | - | 25,306 | - | 17,760 | - |
| Goodwill (Notes 18 and 31) | 538,842 | 2 | 524,773 | 2 | 580,937 | 2 |
| Other intangible assets (Note 19) | 545,475 | 2 | 562,659 | 2 | 650,139 | 2 |
| Deferred tax assets | 231,373 | 1 | 299,401 | 1 | 208,702 | 1 |
| Net defined benefit assets - non-current | 120,814 | 1 | 119,611 | 1 | 90,802 | - |
| Other non-current assets (Note 20) | 94,279 | - | 116,690 | - | 94,183 | - |
| Total non-current assets | 10,517,925 | 36 | 10,206,153 | 37 | 10,563,763 | 37 |
| TOTAL | $ 29,430,901 | 100 | $ 27,732,344 | 100 | $ 28,538,903 | 100 |
| **LIABILITIES AND EQUITY** | | | | | | |
| CURRENT LIABILITIES | | | | | | |
| Short-term borrowings (Notes 21 and 36) | $ 2,724,136 | 9 | $ 2,650,729 | 10 | $ 2,948,780 | 10 |
| Contract liabilities - current (Note 26) | 59,183 | - | 43,486 | - | 38,004 | - |
| Notes payable (Note 22) | 661 | - | 90 | - | 5,049 | - |
| Accounts payable (Note 22) | 2,408,456 | 8 | 2,202,518 | 8 | 2,287,971 | 8 |
| Dividends payable | 2,242,224 | 8 | - | - | 2,328,148 | 8 |
| Other payables (Note 35) | 1,110,742 | 4 | 1,346,580 | 5 | 1,127,772 | 4 |
| Current tax liabilities | 954,979 | 3 | 886,892 | 3 | 632,006 | 2 |
| Lease liabilities - current (Note 16) | 96,924 | - | 91,679 | - | 125,208 | 1 |
| Current portion of long-term borrowings (Notes 21 and 36) | 65,402 | - | 58,838 | - | 69,059 | - |
| Other current liabilities (Notes 23 and 35) | 197,003 | 1 | 184,853 | 1 | 202,178 | 1 |
| Total current liabilities | 9,859,710 | 33 | 7,465,665 | 27 | 9,764,175 | 34 |
| NON-CURRENT LIABILITIES | | | | | | |
| Long-term borrowings (Notes 21 and 36) | 2,823,780 | 10 | 2,863,748 | 10 | 2,268,750 | 8 |
| Deferred tax liabilities | 1,484,404 | 5 | 1,424,862 | 5 | 1,489,661 | 5 |
| Lease liabilities - non-current (Note 16) | 538,364 | 2 | 536,284 | 2 | 601,550 | 2 |
| Other non-current liabilities (Note 23) | 12,171 | - | 11,342 | - | 10,968 | - |
| Total non-current liabilities | 4,858,719 | 17 | 4,836,236 | 17 | 4,370,929 | 15 |
| Total liabilities | 14,718,429 | 50 | 12,301,901 | 44 | 14,135,104 | 49 |
| EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 25) | | | | | | |
| Share capital - ordinary shares | 1,205,707 | 4 | 1,205,707 | 4 | 1,205,707 | 4 |
| Capital surplus | 2,154,019 | 7 | 2,149,362 | 8 | 2,130,047 | 7 |
| Retained earnings | | | | | | |
| Legal reserve | 2,070,613 | 7 | 2,070,613 | 8 | 1,808,236 | 6 |
| Special reserve | 313,321 | 1 | 313,321 | 1 | 313,321 | 1 |
| Unappropriated earnings | 6,101,904 | 21 | 7,497,231 | 27 | 6,027,913 | 22 |
| Total retained earnings | 8,485,838 | 29 | 9,881,165 | 36 | 8,149,470 | 29 |
| Other equity | 1,202,060 | 4 | 558,258 | 2 | 1,333,451 | 5 |
| Total equity attributable to owners of the Company | 13,047,624 | 44 | 13,794,492 | 50 | 12,818,675 | 45 |
| NON-CONTROLLING INTERESTS | 1,664,848 | 6 | 1,635,951 | 6 | 1,585,124 | 6 |
| Total equity | 14,712,472 | 50 | 15,430,443 | 56 | 14,403,799 | 51 |
| TOTAL | $ 29,430,901 | 100 | $ 27,732,344 | 100 | $ 28,538,903 | 100 |

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

(With Deloitte & Touche review report dated May 13, 2026)

# NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

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

| | For the Three Months Ended March 31 | | | |
|---|---|---|---|---|
| | 2026 | | 2025 | |
| | Amount | % | Amount | % |
| OPERATING REVENUE (Notes 26 and 35) | $ 5,836,439 | 100 | $ 5,554,475 | 100 |
| OPERATING COSTS (Notes 11 and 27) | 3,787,305 | 65 | 3,642,625 | 66 |
| GROSS PROFIT | 2,049,134 | 35 | 1,911,850 | 34 |
| OPERATING EXPENSES (Notes 10, 27 and 35) | | | | |
| Selling and marketing expenses | 580,829 | 10 | 557,344 | 10 |
| General and administrative expenses | 297,849 | 5 | 310,016 | 5 |
| Research and development expenses | 141,785 | 2 | 140,147 | 3 |
| Expected credit gain | (463) | - | (5,837) | - |
| Total operating expenses | 1,020,000 | 17 | 1,001,670 | 18 |
| PROFIT FROM OPERATIONS | 1,029,134 | 18 | 910,180 | 16 |
| NON-OPERATING INCOME AND EXPENSES (Notes 14 and 27) | | | | |
| Interest income | 30,664 | - | 40,205 | 1 |
| Other income | 129,979 | 2 | 128,601 | 2 |
| Other gains and losses | 1,305 | - | (20,636) | - |
| Finance costs | (35,649) | (1) | (37,318) | (1) |
| Share of loss of associates | (17,611) | - | (8,099) | - |
| Total non-operating income and expenses | 108,688 | 1 | 102,753 | 2 |
| PROFIT BEFORE INCOME TAX | 1,137,822 | 19 | 1,012,933 | 18 |
| INCOME TAX EXPENSE (Notes 4 and 28) | 294,397 | 5 | 240,651 | 4 |
| NET PROFIT FOR THE PERIOD | 843,425 | 14 | 772,282 | 14 |
| OTHER COMPREHENSIVE INCOME (LOSS) (Notes 25 and 28) | | | | |
| Items that will not be reclassified subsequently to profit or loss: | | | | |
| Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income (loss) | 388,724 | 7 | (253,356) | (5) |
| Items that may be reclassified subsequently to profit or loss: | | | | |
| Exchange differences on translation of the financial statements of foreign operations | 344,292 | 6 | 194,484 | 4 |
| Income tax related to items that may be reclassified subsequently to profit or loss | (63,769) | (1) | (36,903) | (1) |
| | 280,523 | 5 | 157,581 | 3 |
| Other comprehensive income (loss) for the period, net of income tax | 669,247 | 12 | (95,775) | (2) |

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# NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

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

| | For the Three Months Ended March 31 | | | |
|---|---|---|---|---|
| | 2026 | | 2025 | |
| | Amount | % | Amount | % |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | $ 1,512,672 | 26 | $ 676,507 | 12 |
| NET PROFIT ATTRIBUTABLE TO: | | | | |
| Owners of the Company | $ 790,102 | 13 | $ 728,918 | 13 |
| Non-controlling interests | 53,323 | 1 | 43,364 | 1 |
| | $ 843,425 | 14 | $ 772,282 | 14 |
| TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO: | | | | |
| Owners of the Company | $ 1,433,904 | 25 | $ 623,173 | 11 |
| Non-controlling interests | 78,768 | 1 | 53,334 | 1 |
| | $ 1,512,672 | 26 | $ 676,507 | 12 |
| EARNINGS PER SHARE (Note 29) | | | | |
| Basic | $ 6.55 | | $ 6.05 | |
| Diluted | $ 6.54 | | $ 6.03 | |

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

(With Deloitte & Touche review report dated May 13, 2026) (Concluded)

## NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**
**FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025**
**(In Thousands of New Taiwan Dollars, Except Dividends Per Share)**

| | Equity Attributable to Owners of the Company | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Retained Earnings | | | Other Equity | | | | | |
| | Share Capital | Capital Surplus | Legal Reserve | Special Reserve | Unappropriated Earnings | Exchange Differences on Translation of the Financial Statements of Foreign Operations | Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income (Loss) | Total Other Equity | Total | Non-controlling Interests | Total Equity |
| BALANCE ON JANUARY 1, 2026 | $ 1,205,707 | $ 2,149,362 | $ 2,070,613 | $ 313,321 | $ 7,497,231 | $ (383,836) | $ 942,094 | $ 558,258 | $ 13,794,492 | $ 1,635,951 | $ 15,430,443 |
| Appropriation of 2025 earnings (Note 25)<br>Cash dividends distributed by the Company - $18 per share | - | - | - | - | (2,170,274) | - | - | - | (2,170,274) | - | (2,170,274) |
| Net profit for the three months ended March 31, 2026 | - | - | - | - | 790,102 | - | - | - | 790,102 | 53,323 | 843,425 |
| Other comprehensive income for the three months ended March 31, 2026, net of income tax | - | - | - | - | - | 255,078 | 388,724 | 643,802 | 643,802 | 25,445 | 669,247 |
| Total comprehensive income for the three months ended March 31, 2026 | - | - | - | - | 790,102 | 255,078 | 388,724 | 643,802 | 1,433,904 | 78,768 | 1,512,672 |
| Changes in ownership interests in subsidiaries (Note 32) | - | 4,651 | - | - | - | - | - | - | 4,651 | 21,932 | 26,583 |
| Changes in capital surplus from investments in associates accounted for using the equity method | - | 6 | - | - | (15,155) | - | - | - | (15,149) | - | (15,149) |
| Decrease in non-controlling interests (Note 25) | - | - | - | - | - | - | - | - | - | (71,803) | (71,803) |
| BALANCE ON MARCH 31, 2026 | $ 1,205,707 | $ 2,154,019 | $ 2,070,613 | $ 313,321 | $ 6,101,904 | $ (128,758) | $ 1,330,818 | $ 1,202,060 | $ 13,047,624 | $ 1,664,848 | $ 14,712,472 |
| BALANCE ON JANUARY 1, 2025 | $ 1,205,707 | $ 2,123,816 | $ 1,808,236 | $ 313,321 | $ 7,601,313 | $ (8,934) | $ 1,448,130 | $ 1,439,196 | $ 14,491,589 | $ 1,444,843 | $ 15,936,432 |
| Appropriation of 2024 earnings (Note 25)<br>Cash dividends distributed by the Company - $19 per share | - | - | - | - | (2,290,845) | - | - | - | (2,290,845) | - | (2,290,845) |
| Net profit for the three months ended March 31, 2025 | - | - | - | - | 728,918 | - | - | - | 728,918 | 43,364 | 772,282 |
| Other comprehensive income (loss) for the three months ended March 31, 2025, net of income tax | - | - | - | - | - | 147,611 | (253,356) | (105,745) | (105,745) | 9,970 | (95,775) |
| Total comprehensive income (loss) for the three months ended March 31, 2025 | - | - | - | - | 728,918 | 147,611 | (253,356) | (105,745) | 623,173 | 53,334 | 676,507 |
| Changes in ownership interests in subsidiaries (Note 32) | - | 5,912 | - | - | - | - | - | - | 5,912 | 21,704 | 27,616 |
| Changes in capital surplus from investments in associates accounted for using the equity method | - | - | - | - | (11,473) | - | - | - | (11,473) | - | (11,473) |
| Issuance of employee share options by subsidiaries (Note 30) | - | 319 | - | - | - | - | - | - | 319 | 325 | 644 |
| Increase in non-controlling interests (Note 25) | - | - | - | - | - | - | - | - | - | 64,918 | 64,918 |
| BALANCE ON MARCH 31, 2025 | $ 1,205,707 | $ 2,130,047 | $ 1,808,236 | $ 313,321 | $ 6,027,913 | $ 138,677 | $ 1,194,774 | $ 1,333,451 | $ 12,818,675 | $ 1,585,124 | $ 14,403,799 |

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

(With Deloitte & Touche review report dated May 13, 2026)

# NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS
**FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025**
**(In Thousands of New Taiwan Dollars)**

| | 2026 | 2025 |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Income before income tax | $ 1,137,822 | $ 1,012,933 |
| Adjustments for: | | |
| Depreciation expenses | 167,891 | 167,232 |
| Amortization expenses | 29,551 | 29,371 |
| Expected credit loss reversed on accounts receivable | (463) | (5,837) |
| Net (gain) loss on fair value changes of financial assets at fair value through profit or loss | (7,926) | 10,108 |
| Finance costs | 35,649 | 37,318 |
| Interest income | (30,664) | (40,205) |
| Dividend income | (104,250) | (107,675) |
| Compensation cost of employee share options | - | 644 |
| Share of loss of associates | 17,611 | 8,099 |
| (Gain) loss on disposal of property, plant and equipment | (1,580) | 67 |
| Gain on lease modification | - | (12) |
| Changes in operating assets and liabilities | | |
| Notes receivable | 70,600 | 14,894 |
| Accounts receivable | (26,099) | 321,308 |
| Accounts receivable - related parties | 34,134 | 12,742 |
| Other receivables | 17,427 | (93,146) |
| Inventories | (392,708) | (276,539) |
| Other current assets | (70,737) | (99,598) |
| Other non-current assets | (4,445) | 593 |
| Contract liabilities | 15,697 | 6,738 |
| Notes payable | 589 | (12,094) |
| Accounts payable | 161,166 | (40,062) |
| Other payables | (234,564) | (221,724) |
| Other current liabilities | (4,845) | (16,465) |
| Net defined benefit plans | (1,203) | (1,755) |
| Other non-current liabilities | 812 | (506) |
| Cash generated from operations | 809,465 | 706,429 |
| Interest received | 31,148 | 48,733 |
| Interest paid | (35,541) | (38,316) |
| Income tax paid | (182,521) | (139,058) |
| Net cash generated from operating activities | 622,551 | 577,788 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Net decrease in financial assets at amortized cost | 87,965 | 187,515 |
| Proceeds from disposal of financial assets at fair value through profit or loss | - | 4,438 |
| Acquisition of associates | (45,080) | (46,782) |
| Net cash outflow on acquisition of subsidiaries | - | (299,841) |
| Payments for property, plant and equipment | (171,351) | (129,910) |
| Proceeds from disposal of property, plant and equipment | 8,964 | 1,044 |
| Increase in refundable deposits | - | (9,283) |
| Decrease in refundable deposits | 1,026 | - |
| Payments for intangible assets | (180) | (1,020) |
| Dividends received | 104,250 | 107,675 |
| Net cash used in investing activities | (14,406) | (186,164) |

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# NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CASH FLOWS**
**FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025**
**(In Thousands of New Taiwan Dollars)**

| | 2026 | 2025 |
|---|---|---|
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from short-term borrowings | $ 2,807,329 | $ 2,862,840 |
| Repayments of short-term borrowings | (2,762,007) | (2,958,733) |
| Proceeds from long-term borrowings | 612,976 | 1,965,673 |
| Repayments of long-term borrowings | (658,435) | (1,437,147) |
| Proceeds from guarantee deposits received | - | 24 |
| Repayment of the principal portion of lease liabilities | (25,393) | (25,992) |
| Changes in non-controlling interests | 27,567 | 27,675 |
| Payments for transaction costs attributable to the issue of ordinary shares | (984) | (59) |
| Net cash generated from financing activities | 1,053 | 434,281 |
| EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES | 151,313 | 90,945 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 760,511 | 916,850 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | 7,346,151 | 6,910,148 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | $ 8,106,662 | $ 7,826,998 |

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

(With Deloitte & Touche review report dated May 13, 2026) (Concluded)

# NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025**
**(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

## 1. GENERAL INFORMATION

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

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

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

## 2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on May 13, 2026.

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

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

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

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

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

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

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

<u>IFRS 18 "Presentation and Disclosure in Financial Statements" and consequential amendments</u>

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

- To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Group shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.

- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as "other" only if it cannot find a more informative label.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

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

- The Group shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.

- Interest and dividends received by the Group shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Group has a specific main operating activity, it shall determine how to classify dividends received, interest received and interest paid in the statement of cash flows by referring to how it classifies dividend income, interest income and interest expense in the statement of profit or loss. The total of each of these cash flows shall be classified in a single category in the statement of cash flows.

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

## 4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

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

b. Basis of preparation

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

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

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

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

3) Level 3 inputs are unobservable inputs for the assets or liabilities.

c. Basis of consolidation

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

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

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

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

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

See Note 13 and Tables 6 and 7 for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other material accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2025.

1) Derecognition of financial liabilities

Financial liabilities are derecognized on the settlement date, which is the date on which the liability is extinguished because the Group’s obligations are discharged, cancelled or have expired, or the liability is substantially modified or exchanged for a debt instrument with substantially different terms. However, when an electronic payment system is used to settle a financial liability with cash, the financial liability is derecognized when the payment instructions are initiated, provided that once the Group has initiated a payment instruction, it has no practical ability to withdraw, stop or cancel the payment , has no practical ability to access the cash that will be used for settlement, and the settlement risk associated with the electronic payment system is insignificant. The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

2) Retirement benefits

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

3) Income tax expense

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

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

Refer to the statements of material accounting judgments and key sources of estimation uncertainty to the consolidated financial statements for the year ended December 31, 2025.

## 6. CASH AND CASH EQUIVALENTS

| | **March 31, 2026** | **December 31, 2025** | **March 31, 2025** |
|---|---|---|---|
| Cash on hand | $ 3,560 | $ 3,507 | $ 5,506 |
| Checking accounts and demand deposits | 5,317,325 | 4,589,093 | 4,243,294 |
| Cash equivalents (investments with original maturities within 3 months) | | | |
| Time deposits | 2,785,777 | 2,753,551 | 3,578,198 |
| | $ 8,106,662 | $ 7,346,151 | $ 7,826,998 |

The market rate intervals of time deposits were as follows:

| | **March 31, 2026** | **December 31, 2025** | **March 31, 2025** |
|---|---|---|---|
| Time deposits | 0.40%-4.75% | 0.13%-5.38% | 0.63%-4.90% |

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

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Financial assets at FVTPL - non-current | | | |
| Financial assets mandatorily classified as at FVTPL | | | |
| Non-derivative financial assets | | | |
| Limited partnership | $ 116,507 | $ 108,581 | $ 116,928 |

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

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Emerging market shares | $ 21,740 | $ 19,498 | $ 22,227 |
| Unlisted shares | 1,520,512 | 1,134,030 | 1,383,981 |
| | $ 1,542,252 | $ 1,153,528 | $ 1,406,208 |

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

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

## 9. FINANCIAL ASSETS AT AMORTIZED COST

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Current | | | |
| Time deposits with original maturities of more than 3 months (a) | $ 398,990 | $ 459,576 | $ 368,669 |
| Pledged time deposits (a) | 19,421 | 32,013 | 31,558 |
| Refundable deposits | 7,484 | 7,392 | 7,386 |
| | $ 425,895 | $ 498,981 | $ 407,613 |
| Non-current | | | |
| Pledged time deposits (a) | $ 5,434 | $ 5,370 | $ 5,428 |
| Refundable deposits | 29,436 | 30,224 | 30,635 |
| | $ 34,870 | $ 35,594 | $ 36,063 |

a. The ranges of interest rates for time deposits were approximately 0.60%-5.85%, 0.50%-5.85% and 1.30%-6.25% per annum as of March 31, 2026, December 31, 2025 and March 31, 2025, respectively.

b. Refer to Note 36 for information relating to investments in financial assets at amortized cost pledged as security.

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

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Notes receivable | | | |
| At amortized cost | | | |
| Notes receivable - operating | $ 330,156 | $ 400,731 | $ 346,842 |
| Accounts receivable (including related parties) | | | |
| At amortized cost | | | |
| Gross carrying amount | $ 5,239,337 | $ 5,144,252 | $ 5,038,694 |
| Less: Allowance for impairment loss | 139,609 | 137,153 | 106,212 |
| | $ 5,099,728 | $ 5,007,099 | $ 4,932,482 |

a. Notes receivable

As of March 31, 2026, December 31, 2025 and March 31, 2025, the notes receivable analyzed by the Group based on the past due days were not overdue, and the Group did not measure any loss allowance for notes receivable.

b. Accounts receivable (including related parties)

The average credit period of sales of goods was 15 days to 180 days, and no interest was charged on accounts receivable. In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

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

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

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

March 31, 2026

| | Not Past Due | 1 to 90 Days | 91 to 180 Days | 181 to 270 Days | 271 to 365 Days | Over 365 Days | Total |
|---|---|---|---|---|---|---|---|
| Expected credit loss rate | 0.02%-19% | 0.12%-77% | 5%-77% | 14%-79% | 43%-100% | 100% | |
| Gross carrying amount | $ 4,413,901 | $ 621,112 | $ 70,683 | $ 42,084 | $ 19,790 | $ 71,767 | $ 5,239,337 |
| Loss allowance (Lifetime ECLs) | (3,399) | (13,934) | (14,506) | (20,463) | (15,540) | (71,767) | (139,609) |
| Amortized cost | $ 4,410,502 | $ 607,178 | $ 56,177 | $ 21,621 | $ 4,250 | $ - | $ 5,099,728 |

December 31, 2025

| | Not Past Due | 1 to 90 Days | 91 to 180 Days | 181 to 270 Days | 271 to 365 Days | Over 365 Days | Total |
|---|---|---|---|---|---|---|---|
| Expected credit loss rate | 0.02%-6% | 0.12%-44% | 6%-45% | 23%-49% | 49%-100% | 100% | |
| Gross carrying amount | $ 4,257,849 | $ 687,490 | $ 67,244 | $ 32,571 | $ 22,401 | $ 76,697 | $ 5,144,252 |
| Loss allowance (Lifetime ECLs) | (4,482) | (13,507) | (13,627) | (11,165) | (17,675) | (76,697) | (137,153) |
| Amortized cost | $ 4,253,367 | $ 673,983 | $ 53,617 | $ 21,406 | $ 4,726 | $ - | $ 5,007,099 |

March 31, 2025

| | Not Past Due | 1 to 90 Days | 91 to 180 Days | 181 to 270 Days | 271 to 365 Days | Over 365 Days | Total |
|---|---|---|---|---|---|---|---|
| Expected credit loss rate | 0.02%-0.97% | 0.12%-20% | 6%-27% | 21%-61% | 38%-100% | 100% | |
| Gross carrying amount | $ 4,142,341 | $ 725,162 | $ 70,796 | $ 29,800 | $ 15,335 | $ 55,260 | $ 5,038,694 |
| Loss allowance (Lifetime ECLs) | (4,717) | (14,906) | (10,581) | (10,523) | (10,225) | (55,260) | (106,212) |
| Amortized cost | $ 4,137,624 | $ 710,256 | $ 60,215 | $ 19,277 | $ 5,110 | $ - | $ 4,932,482 |

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

| | For the Three Months Ended March 31 | |
|---|---|---|
| | **2026** | **2025** |
| Balance on January 1 | $ 137,153 | $ 112,305 |
| Acquisitions through business combinations | - | 40 |
| Net remeasurement of loss allowance | (463) | (5,837) |
| Amounts written off | 20 | (1,409) |
| Foreign exchange gains and losses | 2,899 | 1,113 |
| Balance on March 31 | $ 139,609 | $ 106,212 |

## 11. INVENTORIES

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Goods | $ 230,466 | $ 215,652 | $ 264,867 |
| Finished goods and semi-finished goods | 1,113,862 | 1,119,380 | 1,226,069 |
| Work in progress | 174,510 | 169,434 | 128,978 |
| Raw materials and supplies | 1,644,001 | 1,160,229 | 1,343,376 |
| Inventory in transit | 337,243 | 380,064 | 242,347 |
| | $ 3,500,082 | $ 3,044,759 | $ 3,205,637 |

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

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2026 | 2025 |
| Cost of inventories sold | $ 3,788,885 | $ 3,642,558 |
| Others | (1,580) | 67 |
| | $ 3,787,305 | $ 3,642,625 |

## 12. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

| | Freehold land and buildings held for sale |
|---|---|
| Balance on March 31, 2026 and December 31, 2025 | $ 92,272 |

The board of directors of the Company's subsidiary, Nan Pao Chemical Co., Ltd., resolved to dispose of land and buildings located in the Shenxing Section, Shengang Township, Changhua County, to a non-related party, Zhong Mei Industry CO., LTD. in July 2025. The land and buildings sale and purchase agreement was entered into in the same month, with a total transaction price of NT$316,000 thousand. Upon classification of the land and buildings as non-current assets held for sale, no impairment loss was recognized. In addition, no impairment loss was recognized for the three months ended March 31, 2026.

## 13. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements were as follows:

| | | | Proportion of Ownership (%) | | | |
|---|---|---|---|---|---|---|
| Investor | Investee | Nature of Activities | March 31, 2026 | December 31, 2025 | March 31, 2025 | Remark |
| Nan Pao Resins Chemical Co., Ltd. | Nan Pao Chemical Co., Ltd. | Trading of chemical substances | 100 | 100 | 100 | d |
| | Nan Pao Application Material Co., Ltd. | Trading of chemical substances | 100 | 100 | 100 | d |
| | ITLS International Development Co., Ltd. | Trading of construction materials and chemical substances | 100 | 100 | 100 | |
| | Prince Pharmaceutical Co., Ltd. | Manufacturing, packaging, and processing of raw materials for various pharmaceutical and health food | 48.52 | 48.52 | 49.53 | b, d |
| | Phymed Bio-Tec Co., Ltd. | R&D and trading of health food | 100 | 100 | 100 | d |
| | Biorich Biotechnology Co., Ltd. | R&D, production, trading of new high protein business and health food | 57.1 | 57.1 | 57.1 | d |
| | Nan Pao Advanced Materials Co., Ltd. | Trading of adhesives and chemicals | 70 | 70 | 70 | d |
| | Nan Pao Fine Materials Co., Ltd. | Production and trading of adhesives and chemicals | 55 | 55 | 55 | d |
| | Fuqing Nan Pao Investment Ltd. | General investment | 100 | 100 | 100 | |
| | Thai Nan Pao Investment Ltd. | General investment | 100 | 100 | 100 | |
| | Nan Pao Resins India Pvt Ltd. | Trading of adhesives | 100 | 100 | 100 | d |

(Continued)

| Investor | Investee | Nature of Activities | Proportion of Ownership (%) March 31, 2026 | December 31, 2025 | March 31, 2025 | Remark |
|---|---|---|---|---|---|---|
| | Nan Pao Materials Vietnam Co., Ltd. | Production and trading of adhesives and chemicals | 100 | 100 | 100 | |
| | Nan Pao Advanced Materials Vietnam Co., Ltd. | Production and trading of adhesives and chemicals | 100 | 100 | 100 | d |
| | Nan Pao Overseas Holdings Ltd. | General investment | 100 | 100 | 100 | |
| | Profit Land Limited | General investment | 73.75 | 73.75 | 73.75 | a |
| | All Saints Enterprises Ltd. | General investment | 54.53 | 54.53 | 54.53 | a |
| | Ongoing Profits Ltd. | General investment | 32.18 | 32.18 | 32.18 | a |
| | PT. Indo Nan Pao Resins Chemical Co., Ltd. | Production and trading of adhesives | 67.5 | 67.5 | 67.5 | |
| | Nan Pao Philippines Export Inc. | Trading of adhesives | 100 | 100 | 100 | d |
| | Earnest Wealth Co., Ltd. | General investment | 51.11 | 51.11 | 51.11 | d |
| | FlexUP Technologies Corp. | Trading of chemical substances | 100 | 100 | 100 | d |
| | Nan Pao Resins Chemical (Bangladesh) Co., Ltd. | Trading of adhesives | 100 | 100 | 100 | d |
| | Nan Pao Resins International Ltd. | Trading of chemical substances and related products | 100 | 100 | 100 | |
| | Nan Pao Resins (HK) Ltd. | Production and trading of adhesives | 100 | 100 | 100 | |
| | Nan Pao Materials Resins India Private Limited | Trading of adhesives | 100 | 100 | 100 | d |
| | Yun Teh Industrial Co., Ltd. | Production and trading of curing agents resin | 70 | 70 | 70 | d |
| | Spark Foamtech Enterprise Company Limited | Production and trading of footwear materials | 75 | 100 | 100 | d, (refer to Note 32) |
| ITLS International Development Co., Ltd. | ITLS Holding Pte. Ltd. | General investment | 100 | 100 | 100 | |
| ITLS Holding Pte. Ltd. | PT. ITLS Indonesia | Production and trading of construction materials | 100 | 100 | 100 | d |
| | ITLS Vietnam Co., Ltd. | Production and trading of construction materials | - | - | 100 | c |
| Fuqing Nan Pao Investment Ltd. | Wealth Castle Development Ltd. | General investment | 100 | 100 | 100 | |
| Wealth Castle Development Ltd. | Fuqing Nan Pao Resins Co., Ltd. | Production and trading of adhesives | 100 | 100 | 100 | d |
| Thai Nan Pao Investment Ltd. | Thai Nanpao Resins Chemical Co., Ltd. | Production and trading of adhesives | 100 | 100 | 100 | d |
| Nan Pao Overseas Holdings Ltd. | Nan Pao Group Holdings Ltd. | General investment | 100 | 100 | 100 | |
| Earnest Wealth Co., Ltd. | Apex Polytech Co., Ltd. | Production and trading of adhesives | 100 | 100 | 100 | d |
| Nan Pao Group Holdings Ltd. | Greatwill Materials (HK) Ltd. | General investment | 100 | 100 | 100 | |
| | Profit Land Limited | General investment | 26.25 | 26.25 | 26.25 | a |
| | Nan Pao Resins (Holdings) Ltd. | General investment | 100 | 100 | 100 | |
| | All Saints Enterprises Ltd. | General investment | 45.47 | 45.47 | 45.47 | a |
| | NP Australia Pty Ltd | General investment | 100 | 100 | 100 | |
| | Ongoing Profits Ltd. | General investment | 67.82 | 67.82 | 67.82 | a |
| | Treasure Wealth (HK) Ltd. | General investment | 100 | 100 | 100 | |
| | Goldford Investments Ltd. | General investment | 100 | 100 | 100 | |
| | Nan Pao Resins Chemical Philippines, Inc. | Trading of adhesives | 100 | 100 | 100 | d |
| | Nan Pao Advanced Investment Co., Ltd. | General investment | 100 | 100 | 100 | |
| Greatwill Materials (HK) Ltd. | Foshan Nan Pao Advanced Materials Co., Ltd. | Production and trading of adhesives | 59.58 | 59.58 | 59.58 | |
| Profit Land Limited | Giant Profit Development Ltd. | General investment | 100 | 100 | 100 | |
| Giant Profit Development Ltd. | Nan Pao Resins (Foshan) Co., Ltd. | Production and trading of adhesives | 100 | 100 | 100 | |
| Nan Pao Resins (Foshan) Co., Ltd. | Foshan Nan Pao Advanced Materials Co., Ltd. | Production and trading of adhesives | 0.89 | 0.89 | 0.89 | |
| Nan Pao Resins (Holdings) Ltd. | Eastlion Enterprises Ltd. | General investment | 100 | 100 | 100 | |

(Continued)

| Investor | Investee | Nature of Activities | Proportion of Ownership (%) March 31, 2026 | December 31, 2025 | March 31, 2025 | Remark |
|---|---|---|---|---|---|---|
| | Nan Pao Resins Development Ltd. | General investment | 100 | 100 | 100 | |
| Eastlion Enterprises Ltd. | Nan Pao Resins (Dongguan) Co., Ltd. | Processing of adhesives products | 100 | 100 | 100 | d |
| Nan Pao Resins Development Ltd. | Dongguan Jiaqin Electronics Co., Ltd. | Production and trading of coatings and advanced resins | 100 | 100 | 100 | d |
| All Saints Enterprises Ltd. | Great Mount Enterprises Ltd. | General investment | 100 | 100 | 100 | |
| Great Mount Enterprises Ltd. | Nan Pao Resins (China) Co., Ltd. | Production and trading of adhesives and coatings | 100 | 100 | 100 | d |
| NP Australia Pty Ltd | RLA Polymers Pty Ltd | Production and trading of construction materials and chemical substances | 100 | 100 | 100 | |
| RLA Polymers Pty Ltd | RLA Polymers (M) SDN BHD | Production and trading of construction materials and chemical substances | 100 | 100 | 100 | d |
| | Australasian Tiling Adhesives Pty Ltd. | Production and trading of construction materials and chemical substances | 100 | 100 | 100 | d |
| Ongoing Profits Ltd. | Rising Sun Associates Ltd. | General investment | 100 | 100 | 100 | |
| Rising Sun Associates Ltd. | Nan Pao Resins (Vietnam) Enterprise Ltd. | Production and trading of adhesives | 100 | 100 | 100 | |
| Treasure Wealth (HK) Ltd. | Noroo-Nan Pao Paints & Coatings (Vietnam) Co., Ltd. | Production and trading of coatings | 50 | 50 | 50 | d |
| Nan Pao Advanced Investment Co., Ltd. | Nan Pao (Kunshan) Electronic Commerce Co., Ltd. | Online business agency and general merchandise trading | 100 | 100 | 100 | |
| | Nan Pao New Materials Technology (Huaian) Co., Ltd. | Production and trading of carbon fiber | 94.21 | 93.3 | 92.06 | (refer to Note 32) |
| | Nan Pao Optoelectronic Materials (Kunshan) Co., Ltd. | Production and trading of adhesives and chemical substances | 100 | 100 | 100 | |
| | Nan Pao Fine Chemical Materials (Anhui) Co., Ltd. | Production and trading of coatings and chemical substances | 92.11 | 92.11 | 93.36 | (refer to Note 32) |
| | Changshu Yu Bo Polymer Materials Co., Ltd. | Production and trading of adhesives and chemical substances | 70 | 70 | 70 | |
| Changshu Yu Bo Polymer Materials Co., Ltd. | Yu Po Chemical Co., Ltd. | Production and trading of adhesives and chemical substances | 100 | 100 | 100 | d |

(Concluded)

a. Direct and indirect shareholdings totaled 100%.

b. The Group acquired Prince Pharmaceutical Co., Ltd. interests in June 2025, and the shareholding ratio was increased from 49.53% to 49.59% after acquisition. The employees of Prince Pharmaceutical Co., Ltd. exercised $805 thousand employee share options in July, September and October 2025, decreasing the shareholding ratio from 49.59% to 48.52%.

c. ITLS Vietnam Co., Ltd. was liquidated in September 2025.

d. Such companies are immaterial subsidiaries, and their financial statements have not been reviewed by the accountants.

## 14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Investments in associates | | | |
| Associates that are not individually material | $ 214,136 | $ 200,836 | $ 84,037 |

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

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2026 | 2025 |
| The Group's share of: | | |
| Total net loss and comprehensive loss for the period | $ (17,611) | $ (8,099) |

## 15. PROPERTY, PLANT AND EQUIPMENT

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

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

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

Impairment assessment was not performed for the three months ended March 31, 2026 and 2025 as there were no indications of impairment.

Property, plant and equipment pledged as collateral for bank borrowings were set out in Note 36.

## 16. LEASE ARRANGEMENTS

a. Right-of-use assets

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Carrying amount | | | |
| Land (Note) | $ 806,992 | $ 901,783 | $ 954,229 |
| Buildings | 358,907 | 356,566 | 430,945 |
| Transportation equipment | 31,132 | 30,488 | 37,263 |
| Miscellaneous equipment | 2,131 | 2,332 | 1,991 |
| | $ 1,199,162 | $ 1,291,169 | $ 1,424,428 |

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2026 | 2025 |
| Additions to right-of-use assets | $ 11,367 | $ 4,147 |
| Depreciation charge for right-of-use assets | | |
| Land | $ 5,681 | $ 6,125 |
| Buildings | 19,946 | 22,336 |
| Transportation equipment | 4,323 | 4,478 |
| Miscellaneous equipment | 292 | 220 |
| | $ 30,242 | $ 33,159 |

Note: The land use rights of subsidiaries in Vietnam pledged as collateral for bank borrowings are set out in Note 36.

Except for the aforementioned additions and recognized depreciation, there was no significant sublease or impairment of right-of-use assets of the Group for the three months ended March 31, 2026 and 2025.

b. Lease liabilities

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Carrying amount | | | |
| Current | $ 96,924 | $ 91,679 | $ 125,208 |
| Non-current | $ 538,364 | $ 536,284 | $ 601,550 |

Range of discount rate for lease liabilities was as follows:

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Land | 1.12%-1.56% | 1.56% | 1.56% |
| Buildings | 0.81%-6% | 1.39%-6% | 0.81%-6% |
| Transportation equipment | 1.9%-6.14% | 1.9%-6.14% | 1.9%-6.14% |
| Miscellaneous equipment | 2.65%-11.05% | 2.65%-11.05% | 2.65%-11.05% |

c. Material leasing activities and terms

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

d. Other lease information

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2026 | 2025 |
| Expenses relating to short-term leases | $ 19,236 | $ 11,952 |
| Expenses relating to low-value asset leases | $ 596 | $ 685 |
| Total cash outflow for leases | $ 49,518 | $ 43,533 |

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

## 17. INVESTMENT PROPERTIES

| | Land | Buildings | Total |
|---|---|---|---|
| Cost | | | |
| Balance on January 1, 2026 | $ 17,760 | $ 7,724 | $ 25,484 |
| Effects of foreign currency exchange differences | - | 263 | 263 |
| Balance on March 31, 2026 | $ 17,760 | $ 7,987 | $ 25,747 |
| Accumulated depreciation | | | |
| Balance on January 1, 2026 | $ - | $ 178 | $ 178 |
| Depreciation expenses | - | 93 | 93 |
| Effects of foreign currency exchange differences | - | 7 | 7 |
| Balance on March 31, 2026 | $ - | $ 278 | $ 278 |
| Carrying amount on December 31, 2025 and January 1, 2026 | $ 17,760 | $ 7,546 | $ 25,306 |
| Carrying amount on March 31, 2026 | $ 17,760 | $ 7,709 | $ 25,469 |
| Cost | | | |
| Balance on January 1, 2025 and March 31, 2025 | $ 17,760 | $ - | $ 17,760 |
| Accumulated depreciation | | | |
| Balance on January 1, 2025 and March 31, 2025 | $ - | $ - | $ - |
| Carrying amount on March 31, 2025 | $ 17,760 | $ - | $ 17,760 |

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

| | |
|---|---|
| Buildings | 20 years |

The fair values of the investment properties - land were $127,939 thousand, $174,559 thousand and $180,945 thousand as of March 31, 2026, December 31, 2025 and March 31, 2025, respectively. For investment properties not valued by any independent valuer, the Group's management determined their fair values with reference to the closing prices of similar properties in the vicinity of the Group's investment properties.

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

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

## 18. GOODWILL

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Cost | | | |
| Balance on January 1 | $ 584,545 | $ 398,803 | $ 398,803 |
| Acquisitions through business combinations (Note 31) | - | 180,562 | 180,562 |
| Effects of foreign currency exchange differences | 15,983 | 5,180 | 7,023 |
| Balance on March 31 | $ 600,528 | $ 584,545 | $ 586,388 |
| Accumulated impairment losses | | | |
| Balance on January 1 | $ 59,772 | $ 5,409 | $ 5,409 |
| Impairment losses recognized | - | 53,195 | - |
| Effects of foreign currency exchange differences | 1,914 | 1,168 | 42 |
| Balance on March 31 | $ 61,686 | $ 59,772 | $ 5,451 |
| Carrying amount on March 31 | $ 538,842 | $ 524,773 | $ 580,937 |

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

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

## 19. OTHER INTANGIBLE ASSETS

| | Client relationships | Non-patented technology | Trademark | Others | Total |
|---|---|---|---|---|---|
| Cost | | | | | |
| Balance on January 1, 2026 | $ 359,670 | $ 111,564 | $ 258,944 | $ 259,866 | $ 990,044 |
| Additions | - | - | 73 | 107 | 180 |
| Effects of foreign currency exchange differences | 10,370 | 3,917 | 5,925 | 3,483 | 23,695 |
| Balance on March 31, 2026 | $ 370,040 | $ 115,481 | $ 264,942 | $ 263,456 | $ 1,013,919 |
| Accumulated amortization and impairment | | | | | |
| Balance on January 1, 2026 | $ 131,159 | $ 28,114 | $ 97,209 | $ 170,903 | $ 427,385 |
| Amortization expenses | 7,008 | 2,800 | 11,353 | 8,390 | 29,551 |
| Effects of foreign currency exchange differences | 5,292 | 1,012 | 3,026 | 2,178 | 11,508 |
| Balance on March 31, 2026 | $ 143,459 | $ 31,926 | $ 111,588 | $ 181,471 | $ 468,444 |
| Carrying amount on December 31, 2025 and January 1, 2026 | $ 228,511 | $ 83,450 | $ 161,735 | $ 88,963 | $ 562,659 |
| Carrying amount on March 31, 2026 | $ 226,581 | $ 83,555 | $ 153,354 | $ 81,985 | $ 545,475 |
| Cost | | | | | |
| Balance on January 1, 2025 | $ 257,400 | $ 113,271 | $ 164,550 | $ 202,729 | $ 737,950 |
| Additions | - | - | - | 1,020 | 1,020 |
| Acquisitions through business combinations | 100,600 | - | 96,000 | 48,600 | 245,200 |
| Effects of foreign currency exchange differences | 4,523 | 1,679 | 2,551 | 1,522 | 10,275 |
| Balance on March 31, 2025 | $ 362,523 | $ 114,950 | $ 263,101 | $ 253,871 | $ 994,445 |
| Accumulated amortization and impairment | | | | | |
| Balance on January 1, 2025 | $ 101,497 | $ 17,461 | $ 52,999 | $ 139,004 | $ 310,961 |
| Amortization expenses | 6,881 | 2,804 | 11,349 | 8,337 | 29,371 |
| Effects of foreign currency exchange differences | 2,026 | 276 | 878 | 794 | 3,974 |
| Balance on March 31, 2025 | $ 110,404 | $ 20,541 | $ 65,226 | $ 148,135 | $ 344,306 |
| Carrying amount on March 31, 2025 | $ 252,119 | $ 94,409 | $ 197,875 | $ 105,736 | $ 650,139 |

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

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

## 20. OTHER ASSETS

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Current | | | |
| Overpaid tax retained for offsetting the future tax payable | $ 378,501 | $ 364,456 | $ 346,087 |
| Input tax | 314,850 | 295,616 | 308,115 |
| Prepayments | 179,171 | 157,675 | 190,189 |
| Prepaid expenses | 107,937 | 92,648 | 93,171 |
| Others | 39,556 | 38,883 | 29,641 |
| | $ 1,020,015 | $ 949,278 | $ 967,203 |
| Non-current | | | |
| Prepayments for equipment | $ 74,824 | $ 82,300 | $ 66,154 |
| Others | 19,455 | 34,390 | 28,029 |
| | $ 94,279 | $ 116,690 | $ 94,183 |

## 21. BORROWINGS

a. Short-term borrowings

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Secured bank loans (Note 36) | $ 30,000 | $ 30,000 | $ 61,131 |
| Unsecured bank loans | 2,694,136 | 2,620,729 | 2,887,649 |
| | $ 2,724,136 | $ 2,650,729 | $ 2,948,780 |

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

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Secured bank loans | 2.02% | 2.02% | 2.02%-3.25% |
| Unsecured bank loans | 1.795%-6.9% | 1.781%-5.78% | 1.81%-6.579% |

b. Long-term borrowings

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Secured bank loans (1) | $ 259,061 | $ 267,270 | $ 259,060 |
| Unsecured bank loans (2) | 2,630,121 | 2,655,316 | 2,078,749 |
| | 2,889,182 | 2,922,586 | 2,337,809 |
| Less: Current portion | 65,402 | 58,838 | 69,059 |
| | $ 2,823,780 | $ 2,863,748 | $ 2,268,750 |

1) As of March 31, 2026, December 31, 2025 and March 31, 2025, the range of weighted average effective interest rates of the bank borrowings secured by the Group's freehold land, buildings, right-of-use assets and deposit certificates (see Note 36), was 2.328%-2.433% per annum. Long-term borrowings mentioned above will expire in June 2035, and payments of interest and principal are made on schedule.

2) As of March 31, 2026, December 31, 2025 and March 31, 2025, the range of weighted average effective interest rates of credit bank loans was 1.5%-6.9%, 1.527%-3.197% and 1.5%-4.1% per annum, respectively. Long-term borrowings mentioned above will expire in September 2031, and payments of interest and principal are made on schedule.

## 22. NOTES PAYABLE AND ACCOUNTS PAYABLE

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Notes payable | | | |
| Operating | $ 661 | $ 90 | $ 5,049 |
| Accounts payable | | | |
| Operating | $ 2,408,456 | $ 2,202,518 | $ 2,287,971 |

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

## 23. OTHER LIABILITIES

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Current | | | |
| Other liabilities | | | |
| Refund liabilities | $ 142,691 | $ 162,591 | $ 159,405 |
| Guarantee deposits | 1,844 | 1,783 | - |
| Others | 52,468 | 20,479 | 42,773 |
| | $ 197,003 | $ 184,853 | $ 202,178 |
| Non-current | | | |
| Other liabilities | | | |
| Guarantee deposits | $ 1,415 | $ 1,398 | $ 2,125 |
| Others | 10,756 | 9,944 | 8,843 |
| | $ 12,171 | $ 11,342 | $ 10,968 |

## 24. RETIREMENT BENEFIT PLANS

For the three months ended March 31, 2026 and 2025, the pension expenses of defined benefit plans were $148 thousand and $176 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2025 and 2024, respectively.

## 25. EQUITY

a. Share capital

Ordinary shares

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Number of shares authorized (in thousands) | 200,000 | 200,000 | 200,000 |
| Shares authorized | $ 2,000,000 | $ 2,000,000 | $ 2,000,000 |
| Number of shares issued and fully paid (in thousands) | 120,570 | 120,570 | 120,570 |
| Shares issued | $ 1,205,707 | $ 1,205,707 | $ 1,205,707 |

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

b. Capital surplus

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1) | | | |
| Issuance of ordinary shares | $ 2,040,204 | $ 2,040,204 | $ 2,040,204 |
| The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition | 10,604 | 10,604 | 10,659 |
| Employee share options | 44,083 | 44,083 | 44,083 |
| Expired employee share options | 135 | 135 | 135 |
| May only be used to offset a deficit | | | |
| Changes in percentage of ownership interests in subsidiaries (2) | 36,242 | 31,591 | 34,966 |
| Share of changes in capital surplus of associates | 22,751 | 22,745 | - |
| | $ 2,154,019 | $ 2,149,362 | $ 2,130,047 |

1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

2) Such capital surplus arises from the effects of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions or from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Articles, when the Company distributed profit, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit (This shall not apply if the accumulated legal reserve has reached the Company's paid-in capital), setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company’s board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders’ meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of compensation of employees and remuneration of directors after the amendment, refer to compensation of employees and remuneration of directors in Note 27-g.

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

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

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

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

The appropriations of earnings for 2025 and 2024 were as follows:

| | **Appropriations of earnings** | | **Dividends per share (NT$)** | |
|---|---|---|---|---|
| | **2025** | **2024** | **2025** | **2024** |
| Legal reserve | $ 244,914 | $ 262,377 | | |
| Cash dividends | 2,170,274 | 2,290,845 | $ 18 | $ 19 |

The above cash dividends have been resolved by the board of directors in March 2026 and 2025, respectively, and the rest proposed appropriations for 2024 has been resolved by the shareholders’ meeting held in June 2025. The rest proposed appropriations for 2025 is pending the resolution of the shareholder meeting scheduled to be held in May 2026.

d. Special reserve

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

e. Other equity items

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

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2026 | 2025 |
| Balance on January 1 | $ (383,836) | $ (8,934) |
| Recognized for the period | | |
| Exchange differences on the translation of the financial statements of foreign operations | 255,078 | 147,611 |
| Balance on March 31 | $ (128,758) | $ 138,677 |

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

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2026 | 2025 |
| Balance on January 1 | $ 942,094 | $ 1,448,130 |
| Recognized for the period | | |
| Unrealized gain (loss) - equity instruments | 388,724 | (253,356) |
| Balance on March 31 | $ 1,330,818 | $ 1,194,774 |

f. Non-controlling interests

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2026 | 2025 |
| Balance on January 1 | $ 1,635,951 | $ 1,444,843 |
| Share in profit for the period | 53,323 | 43,364 |
| Other comprehensive income during the period | | |
| Exchange differences on the translation of the financial statements of foreign operations | 25,445 | 9,970 |
| Changes in ownership interests in subsidiaries (Note 32) | 21,932 | 21,704 |
| Issuance of employee share options by subsidiaries (Note 30) | - | 325 |
| Dividend payout from subsidiaries | (71,803) | (36,970) |
| Non-controlling interests arising from acquisition of subsidiaries (Note 31) | - | 101,888 |
| Balance on March 31 | $ 1,664,848 | $ 1,585,124 |

## 26. REVENUE

a. Disaggregation of revenue

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2026 | 2025 |
| Adhesives | $ 3,940,080 | $ 3,925,612 |
| Construction materials | 1,052,147 | 903,672 |
| Coatings | 459,236 | 455,782 |
| Others | 384,976 | 269,409 |
| | $ 5,836,439 | $ 5,554,475 |

b. Contract balances

| | March 31, 2026 | December 31, 2025 | March 31, 2025 | January 1, 2025 |
|---|---|---|---|---|
| Notes receivable (Note 10) | $ 330,156 | $ 400,731 | $ 346,842 | $ 344,349 |
| Accounts receivable (including related parties) (Note 10) | $ 5,099,728 | $ 5,007,099 | $ 4,932,482 | $ 5,177,677 |
| Contract liabilities - current | | | | |
| Sale of goods | $ 59,183 | $ 43,486 | $ 38,004 | $ 28,778 |

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

## 27. NET PROFIT

a. Interest income

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2026 | 2025 |
| Bank deposits | $ 30,664 | $ 40,205 |

b. Other income

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2026 | 2025 |
| Dividend income | $ 104,250 | $ 107,675 |
| Grant income | 8,580 | 7,736 |
| Rental income | 1,587 | 968 |
| Others | 15,562 | 12,222 |
| | $ 129,979 | $ 128,601 |

c. Other gains and losses

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2026 | 2025 |
| Net foreign exchange losses | $ (6,097) | $ (1,693) |
| Gain (loss) on fair value changes of financial assets - financial assets mandatorily classified as at FVTPL | 7,926 | (10,108) |
| Others | (524) | (8,835) |
| | $ 1,305 | $ (20,636) |

d. Finance costs

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2026 | 2025 |
| Interest on bank loans | $ 31,356 | $ 32,003 |
| Interest on lease liabilities | 4,293 | 4,904 |
| Interest on contingent consideration | - | 411 |
| | $ 35,649 | $ 37,318 |

e. Depreciation and amortization

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2026 | 2025 |
| Property, plant and equipment | $ 137,556 | $ 134,073 |
| Right-of-use assets | 30,242 | 33,159 |
| Other intangible assets | 29,551 | 29,371 |
| Investment properties | 93 | - |
| | $ 197,442 | $ 196,603 |
| An analysis of depreciation by function | | |
| Operating costs | $ 114,367 | $ 115,258 |
| Operating expenses | 53,431 | 51,974 |
| Other gains and losses | 93 | - |
| | $ 167,891 | $ 167,232 |
| An analysis of amortization by function | | |
| Operating costs | $ 291 | $ 256 |
| Operating expenses | 29,260 | 29,115 |
| | $ 29,551 | $ 29,371 |

f. Employee benefits expense

| | For the Three Months Ended March 31 | |
|---|---|---|
| | **2026** | **2025** |
| Short-term employee benefits | | |
| Salaries | $ 681,432 | $ 656,512 |
| Labor and health insurance | 54,283 | 52,561 |
| Others | 65,678 | 59,038 |
| | 801,393 | 768,111 |
| Post-employment benefits | | |
| Defined contribution plans | 44,553 | 37,961 |
| Defined benefit plans (Note 24) | 148 | 176 |
| | 44,701 | 38,137 |
| | $ 846,094 | $ 806,248 |
| An analysis of employee benefits expense by function | | |
| Operating costs | $ 320,061 | $ 292,319 |
| Operating expenses | 526,033 | 513,929 |
| | $ 846,094 | $ 806,248 |

g. Compensation of employees and remuneration of directors

According to the Company's Articles, the Company accrues compensation of employees and remuneration of directors at rates of 2% to 6% and no higher than 3%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. In accordance with the amendments to the Securities and Exchange Act in August 2024, the shareholders of the Company resolved the amendments to the Company's Articles at their 2025 regular meeting. The amendments explicitly stipulate the allocation of no less than 20% of the compensation of employees as compensation distributions for non-executive employees. The compensation of employees (including non-executive employees) and the remuneration of directors for the three months ended March 31, 2026 and 2025 are as follows:

Accrual rate

| | For the Three Months Ended March 31 | |
|---|---|---|
| | **2026** | **2025** |
| Compensation of employees | 2% | 2.25% |
| Remuneration of directors | 0.83% | 0.95% |

Amount

| | For the Three Months Ended March 31 | |
|---|---|---|
| | **2026** | **2025** |
| Compensation of employees | $ 19,676 | $ 20,280 |
| Remuneration of directors | 8,151 | 8,580 |

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

The appropriations of employees' compensation and remuneration of directors for 2025 and 2024 that were resolved by the board of directors in March 2026 and 2025, respectively, are as shown below:

| | For the Year Ended December31 | |
|---|---|---|
| | 2025 | 2024 |
| | Cash | Cash |
| Compensation of employees | $ 77,064 | $ 81,120 |
| Remuneration of directors | 32,604 | 34,320 |

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2025 and 2024.

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

h. Gains or losses on foreign currency exchange

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2026 | 2025 |
| Foreign exchange gains | $ 54,113 | $ 78,913 |
| Foreign exchange losses | (60,210) | (80,606) |
| | $ (6,097) | $ (1,693) |

## 28. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2026 | 2025 |
| Current tax | | |
| In respect of the current year | $ 235,786 | $ 147,478 |
| Adjustments for prior year | (5,190) | (23,185) |
| | 230,596 | 124,293 |
| Deferred tax | | |
| In respect of the current year | 63,801 | 116,358 |
| | $ 294,397 | $ 240,651 |

b. Income tax recognized in other comprehensive income

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2026 | 2025 |
| Deferred tax | | |
| In respect of the current year | | |
| Translation of foreign operations | $ (63,769) | $ (36,903) |

c. Income tax assessments

Except the Company and its domestic subsidiary, Prince Pharmaceutical Co., Ltd., the income tax returns of the other domestic subsidiaries through 2024 have been assessed by the tax authorities.

## 29. EARNINGS PER SHARE

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

Net Profit for the Period

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2026 | 2025 |
| Profit for the period attributable to owners of the Company | $ 790,102 | $ 728,918 |

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

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2026 | 2025 |
| Weighted average number of ordinary shares used in the computation of basic earnings per share | 120,571 | 120,571 |
| Effect of potentially dilutive ordinary share | | |
| Compensation of employees | 255 | 261 |
| Weighted average number of ordinary shares used in the computation of diluted earnings per share | 120,826 | 120,832 |

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

## 30. SHARE-BASED PAYMENT ARRANGEMENTS

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

Information on employee share options was as follows:

| | For the Three Months Ended March 31 | | | |
|---|---|---|---|---|
| | 2026 | | 2025 | |
| | Number of Options (In Thousands) | Weighted-average Exercise Price (NT$) | Number of Options (In Thousands) | Weighted-average Exercise Price (NT$) |
| Balance on January 1 | - | $ - | 1,185 | $ 24.60 |
| Balance on March 31 | - | - | 1,185 | 24.60 |
| Options exercisable, end of the period | - | - | 581 | - |

Options granted in September 2022 were priced using the Black-Scholes pricing model, and the inputs to the model were as follows:

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

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

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

Compensation costs recognized was $644 thousand for the three months ended March 31 2025.

## 31. BUSINESS COMBINATIONS

Subsidiaries acquired

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

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

a. Consideration transferred

| | Amount |
|---|---|
| Cash | $ 399,000 |
| Contingent consideration agreement (Note) | 19,300 |
| | $ 418,300 |

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

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

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

(Continued)

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

(Concluded)

c. Non-controlling interests

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

d. Goodwill recognized on acquisitions

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

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

e. Net cash outflow on the acquisition of subsidiaries

| | Amount |
|---|---|
| Consideration paid in cash | $ 418,300 |
| Less: Cash and cash equivalent balances acquired | (99,159) |
| Less: Other payables | (19,300) |
| | $ 299,841 |

## 32. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

For the Three Months Ended March 31, 2026

| | Nan Pao New Materials Technology (Huaian) Co., Ltd. (a) | Spark Foamtech Enterprise Company Limited (b) | Total |
|---|---|---|---|
| Consideration received | $ - | $ 27,567 | $ 27,567 |
| The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests | (3,690) | (18,242) | (21,932) |
| Differences recognized from equity transactions | $ (3,690) | $ 9,325 | $ 5,635 |
| Line items adjusted for equity transactions | | | |
| Capital surplus - changes in percentage of ownership interests in subsidiaries | $ (3,690) | $ 9,325 | $ 5,635 |

For the Three Months Ended March 31, 2025

| | Nan Pao New Materials Technology (Huaian) Co., Ltd. (a) | Nan Pao Fine Chemical Materials (Anhui) Co., Ltd. (c) | Total |
|---|---|---|---|
| Consideration received | $ 12,803 | $ 14,872 | $ 27,675 |
| The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests | (7,285) | (14,419) | (21,704) |
| Differences recognized from equity transactions | $ 5,518 | $ 453 | $ 5,971 |
| Line items adjusted for equity transactions | | | |
| Capital surplus - changes in percentage of ownership interests in subsidiaries | $ 5,518 | $ 453 | $ 5,971 |

a. In March 2026, the Group did not subscribe the issuance of ordinary shares for cash of Nan Pao New Materials Technology (Huaian) Co., Ltd. in accordance with the shareholding ratio, increasing its shareholding ratio from 93.3% to 94.21%. In March 2025, the issuance of ordinary shares for cash of Nan Pao New Materials Technology (Huaian) Co., Ltd. which did not subscribe in accordance with the shareholding ratio by the Group, resulting in an decrease in shareholding from 94% to 92.06%.

b. In February 2026, the issuance of ordinary shares for cash of Spark Foamtech Enterprise Company Limited, the Group did not subscribe the issuance of ordinary shares in accordance with the shareholding ratio, decreasing its shareholding ratio from 100% to 75%.

c. In January 2025, the issuance of ordinary shares for cash of Nan Pao Fine Chemical Materials (Anhui) Co., Ltd., the Group did not subscribe the issuance of ordinary shares in accordance with the shareholding ratio, decreasing its shareholding ratio from 96.41% to 93.36%.

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

## 33. CAPITAL MANAGEMENT

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

## 34. FINANCIAL INSTRUMENTS

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

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

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

1) Fair value hierarchy

March 31, 2026

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial assets at FVTPL | | | | |
| Limited partnership | $ - | $ - | $ 116,507 | $ 116,507 |
| Financial assets at FVTOCI | | | | |
| Emerging market shares | $ 21,740 | $ - | $ - | $ 21,740 |
| Unlisted shares | - | - | 1,520,512 | 1,520,512 |
| | $ 21,740 | $ - | $ 1,520,512 | $ 1,542,252 |

December 31, 2025

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial assets at FVTPL | | | | |
| Limited partnership | $ - | $ - | $ 108,581 | $ 108,581 |
| Financial assets at FVTOCI | | | | |
| Emerging market shares | $ 19,498 | $ - | $ - | $ 19,498 |
| Unlisted shares | - | - | 1,134,030 | 1,134,030 |
| | $ 19,498 | $ - | $ 1,134,030 | $ 1,153,528 |

March 31, 2025

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial assets at FVTPL | | | | |
| Limited partnership | $ - | $ - | $ 116,928 | $ 116,928 |
| Financial assets at FVTOCI | | | | |
| Emerging market shares | $ 22,227 | $ - | $ - | $ 22,227 |
| Unlisted shares | - | - | 1,383,981 | 1,383,981 |
| | $ 22,227 | $ - | $ 1,383,981 | $ 1,406,208 |

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

Financial assets at FVTPL

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2026 | 2025 |
| Balance on January 1 | $ 108,581 | $ 131,474 |
| Recognized in profit or loss (included in other gains and losses) | 7,926 | (10,108) |
| Capital reduction | - | (4,438) |
| Balance on March 31 | $ 116,507 | $ 116,928 |

Financial assets at FVTOCI

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2026 | 2025 |
| Balance on January 1 | $ 1,134,030 | $ 1,635,387 |
| Recognized in other comprehensive income (loss) (included in unrealized valuation gain (loss) on financial assets at FVTOCI) | 386,482 | (251,406) |
| Balance on March 31 | $ 1,520,512 | $ 1,383,981 |

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

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

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

c. Categories of financial instruments

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Financial assets | | | |
| Financial assets at amortized cost (1) | $ 14,301,727 | $ 13,461,738 | $ 13,806,521 |
| Financial assets at FVTPL - Mandatorily classified as at FVTPL | 116,507 | 108,581 | 116,928 |
| Financial assets at FVTOCI | 1,542,252 | 1,153,528 | 1,406,208 |
| Financial liabilities | | | |
| Amortized cost (2) | 9,136,436 | 9,125,684 | 8,709,506 |

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

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

d. Financial risk management objectives and policies

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

Major financing activities of the Group are reviewed by the board of directors based on relevant regulations and the internal control system. The Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

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

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

a) Foreign currency risk

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

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the period are set out in Note 38.

Sensitivity analysis

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

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

| | **USD Impact** | | |
|---|---|---|---|
| | **For the Three Months Ended March 31** | | |
| | **2026** | **2025** | |
| Profit or loss | $ 3,333 | $ 6,971 | i |

| | **VND Impact** | | |
|---|---|---|---|
| | **For the Three Months Ended March 31** | | |
| | **2026** | **2025** | |
| Profit or loss | $ 7,408 | $ 11,040 | ii |

i. This was mainly attributable to the exposure on outstanding foreign monetary items in USD that were not hedged at the end of the period. The Group's sensitivity to foreign currency decreased during the current period mainly due to the decrease in bank deposits in USD.

ii. This was mainly attributable to the exposure on outstanding foreign monetary items in VND that were not hedged at the end of the period. The Group's sensitivity to foreign currency decreased during the current period mainly due to the decrease in bank deposits and time deposits in VND.

b) Interest rate risk

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

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

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Fair value interest rate risk | | | |
| Financial assets | $ 3,246,542 | $ 3,288,126 | $ 4,021,874 |
| Financial liabilities | 2,515,264 | 2,452,273 | 2,455,098 |
| Cash flow interest rate risk | | | |
| Financial assets | 5,263,200 | 4,533,626 | 4,186,712 |
| Financial liabilities | 3,733,342 | 3,749,005 | 3,558,249 |

Sensitivity analysis

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

If interest rates had been 0.25% higher/lower and all other variables were held constant, the Group's pre-tax profit for the three months ended March 31, 2026 and 2025 would decreased/increased by $2,333 thousand and $2,224 thousand, respectively, which was mainly a result of floating rate borrowings.

c) Other price risk

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

Sensitivity analysis

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

If the equity price increased/decreased by 3%, the profit or loss before tax for the three months ended March 31, 2026 and 2025 increased/decreased by $3,495 thousand and $3,508 thousand, respectively, due to increases/decreases of the fair value of the financial assets measured at fair value through profit or loss. Other comprehensive income before tax for the three months ended March 31, 2026 and 2025 increased/decreased by $46,268 thousand and $42,186 thousand, respectively, due to the fair value of the financial assets measured at fair value through other comprehensive income.

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

2) Credit risk

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

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

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

3) Liquidity risk

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

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

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

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

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

March 31, 2026

| | **Less than 1 Year** | **1-5 Years** | **Over 5 Years** |
|---|---|---|---|
| Non-derivative financial liabilities | | | |
| Non-interest bearing liabilities | $ 5,906,618 | $ 1,415 | $ - |
| Lease liabilities | 113,004 | 297,946 | 322,599 |
| Fixed interest rate liabilities | 1,686,613 | 232,439 | - |
| Floating interest rate liabilities | 1,137,791 | 2,574,172 | 143,944 |
| | $ 8,844,026 | $ 3,105,972 | $ 466,543 |

Additional information about the maturity analysis for lease liabilities:

| | **Less than 1 Year** | **1-5 Years** | **6-10 Years** | **11-20 Years** | **Over 21 Years** |
|---|---|---|---|---|---|
| Lease liabilities | $ 113,004 | $ 297,946 | $ 196,101 | $ 37,024 | $ 89,474 |

December 31, 2025

| | Less than 1 Year | 1-5 Years | Over 5 Years |
|---|---|---|---|
| Non-derivative financial liabilities | | | |
| Non-interest bearing liabilities | $ 3,713,562 | $ 1,398 | $ - |
| Lease liabilities | 107,736 | 289,301 | 330,555 |
| Fixed interest rate liabilities | 1,663,244 | 197,142 | - |
| Floating interest rate liabilities | 1,078,764 | 2,629,174 | 160,328 |
| | $ 6,563,306 | $ 3,117,015 | $ 490,883 |

Additional information about the maturity analysis for lease liabilities:

| | Less than 1 Year | 1-5 Years | 6-10 Years | 11-20 Years | Over 21 Years |
|---|---|---|---|---|---|
| Lease liabilities | $ 107,736 | $ 289,301 | $ 203,131 | $ 37,024 | $ 90,400 |

March 31, 2025

| | Less than 1 Year | 1-5 Years | Over 5 Years |
|---|---|---|---|
| Non-derivative financial liabilities | | | |
| Non-interest bearing liabilities | $ 5,908,345 | $ 2,125 | $ - |
| Lease liabilities | 143,563 | 325,199 | 370,597 |
| Fixed interest rate liabilities | 1,630,660 | 129,875 | - |
| Floating interest rate liabilities | 1,425,409 | 2,054,132 | 201,218 |
| | $ 9,107,977 | $ 2,511,331 | $ 571,815 |

Additional information about the maturity analysis for lease liabilities:

| | Less than 1 Year | 1-5 Years | 6-10 Years | 11-20 Years | Over 21 Years |
|---|---|---|---|---|---|
| Lease liabilities | $ 143,563 | $ 325,199 | $ 237,707 | $ 39,714 | $ 93,176 |

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

b) Financing facilities

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Unsecured bank loan facilities, reviewed annually and payable on demand: | | | |
| Amount used | $ 5,520,017 | $ 5,446,475 | $ 5,133,405 |
| Amount unused | 12,791,803 | 11,868,339 | 8,899,379 |
| | $ 18,311,820 | $ 17,314,814 | $ 14,032,784 |
| Secured bank loan facilities: | | | |
| Amount used | $ 290,686 | $ 298,298 | $ 355,879 |
| Amount unused | 107,894 | 108,430 | 81,637 |
| | $ 398,580 | $ 406,728 | $ 437,516 |

## 35. TRANSACTIONS WITH RELATED PARTIES

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

a. Related party name and category

| Related Party Name | Related Party Category |
|---|---|
| Pou Chen Corporation and Subsidiaries | Investors with significant influence |
| Opulence Optronics Co., Ltd. | Other related party |
| Apogee Optocom Co., Ltd. | Other related party |
| Shenglin Investment Co., Ltd. | Other related party |
| Kang Ming Senior High School, Tainan | Other related party |
| Nan Pao Resins Private Welfare Charity Foundation | Other related party |
| Perfect & Outstanding Technology Inc. | Associate |
| Contact BioSolutions (Thailand) Co., Ltd. | Associate |
| Advanced Pao Trusval Technology Co., Ltd | Associate |

b. Sales of goods

| Related Party Category | For the Three Months Ended March 31 2026 | 2025 |
|---|---|---|
| Investors with significant influence | $ 350,646 | $ 388,121 |
| Other related party | 69 | 11 |
| Associate | 968 | - |
| | $ 351,683 | $ 388,132 |

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

c. Receivables from related parties

| Line Item | Related Party Category | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|---|
| Accounts receivable - related parties | Investors with significant influence | $ 371,815 | $ 414,020 | $ 440,069 |
| | Other related party | 5 | 7 | - |
| | Associate | 8,073 | - | - |
| | | $ 379,893 | $ 414,027 | $ 440,069 |

The outstanding accounts receivable from related parties are unsecured.

d. Payables to related parties

| Line Item | Related Party Category | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|---|
| Other payables | Investors with significant influence | $ 137 | $ 132 | $ 137 |
| | Other related party | 4,500 | 505 | - |
| | Associate | 262 | 262 | - |
| | | $ 4,899 | $ 899 | $ 137 |

The outstanding accounts payable to related parties are unsecured.

e. Refund liabilities

| Line Item | Related Party Category | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|---|
| Refund liabilities (included in other current liabilities) | Investors with significant influence | $ 48,195 | $ 48,331 | $ 72,407 |

f. Lease arrangements - the Group is lessee

| Line Item | Related Party Category | For the Three Months End March 31 | |
|---|---|---|---|
| | | 2026 | 2025 |
| Lease expense | Other related party | $ 457 | $ 457 |

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

g. Remuneration of key management personnel

| | For the Three Months End March 31 | |
|---|---|---|
| | 2026 | 2025 |
| Short-term employee benefits | $ 23,606 | $ 25,951 |
| Post-employment benefits | 392 | 1,935 |
| | $ 23,998 | $ 27,886 |

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

## 36. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Property, plant and equipment, net | $ 614,486 | $ 618,953 | $ 634,578 |
| Pledged deposits (classified as financial assets at amortized cost) | 24,855 | 37,383 | 36,986 |
| Right-of-use assets | 4,210 | 4,172 | 4,625 |
| | $ 643,551 | $ 660,508 | $ 676,189 |

## 37. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant contingencies and unrecognized commitments of the Group as of March 31, 2026, December 31, 2025 and March 31, 2025 were as follows:

a. As of March 31, 2026, December 31, 2025 and March 31, 2025, unused letters of credit for purchases of raw materials and machinery and equipment amounted to approximately $155,865 thousand, $131,571 thousand and $163,151 thousand, respectively.

b. Unrecognized commitments were as follows:

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Acquisition of property, plant and equipment | $ 481,203 | $ 489,712 | $ 313,957 |
| Acquisition of raw materials | 64,182 | 25,766 | 48,088 |
| | $ 545,385 | $ 515,478 | $ 362,045 |

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

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

(In Thousands of New Taiwan Dollars and Foreign Currencies)

March 31, 2026

| | Foreign Currency | Exchange Rate | Carrying Amount |
|---|---|---|---|
| Financial assets | | | |
| Monetary items | | | |
| USD | $ 61,661 | 31.99 (USD:NTD) | $ 1,972,836 |
| USD | 9,392 | 6.9194 (USD:CNY) | 300,486 |
| USD | 14,569 | 17,019 (USD:IDR) | 466,147 |
| USD | 1,544 | 7.8396 (USD:HKD) | 49,720 |
| VND | 797,077,335 | 0.0000381 (VND:USD) | 971,598 |
| Financial liabilities | | | |
| Monetary items | | | |
| USD | 55,935 | 31.99 (USD:NTD) | 1,789,372 |
| USD | 2,372 | 6.9194 (USD:CNY) | 75,905 |
| USD | 15,771 | 17,019 (USD:IDR) | 504,606 |
| USD | 1,297 | 7.84 (USD:HKD) | 41,505 |
| USD | 1,366 | 4.1024 (USD:MYR) | 44,487 |
| VND | 189,371,812 | 0.0000381 (VND:USD) | 230,846 |

December 31, 2025

| | Foreign Currency | Exchange Rate | Carrying Amount |
|---|---|---|---|
| Financial assets | | | |
| Monetary items | | | |
| USD | $ 62,053 | 31.43 (USD:NTD) | $ 1,950,332 |
| USD | 15,289 | 7.0301 (USD:CNY) | 480,632 |
| USD | 14,271 | 16,718 (USD:IDR) | 448,543 |
| USD | 5,092 | 7.7837 (USD:HKD) | 160,045 |
| VND | 797,842,179 | 0.000038 (VND:USD) | 956,063 |
| Financial liabilities | | | |
| Monetary items | | | |
| USD | 56,631 | 31.43 (USD:NTD) | 1,779,872 |
| USD | 2,275 | 7.029 (USD:CNY) | 71,527 |
| USD | 17,054 | 16,718 (USD:HKD) | 536,020 |
| USD | 4,818 | 7.7836 (USD:IDR) | 151,436 |
| USD | 1,313 | 4.1095 (USD:MYR) | 41,737 |
| VND | 191,363,043 | 0.000038 (VND:USD) | 229,334 |

March 31, 2025

| | Foreign Currency | Exchange Rate | Carrying Amount |
|---|---|---|---|
| Financial assets | | | |
| Monetary items | | | |
| USD | $ 61,798 | 33.21 (USD:NTD) | $ 2,052,016 |
| USD | 16,662 | 7.1782 (USD:CNY) | 553,247 |
| USD | 13,201 | 16,357 (USD:IDR) | 438,333 |
| USD | 5,096 | 7.7801 (USD:HKD) | 169,216 |
| VND | 1,040,406,310 | 0.000039 (VND:USD) | 1,352,786 |

(Continued)

| | Foreign Currency | Exchange Rate | Carrying Amount |
|---|---|---|---|
| Financial liabilities | | | |
| Monetary items | | | |
| USD | $ 55,906 | 33.20 (USD:NTD) | $ 1,856,018 |
| USD | 1,505 | 7.1779 (USD:CNY) | 49,954 |
| USD | 4,669 | 7.7800 (USD:HKD) | 155,047 |
| USD | 11,795 | 16,357 (USD:IDR) | 391,642 |
| USD | 1,879 | 4.4928 (USD:MYR) | 63,046 |
| VND | 191,707,723 | 0.000039 (VND:USD) | 248,833 |

(Concluded)

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

| Functional Currency | For the Three Months Ended March 31, 2026 Exchange Rate | For the Three Months Ended March 31, 2026 Net Foreign Exchange Gains (Losses) | For the Three Months Ended March 31, 2025 Exchange Rate | For the Three Months Ended March 31, 2025 Net Foreign Exchange Gains (Losses) |
|---|---|---|---|---|
| USD | 32.895 (USD:NTD) | $ (3,706) | 32.895 (USD:NTD) | $ (13,040) |
| NTD | 1 (NTD:NTD) | 7,393 | 1 (NTD:NTD) | 9,018 |
| CNY | 4.512 (CNY:NTD) | (12,418) | 4.512 (CNY:NTD) | 2,312 |
| AUD | 20.64 (AUD:NTD) | 2,591 | 20.64 (AUD:NTD) | (3,422) |
| IDR | 0.0020 (IDR:NTD) | (987) | 0.00202 (IDR:NTD) | (284) |
| VND | 0.00129 (VND:NTD) | 816 | 0.001295 (VND:NTD) | 2,642 |
| Others | | 214 | | 1,081 |
| | | $ (6,097) | | $ (1,693) |

## 39. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

1) Financing provided to others (Table 1)

2) Endorsements/guarantees provided (Table 2)

3) Significant marketable securities held (excluding investments in subsidiaries and associates) (Table 3)

4) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 4)

5) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 5)

6) Intercompany relationships and significant intercompany transactions (Table 9)

b. Information on investees (Table 6)

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 7)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 5, 8 and 9):

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period

c) The amount of property transactions and the amount of the resultant gains or losses

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes

e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds

f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services

## 40. SEGMENT INFORMATION

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

Segment revenue and results

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

| | Taiwan | Mainland China | Vietnam | Australia | Other Regions | Adjustments and Write-off | Total |
|---|---|---|---|---|---|---|---|
| For the three months ended March 31, 2026 | | | | | | | |
| Revenue | | | | | | | |
| Revenue from external customers | $ 1,210,981 | $ 1,408,545 | $ 1,618,575 | $ 936,264 | $ 662,074 | $ - | $ 5,836,439 |
| Inter-segment revenue | 1,052,946 | 246,320 | 104,280 | 4,402 | 7,218 | (1,415,166) | - |
| Total revenue | $ 2,263,927 | $ 1,654,865 | $ 1,722,855 | $ 940,666 | $ 669,292 | $ (1,415,166) | $ 5,836,439 |
| Segment income | $ 514,594 | $ 98,803 | $ 235,399 | $ 71,628 | $ 68,153 | $ 40,557 | $ 1,029,134 |
| Interest income | | | | | | | 30,664 |
| Other income | | | | | | | 129,979 |
| Other gains and losses | | | | | | | 1,305 |
| Finance costs | | | | | | | (35,649) |
| Share of loss of associates accounted for using the equity method | | | | | | | (17,611) |
| Profit before tax | | | | | | | $ 1,137,822 |
| For the three months ended March 31, 2025 | | | | | | | |
| Revenue | | | | | | | |
| Revenue from external customers | $ 1,034,344 | $ 1,495,436 | $ 1,537,991 | $ 792,332 | $ 694,372 | $ - | $ 5,554,475 |
| Inter-segment revenue | 965,932 | 236,581 | 216,582 | 2,234 | 5,848 | (1,427,177) | - |
| Total revenue | $ 2,000,276 | $ 1,732,017 | $ 1,754,573 | $ 794,566 | $ 700,220 | $ (1,427,177) | $ 5,554,475 |
| Segment income | $ 411,136 | $ 95,785 | $ 211,265 | $ 49,063 | $ 95,383 | $ 47,548 | $ 910,180 |
| Interest income | | | | | | | 40,205 |
| Other income | | | | | | | 128,601 |
| Other gains and losses | | | | | | | (20,636) |
| Finance costs | | | | | | | (37,318) |
| Share of loss of associates accounted for using the equity method | | | | | | | (8,099) |
| Profit before tax | | | | | | | $ 1,012,933 |

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

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

**TABLE 1**

# NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

**FINANCING PROVIDED TO OTHERS**
**FOR THE THREE MONTHS ENDED MARCH 31, 2026**
**(In Thousands of New Taiwan Dollars)**

| No. | Lender | Borrower | Financial Statement Account | Related Party | Highest Balance for the period | Ending Balance | Actual Amount Borrowed | Interest Rate(%) | Nature of Financing | Business Transaction Amount | Reasons for Short-term Financing | Allowance for Impairment Loss | Collateral | | Financing Limit for Each Borrower (Note 4) | Aggregate Financing Limit (Note 4) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | Item | Value | | |
| 1 | Nan Pao Group Holdings Ltd. | Nan Pao Resins Chemical Co., Ltd. | Other receivables from related party | Yes | $ 671,895 | $ 671,895 | $ 671,895 | - | Demand of short-term financing | $ - | Operating capital | $ - | None | $ - | $ 7,187,700 | $ 7,187,700 |
| 2 | Nan Pao Overseas Holdings Ltd. | Nan Pao Resins Chemical Co., Ltd. | Other receivables from related party | Yes | 927,855 | 927,855 | 927,855 | - | Demand of short-term financing | - | Operating capital | - | None | - | 8,177,682 | 8,177,682 |

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

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

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

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

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

**TABLE 2**

## NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

**ENDORSEMENTS/GUARANTEES PROVIDED**
**FOR THE THREE MONTHS ENDED MARCH 31, 2026**
**(In Thousands of New Taiwan Dollars)**

| No. | Endorser/Guarantor | Endorsee/Guarantee | | Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Notes 2 & 3) | Maximum Amount Endorsed/ Guaranteed During the Period | Outstanding Endorsement/ Guarantee at the End of the Period | Actual Amount Borrowed | Amount Endorsed/ Guaranteed by Collateral | Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%) | Aggregate Endorsement/ Guarantee Limit (Notes 2 & 3) | Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries | Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent | Endorsement/ Guarantee Given on Behalf of Companies in Mainland China |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Name | Relationship (Note 1) | | | | | | | | | | |
| 0 | Nan Pao Resins Chemical Co., Ltd. | Nan Pao Philippines Export Inc. | 2 | $ 2,609,525 | $ 15,998 | $ 15,998 | $ - | $ - | 0.12 | $ 6,523,812 | Y | N | N |
| | | Nan Pao Resins Chemical Philippines, Inc. | 2 | 2,609,525 | 31,995 | 31,995 | - | - | 0.25 | 6,523,812 | Y | N | N |
| | | Nan Pao Group Holdings Ltd. | 2 | 2,609,525 | 31,995 | 31,995 | - | - | 0.25 | 6,523,812 | Y | N | N |
| | | RLA Polymers Pty Ltd | 2 | 2,609,525 | 44,460 | 43,920 | 37,772 | - | 0.34 | 6,523,812 | Y | N | N |

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

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

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

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

**TABLE 3**

## NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

**SIGNIFICANT MARKETABLE SECURITIES HELD**
**MARCH 31, 2026**
**(In Thousands of New Taiwan Dollars)**

| Holding Company Name | Type and Name of Marketable Securities | Relationship with the Holding Company | Financial Statement Account | March 31, 2026 | | | | Note |
|---|---|---|---|---|---|---|---|---|
| | | | | Number of Shares | Carrying Amount | Percentage of Ownership (%) | Fair Value | |
| Nan Pao Resins Chemical Co., Ltd. | CDIB -Innolux Limited Partnership | None | Financial assets at fair value through profit or loss - non-current | - | $ 116,507 | 9 | $ 116,507 | |
| Nan Pao Resins Chemical Co., Ltd. | Dairen Chemical Corp. - publicly owned company | None | Financial assets at fair value through other comprehensive income - non-current | 10,424,970 | $ 1,518,679 | 2 | $ 1,518,679 | |
| | Hua Chi Venture Capital Co., Ltd. - privately-issued equity | 〃 | 〃 | 7,895 | 1,025 | 1 | 1,025 | |
| | Opulence Optronics Co., Ltd. - privately-issued equity | 〃 | 〃 | 877,208 | 808 | 8 | 808 | |
| | Revivegen Co., Ltd. - emerging stock | 〃 | 〃 | 649,921 | 21,740 | 1 | 21,740 | |
| | | | | | $ 1,542,252 | | $ 1,542,252 | |

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

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

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

# NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL**
**FOR THE THREE MONTHS ENDED MARCH 31, 2026**
**(In Thousands of New Taiwan Dollars)**

| Company Name | Related Party | Relationship | Transaction Details | | | | Abnormal Transaction | | Notes/Accounts Receivable (Payable) | | Note |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Purchases/ Sales | Amount (Note) | % of Total | Payment Terms | Unit Price | Payment Terms | Ending Balance (Note) | % of Total | |
| Nan Pao Resins Chemical Co., Ltd. | PT. Indo Nan Pao Resins Chemical Co., Ltd. | Subsidiary | Sales | $ 186,042 | 11 | Payment within 90 days | Similar to general transactions | Similar to general transactions | $ 357,865 | 17 | |
| | Nan Pao Resins (Vietnam) Enterprise Ltd. | Subsidiary | Sales | 467,524 | 28 | Payment within 90 days | Similar to general transactions | Similar to general transactions | 868,028 | 41 | |
| PT. Indo Nan Pao Resins Chemical Co., Ltd. | Pou Chen Corporation and Subsidiaries | Investors with significant influence | Sales | 144,139 | 29 | Telegraphic transfer within 90 days | Similar to general transactions | Similar to general transactions | 215,520 | 38 | |

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

## NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL**
**MARCH 31, 2026**
**(In Thousands of New Taiwan Dollars)**

| Company Name | Related Party | Relationship | Ending Balance (Note 2) | Turnover Rate | Overdue | | Amount Received in Subsequent Period | Allowance for Impairment Loss |
|---|---|---|---|---|---|---|---|---|
| | | | | | Amount | Actions Taken | | |
| Nan Pao Resins Chemical Co., Ltd. | Nan Pao Resins (Vietnam) Enterprise Ltd. | Subsidiary | $ 868,028 | 2.2 | $ - | Not applicable | $ 102,208 | $ - |
| | PT. Indo Nan Pao Resins Chemical Co., Ltd. | Subsidiary | 357,865 | 2.08 | - | Not applicable | 90,198 | - |
| PT. Indo Nan Pao Resins Chemical Co., Ltd. | Pou Chen Corporation and Subsidiaries | Investors with significant influence | 215,520 | 2.66 | - | Not applicable | 51,960 | 149 |
| Nan Pao Group Holdings Ltd. | Nan Pao Resins Chemical Co., Ltd. | Parent Company | 671,895 | (Note 1) | - | Not applicable | - | - |
| Nan Pao Overseas Holdings Ltd. | Nan Pao Resins Chemical Co., Ltd. | Parent Company | 927,855 | (Note 1) | - | Not applicable | - | - |
| Giant Profit Development Ltd. | Nan Pao Resins (Foshan) Co., Ltd. | Same ultimate Parent Company | 184,958 | (Note 1) | - | Not applicable | - | - |

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

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

## NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

**INFORMATION ON INVESTEES**
**FOR THE THREE MONTHS ENDED MARCH 31, 2026**
**(In Thousands of New Taiwan Dollars, In Dollars of Foreign Currency)**

| Investor Company | Investee Company | Location | Main Businesses and Products | Original Investment Amount | | As of March 31, 2026 | | | Net Income (Loss) of the Investee | Share of Profit (Loss) (Note 1) | Note |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Ending Balance | Beginning Balance | Number of Shares | % | Carrying Amount | | | |
| Nan Pao Resins Chemical Co., Ltd. | Nan Pao Chemical Co., Ltd. | No.519, Zhongshan Rd., Xigang Dist., Tainan City | Trading of chemical substances | $ 300,000 | $ 300,000 | 15,000,000 | 100 | $ 164,590 | $ (477) | $ (477) | |
| | Nan Pao Application Material Co., Ltd. | No.519, Zhongshan Rd., Xigang Dist., Tainan City | Trading of chemical substances | 60,000 | 60,000 | 200,000 | 100 | 8,716 | 10 | 10 | |
| | ITLS International Development Co., Ltd. | 3F, No.356, Sec.1, NeiHu Rd., NeiHu Dist., Taipei | Trading of construction materials and chemical substances | 596,000 | 596,000 | 14,600,000 | 100 | 174,495 | 4,053 | 4,053 | |
| | Prince Pharmaceutical Co., Ltd. | No. 168, Keyun S. Rd., Kendi Vil., Huwei Township. Yunlin County | Manufacturing, packaging, and processing of raw materials for various pharmaceutical and health food | 366,100 | 366,100 | 18,151,198 | 48.52 | 442,259 | 23,874 | 11,584 | |
| | Phymed Bio-Tec Co., Ltd. | No.519, Zhongshan Rd., Xigang Dist., Tainan City | R&D and trading of health food | 34,000 | 34,000 | 2,400,000 | 100 | 4,503 | (590) | (590) | |
| | Biorich Biotechnology Co., Ltd. | 3F, No.356, Sec.1, NeiHu Rd., NeiHu Dist., Taipei | R&D, production, and trading of new high protein business and health food | 64,121 | 64,121 | 391,462 | 57.1 | 27,693 | 1,916 | 1,094 | |
| | Nan Pao Advanced Materials Co., Ltd. | No. 521, Zhongshan Rd., Xigang Dist., Tainan City | Trading of adhesives and chemicals | 3,500 | 3,500 | 350,000 | 70 | 17,277 | 3,019 | 2,113 | |
| | Nan Pao Fine Materials Co., Ltd. | No.217, Xinxing St., Qingan Vil., Xigang Dist., Tainan City | Production and trading of adhesives and chemicals | 13,750 | 13,750 | 1,375,000 | 55 | 40,479 | 10,524 | 3,640 | |
| | Perfect & Outstanding Technology Inc. | No. 31, Gongye 2nd Road, Yantian Village, Annan District, Tainan City | Production and trading of renewable energy | 40,000 | 40,000 | 2,500,000 | 16.7 | 38,249 | (5,037) | (1,408) | |
| | FlexUP Technologies Corp. | No.10, Ln. 99, Nanhai St., Nanhai Vil., Xigang Dist., Tainan City | Trading of chemical substances | 39,863 | 39,863 | 18,880,000 | 100 | 100,525 | 8,503 | 5,330 | |
| | Fuqing Nan Pao Investment Ltd. | Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG 1110, British Virgin Islands. | General investment | 166,699 | 166,699 | 4,990,000 | 100 | 303,576 | 7,534 | 7,534 | |
| | Thai Nan Pao Investment Ltd. | Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG 1110, British Virgin Islands. | General investment | 169,909 | 169,909 | 5,282,000 | 100 | 212,788 | 4,580 | 4,580 | |
| | Nan Pao Resins India Pvt Ltd. | 204, Abhishek, off New Link Road, Andheri (W), Mumbai 400053, India | Trading of adhesives | 159,118 | 159,118 | 22,124,340 | 100 | 50,496 | (6,091) | (6,091) | |
| | Nan Pao Materials Resins India Private Limited | ROOM No.6, FLAT NO.3-D, FRONT BLOCK, 188 P H ROAD, Kilpauk, Perambur Purasawalkam, Chennai-600010, Tamil Nadu, India | Trading of adhesives | 281,744 | 156,237 | 49,967,000 | 100 | 255,471 | (946) | (946) | |
| | Nan Pao Materials Vietnam Co., Ltd. | LotA4, A5, A10, A11 Dai Dang 3 Street, Dai Dang Industrial Park, Binh Duong Ward, Ho Chi Minh City, Vietnam | Production and trading of adhesives and chemicals | 685,094 | 685,094 | - | 100 | 2,128,710 | 94,561 | 113,515 | |
| | Nan Pao Advanced Materials Vietnam Co., Ltd. | Phuc Son Industrial Area, Dong Hoa Lu Ward, Ninh Binh Province, Vietnam | Production and trading of adhesives and chemicals | 465,970 | 465,970 | - | 100 | 1,021,611 | 35,221 | 35,221 | |
| | Nan Pao Overseas Holdings Ltd. | Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG 1110, British Virgin Islands. | General investment | 5,177,196 | 5,066,596 | 16,504 | 100 | 8,028,167 | 107,910 | 108,233 | |
| | Profit Land Limited | Equity Trust Chambers, P.O. Box 3269, Apia, Samoa | General investment | 186,588 | 186,588 | 983,333 | 73.75 | 1,100,775 | 72,818 | 54,256 | Nan Pao Resins Chemical Co., Ltd. and related companies hold 100% of voting shares |
| | All Saints Enterprises Ltd. | Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG 1110, British Virgin Islands. | General investment | 143,375 | 143,375 | 5,452,549 | 54.53 | 169,954 | ( 6,423) | ( 3,502) | Nan Pao Resins Chemical Co., Ltd. and related companies hold 100% of voting shares |
| | Ongoing Profits Ltd. | Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG 1110, British Virgin Islands. | General investment | 46,426 | 46,426 | 1,560,000 | 32.18 | 170,523 | 69,597 | 22,456 | Nan Pao Resins Chemical Co., Ltd. and related companies hold 100% of voting shares |
| | PT. Indo Nan Pao Resins Chemical Co., Ltd. | Jl. Pajajaran Raya No.44, Jatiuwung Tangerang 15137, Indonesia | Production and trading of adhesives | 48,987 | 48,987 | 7,425,000 | 67.5 | 391,705 | 50,941 | 34,385 | |
| | Nan Pao Philippines Export Inc. | Lot IL-2 Subic Bay Gateway Park Phase II, Subic Bay Freeport Zone | Trading of adhesives | 14,993 | 14,993 | 25,750,000 | 100 | 25,241 | 1,334 | 1,334 | |
| | Nan Pao Resins Chemical (Bangladesh) Co., Ltd. | House No, 42 5th floors, Lake drive Road, Sector 7, Ulttara, Dhaka | Trading of adhesives | 25,894 | 25,894 | 930,045 | 100 | 2,670 | (2,060) | (2,060) | |

(Continued)

| Investor Company | Investee Company | Location | Main Businesses and Products | Original Investment Amount | | As of March 31, 2026 | | | Net Income (Loss) of the Investee | Share of Profit (Loss) (Note 1) | Note |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Ending Balance | Beginning Balance | Number of Shares | % | Carrying Amount | | | |
| | Earnest Wealth Co., Ltd. | Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa | General investment | $ 42,958 | $ 42,958 | 920,000 | 51.11 | $ 50,382 | $ 2,144 | $ 1,096 | |
| | Nan Pao Resins International Ltd. | Room 13, 10th Floor, Block B, Tonic Industrial Centre, 19 Lam Hing Street, Kowloon Bay, Kowloon, Hong Kong | Trading of chemical substances and related products | 6,804 | 6,804 | 1,000 | 100 | 8,752 | (2,989) | (2,989) | |
| | Nan Pao Resins (HK) Ltd. | Room 13, 10th Floor, Block B, Tonic Industrial Centre, 19 Lam Hing Street, Kowloon Bay, Kowloon, Hong Kong | Production and trading of adhesives | 363,753 | 363,753 | 13,400,000 | 100 | 400,428 | (3,581) | 9,584 | |
| | Yun Teh Industrial Co., Ltd. | No. 131, Dafa Rd., Rende Dist., Tainan City | Production and trading of curing agents resin | 399,000 | 399,000 | 3,220,000 | 70 | 412,719 | 15,418 | 6,501 | |
| | Spark Foamtech Enterprise Company Limited | Factory Lot D8, Street No. 10, Expanded Thuan Dao Industrial Park, Long Dinh Commune, Can Duoc District, Long An Province, Vietnam | Production and trading of footwear materials | 83,512 | 83,512 | - | 75 | 44,104 | (18,919) | (15,424) | |
| | Contact Biosolutions Pty Ltd. | Suite 43, 45 Riversdale Roads, Hawthorn Victoria 3122 Australia | Production and trading of herbicides | 278,670 | 233,590 | 4,805 | 42.83 | 51,724 | (36,601) | (14,601) | |
| | Advanced Pao Trusval Technology Co., Ltd | No. 185, Kewang Road, Longtan District, Taoyuan City, Taiwan (R.O.C.). | Manufacturing and trading of adhesive tapes. | 125,800 | 125,800 | 12,580,000 | 25.37 | 124,163 | (6,269) | (1,602) | |
| ITLS International Development Co., Ltd. | ITLS Holding Pte. Ltd. | 8 Boon Lay Way, #09-14, 8 @ Tradehub 21, Singapore 609964 | General investment | 418,742 | 418,742 | 18,564,549 | 100 | 23,905 | 148 | | |
| Fuqing Nan Pao Investment Ltd. | Wealth Castle Development Ltd. | Room 13, 10th Floor, Block B, Tonic Industrial Centre, 19 Lam Hing Street, Kowloon Bay, Kowloon, Hong Kong | General investment | 145,897 (USD 4,560,000) | 145,897 (USD 4,560,000) | 10,000 | 100 | 303,344 | 7,534 | | |
| Thai Nan Pao Investment Ltd. | Thai Nanpao Resins Chemical Co., Ltd. | 412 Kor Soi, 1cBangpoo Industrial Tumbon Preaksa Ampur Muang Samutprakarn 10280, Thailand | Production and trading of adhesives | 178,494 (USD 5,578,821) | 178,494 (USD 5,578,821) | 21,197,000 | 100 | 155,958 | 4,047 | | |
| Earnest Wealth Co., Ltd. | Apex Polytech Co., Ltd. | Lot No. T29-15A, Street 7, Protrade International Industrial Park, Tay Nam Ward, Ho Chi Minh City, Vietnam | Production and trading of adhesives | 68,789 (USD 2,150,000) | 68,789 (USD 2,150,000) | - | 100 | 65,094 | 2,248 | | |
| Nan Pao Overseas Holdings Ltd. | Nan Pao Group Holdings Ltd. | Vistra (Cayman) Limited P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KYI-1205 Cayman Islands | General investment | 4,320,452 (USD 135,035,234) | 4,208,470 (USD 131,535,234) | 135,035,234 | 100 | 7,187,700 | 107,357 | | |
| ITLS Holding Pte. Ltd. | PT. ITLS Indonesia | Jl. Pajajaran Raya No. 44, Kel. Gandasari, Kec. Jatiuwung, Tangerang-15137 Indonesia | Production and trading of construction materials | 80,999 (USD 2,531,620) | 80,999 (USD 2,531,620) | 2,507,109 | 100 | 16,073 | 53 | | |
| Nan Pao Group Holdings Ltd. | Greatwill Materials (HK) Ltd. | Room 13, 10th Floor, Block B, Tonic Industrial Centre, 19 Lam Hing Street, Kowloon Bay, Kowloon, Hong Kong | General investment | 40,314 (USD 1,260,000) | 40,314 (USD 1,260,000) | 7,172 | 100 | 739,039 | 32,688 | | |
| | Profit Land Limited | Equity Trust Chambers, P.O. Box 3269, Apia, Samoa | General investment | 60,395 (USD 1,887,627) | 60,395 (USD 1,887,627) | 350,000 | 26.25 | 396,600 | 72,818 | | Nan Pao Resins Chemical Co., Ltd. and related companies hold 100% of voting shares |
| | Nan Pao Resins (Holdings) Ltd. | P.O.Box 71, Craigmuir Chambers, Road Town, Tortola, British Virgin Islands | General investment | 673,625 (USD 21,054,073) | 673,625 (USD 21,054,073) | 10,000 | 100 | 454,553 | 2,592 | | |
| | All Saints Enterprises Ltd. | Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG 1110, British Virgin Islands. | General investment | 170,632 (USD 5,333,075) | 170,632 (USD 5,333,075) | 4,547,451 | 45.47 | 141,716 | (6,423) | | Nan Pao Resins Chemical Co., Ltd. and related companies hold 100% of voting shares |
| | NP Australia Pty Ltd | 215 Colchester Road Kilsyth. VIC 3137 | General investment | 663,492 (AUD 30,214,354) | 663,492 (AUD 30,214,354) | 30,214,354 | 100 | 1,327,340 | 52,691 | | |
| | Ongoing Profits Ltd. | Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG 1110, British Virgin Islands. | General investment | 122,759 (USD 3,836,817) | 122,759 (USD 3,836,817) | 3,287,546 | 67.82 | 496,291 | 69,597 | | Nan Pao Resins Chemical Co., Ltd. and related companies hold 100% of voting shares |
| | Treasure Wealth (HK) Ltd. | Room 13, 10th Floor, Block B, Tonic Industrial Centre, 19 Lam Hing Street, Kowloon Bay, Kowloon, Hong Kong | General investment | 147,497 (USD 4,610,000) | 147,497 (USD 4,610,000) | 4,610 | 100 | 161,399 | 1,834 | | |
| | Goldford Investments Ltd. | Creque Building, P.O. Box 116, Road Town, Tortola, British Virgin Islands | General investment | 18,712 (USD 584,844) | 18,712 (USD 584,844) | 486,000 | 100 | 166,148 | 1,481 | | |

(Continued)

| Investor Company | Investee Company | Location | Main Businesses and Products | Original Investment Amount | | As of March 31, 2026 | | | Net Income (Loss) of the Investee | Share of Profit (Loss) (Note 1) | Note |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Ending Balance | Beginning Balance | Number of Shares | % | Carrying Amount | | | |
| | Nan Pao Resins Chemical Philippines, Inc. | Road 22 Phase 11, Cogeo Village, Antipolo City, Philippines | Trading of adhesives | $ 6,719 (USD 210,000) | $ 6,719 (USD 210,000) | 9,000 | 100 | $ 106,185 | $ 2,488 | | |
| Profit Land Limited | Giant Profit Development Ltd. | Room 13, 10th Floor, Block B, Tonic Industrial Centre, 19 Lam Hing Street, Kowloon Bay, Kowloon, Hong Kong | General investment | 255,960 (USD 8,000,000) | 255,960 (USD 8,000,000) | 10,000 | 100 | 1,355,898 | 72,682 | | |
| Nan Pao Resins (Holdings) Ltd. | Eastlion Enterprises Ltd. | P.O.Box 71, Craigmuir Chambers, Road Town, Tortola, British Virgin Islands | General investment | 177,255 (USD 5,540,100) | 177,255 (USD 5,540,100) | 20,240 | 100 | 226,443 | (566) | | |
| | Nan Pao Resins Development Ltd. | P.O.Box 71, Craigmuir Chambers, Road Town, Tortola, British Virgin Islands | General investment | 95,985 (USD 3,000,000) | 95,985 (USD 3,000,000) | 3,000 | 100 | 219,790 | 3,100 | | |
| All Saints Enterprises Ltd. | Great Mount Enterprises Ltd. | Unit 2102, 21/F The Broadway, No., 54-62 Lockhart, Road, Wanchai, Hong Kong | General investment | 319,950 (USD 10,000,000) | 319,950 (USD 10,000,000) | 10,000 | 100 | 307,219 | (6,459) | | |
| NP Australia Pty Ltd | RLA Polymers Pty Ltd | 215 Colchester Road Kilsyth. VIC 3137 | Production and trading of construction materials and chemical substances | 468,492 (AUD 21,334,344) | 468,492 (AUD 21,334,344) | 16,552,080 | 100 | 1,202,900 | 52,691 | | |
| Ongoing Profits Ltd. | Rising Sun Associates Ltd. | Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG 1110, British Virgin Islands. | General investment | 155,097 (USD 4,847,546) | 155,097 (USD 4,847,546) | 3,000,000 | 100 | 730,450 | 69,587 | | |
| Treasure Wealth (HK) Ltd. | Noroo-Nan Pao Paints & Coatings (Vietnam) Co., Ltd. | Kcn Nhon Trach II, Xa Nhon Trach, Tinh Dong Nai, Vietnam | Production and trading of coatings | 146,857 (USD 4,590,000) | 146,857 (USD 4,590,000) | - | 50 | 160,313 | 3,800 | | |
| Rising Sun Associates Ltd. | Nan Pao Resins (Vietnam) Enterprise Ltd. | 10 Thong Nhat Boulevard, Song Than 2 Industrial Di An Ward, Ho Chi Minh City, Vietnam | Production and trading of adhesives | 109,046 (USD 3,408,217) | 109,046 (USD 3,408,217) | - | 100 | 725,116 | 69,565 | | |
| RLA Polymers Pty Ltd | RLA Polymers (M) SDN BHD | No.2A & 2B, Jalan Canang Emas 7/KS10, Telok Gong, 42000 Pelabuhan Klang, Selangor D.E, Malaysia | Production and trading of construction materials and chemical substances | 131,138 (AUD 5,971,801) | 131,138 (AUD 5,971,801) | 18,415,500 | 100 | 261,942 | 3,985 | | |
| | Australasian Tiling Adhesives Pty Ltd | 3 Progress Court Laverton North VIC 3026 | Production and trading of construction materials and chemical substances | 98,818 (AUD 4,500,000) | 98,818 (AUD 4,500,000) | 4,500,000 | 100 | 125,195 | 6,054 | | |
| Changshu Yu Bo Polymer Materials Co., Ltd. | Yu Po Chemical Co., Ltd. | No.519, Zhongshan Rd., Xigang Dist, Tainan City | Production and trading of adhesives and chemicals | 18,496 (RMB 4,000,000) | 18,496 (RMB 4,000,000) | 5,000 | 100 | 19,083 | (10) | | |

(Concluded)

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

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

**TABLE 7**

# NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA**
**FOR THE THREE MONTHS ENDED MARCH 31, 2026**
**(In Thousands of New Taiwan Dollars, In Dollars of Foreign Currency)**

| Investee Company | Main Businesses and Products | Paid-in Capital (Note 4) | Method of Investment (Note 1) | Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2026 (Note 4) | Remittance of Funds | | Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2026 (Note 4) | Net Income (Loss) of the Investee | % Ownership of Direct or Indirect Investment | Investment Gain (Loss) (Note 2) | Carrying Amount as of March 31, 2026 | Accumulated Repatriation of Investment Income as of March 31, 2026 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Outward | Inward | | | | | | |
| Nan Pao Resins (China) Co., Ltd. | Production and trading of adhesives and coatings | $ 319,950 (USD 10,000,000) | (2) Great Mount Enterprises Ltd. | $ 345,224 (USD 10,789,932) | $ - | $ - | $ 345,224 (USD 10,789,932) | $ (6,459) | 100 | $ (6,459) (2)B. | $ 307,153 | $ - |
| Fuqing Nan Pao Resins Co., Ltd. | Production and trading of adhesives | 145,897 (USD 4,560,000) | (2) Wealth Castle Development Ltd. | 159,655 (USD 4,990,000) | - | - | 159,655 (USD 4,990,000) | 7,558 | 100 | 7,558 (2)B. | 302,887 | 222,197 |
| Nan Pao Resins (Dongguan) Co., Ltd. | Processing of adhesive products | 86,387 (USD 2,700,000) | (2) Eastlion Enterprises Ltd. | 81,327 (USD 2,541,860) | - | - | 81,327 (USD 2,541,860) | (24) | 100 | (24) (2)B. | 183,974 | - |
| Dongguan Jiaqin Electronics Co., Ltd. | Production and trading of coatings and advanced resins | 95,985 (USD 3,000,000) | (2) Nan Pao Resins Development Ltd. | 98,055 (USD 3,064,683) | - | - | 98,055 (USD 3,064,683) | 3,100 | 100 | 3,100 (2)B. | 219,773 | - |
| Foshan Nan Pao Advanced Materials Co., Ltd. | Production and trading of adhesives | 110,975 (RMB 24,000,000) | (2) Greatwill Materials (HK) Ltd. and Nan Pao Resins (Foshan) Co., Ltd. | - | - | - | - | 55,324 | 60.47 | 33,455 (2)B. | 652,843 | 49,616 |
| Nan Pao Resins (Foshan) Co., Ltd. | Production and trading of adhesives | 255,960 (USD 8,000,000) | (2) Giant Profit Development Ltd. | 249,165 (USD 7,787,627) | - | - | 249,165 (USD 7,787,627) | 72,676 | 100 | 72,676 (2)B. | 1,169,870 | 1,365,114 |
| Gangyi Electronic (Dongguan) Co., Ltd. (Note 5) | Production and trading of magnetic covers, magnetic rings, iron cores and electronic components | - | (2) Qang Yi Electronic Factory Company Ltd. | 12,797 (USD 400,000) | - | - | 12,797 (USD 400,000) | - | - | - | - | - |
| Nan Pao Advanced Investment Co., Ltd. | General investment | 1,807,037 (USD 56,478,733) | (2) Nan Pao Group Holdings Ltd. | 1,695,055 (USD 52,978,733) | 111,982 (USD 3,500,000) | - | 1,807,037 (USD 56,478,733) | (56,130) | 100 | (56,130) (2)B. | 1,178,073 | - |
| Nan Pao (Kunshan) Electronic Commerce Co., Ltd. | Online business agency and general merchandise trading | 47,993 (USD 1,500,000) | (3) Nan Pao Advanced Investment Co., Ltd. | - | - | - | - | (39) | 100 | (39) (2)B. | 5,525 | - |
| Nan Pao New Materials Technology (Huaian) Co., Ltd. | Production and trading of carbon fiber | 828,736 (USD 25,902,037) | (3) Nan Pao Advanced Investment Co., Ltd. | - | - | - | - | (47,025) | 94.21 | (44,047) (2)B. | 367,387 | - |
| Nan Pao Optoelectronic Materials (Kunshan) Co., Ltd. | Production and trading of adhesives and chemical substances | 25,596 (USD 800,000) | (3) Nan Pao Advanced Investment Co., Ltd. | - | - | - | - | (929) | 100 | (929) (2)B. | 6,491 | - |
| Nan Pao Fine Chemical Materials (Anhui) Co., Ltd. | Production and trading of coatings and chemical substances | 466,272 (USD 14,573,267) | (3) Nan Pao Advanced Investment Co., Ltd. | - | - | - | - | (1,283) | 92.11 | (1,182) (2)B. | 430,340 | - |
| Changshu Yu Bo Polymer Materials Co., Ltd. | Production and trading of adhesives and chemical substances | 207,968 (USD 6,500,000) | (3) Nan Pao Advanced Investment Co., Ltd. | - | - | - | - | 912 | 70 | (6,888) (2)B. | 385,849 | - |

| Accumulated Outward Remittance for Investments in Mainland China as of March 31, 2026 (Note 4) | Investment Amount Authorized by the Investment Commission, MOEA (Note 4) | Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA (Note 3) |
|---|---|---|
| $ 2,753,260 (USD 86,052,835) | $ 4,679,190 (USD 146,247,525) | $ 8,827,483 |

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

(1) Direct investment in mainland China.

(2) Investment in mainland China through companies in a third region (please specify investee company in third region).

(3) Other methods.

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

(1) If the Company is still in the preparation stage, and there is still no investment gain or loss, it should be disclosed.

(2) The basis for recognition of investment gain (loss) which falls under the following 3 categories should be disclosed:

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

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

C. Others.

Note 3: The Company's investment limit in mainland China is calculated as follows:
$14,712,472×60%＝$8,827,483

Note 4: Relevant amounts are calculated based on the exchange rate of USD$1 = NT$31.995 at the end of the period.
Relevant amounts are calculated based on the exchange rate of CNY 1 = NT$4.6240 at the end of the period.

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

# NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

**SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES**
**FOR THE THREE MONTHS ENDED MARCH 31, 2026**
**(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

| Company Name | Counterparty | Relationship | Transaction Details | | | | Abnormal Transaction | | Notes/Accounts Receivable (Payable) | | Unrealized Gain (Note) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Purchases/Sales | Amount (Note) | % to Total | Payment Terms | Unit Price | Payment Terms | Ending Balance (Note) | % to Total | |
| Nan Pao Resins Chemical Co., Ltd. | Nan Pao Resins (Foshan) Co., Ltd. | Subsidiary | Sales | $ (52,680) | (3) | Payment within 90 days | Similar to general transactions | Similar to general transactions | $ 47,823 | 2 | $ 14,038 |
| | Dongguan Jiaqin Electronics Co., Ltd. | Subsidiary | Sales | (19,097) | (1) | Payment within 90 days | Similar to general transactions | Similar to general transactions | 19,421 | 1 | 5,919 |
| Foshan Nan Pao Advanced Materials Co., Ltd. | Nan Pao Resins (Foshan) Co., Ltd. | Same ultimate Parent Company | Sales | (12,454) | (2) | Payment within 90 days | Similar to general transactions | Similar to general transactions | 14,299 | 2 | - |
| Nan Pao Resins (Dongguan) Co., Ltd. | Nan Pao Resins (HK) Ltd. | Same ultimate Parent Company | Processing Revenue | (72,550) | (100) | Payment within 90 days | No comparable product sales for comparison | No third-party transaction for comparison | 73,714 | 100 | - |
| Nan Pao Resins (Foshan) Co., Ltd. | Fuqing Nan Pao Resins Co., Ltd. | Same ultimate Parent Company | Sales | (19,018) | (4) | Payment within 90 days | Similar to general transactions | Similar to general transactions | 21,835 | 5 | - |
| | Nan Pao Resins (China) Co., Ltd. | Same ultimate Parent Company | Sales | (16,496) | (4) | Payment within 90 days | Similar to general transactions | Similar to general transactions | 18,939 | 4 | - |

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

TABLE 9

# NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS**
**FOR THE THREE MONTHS ENDED MARCH 31, 2026**
**(Amounts in Thousands of New Taiwan Dollars)**

| No. | Company Name | Counterparty | Relationship (Note 1) | Transaction Details | | | |
|---|---|---|---|---|---|---|---|
| | | | | Financial Statement Accounts | Amount (Note 2) | Payment Terms | % of Total Sales or Assets |
| 0 | Nan Pao Resins Chemical Co., Ltd. | Nan Pao Resins (Vietnam) Enterprise Ltd. | 1 | Accounts receivable - related parties | $ 868,028 | | 3 |
| | | | | Sales revenue | 467,524 | Calculated based on general transaction prices, telegraphic transfer within 90 days | 8 |
| | | Nan Pao Resins (Foshan) Co., Ltd. | 1 | Accounts receivable - related parties | 47,823 | | - |
| | | | | Sales revenue | 52,680 | Calculated based on general transaction prices, telegraphic transfer within 90 days | 1 |
| | | PT. Indo Nan Pao Resins Chemical Co., Ltd. | 1 | Accounts receivable - related parties | 357,865 | | 1 |
| | | | | Sales revenue | 186,042 | Calculated based on general transaction prices, telegraphic transfer within 90 days | 3 |
| | | Nan Pao Resins India Pvt Ltd. | 1 | Accounts receivable - related parties | 19,583 | | - |
| | | | | Sales revenue | 14,004 | Calculated based on general transaction prices, telegraphic transfer within 90 days | - |
| | | Nan Pao Materials Vietnam Co., Ltd. | 1 | Accounts receivable - related parties | 83,475 | | - |
| | | | | Sales revenue | 66,161 | Calculated based on general transaction prices, telegraphic transfer within 90 days | 1 |
| | | ITLS International Development Co., Ltd. | 1 | Accounts receivable - related parties | 20,885 | | - |
| | | | | Sales revenue | 19,872 | Calculated based on general transaction prices, telegraphic transfer within 90 days | - |
| | | Nan Pao Advanced Materials Vietnam Co., Ltd. | 1 | Accounts receivable - related parties | 23,741 | | - |
| | | | | Sales revenue | 77,102 | Calculated based on general transaction prices, telegraphic transfer within 90 days | 1 |
| | | Nan Pao Advanced Materials Co., Ltd. | 1 | Accounts receivable - related parties | 18,133 | | - |
| | | | | Sales revenue | 17,269 | Calculated based on general transaction prices, telegraphic transfer within 90 days | - |
| | | Dongguan Jiaqin Electronics Co., Ltd. | 1 | Accounts receivable - related parties | 19,421 | | - |
| | | | | Sales revenue | 19,097 | Calculated based on general transaction prices, telegraphic transfer within 90 days | - |
| | | Nan Pao Group Holdings Ltd. | 1 | Other payables - related parties | 671,895 | | 2 |
| | | Nan Pao Overseas Holdings Ltd. | 1 | Other payables - related parties | 927,855 | | 3 |
| 1 | Nan Pao Resins (Vietnam) Enterprise Ltd. | PT. Indo Nan Pao Resins Chemical Co., Ltd. | 3 | Accounts receivable - related parties | 29,067 | | - |
| | | | | Sales revenue | 15,174 | Calculated based on general transaction prices, telegraphic transfer within 90 days | - |
| 2 | Nan Pao Resins (Foshan) Co., Ltd. | Fuqing Nan Pao Resins Co., Ltd. | 3 | Accounts receivable - related parties | 21,835 | | - |
| | | | | Sales revenue | 19,018 | Calculated based on general transaction prices, telegraphic transfer within 90 days | - |
| | | Nan Pao Resins (China) Co., Ltd. | 3 | Accounts receivable - related parties | 18,939 | | - |
| | | | | Sales revenue | 16,496 | Calculated based on general transaction prices, telegraphic transfer within 90 days | - |
| | | Giant Profit Development Ltd. | 3 | Other payables - related parties | 184,958 | | 1 |
| 3 | Nan Pao Resins (HK) Ltd. | Nan Pao Resins (Dongguan) Co., Ltd. | 3 | Other payables - related parties | 73,714 | | - |
| | | | | Processing fee | 72,550 | No prices for similar products available for comparison, payment made 90 days from the date of the invoice | 1 |
| | | Nan Pao Advanced Materials Vietnam Co., Ltd. | 3 | Accounts receivable - related parties | 33,006 | | - |
| | | | | Sales revenue | 22,037 | Calculated based on general transaction prices, telegraphic transfer within 90 days | - |
| | | Nan Pao Materials Vietnam Co., Ltd. | 3 | Accounts receivable - related parties | 12,828 | | - |
| | | | | Sales revenue | 14,308 | Calculated based on general transaction prices, telegraphic transfer within 90 days | - |
| | | PT. Indo Nan Pao Resins Chemical Co., Ltd. | 3 | Accounts receivable - related parties | 33,039 | | - |
| | | | | Sales revenue | 18,404 | Calculated based on general transaction prices, telegraphic transfer within 90 days | - |
| | | Nan Pao Philippines Export Inc. | 3 | Accounts receivable - related parties | 15,341 | | - |
| | | | | Sales revenue | 15,167 | Calculated based on general transaction prices, telegraphic transfer within 90 days | - |

(Continued)

| No. | Company Name | Counterparty | Relationship (Note 1) | Transaction Details | | | |
|---|---|---|---|---|---|---|---|
| | | | | Financial Statement Accounts | Amount (Note 2) | Payment Terms | % of Total Sales or Assets |
| 4 | Nan Pao Materials Vietnam Co., Ltd. | PT. Indo Nan Pao Resins Chemical Co., Ltd. | 3 | Accounts receivable - related parties | $ 67,252 | | - |
| | | | | Sales revenue | 33,835 | Calculated based on general transaction prices, telegraphic transfer within 90 days | 1 |
| | | Nan Pao Advanced Materials Vietnam Co., Ltd. | 3 | Accounts receivable - related parties | 29,008 | | - |
| | | | | Sales revenue | 18,682 | Calculated based on general transaction prices, telegraphic transfer within 90 days | - |
| | | Nan Pao Resins (Vietnam) Enterprise Ltd. | 3 | Accounts receivable - related parties | 23,986 | | - |
| | | | | Sales revenue | 22,006 | Calculated based on general transaction prices, telegraphic transfer within 90 days | - |
| 5 | Foshan Nan Pao Advanced Materials Co., Ltd. | Nan Pao Resins (Foshan) Co., Ltd. | 3 | Accounts receivable - related parties | 14,299 | | - |
| | | | | Sales revenue | 12,454 | Calculated based on general transaction prices, telegraphic transfer within 90 days | - |
| | | Greatwill Materials (HK) Ltd. | 3 | Other payables - related parties | 92,571 | | - |
| 6 | Nan Pao Advanced Materials Vietnam Co., Ltd. | Nan Pao Resins International Ltd. | 3 | Accounts receivable - related parties | 33,285 | | - |
| 7 | FlexUP Technologies Corp. | Nan Pao Materials Vietnam Co., Ltd. | 3 | Accounts receivable - related parties | 37,921 | | - |
| | | | | Sales revenue | 37,457 | Calculated based on general transaction prices, telegraphic transfer within 90 days | 1 |
| 8 | Nan Pao Fine Materials Co., Ltd. | Nan Pao Materials Vietnam Co., Ltd. | 3 | Accounts receivable - related parties | 18,951 | | - |
| | | | | Sales revenue | 18,703 | Calculated based on general transaction prices, telegraphic transfer within 90 days | - |
| | | PT. Indo Nan Pao Resins Chemical Co., Ltd. | 3 | Accounts receivable - related parties | 25,602 | | - |
| | | | | Sales revenue | 16,246 | Calculated based on general transaction prices, telegraphic transfer within 90 days | - |

(Concluded)

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

(1) Parent Company to Subsidiaries.

(2) Subsidiaries to Parent Company.

(3) Between Subsidiaries.

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

# NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

**CHANGES IN PROPERTY, PLANT AND EQUIPMENT**
**FOR THE THREE MONTHS ENDED MARCH 31, 2026 and 2025**
**(In Thousands of New Taiwan Dollars)**

| | Land | Land Improvement | Buildings | Machinery | Transportation equipment | Miscellaneous equipment | Construction in progress | Total |
|---|---|---|---|---|---|---|---|---|
| Cost | | | | | | | | |
| Balance on January 1, 2026 | $ 1,109,416 | $ 30,549 | $ 3,829,122 | $ 4,018,018 | $ 303,445 | $ 1,516,187 | $ 313,878 | $ 11,120,615 |
| Additions | - | 650 | 9,045 | 55,069 | 1,248 | 33,614 | 78,412 | 178,038 |
| Disposals | - | - | - | (26,881) | (2,648) | (2,739) | (6,239) | (38,507) |
| Reclassification | - | - | - | 6,284 | - | 32,909 | (39,193) | - |
| Effects of foreign currency exchange differences | (277) | - | 38,660 | 67,674 | 3,552 | 11,857 | 4,787 | 126,253 |
| Balance on March 31, 2026 | $ 1,109,139 | $ 31,199 | $ 3,876,827 | $ 4,120,164 | $ 305,597 | $ 1,591,828 | $ 351,645 | $ 11,386,399 |
| Accumulated depreciation and impairment | | | | | | | | |
| Balance on January 1, 2026 | $ - | $ 16,694 | $ 1,287,554 | $ 2,777,591 | $ 230,214 | $ 1,040,557 | $ - | $ 5,352,610 |
| Depreciation expenses | - | 970 | 29,646 | 68,574 | 5,393 | 32,973 | - | 137,556 |
| Disposals | - | - | - | (19,632) | (2,646) | (2,607) | - | (24,885) |
| Effects of foreign currency exchange differences | - | - | 16,703 | 40,289 | 2,639 | 6,741 | - | 66,372 |
| Balance on March 31, 2026 | $ - | $ 17,664 | $ 1,333,903 | $ 2,866,822 | $ 235,600 | $ 1,077,664 | $ - | $ 5,531,653 |
| Carrying amount on December 31, 2025 and January 1, 2026 | $ 1,109,416 | $ 13,855 | $ 2,541,568 | $ 1,240,427 | $ 73,231 | $ 475,630 | $ 313,878 | $ 5,768,005 |
| Carrying amount on March 31, 2026 | $ 1,109,139 | $ 13,535 | $ 2,542,924 | $ 1,253,342 | $ 69,997 | $ 514,164 | $ 351,645 | $ 5,854,746 |
| Cost | | | | | | | | |
| Balance on January 1, 2025 | $ 1,186,096 | $ 27,612 | $ 3,791,140 | $ 3,849,799 | $ 303,901 | $ 1,445,919 | $ 167,276 | $ 10,771,743 |
| Acquisitions through business combinations | - | - | - | 43,079 | 1,134 | 2,421 | - | 46,634 |
| Additions | - | - | 1,909 | 34,802 | 2,058 | 12,683 | 60,921 | 112,373 |
| Disposals | - | - | - | (6,810) | (3,497) | (1,922) | - | (12,229) |
| Reclassification | - | - | 16,278 | 927 | 48 | 21,514 | (38,767) | - |
| Effects of foreign currency exchange differences | 256 | - | 22,126 | 31,402 | 1,842 | 5,089 | 2,482 | 63,197 |
| Balance on March 31, 2025 | $ 1,186,352 | $ 27,612 | $ 3,831,453 | $ 3,953,199 | $ 305,486 | $ 1,485,704 | $ 191,912 | $ 10,981,718 |
| Accumulated depreciation and impairment | | | | | | | | |
| Balance on January 1, 2025 | $ - | $ 15,854 | $ 1,196,975 | $ 2,557,043 | $ 217,115 | $ 944,528 | $ - | $ 4,931,515 |
| Acquisitions through business combinations | - | - | - | 37,585 | 878 | 2,043 | - | 40,506 |
| Depreciation expenses | - | 759 | 29,369 | 66,015 | 6,827 | 31,103 | - | 134,073 |
| Disposals | - | - | - | (6,418) | (2,813) | (1,887) | - | (11,118) |
| Reclassification | - | - | - | (73) | - | 73 | - | - |
| Effects of foreign currency exchange differences | - | - | 10,190 | 18,712 | 1,297 | 2,967 | - | 33,166 |
| Balance on March 31, 2025 | $ - | $ 16,613 | $ 1,236,534 | $ 2,672,864 | $ 223,304 | $ 978,827 | $ - | $ 5,128,142 |
| Carrying amount on March 31, 2025 | $ 1,186,352 | $ 10,999 | $ 2,594,919 | $ 1,280,335 | $ 82,182 | $ 506,877 | $ 191,912 | $ 5,853,576 |