

**Jinan Acetate Chemical Co., Ltd. and
Subsidiaries**

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

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Jinan Acetate Chemical Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Jinan Acetate Chemical Co., Ltd. (the “Company”) and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of material accounting policy information (collectively referred to as the “consolidated financial statements”).

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

Basis for Opinion

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

Key Audit Matters

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

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

Occurrence of Operating Revenue

At the year ended December 31, 2025, the Group's revenue decreased compare to the year ended December 31, 2024. In 2025, part of Group's customers which operating revenue have a material impact on the consolidated financial statements. We, therefore, consider the recognition of operating revenue from these customers, which have been identified as a key audit matter. Please refer to Notes 4 and 20 to the consolidated financial statements for the relevant accounting policy.

The key audit procedures performed in respect of the above area included the following:

1. We obtained on understanding of the Group's policies procedures and internal controls for revenue recognition and tested the effectiveness and efficiency of operations of the key controls over the occurrence of revenue recognize.
2. We analyzed the sales customers, which mentioned above, with the reason for the change in operating revenue.
3. We selected the sample transactions of the sales customers, which mentioned above, in the sales records for substantive tests and confirmed them with the supporting shipping documents, and verifying subsequent receipts for amounts that had reached their payment due dates before the audit report date.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Yao-Ling Huang and Shih-Chieh Chou.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 18, 2026

Notice to Readers

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

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

JINAN ACETATE CHEMICAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	2025		2024	
ASSETS	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 8,510,178	39	\$ 13,258,890	63
Financial assets at amortized cost - current (Notes 4, 8 and 27)	4,471,022	20	1,136,674	6
Notes and accounts receivable, net (Notes 4, 9 and 20)	1,410,577	6	902,260	4
Accounts receivable from related parties (Notes 4, 9, 20 and 26)	82,614	-	21,161	-
Other receivables (Note 4)	108,380	1	75,418	-
Inventories, net (Notes 4 and 10)	2,378,139	11	769,431	4
Prepayments (Note 16)	448,714	2	572,843	3
Other current assets (Notes 4, 16 and 27)	<u>107,242</u>	<u>1</u>	<u>67,100</u>	<u>-</u>
Total current assets	<u>17,516,866</u>	<u>80</u>	<u>16,803,777</u>	<u>80</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 7 and 12)	73,673	-	66,642	-
Investments accounted for using equity method (Notes 4, 7, 12 and 26)	11,319	-	-	-
Property, plant and equipment (Notes 4, 13 and 27)	3,396,361	16	3,132,915	15
Investment properties (Notes 4 and 14)	26,128	-	-	-
Right-of-use assets (Notes 4, 15 and 27)	743,087	4	659,706	3
Deferred tax assets (Notes 4 and 22)	2,887	-	25,030	-
Other non-current assets (Notes 4 and 16)	<u>67,362</u>	<u>-</u>	<u>291,560</u>	<u>2</u>
Total non-current assets	<u>4,320,817</u>	<u>20</u>	<u>4,175,853</u>	<u>20</u>
TOTAL	<u>\$ 21,837,683</u>	<u>100</u>	<u>\$ 20,979,630</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Contract liabilities - current (Note 20)	\$ 326,560	2	\$ 815,800	4
Notes and accounts payable (Note 26)	460,766	2	268,878	1
Other payables (Note 17)	687,974	3	3,012,012	15
Current tax liabilities (Notes 4 and 22)	191,923	1	421,864	2
Other current liabilities	<u>98,547</u>	<u>-</u>	<u>62,383</u>	<u>-</u>
Total current liabilities	<u>1,765,770</u>	<u>8</u>	<u>4,580,937</u>	<u>22</u>
Total liabilities	<u>1,765,770</u>	<u>8</u>	<u>4,580,937</u>	<u>22</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 19)				
Share capital				
Ordinary shares	<u>989,147</u>	<u>5</u>	<u>989,147</u>	<u>5</u>
Capital surplus	<u>3,988,643</u>	<u>18</u>	<u>3,988,643</u>	<u>19</u>
Retained earnings				
Legal reserve	1,248,127	6	1,248,127	6
Unappropriated earnings	<u>13,460,463</u>	<u>61</u>	<u>9,902,581</u>	<u>47</u>
Total retained earnings	<u>14,708,590</u>	<u>67</u>	<u>11,150,708</u>	<u>53</u>
Other equity				
Exchange differences on translating the financial statements of foreign operations	<u>214,706</u>	<u>1</u>	<u>93,107</u>	<u>-</u>
Total equity attributable to owners of the Company	19,901,086	91	16,221,605	77
NON-CONTROLLING INTERESTS	<u>170,827</u>	<u>1</u>	<u>177,088</u>	<u>1</u>
Total equity	<u>20,071,913</u>	<u>92</u>	<u>16,398,693</u>	<u>78</u>
TOTAL	<u>\$ 21,837,683</u>	<u>100</u>	<u>\$ 20,979,630</u>	<u>100</u>

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

JINAN ACETATE CHEMICAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 20 and 26)	\$ 13,231,402	100	\$ 15,713,325	100
OPERATING COSTS (Notes 4, 10, 21 and 26)	<u>(5,477,696)</u>	<u>(41)</u>	<u>(5,773,489)</u>	<u>(37)</u>
GROSS PROFIT	<u>7,753,706</u>	<u>59</u>	<u>9,939,836</u>	<u>63</u>
OPERATING EXPENSES (Notes 4, 21 and 26)				
Selling and marketing expenses	(257,807)	(2)	(332,814)	(2)
General and administrative expenses	(215,054)	(2)	(350,205)	(2)
Research and development expenses	<u>(336,290)</u>	<u>(2)</u>	<u>(280,699)</u>	<u>(2)</u>
Total operating expenses	<u>(809,151)</u>	<u>(6)</u>	<u>(963,718)</u>	<u>(6)</u>
PROFIT FROM OPERATIONS	<u>6,944,555</u>	<u>53</u>	<u>8,976,118</u>	<u>57</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4 and 21)				
Other income (Note 26)	127,433	1	206,345	1
Finance costs	(11,043)	-	(3)	-
Share of profit or loss of associates (Note 12)	(2,091)	-	464	-
Interest income	481,706	4	503,250	3
Other gains and losses	(7,298)	-	83,887	1
Foreign exchange (losses) gains	<u>(186,716)</u>	<u>(2)</u>	<u>262,680</u>	<u>2</u>
Total non-operating income and expenses	<u>401,991</u>	<u>3</u>	<u>1,056,623</u>	<u>7</u>
PROFIT BEFORE INCOME TAX	7,346,546	56	10,032,741	64
INCOME TAX EXPENSE (Notes 4 and 22)	<u>(1,296,780)</u>	<u>(10)</u>	<u>(1,645,979)</u>	<u>(10)</u>
NET PROFIT FOR THE YEAR	<u>6,049,766</u>	<u>46</u>	<u>8,386,762</u>	<u>54</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Note 4)				
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of the financial statements of foreign operations	<u>122,049</u>	<u>1</u>	<u>368,906</u>	<u>2</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 6,171,815</u>	<u>47</u>	<u>\$ 8,755,668</u>	<u>56</u>

(Continued)

JINAN ACETATE CHEMICAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	%	Amount	%
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 6,030,749	46	\$ 8,337,922	53
Non-controlling interests	<u>19,017</u>	<u>-</u>	<u>48,840</u>	<u>-</u>
	<u>\$ 6,049,766</u>	<u>46</u>	<u>\$ 8,386,762</u>	<u>53</u>
TOTAL COMPREHENSIVE INCOME				
ATTRIBUTABLE TO:				
Owners of the Company	\$ 6,152,348	47	\$ 8,702,250	56
Non-controlling interests	<u>19,467</u>	<u>-</u>	<u>53,418</u>	<u>-</u>
	<u>\$ 6,171,815</u>	<u>47</u>	<u>\$ 8,755,668</u>	<u>56</u>
EARNINGS PER SHARE (Note 23)				
Basic	<u>\$ 6.10</u>		<u>\$ 8.44</u>	
Diluted	<u>\$ 6.09</u>		<u>\$ 8.43</u>	

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

(Concluded)

JINAN ACETATE CHEMICAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company							Other Equity Exchange Differences on Translating the Financial Statements of Foreign Operations	Treasury Shares	Total	Non-controlling Interests	Total Equity
	Share Capital		Capital Surplus	Retained Earnings								
	Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings	Total					
BALANCE AT JANUARY 1, 2024	86,286	\$ 862,861	\$ 3,896,248	\$ 504,983	\$ 276,776	\$ 4,967,581	\$ 5,478,119	\$ (271,221)	\$ (38,081)	\$ 10,199,147	\$ 123,670	\$ 10,322,817
Appropriation of 2023 earnings												
Legal reserve	-	-	-	743,144	-	(743,144)	-	-	-	-	-	-
Special reserve	-	-	-	-	(276,776)	276,776	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(2,791,882)	(2,791,882)	-	-	(2,791,882)	-	(2,791,882)
Share dividends distributed by the Company	12,886	128,856	-	-	-	(128,856)	(128,856)	-	-	-	-	-
	12,886	128,856	-	743,144	(276,776)	(3,387,106)	(2,920,738)	-	-	(2,791,882)	-	(2,791,882)
Net profit for the year ended December 31, 2024	-	-	-	-	-	8,337,922	8,337,922	-	-	8,337,922	48,840	8,386,762
Other comprehensive income for the year ended December 31, 2024, net of income tax	-	-	-	-	-	-	364,328	364,328	-	364,328	4,578	368,906
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	-	8,337,922	8,702,250	364,328	-	8,702,250	53,418	8,755,668
Cancellation of treasury shares	(257)	(2,570)	(7,233)	-	-	(15,816)	(15,816)	-	25,619	-	-	-
Treasury shares transferred to employees	-	-	99,628	-	-	-	-	-	12,462	112,090	-	112,090
BALANCE AT DECEMBER 31, 2024	98,915	989,147	3,988,643	1,248,127	-	9,902,581	11,243,815	93,107	-	16,221,605	177,088	16,398,693
Appropriation of 2024 earnings												
Cash dividends distributed by the Company	-	-	-	-	-	(2,472,867)	(2,472,867)	-	-	(2,472,867)	-	(2,472,867)
Net profit for the year ended December 31, 2025	-	-	-	-	-	6,030,749	6,030,749	-	-	6,030,749	19,017	6,049,766
Other comprehensive income for the year ended December 31, 2025, net of income tax	-	-	-	-	-	-	121,599	121,599	-	121,599	450	122,049
Total comprehensive income for the year ended December 31, 2025	-	-	-	-	-	6,030,749	6,152,348	121,599	-	6,152,348	19,467	6,171,815
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	(25,728)	(25,728)
Change in par value of shares	890,232	-	-	-	-	-	-	-	-	-	-	-
BALANCE AT DECEMBER 31, 2025	989,147	\$ 989,147	\$ 3,988,643	\$ 1,248,127	\$ -	\$ 13,460,463	\$ 14,923,296	\$ 214,706	\$ -	\$ 19,901,086	\$ 170,827	\$ 20,071,913

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

JINAN ACETATE CHEMICAL CO., LTD. AND SUBSIDIARIES

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

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 7,346,546	\$ 10,032,741
Adjustments for:		
Depreciation expenses	366,587	343,537
Net loss on fair value changes of financial assets and liabilities at fair value through profit or loss	-	361
Finance costs	11,043	3
Interest income	(481,706)	(503,250)
Compensation costs of employee share options	-	99,628
Share of profit or loss of associates	2,091	(464)
Loss on disposal of property, plant and equipment	635	361
Gain on disposal of non-current assets held for sale	-	(91,063)
Write-down (reversal of write-down) of inventories	1,652	(4,435)
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	-	(270)
Notes and accounts receivable	(508,317)	(659,652)
Accounts receivable from related parties	(61,453)	91,927
Other receivables	(45,765)	41,650
Inventories	(1,610,360)	(278,742)
Prepayments	124,129	(343,445)
Other current assets	(40,142)	68,420
Contract liabilities	(489,240)	107,648
Notes and accounts payable	191,888	89,168
Other payables	(90,532)	358,861
Other current liabilities	(135)	(2,344)
Cash generated from operations	4,716,921	9,350,640
Interest paid	(11,043)	(3)
Income tax paid	(1,504,578)	(1,564,787)
Net cash generated from operating activities	<u>3,201,300</u>	<u>7,785,850</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(6,804)	-
Purchase of financial assets at amortized cost	(4,470,536)	(2,638,876)
Proceeds from sale of financial assets at amortized cost	1,136,188	1,952,137
Acquisition of long-term investments accounted for using the equity method	(13,719)	-
Proceeds from disposal of long-term investments accounted for using equity method	-	83,948
Payments for property, plant and equipment	(360,548)	(1,513,810)
Proceeds from disposal of property, plant and equipment	154	79
Decrease (Increase) in refundable deposits	(263)	20,475
Acquisition of right-of-use assets	(96,029)	(503,963)
Increase in other non-current assets	(67)	(567)

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JINAN ACETATE CHEMICAL CO., LTD. AND SUBSIDIARIES

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

	2025	2024
Increase in prepayments for equipment	\$ (35,263)	\$ (267,864)
Interest received	<u>494,509</u>	<u>443,789</u>
Net cash used in investing activities	<u>(3,352,378)</u>	<u>(2,424,652)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	747,154	6,816
Repayments of short-term borrowings	(747,154)	(6,816)
Proceeds from guarantee deposits received	36,299	14,115
Dividends paid to owners of the Company	(4,706,373)	(558,376)
Treasury shares transferred to employees	-	12,462
Changes in non-controlling interests	<u>(25,728)</u>	<u>-</u>
Net cash used in financing activities	<u>(4,695,802)</u>	<u>(531,799)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>98,168</u>	<u>313,162</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(4,748,712)	5,142,561
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>13,258,890</u>	<u>8,116,329</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 8,510,178</u>	<u>\$ 13,258,890</u>

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

(Concluded)

JINAN ACETATE CHEMICAL CO., LTD. AND SUBSIDIARIES

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

1. GENERAL INFORMATION

Jinan Acetate Chemical Co., Ltd. (the “Company”) was incorporated in Cayman Islands on September 25, 2014. The Company was established mainly for organizational restructuring. In accordance with the equity exchange agreement, the Company has become the holding company of the consolidated entities after the organizational restructuring have been completed on September 25, 2014.

The Company’s shares have been listed on the Taiwan Stock Exchange (TSE) since November 9, 2015.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on March 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 material impact on the Group’s accounting policies.

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
IFRS 17 “Insurance Contracts” (including the 2020 and 2021 amendments to IFRS 17)	January 1, 2023

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

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 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 Disclosure in Financial Statements”	January 1, 2027 (Note 2)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures” (including the 2025 amendments to IFRS 19)	January 1, 2027
Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”	January 1, 2027

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

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

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

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

- To classify items of income and expenses presented 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.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the 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

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

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.

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

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

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

Current assets include:

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

Current liabilities include:

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

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

d. 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 or disposed of during the period are included in the consolidated statement of other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

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 11, Tables 7 and 8 for detailed information of subsidiaries (including percentages of ownership and main businesses).

e. Foreign currencies

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

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

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

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting consolidated financial statements, the financial statements of the Company's foreign operations (including subsidiaries and branches in other countries that are prepared using functional currencies which are different from the currency of the Company) is translated into the presentation currency - the New Taiwan dollar as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

f. Inventories

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

g. Investments in associates

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture.

The Group uses the equity method to account for its investments in associates.

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

h. Property, plant and equipment

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

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

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

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

i. Investment properties

Investment properties are properties held to earn rental and/or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

Depreciation is recognized using the straight-line method.

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

j. Impairment of property, plant and equipment, right-of-use asset and investment properties

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

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

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

k. Financial instruments

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

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

1) Financial assets

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

a) Measurement category

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

i. Financial assets at FVTPL

Financial assets at FVTPL are subsequently measured at fair value, and any remeasurement gains or losses on such financial assets are recognized in other gains or losses.

ii. Financial assets at amortized cost

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

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, notes receivable, accounts receivable, other receivables, other current financial assets and refundable deposits, are measured at amortized cost, which equals to gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

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

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

For internal credit risk management purposes, the Group determines that internal or external information show that the debtor is unlikely to pay its creditors indicate that a financial asset is in default.

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

c) Derecognition of financial assets

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

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

2) Equity instruments

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

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

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity, and its carrying amounts are calculated based on weighted average by share types. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

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

1. Revenue recognition

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

Revenue from the sale of goods comes from sales of cellulose acetate tow, cellulose acetate and cellulose anhydride. Sales of cellulose acetate tow, cellulose acetate and cellulose anhydride are recognized as revenue when the goods are shipped because it is the time when the customer has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently.

m. Leasing

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

1) The Group as lessor

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

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

2) The Group as lessee

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

Right-of-use assets are initially measured at cost and subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

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

n. Borrowing costs

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

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

o. Government grants

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

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

p. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

The Group participates in the local government pension plans in accordance with local regulations, contributing pension regularly to the government according to a certain percentage of the employee's salary. Payments to defined contribution retirement benefit plans are recognized as expenses for the current period when employees have rendered services entitling them to the contributions.

q. Share-based payment arrangements

The fair value at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. The expense is recognized in full at the grant date if the grants are vested immediately. The grant date of issued ordinary shares for cash which are reserved for employees and treasury shares transferred to employees is the date on which the number of shares that the employees purchase is confirmed and the board of directors approves the transaction.

r. Taxation

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

1) Current tax

According to the People's Republic of China (PRC) Enterprise Income Tax Law, the tax rate is 25%. Jinan Acetate Chemical Co., Ltd (China) of the Group, Acetek Material Co., Ltd (China) of the Group, Acetek Momentum Co., Ltd. (China) of the Group and Acetate (Shandong) Environmental Fiber Co., Ltd. (China) of the Group have acquired the High-tech Enterprise Certificate in 2024, 2022, 2024 and 2025. The applicable tax rate for both companies is 15%. Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

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

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

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

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

3) Current and deferred taxes for the year

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

When developing material accounting estimates, the Group considers the possible impact of the economic environment implications of the military conflict between Russia and Ukraine and related international sanctions on the cash flow projection, growth rates, discount rates, profitabilities and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2025	2024
Cash on hand	\$ 119	\$ 267
Demand deposits	3,538,102	4,781,817
Cash equivalents (investments with original maturities of less than 3 months)		
Time deposits	<u>4,971,957</u>	<u>8,476,806</u>
	<u>\$ 8,510,178</u>	<u>\$ 13,258,890</u>

The market rate intervals of cash in the bank at the end of the year were as follows:

	December 31	
	2025	2024
Demand deposits	0.0001%-3.93%	0.0001%-4.90%
Time deposits	1.2%-4.45%	0.30%-5.23%

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments at FVTOCI

	December 31	
	2025	2024
<u>Non-current</u>		
Unlisted shares		
Ordinary shares - Eleung Limited ("ELEUNG")	\$ 56,608	\$ 56,381
Ordinary shares - Holyard International Co., Ltd ("HOLYARD")	<u>17,065</u>	<u>10,261</u>
	<u>\$ 73,673</u>	<u>\$ 66,642</u>

The Group originally accounted its investments in associated companies, HOLYARD and ELEUNG, under the equity method. In April 2024, the Group lost significant influence over HOLYARD due to the resignation of its board member. Similarly, in June 2024, the Group lost significant influence over ELEUNG following a board re-election in which it did not retain its directorship, and subsequently sold 15% of its equity in ELEUNG. As a result, the aforementioned investments were reclassified as financial assets at fair value through other comprehensive income. Please refer to Note 12 for more details on the resignation of the board member and the sale.

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.

8. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2025	2024
<u>Current</u>		
Domestic investments		
Time deposits with original maturities of more than 3 months	<u>\$ 4,471,022</u>	<u>\$ 1,136,674</u>
a. The ranges of interest rates for time deposits with original maturities of more than 3 months were approximately 1.20%-4.45% and 1.25%-5.90% per annum as of December 31, 2025 and 2024, respectively.		
b. Refer to Note 27 for information relating to investments in financial assets at amortized cost pledged as security.		

9. NOTES RECEIVABLE AND ACCOUNTS RECEIVABLE

	December 31	
	2025	2024
<u>Notes and accounts receivable</u>		
At amortized cost		
Gross carrying amount	\$ 1,410,577	\$ 902,260
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>
	<u>\$ 1,410,577</u>	<u>\$ 902,260</u>
<u>Accounts receivable from related parties</u>		
At amortized cost		
Gross carrying amount	\$ 82,614	\$ 21,161
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>
	<u>\$ 82,614</u>	<u>\$ 21,161</u>

The Group takes advance payments for the sales of goods through letters of credit. The credit period of sales of goods was between 30 and 180 days. No interest was charged on trade and notes receivable. The Group adopted a policy of only dealing with entities that are rated the equivalent of investment grade or higher and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group uses other publicly available financial information or its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on accounts receivable are estimated using a provision matrix by reference to the past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecasted direction of economic conditions at the reporting date. 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 following table details the loss allowance of notes receivable and accounts receivable based on the Group's provision matrix.

December 31, 2025

	1 to 30 Days	31 to 60 Days	61 to 90 Days	91 to 120 Days	121 to 180 Days	181 to 360 Days	Total
Expected credit loss rate	0%	0%	0%	0%	0%	0%	
Gross carrying amount	\$ 830,209	\$ 210,124	\$ 400,497	\$ 20,734	\$ 31,627	\$ -	\$ 1,493,191
Loss allowance (Lifetime ECLs)	-	-	-	-	-	-	-
Amortized cost	<u>\$ 830,209</u>	<u>\$ 210,124</u>	<u>\$ 400,497</u>	<u>\$ 20,734</u>	<u>\$ 31,627</u>	<u>\$ -</u>	<u>\$ 1,493,191</u>

December 31, 2024

	1 to 30 Days	31 to 60 Days	61 to 90 Days	91 to 120 Days	121 to 180 Days	181 to 360 Days	Total
Expected credit loss rate	0%	0%	0%	0%	0%	0%	
Gross carrying amount	\$ 325,218	\$ 309,377	\$ 202,944	\$ 75,745	\$ 10,137	\$ -	\$ 923,421
Loss allowance (Lifetime ECLs)	-	-	-	-	-	-	-
Amortized cost	<u>\$ 325,218</u>	<u>\$ 309,377</u>	<u>\$ 202,944</u>	<u>\$ 75,745</u>	<u>\$ 10,137</u>	<u>\$ -</u>	<u>\$ 923,421</u>

Compared to January 1, 2025 and 2024, the group did not recognize allowance for impairment loss on receivables as of December 31, 2025 and 2024, respectively; resulted from the increased in accounts receivable net of those collected of \$569,770 thousand and \$567,725 thousand, respectively.

10. INVENTORIES

	December 31	
	2025	2024
Finished goods	\$ 910,998	\$ 159,213
Work in progress	75,867	46,074
Raw materials	1,337,193	523,060
Supplies	<u>54,081</u>	<u>41,084</u>
	<u>\$ 2,378,139</u>	<u>\$ 769,431</u>

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2025 and 2024 was \$5,477,696 thousand and \$5,773,489 thousand, respectively. The inventory write-downs (reversal of write-downs) were \$1,652 thousand and \$(4,435) thousand, respectively.

The reversal of inventory write-downs was due to the increase in the purchase price of raw materials.

11. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements:

Investor	Investee	Nature of Activities	Proportion of Ownership (%)	
			December 31	
			2025	2024
The Company	My Parents Living Technology Limited (Hong Kong) ("My Parents")	Investments	100.00	100.00
My Parents	Jinan Acetate Chemical Co., Ltd. (China) ("Jinan Acetate Chemical")	Manufacturing and sales of cellulose acetate tow	100.00	100.00
Jinan Acetate Chemical	Acetek Material Co., Ltd. (China) ("Acetek Material")	Production and sales of cellulose acetate	50.34	50.34 (Note 1)
My Parents	Acetek Chemicals Co., Ltd. (Hong Kong) ("Acetek Chemicals")	Investments	80.00	80.00
Jinan Acetate Chemical	Acetek Momentum Co., Ltd. (China) ("Acetek Momentum")	Manufacturing and sales of cellulose anhydride	100.00	100.00
My Parents	Acetek (Shandong) Environmental Fiber Co., Ltd. (China) ("Acetek Environmental")	Manufacturing and sales of cellulose acetate fiber	100.00	100.00
Jinan Acetate Chemical	Acetek Aspiration (Jinan) Trading Co., Ltd. (China) ("Acetek Aspiration Trading")	Sales of cellulose acetate	100.00	100.00
Jinan Acetate Chemical	Acetek Aspiration (Shandong) Co., Ltd. (China) ("Acetek Aspiration")	Manufacturing and sales of high-performance fibers	20.00	20.00
My Parents	Acetek Aspiration (Shandong) Co., Ltd. (China) ("Acetek Aspiration")	Manufacturing and sales of high-performance fibers	80.00	80.00
My Parents	Acetek Material Co., Ltd. (China) ("Acetek Material")	Production and sales of cellulose acetate	37.66	37.66 (Note 1)
My Parents	Acetek Guardian (Shandong) Co., Ltd. (Acetek Guardian)	Production and sale of hydroxyethyl cellulose ether and specialty cotton cellulose	100.00	100.00 (Note 2)
The Company	Acetek Co. Pte. Ltd. (Acetek SG)	Investments	100.00	100.00 (Note 3)

Note 1: In March 2024, Acetek Material conducted a capital increase of RMB22,000 thousand, with My Parents subscribing to RMB19,360 thousand. After the capital increase, My Parents' equity stake in Acetek Material remained at 13.17%. The Group transferred shares of Acetek Material 24.49% from Jinan Acetate Chemical to My Parents in April 2024. The Group's equity stake in Acetek Material remained at 88%.

Note 2: To meet the development needs of the industry, the board of directors of My Parents resolved on May 30, 2024 to invest in Acetek Guardian (Shandong) Co., Ltd. (Acetek Guardian).

Note 3: To meet the development needs of the industry, the board of directors of the Company resolved on May 10, 2024 to invest in Acetek Co. Pte. Ltd. (Acetek SG).

b. Subsidiaries excluded from the consolidated financial statements: None.

c. Details of subsidiaries that have material non-controlling interests

Name of Subsidiary	Principal Place of Business	Proportion of Ownership and Voting Rights Held by Non-controlling Interests	
		December 31	
		2025	2024
Acetek Material	Mainland China	12.00%	12.00%

Summarized financial information in respect of Acetek Material that has material non-controlling interests is set out below. The summarized financial information below represents amounts before intragroup eliminations.

	December 31	
	2025	2024
Current assets	\$ 1,127,431	\$ 1,341,547
Non-current assets	502,624	605,611
Current liabilities	<u>(391,851)</u>	<u>(747,108)</u>
Equity	<u>\$ 1,238,204</u>	<u>\$ 1,200,050</u>
Equity attributable to:		
Owners of the Company	\$ 1,089,620	\$ 1,056,044
Non-controlling interests of Acetek Material	<u>148,584</u>	<u>144,006</u>
	<u>\$ 1,238,204</u>	<u>\$ 1,200,050</u>
	For the Year Ended December 31	
	2025	2024
Revenue	<u>\$ 1,878,678</u>	<u>\$ 1,993,343</u>
Profit for the year	\$ 157,794	\$ 267,764
Other comprehensive income for the year	<u>(7,702)</u>	<u>(32,831)</u>
Total comprehensive income for the year	<u>\$ 150,092</u>	<u>\$ 234,933</u>
Profit attributable to:		
Owners of the Company	\$ 138,859	\$ 235,632
Non-controlling interests of Acetek Material	<u>18,935</u>	<u>32,132</u>
	<u>\$ 157,794</u>	<u>\$ 267,764</u>
Total comprehensive income attributable to:		
Owners of the Company	\$ 132,081	\$ 206,741
Non-controlling interests of Acetek Material	<u>18,011</u>	<u>28,192</u>
	<u>\$ 150,092</u>	<u>\$ 234,933</u>

(Continued)

	For the Year Ended December 31	
	2025	2024
Cash flow		
Operating activities	\$ (467,686)	\$ 752,029
Investing activities	(283,747)	27,630
Financing activities	(127,341)	-
Effects of exchange rate changes	<u>6,782</u>	<u>(218)</u>
Net cash (outflow) inflow	<u>\$ (871,992)</u>	<u>\$ 779,441</u>
		(Concluded)

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investment in Associates

	December 31, 2025
Associates that are not individually material	<u>\$ 11,319</u>

Aggregate Information of Associates That Are Not Individually Material

	For the Year Ended December 31	
	2025	2024
The Group's share of:		
Profit (loss) for the year	\$ (2,091)	\$ 464
Other comprehensive income for the year	<u>-</u>	<u>-</u>
Total comprehensive (loss) income for the year	<u>\$ (2,091)</u>	<u>\$ 464</u>

The Group held a 25% interest in Eleung and accounted for the investment as an associate. In June 2024, the Group sold 15% of its interest in Eleung to a third party for proceeds of \$83,948 thousand and consequently ceased to have significant influence over Eleung. The Group retained the remaining 10% interest as financial assets at FVTOCI whose fair value at the date of disposal was \$55,966 thousand. This transaction resulted in the recognition of a gain in profit or loss, calculated as follows:

Proceeds from disposal	\$ 83,948
Plus: Fair value of retained investment (10%)	55,966
Less: Carrying amount of investment on the date of loss of significant influence	(52,368)
Plus: Share of other comprehensive income of the associate	<u>3,517</u>
Gain recognized	<u>\$ 91,063</u>

In March 2025, the Group made a cash investment of \$13,719 thousand to acquire a 40% equity interest in Acetek New Materials (Shandong) Co., Ltd., thereby obtaining significant influence over the company.

13. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Equipment	Transportation Equipment	Other Equipment	Construction in Progress Equipment	Total
<u>Cost</u>						
Balance at January 1, 2025	\$ 669,734	\$ 2,878,244	\$ 21,860	\$ 11,653	\$ 1,076,415	\$ 4,657,906
Additions	297,684	57,829	2,891	2,144	-	360,548
Disposals	(264)	(3,392)	(1,218)	(1,407)	-	(6,281)
Reclassification	85,065	911,281	1,877	2,534	(774,676)	226,081
Effects of foreign currency exchange differences	17,081	54,463	221	170	(24,816)	47,119
Balance at December 31, 2025	<u>\$ 1,069,300</u>	<u>\$ 3,898,425</u>	<u>\$ 25,631</u>	<u>\$ 15,094</u>	<u>\$ 276,923</u>	<u>\$ 5,285,373</u>
<u>Accumulated depreciation</u>						
Balance at January 1, 2025	\$ 150,636	\$ 1,352,995	\$ 13,095	\$ 8,265	\$ -	\$ 1,524,991
Depreciation expenses	46,980	298,973	3,935	1,092	-	350,980
Disposals	(60)	(2,858)	(1,167)	(1,407)	-	(5,492)
Reclassification	(572)	-	-	-	-	(572)
Effects of foreign currency exchange differences	2,349	16,578	157	21	-	19,105
Balance at December 31, 2025	<u>\$ 199,333</u>	<u>\$ 1,665,688</u>	<u>\$ 16,020</u>	<u>\$ 7,971</u>	<u>\$ -</u>	<u>\$ 1,889,012</u>
Carrying amounts at December 31, 2025	<u>\$ 869,967</u>	<u>\$ 2,232,737</u>	<u>\$ 9,611</u>	<u>\$ 7,123</u>	<u>\$ 276,923</u>	<u>\$ 3,396,361</u>
<u>Cost</u>						
Balance at January 1, 2024	\$ 459,643	\$ 2,284,470	\$ 18,283	\$ 8,988	\$ 93,763	\$ 2,865,147
Additions	150,026	495,603	4,628	2,338	861,215	1,513,810
Disposals	-	(6,736)	(1,918)	-	-	(8,654)
Reclassification	42,984	22,430	213	-	112,914	178,541
Effects of foreign currency exchange differences	17,081	82,477	654	327	8,523	109,062
Balance at December 31, 2024	<u>\$ 669,734</u>	<u>\$ 2,878,244</u>	<u>\$ 21,860</u>	<u>\$ 11,653</u>	<u>\$ 1,076,415</u>	<u>\$ 4,657,906</u>
<u>Accumulated depreciation</u>						
Balance at January 1, 2024	\$ 116,893	\$ 1,022,953	\$ 11,692	\$ 7,514	\$ -	\$ 1,159,052
Depreciation expenses	29,505	299,157	2,809	485	-	331,956
Disposals	-	(6,392)	(1,822)	-	-	(8,214)
Effects of foreign currency exchange differences	4,238	37,277	416	266	-	42,197
Balance at December 31, 2024	<u>\$ 150,636</u>	<u>\$ 1,352,995</u>	<u>\$ 13,095</u>	<u>\$ 8,265</u>	<u>\$ -</u>	<u>\$ 1,524,991</u>
Carrying amounts at December 31, 2024	<u>\$ 519,098</u>	<u>\$ 1,525,249</u>	<u>\$ 8,765</u>	<u>\$ 3,388</u>	<u>\$ 1,076,415</u>	<u>\$ 3,132,915</u>

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

Buildings	20 years
Equipment	3-10 years
Transportation equipment	4-5 years
Other equipment	5 years

Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 27.

14. INVESTMENT PROPERTIES

	Investment Properties
<u>Cost</u>	
Balance at January 1, 2025	\$ -
Reclassification	26,614
Effects of foreign currency exchange differences	<u>1,001</u>
Balance at December 31, 2025	<u>\$ 27,615</u>
<u>Accumulated depreciation</u>	
Balance at January 1, 2025	\$ -
Additions	(861)
Reclassification	(572)
Effects of foreign currency exchange differences	<u>(54)</u>
Carrying amounts at December 31, 2025	<u>\$ (1,487)</u>
Investment properties, net	<u>\$ 26,128</u>

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

Buildings	20 years
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The abovementioned investment properties are leased out for 10 years. The lease contracts contain market review clauses in the event that the lessees exercise their options to extend. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

The fair values of the investment property of the Company on December 31, 2025 were assessed by an independent valuation firm using the comparative method and profit method. The profit method calculates a valuation based on the estimated net profit and the rate of profit capitalization. The fair values of the investment property on December 31, 2025 were \$35,375 thousand.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	<u>December 31</u>	
	2025	2024
<u>Carrying amount</u>		
Land	<u>\$ 743,087</u>	<u>\$ 659,706</u>
	For the Year Ended December 31	
	2025	2024
Additions to right-of-use assets	<u>\$ 96,029</u>	<u>\$ 503,963</u>
Depreciation charge for right-of-use assets		
Land	<u>\$ 14,746</u>	<u>\$ 11,581</u>

Right-of-use assets pledged as collateral for bank borrowings are set out in Note 27.

b. Material leasing activities and terms

As lessees, Jinan Acetate Chemical Co., Ltd., Acetek Material Co., Ltd., Acetek Momentum Co., Ltd., Acetate (Shandong) Environmental Fiber Co., Ltd., and Acetek Aspiration (Shandong) Co., Ltd. are leasing certain lands for the use of factory with lease terms of 20 to 50 years. These arrangements do not contain purchase options at the end of the lease terms.

c. Other lease information

	For the Year Ended December 31	
	2025	2024
Expenses relating to short-term leases	\$ 1,842	\$ 639
Expenses relating to low-value asset leases	\$ 16	\$ 16
Total cash outflow for leases	\$ (1,858)	\$ (655)

16. OTHER ASSETS

	December 31	
	2025	2024
<u>Current</u>		
Prepayments		
Advanced payments	\$ 67,358	\$ 314,172
Prepayment	199,521	94,719
Tax overpaid retained for effecting	<u>181,835</u>	<u>163,952</u>
	<u>\$ 448,714</u>	<u>\$ 572,843</u>
Other current assets		
Pledge deposits (Note 27)	\$ 106,181	\$ 50,470
Refundable deposits	450	9,409
Others	<u>611</u>	<u>7,221</u>
	<u>\$ 107,242</u>	<u>\$ 67,100</u>
<u>Non-current</u>		
Other non-current assets		
Prepayments for equipment	\$ 44,779	\$ 269,307
Prepayments for land	16,860	16,793
Refundable deposits	<u>5,723</u>	<u>5,460</u>
	<u>\$ 67,362</u>	<u>\$ 291,560</u>

17. OTHER PAYABLES

	December 31	
	2025	2024
Payables for security production fee	\$ 275,816	\$ 180,438
Payables for purchases of equipment	170,338	301,116
Accrued remuneration to employees and directors	65,456	86,237
Payables for salaries	55,707	60,782
Payables for freight	31,745	34,131
Payables for steam fee	26,956	30,021
Payables for commission	22,386	29,639
Payables for dividends	-	2,233,506
Others	<u>39,570</u>	<u>56,142</u>
	<u>\$ 687,974</u>	<u>\$ 3,012,012</u>

18. RETIREMENT BENEFIT PLANS

Jinan Acetate Chemical, Acetek Material, Acetek Momentum, Acetek Environmental and Acetek Aspiration of the Group adopted a defined contribution plan. Under the plan, an entity makes contributions to employees' pension account at percentages of the salary of employees. The pension account is managed by the authorized insurance institution located in China. The employees can withdraw the pension contributed by the Company and by themselves as well as the interest upon retirement.

19. EQUITY

a. Ordinary shares

	December 31	
	2025	2024
Number of shares authorized (in thousands)	<u>1,000,000</u>	<u>100,000</u>
Shares authorized	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>989,147</u>	<u>98,915</u>
Shares issued	<u>\$ 989,147</u>	<u>\$ 989,147</u>

On May 30, 2024, the shareholders' meeting resolved to distribute unappropriated earnings accumulated in 2023 as shareholders' dividends, and issue 12,886 thousand ordinary shares with a par value of \$10. The subscription base date was authorized to determine by the board of directors to be September 18, 2024.

The company resolved in the Board of Directors meeting on August 23, 2024, to cancel 257 thousand treasury shares, each with a par value of \$10, representing a capital reduction of 0.25%. After the capital reduction, the paid-in capital amounts to \$989,147 thousand. Furthermore, capital surplus of \$7,233 thousand and retained earnings of \$15,816 thousand have been written off. The effective date of the capital reduction is October 29, 2024, and the registration for the capital reduction was completed on November 11, 2024.

On May 22, 2025, the shareholders' meeting resolved the amendments to the Company's Articles of Incorporation (the "Articles") to change the par value per share from \$10 to \$1. The change of par value was approved by the competent authority and new shares have been reissued. After the reissuance, the authorized shares amounted to 1,000,000 thousand shares, and the issued and fully paid-in shares amounted to 989,147 thousand shares. The board of directors resolved to set June 27, 2025 as the date for the reissuance of shares for the change in par value.

b. Capital surplus

	December 31	
	2025	2024
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Issuance of ordinary shares	\$ 2,951,581	\$ 2,951,581
Conversion of bonds	1,011,544	1,011,544
<u>May be used to offset a deficit only</u>		
Changes in percentage of ownership interests in subsidiaries (2)	<u>25,518</u>	<u>25,518</u>
	<u>\$ 3,988,643</u>	<u>\$ 3,988,643</u>

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).
- 2) Such capital surplus arises from the effect of changes in ownership interest in a subsidiary that resulted from equity transactions other than actual acquisition.

c. Retained earnings and dividends policy

According to the Articles of Incorporation, the Company, in addition to the dividends to be distributed at the end of each financial year, may distribute interim dividends to the Members on semi-year basis. If the board of directors decides not to distribute interim dividends, the board of directors shall adopt a resolution to confirm such non-distribution after the relevant first half of the financial year.

The Company is in the growing stage. According to the Articles of Incorporation, the board of directors should propose the distribution of shareholders' dividends and submit it to the shareholders' meeting for appropriations of earnings, only after taking into consideration the Company's earnings, overall development, financial planning, capital requirements, industry outlook and future prospects of the Company for each of the fiscal year.

During the period when the shares are listed or traded in Taipei Exchange or Taiwan Stock Exchange, the board of directors when making proposal for distribution of earnings shall first appropriate the earnings in each fiscal year as follows: (i) reserve for tax of the relevant fiscal year; (ii) amount to offset past losses; (iii) from the remaining amount, 10% for legal reserve; and (iv) special reserve required by the securities authorities of the Republic of China in accordance with the rules of a public company. For the policies on the distribution of employees' compensation and remuneration of directors and supervisors after the amendment, refer to employees' compensation and remuneration of directors and supervisors in Note 21-g.

The Company may distribute interim dividend in accordance with a proposal for profits distribution approved by the board of directors, provided that if the interim dividend will be distributed by way of applying such sum in paying up in full unissued shares, in addition to the approval of the board of directors, such distribution shall also be sanctioned by the Members by a Supermajority Resolution in a general meeting.

After considering the financial, business and operational factors, according to the Cayman Company Law and the Public Company Rules, all or parts of the unappropriated earnings accumulated in previous years, plus no less than 10% of the after-tax earnings in the current year, can be distributed as shareholders' dividends according to the shareholding ratio. Shareholders' dividends are distributed as stock dividends, cash dividends, or both; cash dividends must not be less than 10% of total dividends.

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

The appropriations of earnings for 2024 and 2023 approved in the shareholders' meetings on May 22, 2025 and May 30, 2024, respectively, were as follows:

	Appropriation of Earnings	
	For the Year Ended December 31	
	2024	2023
Legal reserve	\$ 385,634	\$ 517,718
(Reversal of) special reserve	\$ (271,221)	\$ 140,979
Cash dividends	\$ 4,706,373	\$ 932,597
Share dividends	\$ -	\$ 128,856
Cash dividends per share (NT\$)	\$ 5.1	\$ 11.5
Share dividends per share (NT\$)	-	1.5

The aforementioned cash dividend per share may be affected by the number of outstanding shares. For the actual amount distributed per share, please refer to the "Market Observation Post System" website of the Taiwan Stock Exchange.

The appropriations of the earnings for the six months ended June 30, 2025 and 2024 resolved by the Company's board of directors, were as follows:

	For the Six Months Ended June 30
Date of board resolution	August 23, 2024
Legal reserve	\$ 385,634
Reversal of special reserve	\$ (271,221)
Cash dividends	\$ 2,233,506
Cash dividends per share (NT\$)	\$ 26

The appropriations of the earnings for the year ended December 31, 2025, which were proposed by the board of directors on March 13, 2026, were as follows:

	For the Year Ended December 31, 2025
Legal reserve	\$ <u> -</u>
Special reserve	\$ <u> -</u>
Cash dividends	\$ <u>3,016,897</u>
Cash dividends per share (NT\$)	\$ 3.05

The appropriation of earnings for the year ended December 31, 2025 remains subject to the approval of the shareholders' meeting to be held on June 26, 2026.

d. Non-controlling interests

	For the Year Ended December 31	
	2025	2024
Balance at January 1	\$ 177,088	\$ 123,670
Share in profit for the year	19,017	48,840
Other comprehensive income (loss) during the year		
Exchange differences on translating the financial statements of foreign entities	450	4,578
Subsidiary distributes cash dividends to non-controlling interests	<u>(25,728)</u>	<u>-</u>
Balance at December 31	<u>\$ 170,827</u>	<u>\$ 177,088</u>

e. Treasury shares

Purpose of Buy-back	Shares Transferred to Employees (In Thousands of Shares)
Number of shares at January 1, 2024	382
Treasury shares transferred to employees	(125)
Retirement of treasury share	<u>(257)</u>
Number of shares at December 31, 2024	<u><u>-</u></u>

On August 23, 2024, the board of directors resolved to transfer 125 thousand shares of treasury stock to employees at a transfer price of \$99.69. The base date for employee stock options was August 23, 2024, and recognized compensation cost of employee share options of \$99,628 thousand.

On August 23, 2024, the board of directors resolved to cancel 257 thousand treasury shares, each with a par value of \$10, representing a capital reduction of 0.25%. After the capital reduction, the paid-in capital amounts to \$989,147 thousand. Furthermore, capital surplus of \$7,233 thousand and retained earnings of \$15,816 thousand have been written off. The effective date of the capital reduction is October 29, 2024, and the registration for the capital reduction was completed on November 11, 2024.

Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as the rights to dividends and to vote.

20. REVENUE

	For the Year Ended December 31	
	2025	2024
Revenue from contracts with customers		
Revenue from sale of goods	<u>\$ 13,231,402</u>	<u>\$ 15,713,325</u>

a. Contract information

The goods are sold at the fair value of the consideration received or receivable. The Company eliminates the estimated customer returns, discounts and other similar discounts from the amount of goods sold to determine the revenue from sale of goods.

b. Contract balances

	December 31, 2025	December 31, 2024	January 1, 2024
Notes and accounts receivables, net (include related parties) (Note 10)	<u>\$ 1,493,191</u>	<u>\$ 923,421</u>	<u>\$ 355,696</u>
Contract liabilities - current	<u>\$ 326,560</u>	<u>\$ 815,800</u>	<u>\$ 708,152</u>

c. Disaggregation of revenue

Refer to Note 32 for information about disaggregation of revenue.

21. NET PROFIT

a. Other income

	For the Year Ended December 31	
	2025	2024
Government subsidy income	\$ 108,413	\$ 155,579
Others	<u>19,020</u>	<u>50,766</u>
	<u>\$ 127,433</u>	<u>\$ 206,345</u>

b. Finance costs

	For the Year Ended December 31	
	2025	2024
Interest on bank loans	<u>\$ 11,043</u>	<u>\$ 3</u>

c. Interests income

For the Year Ended December 31
2025 2024

Bank deposits	\$ 481,706	\$ 503,250
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d. Other gains and losses

For the Year Ended December 31
2025 2024

Loss on disposal of property, plant and equipment	\$ (635)	\$ (361)
Gain on disposal of investment (Note 12)	-	91,063
Net loss on fair value changes of financial assets and liabilities at fair value through profit or loss	-	(361)
Others	<u>(6,663)</u>	<u>(6,454)</u>
	<u>\$ (7,298)</u>	<u>\$ 83,887</u>

e. Depreciation expense

For the Year Ended December 31
2025 2024

Property, plant and equipment	\$ 350,980	\$ 331,956
Right-of-use assets	14,746	11,581
Investment properties	<u>861</u>	<u>-</u>
	<u>\$ 366,587</u>	<u>\$ 343,537</u>
 An analysis of depreciation by function		
Operating costs	\$ 337,648	\$ 324,248
Operating expenses	<u>28,939</u>	<u>19,289</u>
	<u>\$ 366,587</u>	<u>\$ 343,537</u>

f. Employee benefits expense

For the Year Ended December 31
2025 2024

Short-term benefits	\$ 389,437	\$ 468,998
Post-employment benefits	27,999	22,097
Other employee benefits	<u>9,902</u>	<u>6,068</u>
Total employee benefits expense	<u>\$ 427,338</u>	<u>\$ 497,163</u>
 An analysis of employee benefits expense by function		
Operating costs	\$ 227,267	\$ 173,571
Operating expenses	<u>200,071</u>	<u>323,592</u>
	<u>\$ 427,338</u>	<u>\$ 497,163</u>

g. Employees' compensation and remuneration of directors and supervisors

According to the Articles of Incorporation of the Company, the Company accrues employees' compensation at a rate of no less than 1% when the Company earned profits in the year. Employees' compensation is paid to employees of subordinate companies that meet certain conditions. When the Company is able to increase the amount of profit, it accrues directors' remuneration at a rate of no more than 3% of the profit of the year. However, if the Company has accumulated losses, it should first retain the amount to offset the losses before accruing employees' and directors' remuneration in accordance with the above-mentioned proportion. The aforementioned profit refers to the Company's pre-tax net profit. To avoid confusion, the pre-tax net profit refers to the amount before the accrual for employees and directors' remuneration.

The employees' compensation and the remuneration of directors for the years ended December 31, 2025 and 2024, which were approved by the Company's board of directors on March 13, 2026 and March 5, 2025, respectively, were as follows:

Accrual rate

	For the Year Ended December 31	
	2025	2024
Compensation of employees	1.00%	1.00%
Remuneration of directors	0.03%	0.02%

Amount

	For the Year Ended December 31	
	2025	2024
	Cash	Cash
Compensation of employees	\$ 61,419	\$ 84,237
Remuneration of directors	2,000	2,000

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

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

Further information on the employees' compensation and remuneration of directors approved in the meetings of the board of directors is available at the "Market Observation Post System" website of the TSE.

h. Gains or losses on foreign currency exchange

	For the Year Ended December 31	
	2025	2024
Foreign exchange gains	\$ 493,808	\$ 628,180
Foreign exchange losses	<u>(680,524)</u>	<u>(365,500)</u>
Net profit and loss	<u>\$ (186,716)</u>	<u>\$ 262,680</u>

22. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2025	2024
<u>Current tax</u>		
In respect of the current year	\$ (1,246,795)	\$ (1,637,696)
Adjustments for prior year	(28,549)	(1,929)
<u>Deferred tax</u>		
In respect of the current year	(21,436)	(5,507)
Adjustments for prior year	<u>-</u>	<u>(847)</u>
Income tax expense recognized in profit or loss	<u>\$ (1,296,780)</u>	<u>\$ (1,645,979)</u>

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

	For the Year Ended December 31	
	2025	2024
Profit before income tax	<u>\$ 7,346,546</u>	<u>\$ 10,032,741</u>
Income tax expense calculated at the statutory rate	\$ (1,153,739)	\$ (1,526,192)
Research and development credits	89,047	99,341
Nondeductible expenses in determining taxable income	(27,642)	(992)
Tax-exempt income	31,881	39,583
Adjustments for prior years' tax	(28,549)	(2,776)
Withholding earning	<u>(207,778)</u>	<u>(254,943)</u>
Income tax expense recognized in profit or loss	<u>\$ (1,296,780)</u>	<u>\$ (1,645,979)</u>

According to the People's Republic of China (PRC) Enterprise Income Tax Law, My Parents is required to pay a 10% income tax on dividends derived from earnings in and after 2008 within China.

b. Current tax liabilities

	December 31	
	2025	2024
Current tax liabilities		
Income tax payable	<u>\$ 191,923</u>	<u>\$ 421,864</u>

c. Deferred tax assets and liabilities

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

For the year ended December 31, 2025

	Opening Balance	Recognized in Profit or Loss	Exchange Differences	Closing Balance
<u>Deferred tax assets</u>				
Temporary differences				
Allowance for write-down of inventories	\$ 258	\$ 248	\$ 11	\$ 517
Unrealized compensation	6,177	(4,341)	(140)	1,696
Payables for security production fee	<u>18,595</u>	<u>(17,343)</u>	<u>(578)</u>	<u>674</u>
	<u>\$ 25,030</u>	<u>\$ (21,436)</u>	<u>\$ (707)</u>	<u>\$ 2,887</u>

For the year ended December 31, 2024

	Opening Balance	Recognized in Profit or Loss	Exchange Differences	Closing Balance
<u>Deferred tax assets</u>				
Temporary differences				
Allowance for write-down of inventories	\$ 896	\$ (665)	\$ 27	\$ 258
Unrealized compensation	2,187	3,892	98	6,177
Loss carryforwards	14,910	(15,347)	437	-
Payables for security production fee	<u>12,380</u>	<u>5,752</u>	<u>463</u>	<u>18,595</u>
	<u>\$ 30,373</u>	<u>\$ (6,368)</u>	<u>\$ 1,025</u>	<u>\$ 25,030</u>

Deferred tax liabilities

Temporary differences				
Financial assets at FVTPL	<u>\$ 14</u>	<u>\$ (14)</u>	<u>\$ -</u>	<u>\$ -</u>

d. Income tax assessments

The income tax declarations of Jinan Acetate Chemical, Acetek Material, Acetek Momentum, Acetek Environmental, Acetek Aspiration Trading, Acetek Guardian, Acetek Aspiration and My Parents of the Group have been completed within the deadlines set by the local tax collection office.

23. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Year Ended December 31	
	2025	2024
Basic earnings per share	<u>\$ 6.10</u>	<u>\$ 8.44</u>
Diluted earnings per share	<u>\$ 6.09</u>	<u>\$ 8.43</u>

The weighted average number of shares outstanding used for the earnings per share computation was adjusted retroactively for the effect of par value change and stock dividend on June 27, 2025 and September 18, 2024, respectively. The basic and diluted earnings per share adjusted retrospectively for the year ended December 31, 2024 were as follows:

Unit: NT\$ Per Share

	Before Retrospective Adjustment	After Retrospective Adjustment
Basic earnings per share	<u>\$ 84.36</u>	<u>\$ 8.44</u>
Diluted earnings per share	<u>\$ 84.27</u>	<u>\$ 8.43</u>

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

Net Profit for the Year

	For the Year Ended December 31	
	2025	2024
Profit for the year attributable to owners of the Company	<u>\$ 6,030,749</u>	<u>\$ 8,337,922</u>

Number of Shares

Unit: Thousand Shares

	For the Year Ended December 31	
	2025	2024
Weighted average number of ordinary shares used in the computation of basic earnings per share	989,147	988,344
Effect of potentially dilutive ordinary shares		
Compensation of employees	<u>1,392</u>	<u>1,050</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>990,539</u>	<u>989,394</u>

If the Group offered to settle the compensation or bonuses paid to employees in cash or shares, then the Group should assume that the entire amount of the compensation or bonuses 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, if 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.

24. CAPITAL MANAGEMENT

The Group manages its capital to ensure that it has the necessary financial resources and operating plans to meet the working capital, capital expenditure and debt repayment requirements for the next 12 months, and that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

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

25. FINANCIAL INSTRUMENTS

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

In the management's opinion, the carrying value of financial instruments that are not measured at fair value approximates the fair value of the financial instruments.

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

1) Fair value hierarchy

December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments	\$ -	\$ -	\$ 73,673	\$ 73,673

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments	\$ -	\$ -	\$ 66,642	\$ 66,642

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

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

For the year ended December 31, 2025

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2025	\$ 66,642
Purchase	6,804
Effect of exchange rate	227
Balance at December 31, 2025	\$ 73,673

For the year ended December 31, 2024

	Financial Assets at FVTOCI
	Equity Instruments
Financial Assets	
Balance at January 1, 2024	\$ -
Reclassification	64,212
Effect of exchange rate	<u>2,430</u>
Balance at December 31, 2024	<u>\$ 66,642</u>

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

The fair value of unlisted equity investments, both domestic and overseas, amounted to \$73,673 thousand as of December 31, 2025 and \$66,642 thousand as of December 31, 2024, respectively. These investments were valued using the asset-based approach. In assessing the value, the Company considered the nature of the investees, referencing their financial condition, operating performance, and net asset value, while also applying liquidity and control premium or discount adjustments based on the level of control over the investees.

c. Categories of financial instruments

	December 31	
	2025	2024
<u>Financial assets</u>		
Financial assets at amortized cost (Note 1)	\$ 14,695,125	\$ 15,459,742
Financial assets at FVTOCI		
Equity instruments	73,673	66,642
<u>Financial liabilities</u>		
Financial liabilities at amortized cost (Note 2)	1,226,833	3,322,684

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable and accounts receivable, accounts receivable from related parties, other receivables, other current assets (pledged deposits and refundable deposits) and other non-current assets (refundable deposits).

2) The balances include financial liabilities at amortized cost, which comprise notes and accounts payable, other payables and other current liabilities (guarantee deposit received).

d. Financial risk management objectives and policies

The Group's major financial instruments include cash and cash equivalents, equity instruments, debt investments, accounts receivable, borrowings, accounts payable and bonds payable. The Group's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest risk), credit risk and liquidity risk.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provided written principles on foreign currency risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. 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) and interest rates (see (b) 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

Several subsidiaries have foreign currency sales and purchases, which exposes the Group to foreign currency risk. Exchange rate exposures are managed within approved policy parameters utilizing foreign exchange forward contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Notes 30.

Sensitivity analysis

The Group is mainly exposed to the USD and EUR.

The following table details the Group's sensitivity to a 1% increase and decrease in the RMB and New Taiwan dollar (i.e., the individual functional currency) against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 1%. The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates a decrease in pre-tax profit and other equity associated with the RMB and New Taiwan dollar strengthening 1% against the relevant currency. For a 1% weakening of the RMB and New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit and the balances below would be negative.

Currency Type	Impact on Profit or Loss	
	2025	2024
USD	\$ 101,279	\$ 74,964
EUR	11,154	-

The above impact was mainly attributable to the exposure on outstanding receivables and payables in USD and EUR which were not hedged at the end of the reporting period.

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

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group undertaking bank deposits at both fixed and floating interest rates.

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:

	December 31	
	2025	2024
Fair value interest rate risk		
Financial assets	\$ 9,549,160	\$ 9,663,949
Cash flow interest rate risk		
Financial assets	3,538,102	4,781,818

Sensitivity analysis

The sensitivity analysis below was 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 reporting period was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2025 and 2024 would have increased/decreased by \$35,381 thousand and \$47,818 thousand, which was mainly attributable to the Group's exposure to interest rates of its variable-rate bank deposits.

2) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting 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.

In order to mitigate credit risk, the management of the Group assigns a team responsible for credit facilities, credit approvals and other monitoring procedures to ensure that appropriate actions are taken for the recovery of overdue receivables. In addition, the Group reviews the recoverable amount of the receivables on the date of the financial statements to ensure that receivables that cannot be recovered have been provided with allowance for impairment loss. Accordingly, the management reckons that the credit risk of the Group has been significantly reduced.

Accounts receivable cover a wide range of customers and are spread across different industries and geographic regions. The Company continuously evaluates the financial position of customers.

In addition, since the counterparty of current funds are financial institutions and companies with good credit ratings, the credit risk is limited.

The Group transacts with a large number of unrelated customers and, thus, no concentration of credit risk was observed.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents 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 relies on bank borrowings as a significant source of liquidity. As of December 31, 2025 and 2024, the Group had available unutilized short-term bank loan facilities as set out in (c) below.

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

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table included 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 repayment dates.

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

December 31, 2025

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 348,405	\$ 45,288	\$ 833,140	\$ -

December 31, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 2,590,369	\$ 67,350	\$ 664,965	\$ -

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

b) Financing facilities

	December 31	
	2025	2024
Unsecured bank loan facilities which may be extended by mutual agreements:		
Amount unused	<u>\$ 6,204,022</u>	<u>\$ 746,300</u>
Secured bank loan facilities which may be extended by mutual agreements:		
Amount unused	<u>\$ 1,546,415</u>	<u>\$ 1,071,657</u>

26. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. In addition to those disclosed in other notes, transactions between the Group and other related parties are disclosed below:

a. Related party name and category

Related Party Name	Related Party Category
Global Filter S.A (GF)	Substantive related party
Tabacalera Hernandarias S.A. (TH)	Substantive related party
LA/ES LAMINATI ESTRUSI TERMOPLASTICI S.R.L. (LA/ES)	Substantive related party (Note)
Eleung Limited (ELEUNG)	Substantive related party (Note)
Zhongshan Taly Plastic Extrusion Co., Ltd.	Substantive related party
Jinan Hezhen Industry And Trade CO., Ltd.	Substantive related party
Jiasheng Zhizao (Shandong) Packaging Co., Ltd.	Substantive related party
Wang, Chung-Hsuan	Substantive related party
Wang, Ke-Chang	Key management
Acetek New Materials (Shandong) Co., Ltd. (Acetek New Materials)	Associate

Note: Due to the Group's resignation from the board of ELEUNG and the sale of 15% of its shares to LA/ES and ELEUNG, it lost significant influence, LA/ES and ELEUNG have not been considered related parties since June 28, 2024.

b. Operating revenue

Line Item	Related Party Category/Name	For the Year Ended December 31	
		2025	2024
Sales	Related party in substance	\$ 127,281	\$ 211,786
	Associates	<u>81,403</u>	<u>-</u>
		<u>\$ 208,684</u>	<u>\$ 211,786</u>

The Group's sales prices to related parties are consistent with those offered to ordinary customers, and the collection periods from substantial related parties are comparable to those for regular customers. For the associate, the Group's payment terms are 180 days.

c. Purchases of goods

Line Item	Related Party Category/Name	For the Year Ended December 31	
		2025	2024
Purchases of goods	Related party in substance	\$ 18,725	\$ 13,813
	Associates	<u>44</u>	<u>-</u>
		<u>\$ 18,769</u>	<u>\$ 13,813</u>

The purchase prices in related-party transactions were not significantly different from those for transactions with third parties.

d. Receivables from related parties

Line Item	Related Party Category/Name	December 31	
		2025	2024
Accounts receivable - related parties	Related party in substance		
	GF	\$ 29,292	\$ 6,079
	TH	5,894	15,082
	Acetek New Materials	<u>47,428</u>	<u>-</u>
		<u>\$ 82,614</u>	<u>\$ 21,161</u>

The outstanding receivables from related parties were unsecured. For the years ended December 31, 2025 and 2024, no impairment loss was recognized on accounts receivable from related parties.

e. Payables to related parties

Line Item	Related Party Category/Name	December 31, 2024
Accounts payable	Related party in substance	\$ 855
	Associates	<u>193</u>
		<u>\$ 1,048</u>

The outstanding payables to related parties were unsecured.

f. Disposal of financial assets

For the year ended December 31, 2024

Related Party Category/Name	Line Item	Number of Shares	Underlying Assets	Proceeds
Related party in substance/LA/ES	Investments accounted for using the equity method	146,667	Shares of ELEUNG	\$ 61,562
Related party in substance/ELEUNG	Investments accounted for using the equity method	53,333	Shares of ELEUNG	<u>22,386</u>
				<u>\$ 83,948</u>

For the year ended December 31, 2024, the gain recognized from a realized profit of \$52,527 thousand (proceeds of \$83,948 thousand less the carrying amount of the interest disposed of amounting to \$31,421 thousand) and an unrealized profit of \$38,536 thousand (fair value less the carrying amount of the 10% retained interest). Please refer to Note 12 for details on the sale.

g. Other transactions with related parties

Line Item	Related Party Category/Name	For the Year Ended December 31	
		2025	2024
Operating expense - rental	Key management	\$ 360	\$ 360
	Related party in substance	<u>1,210</u>	<u>-</u>
		<u>\$ 1,570</u>	<u>\$ 360</u>
Other income - rental	Associates	<u>\$ 1,113</u>	<u>\$ -</u>
Other income	Associates	<u>\$ 1,441</u>	<u>\$ -</u>

The key management and the substantive related party provides rental service to the Company, the rental is based on the rental level of similar assets, and it pays a fixed lease payment on a monthly basis according to the lease contract.

The associate leases the Company's plant and pays utility expenses, the rental is based on the rental level of similar assets, and it pays a fixed lease payment on a monthly basis according to the lease contract.

h. Remuneration of key management personnel

	For the Year Ended December 31	
	2025	2024
Short-term employee benefits	\$ 23,020	\$ 105,873
Post-employment benefits	<u>314</u>	<u>218</u>
	<u>\$ 23,334</u>	<u>\$ 106,091</u>

The remunerations of directors and key executives were determined by the remuneration committee on the basis of individual performance and market trends.

27. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank loan facilities, letters of credit bank's acceptance bills:

	December 31	
	2025	2024
Financial assets at amortized cost	\$ -	\$ 9,409
Pledge deposits (classified as other current assets)	106,181	50,470
Property, plant and equipment, net	30,939	42,252
Right-of-use assets	<u>11,251</u>	<u>98,728</u>
	<u>\$ 148,371</u>	<u>\$ 200,859</u>

28. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group were as follows:

As of December 31, 2025 and 2024, unused letters of credit for purchases of raw materials and machinery and equipment amounted to approximately \$424,724 thousand and \$268,071 thousand, respectively.

Unrecognized commitments were as follows:

	December 31	
	2025	2024
Payments for property, plant and equipment	\$ <u>32,972</u>	\$ <u>67,215</u>

29. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On March 13, 2026, the Company's Board of Directors resolved to establish an overseas tow production base and to supply customers in the Middle East more efficiently by forming a joint venture in Fujairah, United Arab Emirates. The Board authorized an investment ceiling of USD 35,000 thousand for this project.

As of the issuance date of these consolidated financial statements, a formal joint venture agreement has not yet been executed. The Board of Directors has authorized the Chairman to fully handle all preparatory matters within the aforementioned investment limit, including subsequent contract negotiations, structural assessments, and execution. The investment will only proceed once the relevant geopolitical risks are assessed to be within an acceptable range. The final investment amount, joint venture partner(s), shareholding ratio, and detailed contractual terms shall be based on the formally negotiated and executed agreement.

30. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>December 31, 2025</u>			
<u>Financial assets</u>			
Monetary items			
USD	\$ 289,968	6.991 (USD:RMB)	\$ 9,163,419
USD	42,767	31.43 (USD:NTD)	1,344,163
EUR	30,123	8.235 (EUR:RMB)	1,115,363
<u>Financial liabilities</u>			
Monetary items			
USD	12,015	6.991 (USD:RMB)	379,706

(Continued)

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>December 31, 2024</u>			
<u>Financial assets</u>			
Monetary items			
USD	\$ 141,104	7.321 (USD:RMB)	\$ 4,551,735
USD	96,799	32.79 (USD:NTD)	3,173,563
<u>Financial liabilities</u>			
Monetary items			
USD	7,110	7.321 (USD:RMB)	228,855 (Concluded)

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

For the Year Ended December 31				
2025		2024		
Foreign Currency	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
USD	7.1440 (USD:RMB)	\$ (45,146)	7.1203 (USD:RMB)	\$ 251,723
Others	-	<u>(141,570)</u>	-	<u>10,957</u>
		<u>\$ (186,716)</u>		<u>\$ 262,680</u>

31. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions and investees:

- 1) Financing provided to others. (Table 1)
- 2) Endorsements/guarantees provided. (Table 2)
- 3) Significant marketable securities held (excluding investment in subsidiaries, associates and joint ventures). (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 6)

b. Information on investees. (Table 7)

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 8)
- 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: (None)
 - 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 end of period balance, the interest rate range, and total current period interest with respect to 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 receiving of services.

32. SEGMENT INFORMATION

a. Financial information of the operating segment

Information reported to the chief operating decision maker for resource allocation and assessment of segment performance focuses on the types of goods and services to be delivered. The Group focuses its business mainly on the manufacturing and sales of cellulose acetate products. According to IFRS 8, the Group has organized management and resource allocation in a single department. The operating activities are related to R&D and manufacturing of acetate products, and the operating income of the operating activities accounts for more than 90% of the total revenue.

b. Revenue from major products and services

The following is an analysis of the Group's revenue from continuing operations from its major products and services.

	For the Year Ended December 31	
	2025	2024
Cellulose acetate tow	\$ 11,430,134	\$ 14,142,609
Cellulose acetate	1,801,268	1,564,567
Cellulose anhydride	<u>-</u>	<u>6,149</u>
	<u>\$ 13,231,402</u>	<u>\$ 15,713,325</u>

c. Geographical information

The Group operates in four principal geographical areas - Asia, America, Europe and Africa.

The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below.

	Revenue from External Customers	
	For the Year Ended December 31	
	2025	2024
Europe	\$ 6,845,053	\$ 8,302,358
Asia	4,811,685	5,444,135
Africa	1,050,564	1,532,302
America	<u>524,100</u>	<u>434,530</u>
	<u>\$ 13,231,402</u>	<u>\$ 15,713,325</u>

d. Information about major customers

Single customers contributing 10% or more to the Group's revenue were as follows:

	For the Year Ended December 31	
	2025	2024
Customer A	\$ 1,758,727	\$ 2,170,766
Customer B	<u>1,261,422</u>	<u>2,243,307</u>
	<u>\$ 3,020,149</u>	<u>\$ 4,414,073</u>

TABLE 1

JINAN ACETATE CHEMICAL CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Note 1)	Ending Balance (Note 1)	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	Aggregate Financing Limit	Note
													Item	Value			
1	Jinan Acetate Chemical	Jinan Acetate Chemical Co., Ltd.	Other receivables	Yes	\$ 62,860 (US\$ 2,000 thousand)	\$ 62,860 (US\$ 2,000 thousand)	\$ - (US\$ - thousand)	1.5	Short-term financing	\$ -	Operation turnover	\$ -	-	\$ -	\$ 3,978,873	\$ 5,305,164	Note 3

- Note 1: The maximum balance for the period and ending balance represent the amounts approved by the board of directors.
- Note 2: For foreign subsidiaries whose voting shares are 100% owned, directly or indirectly, by the Company, when the funds are used for financing, the total amount shall not exceed 100% of the net worth of the lender. The total amount for lending to a company for funding shall not exceed 30% of the net worth of the Company.
- Note 3: For companies with short-term funding needs, the amount for lending to a company shall not exceed 30% of the net worth of the lender. The total amount for lending shall not exceed 40% of the net worth of the Company.
- Note 4: The limit on the amount for lending is calculated according to the recent financial statements audited by the Company’s independent accountants.
- Note 5: Spot buy/sell average exchange rates of Bank of Taiwan as of the end of December 2025 are used to estimate the amount in New Taiwan dollar.

TABLE 2

JINAN ACETATE CHEMICAL CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee Receiver		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 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	Note
		Name	Relationship (Note 2)											
0	Jinan Acetate Chemical Co., Ltd.	Jinan Acetate Chemical	b	\$ 49,752,715	\$ 1,230,980	\$ 936,555	\$ -	\$ -	4.71	\$ 49,752,715	Y	N	Y	Notes 4 and 5
		Acetek Material	b	5,970,326	512,460	355,100	106,181	-	1.78	19,901,086	Y	N	Y	Notes 4 and 5
		Acetek Momentum	b	49,752,715	89,920	44,960	-	-	0.23	49,752,715	Y	N	Y	Note 4
		Acetek Environmental	b	49,752,715	134,880	134,880	-	-	0.68	49,752,715	Y	N	Y	Note 4
		Acetek Aspiration	b	49,752,715	134,880	134,880	-	-	0.68	49,752,715	Y	N	Y	Note 4
1	Jinan Acetate Chemical	Jinan Acetate Chemical Co., Ltd.	c	2,652,582	157,150	157,150	-	-	1.18	6,631,455	N	Y	N	-
		Acetek Material	b	2,652,582	94,290	94,290	-	-	0.71	6,631,455	Y	N	Y	-
		Acetek Environmental	d	2,652,582	280,853	280,853	-	-	2.12	6,631,455	N	N	Y	-
		Acetek Aspiration	d	2,652,582	835,920	835,920	-	-	6.30	6,631,455	Y	N	Y	-

Note 1: Significant transactions between the Company and its subsidiaries or among subsidiaries are numbered as follows:

a. “0” for the Company.

b. Subsidiaries are numbered from “1”.

Note 2: Relationships between the endorser/guarantor and the endorsee/guarantee receiver:

a. The Company in relation to business.

b. The Company which holds, directly or indirectly, over 50% of the voting shares.

c. The Company which holds, directly or indirectly, over 50% of the shares.

d. The Company which holds, directly or indirectly, over 90% of the voting shares.

e. Based on contract projects among their peers in accordance with contract provisions which need mutual insurance company.

f. Owing to the joint venture funded by the shareholders on its endorsement of its holding company.

g. Compliance guarantees for the performance of the sales contracts of pre-sold homes within the same industry in accordance with the Consumer Protection Law.

Note 3: The calculation for the amount of endorsement is as follows:

a. The total amount of guarantee provided by the Company to any entity whose voting shares are 100% owned, directly and indirectly, the total balance of guarantee shall not exceed the Company’s total net worth.

b. The total amount of guarantee provided by the Company to any individual entity shall not exceed ten percent (30%) of the Company’s net worth. Except for the guarantee provided to any entity whose voting shares are 100% owned, shall not exceed two-hundred-and-fifty percent (250%) of the Company’s net worth.

c. The total amount of guarantee provided by Jinan Acetate Chemical shall not exceed fifty percent (50%) of its net worth. The total amount of guarantee provided to any individual entity shall not exceed twenty percent (20%) of its net worth.

Note 4: In the joint endorsement and guarantee case involving the company, the endorsed and guaranteed companies include Jinan Acetate Chemical with a balance of RMB30,000,000, Acetek Material with a balance of RMB30,000,000, and Acetek Momentum with a balance of RMB10,000,000, for a total of three companies. The total amount utilized by these three companies shall not exceed RMB30,000,000. Due to the renewal of the credit limit, the Board of Directors of the Company resolved on March 5, 2025, to provide joint endorsement guarantees, resulting in a duplication in the calculation of the maximum remaining endorsement guarantee balance. Furthermore, on May 2025, Acetek Aspiration was added as an endorsed and guaranteed company with a balance of RMB30,000,000, and on August 2025, Acetek Environmental was added as an endorsed and guaranteed company with a balance of RMB30,000,000, but the total amount utilized shall remain not exceeding RMB30,000,000.

Note 5: On May 10, 2024, the Board of Directors resolved to provide endorsements and guarantees for its subsidiaries (Jinan Acetate Chemical and Acetek Material) Due to adjustments in the credit limit, the Company’s Board of Directors further resolved on August 23, 2024, to provide joint endorsements and guarantees for the subsidiaries. The endorsed and guaranteed parties include Jinan Acetate Chemical with a balance of RMB35 million and Acetek Material with a balance of RMB35 million, with the total amount for both companies not exceeding RMB35 million, due to the renewal of the credit facility, the joint guarantee was approved by the Company’s Board of Directors on August 22, 2025, causing the maximum endorsed guarantee balance in this announcement to be counted twice in accordance with regulations.

Note 6: The limit on the amount for endorsement guarantee is calculated according to the recent financial statements audited by the Company’s independent accountants.

Note 7: Spot buy/sell average exchange rates of Bank of Taiwan as of the end of December 2025 are used to estimate the amount in New Taiwan dollar.

TABLE 3

JINAN ACETATE CHEMICAL CO., LTD. AND SUBSIDIARIES

**SIGNIFICANT MARKETABLE SECURITIES HELD
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Holding Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Holding Company (Note 2)	Financial Statement Account	December 31, 2025				Note (Note 4)
				Number of Shares	Carrying Amount (Note 3)	Percentage of Ownership (%)	Fair Value	
Acetek Chemicals	<u>Common stocks</u> ELEUNG	-	Financial assets at fair value through other comprehensive income - non-current	133	\$ 56,608	11	\$ 56,608	-
Jinan Acetate Chemical Co., Ltd.	HOLYARD	-	Financial assets at fair value through other comprehensive income - non-current	4,496	17,065	19	17,065	-

- Note 1: The marketable securities in this table are related to shares, bonds, beneficiary certificates and short-term investments of IFRS 9 “Financial Instruments.”
- Note 2: If the issuer of marketable securities is not a related party, the column is not required to be filled in.
- Note 3: The carrying amount of the financial assets at fair value through profit or loss is shown as the carrying amount after adjustment for fair value and net of allowance for losses. The carrying amount of the financial assets that is not measured at fair value is the carrying amount of the amortized cost (net of allowance for losses).
- Note 4: If the marketable securities listed are subject to restrictions due to the provision of guarantees, pledged borrowings or other contractual restrictions, the number of shares provided as guarantees or pledged borrowings, the amounts of guarantees or pledged borrowings and the restrictions on their use should be indicated in the note column.
- Note 5: This table presents significant marketable securities held disclosed by the Company based on the materiality principle.
- Note 6: The information about subsidiaries and associates ventures, please refer to Tables 7 and 8.

TABLE 4

JINAN ACETATE CHEMICAL CO., LTD. AND SUBSIDIARIES

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction (Note 1)		Notes/Accounts Receivable (Payable)		Note
			Purchases/ Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Jinan Acetate Chemical	Acetek Material	Subsidiary	Purchases	\$ 981,282	15	Same as those for unrelated parties	No significant difference	No significant difference	\$ (109,778)	(5)	-
Acetek Material	Jinan Acetate Chemical	Parent company	Sales	(981,282)	(7)	Same as those for unrelated parties	No significant difference	No significant difference	109,778	7	-
Acetek Momentum	Acetek Material	Brother-sister corporation	Sales	(320,771)	(2)	Same as those for unrelated parties	No significant difference	No significant difference	139,169	9	-
Acetek Material	Acetek Momentum	Brother-sister corporation	Purchases	320,771	5	Same as those for unrelated parties	No significant difference	No significant difference	(139,169)	(7)	-
Jinan Acetate Chemical	Acetek Environmental	Brother-sister corporation	Purchases	328,565	5	Same as those for unrelated parties	No significant difference	No significant difference	(498,608)	(24)	-
Acetek Environmental	Jinan Acetate Chemical	Brother-sister corporation	Sales	(328,565)	(2)	Same as those for unrelated parties	No significant difference	No significant difference	498,608	33	-
		Brother-sister corporation	Purchases	185,978	3	Same as those for unrelated parties	No significant difference	No significant difference	-	-	-
Jinan Acetate Chemical	Acetek Environmental Acetek Aspiration	Brother-sister corporation	Sales	(185,978)	(1)	Same as those for unrelated parties	No significant difference	No significant difference	-	-	-
		Brother-sister corporation	Purchases	496,335	8	Same as those for unrelated parties	No significant difference	No significant difference	(73,625)	(4)	-
Acetek Aspiration	Jinan Acetate Chemical	Brother-sister corporation	Sales	(496,335)	(4)	Same as those for unrelated parties	No significant difference	No significant difference	73,625	5	-
Acetek Material	Jinan Acetate Chemical	Parent company	Purchases	162,911	3	Same as those for unrelated parties	No significant difference	No significant difference	-	-	-
Jinan Acetate Chemical	Acetek Material	Subsidiary	Sales	(162,911)	(1)	Same as those for unrelated parties	No significant difference	No significant difference	-	-	-
Acetek Aspiration	Jinan Acetate Chemical	Brother-sister corporation	Purchases	263,222	4	Same as those for unrelated parties	No significant difference	No significant difference	-	-	-
Jinan Acetate Chemical	Acetek Aspiration	Brother-sister corporation	Sales	(263,222)	(2)	Same as those for unrelated parties	No significant difference	No significant difference	-	-	-
Acetek Aspiration Trading	Jinan Acetate Chemical	Parent company	Purchases	203,572	3	Same as those for unrelated parties	No significant difference	No significant difference	(238,690)	(12)	-
Jinan Acetate Chemical	Acetek Aspiration Trading	Subsidiary	Sales	(203,572)	(1)	Same as those for unrelated parties	No significant difference	No significant difference	238,690	16	-

Note 1: Differences in the condition of transactions between related parties and general customers should be noted on the table.

Note 2: Actual capital amount is the actual amount from the parent company, issuer of no par stock or par value stock less than \$10 New Taiwan dollar shall follow the actual capital amount as 20% of transaction amount rule; equity is calculated at 10% of the equity in the parent company’s balance sheet.

Note 3: The transactions between the Company and investee companies have already been eliminated in the preparation of the consolidated financial statements.

TABLE 5

JINAN ACETATE CHEMICAL CO., LTD. AND SUBSIDIARIES

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss	Note
					Amount	Actions Taken			
My Parents	Jinan Acetate Chemical	Parent-subsiary	Other receivables \$ 578,780	-	\$ -	-	\$ -	\$ -	Notes 1 and 2
Acetek Material	Jinan Acetate Chemical	Parent-subsiary	Accounts receivable 109,778	17.88					
Acetek Environmental	Jinan Acetate Chemical	Brother-sister corporation	Accounts receivable 498,608	0.90	-	-	-	-	Note 1
Acetek Momentum	Acetek Material	Brother-sister corporation	Accounts receivable 139,169	2.24	-	-	-	-	Note 1
Acetek Aspiration Trading	Jinan Acetate Chemical	Parent-subsiary	Accounts receivable 238,690	1.71	-	-	-	-	Note 1

Note 1: All transactions listed in the table have been eliminated in the preparation of the consolidated statements.

Note 2: The Dividends receivable of \$578,780 thousand.

TABLE 6

JINAN ACETATE CHEMICAL CO., LTD. AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Total Sales or Assets (Note 3)
1	My Parents	Jinan Acetate Chemical	3	Other non-current liabilities	\$ 432,983	In accordance with mutual contracts	2
		Jinan Acetate Chemical	3	Other receivables	578,780	In accordance with mutual contracts	3
2	Jinan Acetate Chemical	Acetek Material	3	Purchases	981,282	In accordance with mutual contracts	7
		Acetek Material	3	Payables	109,778	In accordance with mutual contracts	1
		Acetek Environmental	3	Purchases	328,565	In accordance with mutual contracts	2
		Acetek Environmental	3	Payables	498,608	In accordance with mutual contracts	2
		Acetek Aspiration	3	Purchases	496,355	In accordance with mutual contracts	4
3	Acetek Material	Acetek Momentum	3	Purchases	320,771	In accordance with mutual contracts	2
		Acetek Momentum	3	Payables	139,169	In accordance with mutual contracts	1
		Jinan Acetate Chemical	3	Purchases	162,911	In accordance with mutual contracts	1
4	Acetek Environmental	Jinan Acetate Chemical	3	Purchases	185,978	In accordance with mutual contracts	1
5	Acetek Aspiration	Jinan Acetate Chemical	3	Purchases	263,222	In accordance with mutual contracts	2
6	Acetek Aspiration Trading	Jinan Acetate Chemical	3	Purchases	203,572	In accordance with mutual contracts	1
		Jinan Acetate Chemical	3	Payables	238,690	In accordance with mutual contracts	1

Note 1: Companies are identified by number, as follows:

- a. “0” represents the parent company.
- b. “1” represents the subsidiary.

Note 2: The flow of transactions is as follows:

- a. 1 - from the parent company to the subsidiary.
- b. 2 - from the subsidiary to the parent company.
- c. 3 - between subsidiaries.

Note 3: Percentage of consolidated operating revenues or consolidated total assets: If the account is in the balance sheet, it was calculated by dividing the ending balance by the consolidated total assets; if the account is in the income statement, it was calculated by dividing the interim cumulative balance by the consolidated operating revenue.

Note 4: The important transactions listed accord with the materiality principle of the Company.

Note 5: All transactions listed in the table have been eliminated in the preparation of the consolidated statements.

TABLE 7

JINAN ACETATE CHEMICAL CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Business and Product	Original Investment Amount		As of December 31, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2025	December 31, 2024	Shares	%	Carrying Amount			
Jinan Acetate Chemical Co., Ltd.	My Parents	Hong Kong	Investments	\$ 974,921	\$ 974,921	Note 2	100	\$ 17,377,998 (Note 1)	\$ 6,025,288	\$ 6,025,288 (Note 1)	-
	Acetek SG	Singapore	Investments	-	-	1	100	-	-	-	-
My Parents	Acetek Chemical	Hong Kong	Investments	39,196	39,196	Note 2	80	69,095 (Note 1)	557	446 (Note 1)	-

Note 1: All eliminated at the time the consolidated financial statements are prepared.

Note 2: The investee company is limited and has no shares.

Note 3: Information on investments in mainland China, please refer to Table 8.

TABLE 8

JINAN ACETATE CHEMICAL CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2025	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2025	Net Income (Loss) of the Investee	Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Notes 2 and 4)	Carrying Amount as of December 31, 2025 (Note 4)	Accumulated Repatriation of Investment Income as of December 31, 2025	Note
					Outward	Inward							
Jinan Acetate Chemical	Manufacturing and sales of cellulose acetate tow	\$ 3,128,053 (RMB 715,154 thousand)	c	\$ -	\$ -	\$ -	\$ -	\$ 5,927,908	100	\$ 5,927,908 (Notes 2 b (2) and 4)	\$ 13,128,030 (Note 4)	\$ -	-
Acetek Material	Manufacturing and sales of cellulose acetate	797,492 (RMB 176,000 thousand)	c	-	-	-	-	157,779	88	138,643 (Notes 2 b (2) and 4)	1,126,055 (Note 4)	-	Note 3
Acetek Momentum	Manufacturing and sales of cellulose anhydride	394,799 (RMB 91,103 thousand)	c	-	-	-	-	57,647	100	57,647 (Notes 2 b (2) and 4)	503,947 (Note 4)	-	-
Acetek Environmental	Manufacturing and sales of cellulose acetate fiber	1,104,579 (RMB 248,897 thousand)	c	-	-	-	-	58,742	100	58,742 (Notes 2 b (2) and 4)	1,440,918 (Note 4)	-	-
Acetek Aspiration Trading	Sales of cellulose acetate	4 (RMB 1 thousand)	c	-	-	-	-	-	100	- (Notes 2 b (2) and 4)	429 (Note 4)	-	-
Acetek Aspiration	Manufacturing and sales of high-performance fibers	1,950,896 (RMB 443,700 thousand)	c	-	-	-	-	234,385	100	234,385 (Notes 2 b (2) and 4)	1,894,332 (Note 4)	-	Note 3
Acetek Guardian	Manufacturing and sale of hydroxyethyl cellulose ether and specialty cotton cellulose	906,944 (RMB 206,127 thousand)	c	-	-	-	-	2,086	100	2,086 (Notes 2 b (2) and 4)	930,435 (Note 4)	-	-
Acetek New Materials (Shandong) Co., Ltd.	Manufacturing and sales of cellulose acetate tow	36,209 (RMB 8,000 thousand)	c	-	-	-	-	(5,226)	40	(2,091) (Notes 2 b (3))	11,319	-	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$ -	\$ -	\$ -

(Continued)

Note 1: Investment is divided into the following three categories which can be marked:

- a. Direct investment in mainland China.
- b. Reinvestment in mainland China companies through the third region (please indicated the third area of investment company).
- c. Others.

Note 2: The investment income (loss) recognized in current period:

- a. No investment income (loss) has been recognized due to the investment is still in development stage.
- b. The investment income (loss) was determined on the following basis:
 - 1) The financial report was audited and certified by an international accounting firm in cooperation with accounting firm in the ROC.
 - 2) The financial statements were audited by the CPA of the parent company in Taiwan.
 - 3) Others.

Note 3: The realized and unrealized profits and losses among the companies were considered.

Note 4: All eliminated at the time the consolidated financial statements are prepared.

(Concluded)