

**GRAND PACIFIC PETROCHEMICAL
CORPORATION AND SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Six Months Ended June 30, 2025 and 2024**

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The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

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Independent Auditors' Review Report

To the Board of Directors of GRAND PACIFIC PETROCHEMICAL CORPORATION:

Introduction

We have reviewed the accompanying consolidated balance sheets of GRAND PACIFIC PETROCHEMICAL CORPORATION (“the Company”) and its subsidiaries (together referred to as the “Group”) as of June 30, 2025, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2025, as well as the changes in equity and cash flows for the six months then ended, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As stated in note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect the total assets amounting to \$1,235,317 thousand, constituting 1.97% of the consolidated total assets; as well as the total liabilities amounting to \$320,165 thousand, constituting 1.06% of the consolidated total liabilities, as of June 30, 2025; and total comprehensive income (loss) amounting to \$(6,320) thousand and \$7,963 thousand, constituting 0.16% and (0.19)%, of the consolidated total comprehensive income (loss) for the three months and six months then ended.

Furthermore, as stated in note 6(h), the other equity accounted investments of the Group in its subsidiaries in its investee companies of \$7,718,851 thousand as of June 30, 2025, respectively, and its equity in net earnings (losses) on these investee companies of \$19,507 thousand and \$134,642 thousand for the three months and six months then ended, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2025, and of its consolidated financial performance for the three months and six months ended June 30, 2025, as well as its consolidated cash flows for the six months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Other Matter

The consolidated financial statements of the Group for the second quarter of 2024 were reviewed by other auditors. Certain nonsignificant subsidiaries included in the consolidated financial statements, as well as investments accounted for using the equity method, were based on the financial statements of the respective investee companies for the same period, which had not been reviewed by independent auditors. As a result, a review report with a qualified conclusion was issued on August 12, 2024

The engagement partners on the reviews resulting in this independent auditors’ review report are Wu, Cheng-Yen and Lien, Shu-Ling.

KPMG

Taipei, Taiwan (Republic of China)
August 11, 2025

Notes to Readers

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

The independent auditors’ review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors’ review report and consolidated financial statements, the Chinese version shall prevail.

June 30, 2025, December 31, 2024, and June 30, 2024

Assets		June 30, 2025		December 31, 2024		June 30, 2024		Liabilities and Equity		June 30, 2025		December 31, 2024		June 30, 2024	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (note 6(a))	\$ 6,790,293	11	4,358,525	7	4,559,810	7	2100	Short-term loans (note 6(o))	\$ 6,811,922	11	4,227,301	7	4,207,191	7
1110	Current financial assets at fair value through profit or loss (note 6(b))	287,745	1	821,574	1	342,507	1	2110	Short-term bills payable (note 6(q))	699,628	1	699,651	1	799,541	1
1140	Current contract assets (note 6(ac))	26,547	-	16,647	-	35,130	-	2130	Current contract liabilities (note 6(ac))	124,124	-	28,268	-	69,227	-
1170	Notes and accounts receivable, net (note 6(d))	1,690,208	3	1,843,595	3	2,200,980	3	2170	Accounts payable	1,238,748	2	1,504,140	2	1,514,470	2
1200	Other receivables (note 7)	228,941	-	43,900	-	115,155	-	2200	Other payables (notes 6(r) and 7)	683,377	1	978,311	2	686,346	1
1220	Current tax assets	24,639	-	22,999	-	840	-	2230	Current tax liabilities	8,565	-	1,623	-	11,967	-
130X	Inventories (note 6(e))	2,795,824	4	2,728,946	4	2,916,073	4	2250	Current provisions (notes 6(t) and 6(v))	15,267	-	19,669	-	19,145	-
1410	Prepayments (note 6(f))	2,541,464	4	2,896,149	5	2,642,367	4	2280	Current lease liabilities (note 6(s))	239,510	-	242,225	-	234,842	-
1470	Other current assets (notes 6(g) and 8)	936,904	2	846,818	1	4,568,552	7	2320	Long-term liabilities, current portion (note 6(p))	713,147	1	20,532	-	6,177,383	10
	Total current assets	15,322,565	25	13,579,153	21	17,381,414	26	2399	Other current liabilities, others (note 6(w))	58,498	-	39,225	-	35,841	-
Non-current assets:									Total current liabilities	10,592,786	16	7,760,945	12	13,755,953	21
1510	Non-current financial assets at fair value through profit or loss (note 6(b))	37,808	-	28,251	-	37,501	-	2540	Long-term loans (note 6(p))	14,567,160	23	14,796,135	23	10,618,124	16
1517	Non-current financial assets at fair value through other comprehensive income (note 6(c))	4,829,460	8	5,315,696	8	4,910,018	8	2550	Non-current provisions (notes 6(t) and 6(v))	89,264	-	85,933	-	82,920	-
1551	Investments accounted for using equity method (note 6(h))	7,718,851	12	8,482,776	14	8,558,504	13	2570	Deferred tax liabilities (note 6(x))	1,122,388	2	1,094,944	2	1,094,281	2
1600	Property, plant and equipment (notes 6(i) and 8)	26,212,698	42	24,392,796	38	23,007,469	35	2580	Non-current lease liabilities (note 6(s))	3,695,927	6	3,493,908	6	3,145,748	5
1755	Right-of-use assets (notes 6(j) and 8)	4,676,127	8	3,903,916	6	3,994,988	6	2640	Net defined benefit liability, non-current	-	-	6,907	-	9,899	-
1760	Investment property (note 6(k))	708,890	1	711,319	1	713,761	1	2670	Other non-current liabilities (note 6(w))	39,364	-	45,000	-	39,512	-
1780	Intangible assets (notes 6(l) and 8)	1,353,491	2	1,386,980	2	1,392,666	2		Total non-current liabilities	19,514,103	31	19,522,827	31	14,990,484	23
1840	Deferred tax assets (note 6(x))	933,531	1	867,377	2	663,716	1		Total liabilities	30,106,889	47	27,283,772	43	28,746,437	44
1915	Prepayments for business facilities (note 6(m))	111,654	-	5,130,158	8	4,910,800	8	3110	Ordinary shares	11,066,203	18	11,066,203	17	11,066,203	17
1975	Net defined benefit asset, non-current	101,454	-	104,148	-	82,735	-	3120	Preferred share	200,000	-	200,000	-	200,000	-
1990	Other non-current assets (note 6(n))	559,594	1	109,082	-	132,049	-	3200	Capital surplus	1,084,303	2	1,071,325	2	1,071,733	2
	Total non-current assets	47,243,558	75												

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES**Consolidated Statements of Comprehensive Income****For the three months and six months ended June 30, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)**

		For the three months ended June 30				For the six months ended June 30			
		2025		2024		2025		2024	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (notes 6(ac) and 7)	\$ 5,318,430	100	5,053,146	100	11,017,134	100	8,308,369	100
5000	Operating costs (note 6(e))	5,707,788	107	4,897,089	97	11,537,872	105	7,973,169	96
	Gross profit (loss) from operations	(389,358)	(7)	156,057	3	(520,738)	(5)	335,200	4
	Operating expenses (note 7):								
6100	Selling expenses	119,760	2	110,422	2	260,424	2	179,687	2
6200	Administrative expenses	520,480	10	362,417	7	962,077	9	701,254	9
6300	Research and development expenses	9,475	-	9,874	-	19,201	-	17,796	-
6450	Impairment loss (gain from reversal of impairment loss) determined in accordance with IFRS 9	177	-	131	-	332	-	(11,547)	-
	Total operating expenses	649,892	12	482,844	9	1,242,034	11	887,190	11
	Net operating loss	(1,039,250)	(19)	(326,787)	(6)	(1,762,772)	(16)	(551,990)	(7)
	Non-operating income and expenses:								
7100	Interest income (note 6(ae))	35,845	1	58,476	1	61,214	1	111,438	1
7010	Other income (notes 6(ac) and 7)	265,293	5	38,024	1	276,795	3	43,578	1
7020	Other gains and losses (note 6(ae))	(79,162)	(1)	1,707	-	(47,813)	-	(51,466)	(1)
7050	Finance costs (notes 6(s) and (ae))	(158,333)	(3)	(50,690)	(1)	(282,897)	(3)	(90,810)	(1)
7060	Shares of profit (loss) of associates and joint ventures accounted for using equity method, net (note 6(h))	(81,517)	(2)	(51,113)	(1)	(58,983)	(1)	(364,430)	(4)
	Total non-operating income and expenses	(17,874)	-	(3,596)	-	(51,684)	-	(351,690)	(4)
	Profit (loss) before tax	(1,057,124)	(19)	(330,383)	(6)	(1,814,456)	(16)	(903,680)	(11)
7950	Less: tax expense (note 6(x))	(37,239)	(1)	(50,914)	(1)	(78,568)	(1)	(145,338)	(2)
	Profit (loss)	(1,019,885)	(18)	(279,469)	(5)	(1,735,888)	(15)	(758,342)	(9)
8300	Other comprehensive income (loss):								
8310	Items that may not be reclassified subsequently to profit or loss:								
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income (note 6(z))	(355,939)	(7)	264,454	5	(311,304)	(3)	490,843	6
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Components of other comprehensive income that will not be reclassified to profit or loss	(355,939)	(7)	264,454	5	(311,304)	(3)	490,843	6
8360	Items that may be reclassified subsequently to profit or loss:								
8361	Exchange differences on translation of foreign financial statements (note 6(z))	(2,768,933)	(52)	294,482	6	(2,357,677)	(22)	1,072,450	12
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method (note 6(z))	101,024	2	(56,848)	(1)	193,625	2	(277,976)	(3)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	20,205	-	(11,369)	-	38,725	-	(55,595)	(1)
	Components of other comprehensive income that may be reclassified subsequently to profit or loss	(2,688,114)	(50)	249,003	5	(2,202,777)	(20)	850,069	10
8300	Other comprehensive income, net of tax	(3,044,053)	(57)	513,457	10	(2,514,081)	(23)	1,340,912	16
	Total comprehensive income	\$ (4,063,938)	(75)	233,988	5	(4,249,969)	(38)	582,570	7
	Profit (loss) attributable to:								
8610	Owners of parent	\$ (1,009,144)	(18)	(256,012)	(5)	(1,687,638)	(15)	(740,224)	(9)
8620	Non-controlling interests	(10,741)	-	(23,457)	-	(48,250)	-	(18,118)	-
		\$ (1,019,885)	(18)	(279,469)	(5)	(1,735,888)	(15)	(758,342)	(9)
	Comprehensive income attributable to:								
8710	Owners of parent	\$ (3,891,637)	(72)	199,096	4	(4,038,477)	(36)	430,436	5
		-	-	-	-	-	-	-	-
8720	Non-controlling interests	(172,301)	(3)	34,892	1	(211,492)	(2)	152,134	2
		\$ (4,063,938)	(75)	233,988	5	(4,249,969)	(38)	582,570	7
9750	Basic earnings (loss) per share	\$ (0.92)		(0.23)		(1.53)		(0.67)	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the six months ended June 30, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent						Other equity		Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Retained earnings					Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income				
	Ordinary shares	Preferred share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2024	\$ 11,066,203	200,000	1,071,541	3,170,794	1,642,556	17,235,760	(716,522)	(379,202)	(49,858)	33,241,272	3,274,329	36,515,601
Loss for the six months ended June 30, 2024	-	-	-	-	-	(740,224)	-	-	-	(740,224)	(18,118)	(758,342)
Other comprehensive income for the six months ended June 30, 2024	-	-	-	-	-	-	839,976	330,684	-	1,170,660	170,252	1,340,912
Total comprehensive income for the six months ended June 30, 2024	-	-	-	-	-	(740,224)	839,976	330,684	-	430,436	152,134	582,570
Special reserve	-	-	-	-	1,864	(1,864)	-	-	-	-	-	-
Other changes in capital surplus:												
Share-based payment transactions of subsidiaries	-	-	192	-	-	-	-	-	-	192	195	387
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	(28,401)	(28,401)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(30,973)	(30,973)
Balance at June 30, 2024	\$ 11,066,203	200,000	1,071,733	3,170,794	1,644,420	16,493,672	123,454	(48,518)	(49,858)	33,671,900	3,367,284	37,039,184
Balance at January 1, 2025	\$ 11,066,203	200,000	1,071,325	3,170,794	1,644,420	15,620,216	331,594	238,778	(49,858)	33,293,472	3,434,408	36,727,880
Loss for the six months ended June 30, 2025	-	-	-	-	-	(1,687,638)	-	-	-	(1,687,638)	(48,250)	(1,735,888)
Other comprehensive income for the six months ended June 30, 2025	-	-	-	-	-	-	(2,180,774)	(170,065)	-	(2,350,839)	(163,242)	(2,514,081)
Total comprehensive income for the six months ended June 30, 2025	-	-	-	-	-	(1,687,638)	(2,180,774)	(170,065)	-	(4,038,477)	(211,492)	(4,249,969)
Changes in ownership interests in subsidiaries	-	-	12,978	-	-	-	-	-	-	12,978	(6,241)	6,737
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	(25,414)	(25,414)
Balance at June 30, 2025	\$ 11,066,203	200,000	1,084,303	3,170,794	1,644,420	13,932,578	(1,849,180)	68,713	(49,858)	29,267,973	3,191,261	32,459,234

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the six months ended June 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	For the six months ended June 30	
	2025	2024
Cash flows from (used in) operating activities:		
Loss before income tax	\$ (1,814,456)	(903,680)
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses	848,748	370,256
Amortization expenses	256,025	247,679
Interest expenses	282,897	90,810
Interest income	(61,214)	(111,438)
Provision for expected credit losses	332	-
Net gains on financial assets at fair value through profit or loss	(10,329)	(6,819)
Dividend income	(192,272)	(3,336)
Shared-based compensation costs	-	387
Share of loss of associates and joint ventures accounted for using equity method	58,983	364,430
Losses (gains) on disposal of property, plant and equipment	115	(6)
Property, plant and equipment transferred to expenses	-	14,947
Gain on lease modification	(86)	(233)
Reversal of inventory write-down	(2,477)	-
Impairment loss on property, plant and equipment	382	-
Total adjustments to reconcile profit	1,181,104	966,677
Changes in operating assets and liabilities:		
Financial assets mandatorily measured at fair value through profit or loss	(29,724)	(123,904)
Contract assets	(9,900)	(19,269)
Notes and accounts receivable	153,335	(529,189)
Other receivables	8,608	(10,887)
Inventories	(59,642)	(816,052)
Prepayments	354,685	(187,628)
Other current assets	(90,086)	-
Other operating assets	-	(4,286)
Other non-current assets	(187,277)	-
Total changes in operating assets	139,999	(1,691,215)
Contract liabilities	97,417	35,684
Notes and accounts payable	(265,751)	(283,873)
Other payables	(127,332)	(133,003)
Provisions	(1,071)	1,050
Current liabilities	16,980	(5,101)
Net defined benefit liability	(4,213)	612
Other non-current liabilities	(9,744)	-
Total changes in operating liabilities	(293,714)	(384,631)
Total changes in operating assets and liabilities	(153,715)	(2,075,846)
Total adjustments	1,027,389	(1,109,169)
Cash flows from (used in) operations	(787,067)	(2,012,849)
Interest received	44,539	107,510
Dividends received	15,298	3,336
Interest paid	(130,105)	(87,944)
Income tax refund received (paid)	6,434	(53,202)
Net cash flows from (used in) operating activities	(850,901)	(2,043,149)

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the three months and six months ended June 30, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

	For the six months ended June 30	
	2025	2024
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through profit or loss	\$ (58,000)	(1,100)
Proceeds from disposal of financial assets at fair value through profit or loss	623,639	-
Acquisition of financial assets at fair value through other comprehensive income	(12,192)	(106,218)
Capital allocation from financial assets at fair value through other comprehensive income	89,737	11,964
Acquisition of property, plant and equipment	(1,241,690)	(1,232,187)
Proceeds from disposal of property, plant and equipment	53	6
Increase in refundable deposits	(2,015)	(3,289)
Acquisition of intangible assets	(10,190)	(87,210)
Decrease in other financial assets	-	281,553
Increase in other non-current assets	-	(303,376)
Increase in prepayments for business facilities	(65,175)	(29,965)
Net cash used in investing activities	(675,833)	(1,469,822)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	2,958,268	2,307,191
Increase in short-term bills payable	(5,525)	100,000
Proceeds from long-term borrowings	15,597,160	720,091
Repayments of long-term borrowings	(13,966,693)	(200,505)
Decrease (increase) in guarantee deposits received	4,108	3,988
Decrease in other payables	-	(15,323)
Lease incentive received	324,155	-
Payment of lease liabilities	(118,824)	(24,959)
Cash dividends paid to non-controlling interests by subsidiaries	(25,414)	(15,489)
Net cash flows from financing activities	4,767,235	2,874,994
Effect of exchange rate changes on cash and cash equivalents	(808,733)	471,433
Net increase (decrease) in cash and cash equivalents	2,431,768	(166,544)
Cash and cash equivalents at beginning of period	4,358,525	4,726,354
Cash and cash equivalents at end of period	\$ 6,790,293	4,559,810

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

June 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

Grand Pacific Petrochemical Corporation, formerly known as Delta Petrochemical Corporation until 1985, (the “Company”) was officially incorporated on September 25, 1973 in accordance with the Company Act and other laws and ordinances concerned. The Company’s shares have been listed on the Taiwan Stock Exchange since December 21, 1988. The Company’s registered address and factory are in Dashe Dist., Kaohsiung City, and the head office is located at 8F, No.135, Dunhua North Road, Songshan District, Taipei City. The Company primarily engages in the following:

- (a) Petrochemical Manufacturing
- (b) Synthetic Resin & Plastic Manufacturing
- (c) Other Chemical Products Manufacturing
- (d) Steam Electricity Paragenesis, Heat Energy Supplying and international trade
- (e) All business item that are not prohibited or restricted by law, except those that are subject to special approval

The Company and its subsidiaries will hereinafter together referred to as the “Group”.

(2) Approval date and procedures of the consolidated financial statements:

These consolidated financial statements were authorized for issuance by the Board of Directors on August 11, 2025.

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2025:

- Amendments to IAS21 “Lack of Exchangeability”

- (b) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its consolidated financial statements:

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”

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GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES
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- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
 - Annual Improvements to IFRS Accounting Standards—Volume 11
 - Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”
- (c) The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> • A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. • Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. 	January 1, 2027

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GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES
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Standards or Interpretations	Content of amendment	Effective date per IASB
	<ul style="list-style-type: none"> Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. 	

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”

(4) Summary of material accounting policies:

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS Accounting Standards endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statements for the year ended December 31, 2024. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2024.

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GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(b) Basis of consolidation

- (i) The principles for the preparation of the consolidated financial statements and the list of subsidiaries included therein are consistent with those disclosed in Note 4(3) to the consolidated financial statements for the year ended December 31, 2024.

The subsidiaries included in the consolidated financial statements were as follows:

Name of investor	Name of subsidiary	Nature of business	Shareholding ratio			Notes
			June 30, 2025	December 31, 2024	June 30, 2024	
The Company	GPPC Chemical Corporation	Production and sale of impact-resistant and flame-resistant polystyrene	100.00 %	100.00 %	100.00 %	
"	GPPC Investment Corp.	General investment business	81.60 %	81.60 %	81.60 %	
"	GPPC Development Co., Ltd.	General hotel business	50.00 %	50.00 %	42.86 %	Note 2
"	Land & Sea Capital Corp.	Investment business	100.00 %	100.00 %	100.00 %	
The Company	Goldenpacific Equities Ltd.	Investment business	100.00 %	100.00 %	100.00 %	
"	Videoland Inc.	General import and export trade, radio and television program production, domestic and foreign film copying, domestic film production, distribution, trading and other services	62.29 %	62.29 %	62.29 %	
"	KK Enterprise Co., Ltd	Engaging in manufacturing and sales, wholesale, packaging materials, various stationery and paper products	15.73 %	15.73 %	15.73 %	Note 2
"	Quanzhou Grand Pacific Chemical Co., Ltd	Propane dehydrogenation, propylene, polypropylene and hydrogen products	100.00 %	100.00 %	100.00 %	"
GPPC Investment Corp.	GPPC Hospitality and Leisure Inc.	Catering service business	100.00 %	100.00 %	100.00 %	
GPPC Development Co., Ltd.	Perfect Meat Co., Ltd	Meat import & sales	100.00 %	100.00 %	100.00 %	
Videoland Inc.	Videoland International Limited	Engaging in wine trading business, mainly grape wine	100.00 %	100.00 %	100.00 %	
"	ZW ENM Co., Ltd.	Film and program production and distribution	100.00 %	100.00 %	100.00 %	
"	KK Enterprise Co., Ltd	Engaging in manufacturing and sales, wholesale, packaging materials, various stationery and paper products	33.79 %	33.79 %	33.79 %	Note 2
"	GPPC Investment Corp.	Investment business	18.40 %	18.40 %	18.40 %	
"	GPPC Development Co., Ltd.	General hotel business	43.75 %	43.75 %	42.86 %	
"	Citiesocial Co., Ltd.	Multimedia ecommerce, wholesale and retail of consumer goods	99.99 %	99.49 %	31.28 %	Notes 3&4
"	Citiesocial Holding Cayman Co., Ltd	Investment business	- %	76.69 %	76.69 %	Note 4
"	FW IT CO., LTD	Information software services, Information processing services	100.00 %	100.00 %	100.00 %	Note 1
ZW ENM Co., Ltd.	aQuaveeva Biotech CO., LTD.	Biotechnology Research and Nutraceutical Sales	100.00 %	- %	- %	Note 5
Citiesocial Holding Cayman Co., Ltd.	Citiesocial Co., Ltd.	Multimedia ecommerce, wholesale and retail of consumer goods	- %	0.47 %	62.96 %	Note 3
Citiesocial Co., Ltd.	Citiesocial Co., Ltd(JP)	Retail and International Trading Activities	100.00 %	- %	- %	Notes 4&6
KK Enterprise Co., Ltd	K.K. Chemical Company Limited	Trademark paper, tape and such business	49.90 %	49.90 %	49.90 %	Note 2

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GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of investor	Name of subsidiary	Nature of business	Shareholding ratio			Notes
			June 30, 2025	December 31, 2024	June 30, 2024	
"	KK Enterprise (Kunshan) Co., Ltd	Trademark paper, tape and such business	100.00 %	100.00 %	100.00 %	Note 2
"	Dragon King Inc.	Reinvestment business	100.00 %	100.00 %	100.00 %	Note 2
"	KK Enterprise (Malaysia) Sdn. Bhd.	Trademark paper, tape and such business	70.00 %	70.00 %	70.00 %	Note 2

Note1: In May 2024, Videoland Inc. established a subsidiary, FW IT Co., Ltd., through an equity investment. As the Group holds a controlling interest in the subsidiary, both directly and indirectly, the subsidiary's income and expenses have been included in the consolidated financial statements starting from the date of control was obtained.

Note2: Among the aforementioned consolidated entities, except for Land & Sea Capital Corp. and Quanzhou Grand Pacific Chemical Co., Ltd., are considered significant subsidiaries. The remaining entities do not meet the definition of significant subsidiaries. In addition, except for KK Enterprise Co., Ltd. and its subsidiaries, the financial statements of the other consolidated entities have been reviewed by independent auditors.

Note3: On March 12, 2025, Videoland Inc. resolved at its Board of Directors meeting to participate in the cash capital increase of Citesocial Co., Ltd., resulting in an increase in its shareholding from 99.49% to 99.88%. As Citesocial Holding Cayman Co., Ltd. did not participate in the capital increase, its shareholding had been decreased to 0.11%.

Note4: In April 2025, Citesocial Holding Cayman Co., Ltd. was liquidated and dissolved. Since Videoland Inc. held preferred shares in the company, it is entitled to receive its original investment cost prior to other distributions upon liquidation according to the Articles of Incorporation of Citesocial Holding Cayman Co., Ltd. As a result, Videoland Inc. acquired the entire equity interest of Citesocial Holding Cayman Co., Ltd. in Citesocial Co., Ltd., increasing its ownership in Citesocial Co., Ltd. from 99.88% to 99.99%. As the above equity transaction is considered a group organizational restructuring, it does not affect the basis of consolidation in the consolidated financial statements.

Note5: To expand its biotechnology and health supplement sectors, ZW ENM Co., Ltd. established its fully-owned subsidiary, aQuaveeva Biotech Co., Ltd., in June 2025, with all relevant registration procedures having been completed on June 16, 2025.

Note6: In May 2025, Citesocial Co., Ltd. established its fully-owned subsidiary, Citesocial Co., Ltd, with all relevant registration procedures and investment funds having been completed and remitted on May 20, 2025 and July 24, 2025, respectively.

(c) Employee benefits

The pension cost in the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

(d) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Accounting Standards 34, Interim Reporting.

Income tax expenses for the period are measured by multiplying together the pre-tax income for the interim reporting period and the management's best estimate of effective annual tax rate. This should be recognized fully as tax expense for the current period.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the consolidated financial statements in conformity with the Regulations and IAS 34 "Interim Financial Reporting" endorsed by the FSC requires management to make judgments, and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES
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The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2024. For related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2024.

(6) Explanation of significant accounts:

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim consolidated financial statements for the current period and the 2024 consolidated financial statements. Please refer to note 6 to the 2024 annual consolidated financial statements.

(a) Cash and cash equivalents

	June 30, 2025	December 31, 2024	June 30, 2024
Cash on hand	\$ 3,902	2,123	1,587
Checking deposits	17,526	7,805	19,542
Demand deposits	2,860,606	1,098,973	1,844,774
Time deposits with original maturity within three months	3,836,125	3,199,744	2,652,166
Bills and bonds under repurchase agreements	72,134	49,880	41,741
Cash and cash equivalents listed in the cash flow statement	<u><u>\$ 6,790,293</u></u>	<u><u>4,358,525</u></u>	<u><u>4,559,810</u></u>

Please refer to note 6(f) for the fair value sensitivity analysis and interest rate risk of the financial assets and liabilities of the Group.

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GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Financial assets at fair value through profit or loss

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Current financial assets mandatorily at fair value through profit or loss:			
Beneficiary certificates	\$ 282,041	763,171	288,526
Corporate bonds	-	50,083	50,083
Plus: Evaluation adjustment	<u>5,704</u>	<u>8,320</u>	<u>3,898</u>
Subtotal	<u>287,745</u>	<u>821,574</u>	<u>342,507</u>
Non-current financial assets at fair value through profit or loss:			
Financial assets mandatorily at fair value through profit or loss:			
Convertible preferred shares	20,982	16,739	16,740
Financial assets designated at fair value through profit or loss:			
Film investment agreement	16,826	20,500	18,500
Less: Evaluation adjustment	<u>-</u>	<u>(8,988)</u>	<u>2,261</u>
Subtotal	<u>37,808</u>	<u>28,251</u>	<u>37,501</u>
Total	<u><u>\$ 325,553</u></u>	<u><u>849,825</u></u>	<u><u>380,008</u></u>

Please refer to note 6(ae) for the gain or loss on financial assets recognized at fair value through profit or loss. °

The Group holds convertible and redeemable preferred shares issued by non-listed foreign companies, which are non-cumulative preferred stock with voting rights. Dividends are payable at a fixed annual interest rate and subject to periodic adjustment and are reset periodically according to the contractual time frame, and most of the shares have a preferential liquidation right. In the event of liquidation during the period in which the Group holds the shares, the preferred shares, in the order in which they are ranked, will have the opportunity to receive a distribution equal to the amount invested.

The Group has entered into film investment agreements with various production companies. In accordance with the terms of the investment agreements, if there is any surplus after settlement, the Group is entitled to net income distributions in proportion to its investment. As of June 30, 2025, December 31 and June 30, 2024, certain films in which the Group has invested are still in the post-production preparation stage.

As of June 30, 2025, December 31 and June 30, 2024, the Group's financial assets at fair value through profit or loss have not been pledged as collateral.

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GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Financial assets at fair value through other comprehensive income

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Equity investments at fair value through other comprehensive income - non-current			
Domestic listed stocks	\$ 3,621,464	3,621,464	3,621,464
Domestic and foreign unlisted stocks	263,853	263,853	263,853
Domestic and foreign limited partnership	1,013,017	1,187,949	1,186,098
Plus(Less): Evaluation adjustment	<u>(68,874)</u>	<u>242,430</u>	<u>(161,397)</u>
Subtotal	<u>4,829,460</u>	<u>5,315,696</u>	<u>4,910,018</u>
Total	<u><u>\$ 4,829,460</u></u>	<u><u>5,315,696</u></u>	<u><u>4,910,018</u></u>

The Group designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term strategic purposes. Please refer to note 6(z) for the gain or loss on financial assets recognized at fair value through other comprehensive income.

The Group has not disposed its strategic investments during the periods from January 1 to June 30, 2025 and 2024. Therefore, the cumulative gain and loss has not been transferred from other equity to retained earnings.

The Group invested in limited partnerships with definite life, where any extension of the partnership term is subject to the approval of the partners in accordance with the partnership agreement. At initial recognition, the investment was designated as a financial asset measured at fair value through other comprehensive income (FVOCI) under IFRS 9. On June 15, 2023, the Accounting Research and Development Foundation issued an IFRS Q&A clarifying that such investments do not qualify for designation as FVOCI. However, according to the Q&A issued by the Financial Supervisory Commission regarding the classification of financial assets arising from investments in limited partnerships and the applicability of retrospective adjustments, investments made prior to June 30, 2023 are not required to be retrospectively reclassified. Accordingly, the Group continues to classify and measure this investment as a financial asset at fair value through other comprehensive income.

As of June 30, 2025, December 31 and June 30, 2024, the Group's financial assets at fair value through other comprehensive income have not been pledged as collateral.

(d) Notes and accounts receivables

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Notes receivable	\$ 273,613	273,530	302,336
Accounts receivable (including related parties)	1,419,404	1,572,296	1,900,390
Less: Loss allowance	<u>(2,809)</u>	<u>(2,231)</u>	<u>(1,746)</u>
Net amount	<u><u>\$ 1,690,208</u></u>	<u><u>1,843,595</u></u>	<u><u>2,200,980</u></u>

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GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES
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The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward-looking information, including macroeconomic and relevant industry information. The loss allowance provisions were determined as follows:

	June 30, 2025		
	Carrying amount of notes receivable and accounts receivable	Weighted- average expected credit loss rate	Allowance for expected credit loss
Not past due	\$ 1,691,765	0%~1.8%	2,189
1 to 30 days past due	888	0%~50%	265
31 to 90 days past due	-	0%~50%	69
91 to 180 days past due	274	40.54%~100%	196
More than 1 year past due	90	100%	90
	\$ 1,693,017		2,809
	December 31, 2024		
	Carrying amount of accounts receivable	Weighted- average expected credit loss rate	Allowance for expected credit loss
Not past due	\$ 1,785,421	0%	-
1 to 30 days past due	41,843	0%~50%	1,768
31 to 90 days past due	18,160	0%~50%	61
91 to 180 days past due	312	40.54%~100%	312
More than 1 year past due	90	100%	90
	\$ 1,845,826		2,231
	June 30, 2024		
	Carrying amount of notes receivable and accounts receivable	Weighted- average expected credit loss rate	Allowance for expected credit loss
Not past due	\$ 2,175,321	0%	-
1 to 30 days past due	27,309	0%~50%	1,656
31 to 90 days past due	6	0%~50%	-
More than 1 year past due	90	100%	90
	\$ 2,202,726		1,746

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GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The movement of the allowance for notes and accounts receivable was as follows:

	For the six months ended June 30,	
	2025	2024
Balance at January 1	\$ 2,231	13,295
Impairment losses recognized (reversed)	332	(11,547)
Foreign exchange (losses) gains	246	(2)
Balance at June 30	<u><u>\$ 2,809</u></u>	<u><u>1,746</u></u>

As of June 30, 2025, December 31 and June 30, 2024, the Group's notes and accounts receivable have not been pledged as collateral.

For credit risk information, please refer to note 6(af).

(e) Inventories

	June 30, 2025	December 31, 2024	June 30, 2024
Raw materials and supplies	\$ 1,776,758	1,611,346	1,575,431
Work in progress and semi-finished goods	513,691	533,698	643,319
Finished goods	289,664	353,301	305,004
By-products	2,852	1,659	2,781
Commodities	131,819	108,976	100,470
Inventory in transit	81,040	119,966	289,068
Total	<u><u>\$ 2,795,824</u></u>	<u><u>2,728,946</u></u>	<u><u>2,916,073</u></u>

The details of the cost of sales were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Cost of goods sold	\$ 5,028,493	4,487,801	10,501,798	7,307,987
Labor service costs	333,826	314,793	606,614	563,403
Unamortized labor and manufacturing overhead	370,261	81,830	433,624	163,565
Inventory surplus and shortage	63	282	63	282
Write down of inventories (Reversal of write downs)	(23,863)	18,793	(2,477)	(54,639)
Revenue from sale of off-grades and scrap	(992)	(6,410)	(1,750)	(7,429)
	<u><u>\$ 5,707,788</u></u>	<u><u>4,897,089</u></u>	<u><u>11,537,872</u></u>	<u><u>7,973,169</u></u>

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GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Inventory write-down losses are recognized when inventory is reduced to net realizable value and reported as cost of goods sold. The recovery gain is recognized as a reduction in operating costs due to the increase in net realizable value of inventory resulting from the factors that previously caused the net realizable value to be lower than the cost to no longer exist due to inventory scrapping or disposal.

As of June 30, 2025, December 31 and June 30, 2024, the Group's inventories have not been pledged as collateral.

(f) Prepayments

	June 30, 2025	December 31, 2024	June 30, 2024
Prepayments on purchase	\$ 100,191	180,262	77,502
Prepaid sales tax	27,165	433,883	383,923
Overpaid sales tax	2,371,125	2,174,259	2,129,860
Others	42,983	107,745	51,082
	<u><u>\$ 2,541,464</u></u>	<u><u>2,896,149</u></u>	<u><u>2,642,367</u></u>

(g) Other current assets

	June 30, 2025	December 31, 2024	June 30, 2024
Costs of program broadcasting - current	\$ 172,504	148,020	107,485
Restricted bank deposits	29,883	6,300	6,300
Time deposits with original maturity more than three months	733,956	692,308	4,454,767
Others	561	190	-
	<u><u>\$ 936,904</u></u>	<u><u>846,818</u></u>	<u><u>4,568,552</u></u>

(h) Investments accounted for using equity method

- (i) The Group's investments accounted for using the equity method at the reporting date were classified as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Associates	<u><u>\$ 7,718,851</u></u>	<u><u>8,482,776</u></u>	<u><u>8,558,504</u></u>

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GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Associates

Associates which are material to the Group consisted of the followings:

Name of associate	Nature of relationship with the Group	Main operating location/ Registered country of associate	Proportion of shareholding and voting rights		
			June 30, 2025	December 31, 2024	June 30, 2024
Zhenjiang Chimei Chemical Co., Ltd	The major business involves the research, development, and manufacturing of polymer materials, synthetic rubber, and specialty chemicals, forming a strategic alliance with the Group to expand production capacity and market presence in China.	China	30.40 %	30.40 %	30.40 %
Zhangzhou Chimei Chemical Co., Ltd	The major business involves the research, development, and manufacturing of polymer materials, synthetic rubber, and specialty chemicals, forming a strategic alliance with the Group to expand production capacity and market presence in China.	China	30.40 %	30.40 %	30.40 %

The summarized financial information of the associated companies that are material to the Group is as follows:

1) Summarized financial information of Zhenjiang Chimei Chemical Co., Ltd.

	June 30, 2025	December 31, 2024	June 30, 2024
Current assets	\$ 15,970,002	15,076,167	20,939,386
Non-current assets	7,883,595	9,093,863	9,210,121
Current liabilities	(7,015,301)	(6,345,334)	(12,767,403)
Non-current liabilities	(170,685)	(187,459)	(24,547)
Net assets	<u>\$ 16,667,611</u>	<u>17,637,237</u>	<u>17,357,557</u>
Shares of net assets of associates	\$ 5,066,954	5,361,720	5,276,697
Less: Difference between investment cost and net value of the equity	770,497	862,298	853,473
Carrying amounts of interest in associates	<u>\$ 4,296,457</u>	<u>4,499,422</u>	<u>4,423,224</u>

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GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Operating revenue	\$ <u>11,768,559</u>	<u>13,501,897</u>	<u>24,698,505</u>	<u>25,290,224</u>
Net profit (loss)	\$ 253,435	238,492	601,857	(128,878)
Other comprehensive income (loss)	-	-	-	-
Total comprehensive income (loss)	\$ <u>253,435</u>	<u>238,492</u>	<u>601,857</u>	<u>(128,878)</u>
Shares of total comprehensive income of associates	\$ <u>77,045</u>	<u>72,502</u>	<u>182,965</u>	<u>(39,179)</u>

2) Summarized financial information of Zhangzhou Chimei Chemical Co., Ltd.

	June 30, 2025	December 31, 2024	June 30, 2024
Current assets	\$ 7,601,666	10,925,481	13,552,837
Non-current assets	27,583,377	29,538,946	28,722,861
Current liabilities	(10,247,862)	(20,078,615)	(12,729,065)
Non-current liabilities	(13,679,305)	(7,282,675)	(15,943,738)
Net assets	\$ <u>11,257,876</u>	<u>13,103,137</u>	<u>13,602,895</u>
Shares of net assets of associates	\$ <u>3,422,394</u>	<u>3,983,354</u>	<u>4,135,280</u>
Carrying amounts of interest in associates	\$ <u>3,422,394</u>	<u>3,983,354</u>	<u>4,135,280</u>

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Operating revenue	\$ <u>6,129,806</u>	<u>6,373,190</u>	<u>12,260,530</u>	<u>11,076,223</u>
Net losses	\$ (521,584)	(406,628)	(795,881)	(1,069,905)
Other comprehensive income (loss)	-	-	-	-
Total comprehensive income (loss)	\$ <u>(521,584)</u>	<u>(406,628)</u>	<u>(795,881)</u>	<u>(1,069,905)</u>
Shares of total comprehensive income of associates	\$ <u>(158,562)</u>	<u>(123,615)</u>	<u>(241,948)</u>	<u>(325,251)</u>

- (iii) As of June 30, 2025, December 31 and June 30, 2024, the Group did not provide any investments accounted for using equity method of the Group pledged as collateral.

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GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(iv) The unreviewed financial statements of investments accounted for using equity method

All of the investments were accounted for by using the equity method, and the share of profit or loss and other comprehensive income of those investments were calculated based on the financial statements that have not been reviewed.

(i) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group were as follows:

						Construction in progress and equipment pending inspection	
	Land	Buildings	Machinery and equipment	Vehicles	Other facilities		Total
Cost or deemed cost:							
Balance as of January 1, 2025	\$ 3,279,861	1,632,367	13,578,253	77,534	1,756,878	19,301,529	39,626,422
Additions	-	611	14,003	408	44,797	867,849	927,668
Disposal	-	(2,389)	(16,740)	(1,091)	(4,102)	-	(24,322)
Transfer upon completion	-	1,291,144	20,504,539	-	526,245	(18,380,649)	3,941,279
Reclassification	-	-	746	-	(114)	(515,852)	(515,220)
Effect of movements in exchange rate	-	(92,391)	(1,319,034)	(833)	(18,226)	(455,945)	(1,886,429)
Balance as of June 30, 2025	<u>\$ 3,279,861</u>	<u>2,829,342</u>	<u>32,761,767</u>	<u>76,018</u>	<u>2,305,478</u>	<u>816,932</u>	<u>42,069,398</u>
Balance as of January 1, 2024	\$ 3,279,861	1,625,093	13,558,666	77,618	1,728,262	16,385,814	36,655,314
Additions	-	1,154	16,221	494	180,835	987,217	1,185,921
Disposal	-	-	(2,886)	(1,300)	(152,245)	-	(156,431)
Reclassification	-	-	13,908	-	(22,462)	(32,752)	(41,306)
Effect of movements in exchange rate	-	3,160	3,403	295	979	441,478	449,315
Balance as of June 30, 2024	<u>\$ 3,279,861</u>	<u>1,629,407</u>	<u>13,589,312</u>	<u>77,107</u>	<u>1,735,369</u>	<u>17,781,757</u>	<u>38,092,813</u>
Depreciation and impairment loss:							
Balance as of January 1, 2025	\$ -	1,141,145	12,963,007	73,263	1,056,211	-	15,233,626
Depreciation for the period	-	36,835	560,007	952	107,739	-	705,533
Impairment loss	-	-	-	-	382	-	382
Disposal	-	(2,381)	(16,731)	(986)	(4,056)	-	(24,154)
Reclassification	-	(12,377)	-	-	-	-	(12,377)
Effect of movements in exchange rate	-	(6,890)	(35,379)	(2,265)	(1,776)	-	(46,310)
Balance as of June 30, 2025	<u>\$ -</u>	<u>1,156,332</u>	<u>13,470,904</u>	<u>70,964</u>	<u>1,158,500</u>	<u>-</u>	<u>15,856,700</u>
Balance as of January 1, 2024	\$ -	1,094,807	12,717,822	71,735	1,112,694	-	14,997,058
Depreciation for the period	-	21,990	151,107	1,150	65,096	-	239,343
Disposal	-	-	(2,886)	(1,300)	(152,245)	-	(156,431)
Effect of movements in exchange rate	-	1,439	2,840	258	837	-	5,374
Balance as of June 30, 2024	<u>\$ -</u>	<u>1,118,236</u>	<u>12,868,883</u>	<u>71,843</u>	<u>1,026,382</u>	<u>-</u>	<u>15,085,344</u>
Carrying amounts:							
Balance as of January 1, 2025	\$ 3,279,861	491,222	615,246	4,271	700,667	19,301,529	24,392,796
Balance as of June 30, 2025	<u>\$ 3,279,861</u>	<u>1,673,010</u>	<u>19,290,863</u>	<u>5,054</u>	<u>1,146,978</u>	<u>816,932</u>	<u>26,212,698</u>
Balance as of January 1, 2024	\$ 3,279,861	530,286	840,844	5,883	615,568	16,385,814	21,658,256
Balance as of June 30, 2024	<u>\$ 3,279,861</u>	<u>511,171</u>	<u>720,429</u>	<u>5,264</u>	<u>708,987</u>	<u>17,781,757</u>	<u>23,007,469</u>

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GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Collateral

Please refer to note 8 for details of the property, plant and equipment of the Group pledged as collateral as of June 30, 2025, December 31 and June 30, 2024.

(ii) Property, plant and equipment under construction

For the three months ended June 30, 2025 and 2024 and the six months ended June 30, 2025 and 2024, the capitalized interests related to the property, plant and equipment under construction were \$5,726 thousand, \$151,943 thousand, \$99,743 thousand and \$308,685 thousand, respectively, which were calculated based on the capitalized interest rates ranging from 2.75%~3.70% and 2.63%~3.95%, 2.75%~3.70% and 2.63%~3.95%, respectively. Please refer to note 9 for details of plant, and equipment which have been signed construction contracts but not paid yet.

(iii) QuanZhou Guoheng Chemical Co., Ltd. has completed trial operations in March 2025 and officially commenced production. Upon acceptance, the related construction-in-progress and equipment pending inspection were reclassified as buildings and machinery & equipment, wherein the depreciation was initiated accordingly.

(j) Right-of-use assets

The Group leases assets including land, buildings, machinery and equipment, and vehicles. Information about leases for which the Group as a lessee was presented below:

	<u>Land</u>	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Vehicles</u>	<u>Total</u>
Cost:					
Balance as of January 1, 2025	\$ 1,038,660	3,526,696	165,521	10,320	4,741,197
Additions	-	23,310	-	4,697	28,007
Disposal	-	(22,620)	-	(1,823)	(24,443)
Transfer in (note)	-	1,000,000	-	-	1,000,000
Effect of movements in exchange rate	(86,495)	(24,841)	(6,402)	(152)	(117,890)
Balance as of June 30, 2025	<u>\$ 952,165</u>	<u>4,502,545</u>	<u>159,119</u>	<u>13,042</u>	<u>5,626,871</u>
Balance as of January 1, 2024	\$ 1,003,439	3,244,718	163,023	17,760	4,428,940
Additions	-	267,090	-	4,994	272,084
Disposal	-	(13,582)	-	(11,105)	(24,687)
Effect of movements in exchange rate	27,523	814	1,952	92	30,381
Balance as of June 30, 2024	<u>\$ 1,030,962</u>	<u>3,499,040</u>	<u>164,975</u>	<u>11,741</u>	<u>4,706,718</u>

(Continued)

GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Land	Buildings	Machinery and equipment	Vehicles	Total
Accumulated depreciation:					
Balance as of January 1, 2025	\$ 86,937	714,265	31,974	4,105	837,281
Depreciation for the period	10,183	115,502	12,973	2,128	140,786
Disposal	-	(18,407)	-	(1,617)	(20,024)
Effect of movements in exchange rate	(4,501)	(1,800)	(1,026)	28	(7,299)
Balance as of June 30, 2025	<u>\$ 92,619</u>	<u>809,560</u>	<u>43,921</u>	<u>4,644</u>	<u>950,744</u>
Balance as of January 1, 2024	\$ 63,832	522,472	6,181	6,122	598,607
Depreciation for the period	10,303	102,903	12,823	2,441	128,470
Disposal	-	(13,582)	-	(3,776)	(17,358)
Effect of movements in exchange rate	1,802	90	62	57	2,011
Balance as of June 30, 2024	<u>\$ 75,937</u>	<u>611,883</u>	<u>19,066</u>	<u>4,844</u>	<u>711,730</u>
Carrying amounts:					
Balance as of January 1, 2025	<u>\$ 951,723</u>	<u>2,812,431</u>	<u>133,547</u>	<u>6,215</u>	<u>3,903,916</u>
Balance as of June 30, 2025	<u>\$ 859,546</u>	<u>3,692,985</u>	<u>115,198</u>	<u>8,398</u>	<u>4,676,127</u>
Balance as of January 1, 2024	<u>\$ 939,607</u>	<u>2,722,246</u>	<u>156,842</u>	<u>11,638</u>	<u>3,830,333</u>
Balance as of June 30, 2024	<u>\$ 955,025</u>	<u>2,887,157</u>	<u>145,909</u>	<u>6,897</u>	<u>3,994,988</u>

Note: The increase in this period is attributable to the reclassification of the interior decoration works from construction-in-progress to right-of-use assets.

(k) Investment property

The movement of investment properties was as follows:

	Land	Buildings	Total
Cost:			
Balance as of January 1, 2025	\$ 519,432	292,446	811,878
Balance as of June 30, 2025	<u>\$ 519,432</u>	<u>292,446</u>	<u>811,878</u>
Balance as of January 1, 2024	\$ 519,432	292,446	811,878
Balance as of June 30, 2024	<u>\$ 519,432</u>	<u>292,446</u>	<u>811,878</u>
Accumulated depreciation and impairment losses:			
Balance as of January 1, 2025	\$ -	100,559	100,559
Depreciation for the year	-	2,429	2,429
Balance as of January 1, 2025	<u>\$ -</u>	<u>102,988</u>	<u>102,988</u>
Balance as of January 1, 2024	\$ -	95,674	95,674
Depreciation for the year	-	2,443	2,443
Balance as of June 30, 2024	<u>\$ -</u>	<u>98,117</u>	<u>98,117</u>

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GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
Carrying amounts:			
Balance as of January 1, 2025	\$ <u>519,432</u>	<u>191,887</u>	<u>711,319</u>
Balance as of June 30, 2025	\$ <u>519,432</u>	<u>189,458</u>	<u>708,890</u>
Balance as of January 1, 2024	\$ <u>519,432</u>	<u>196,772</u>	<u>716,204</u>
Balance as of June 30, 2024	\$ <u>519,432</u>	<u>194,329</u>	<u>713,761</u>

The fair value of the Group's investment properties located in Songshan District and Daan District of Taipei City have no significant difference from those disclosed in note 6(15) to the annual consolidated financial statements for the year ended December 31, 2024. In addition, the Group has an investment property in Dali District, Taichung City, located in a software industry park, where the comparable transactions are infrequent and reliable alternative fair value estimates would be impractical, so the fair value cannot be determined reliably.

Please refer to note 8 for details of investment properties of the Group pledged as collateral as of June 30, 2025, December 31 and June 30, 2024.

(l) Intangible assets

The cost, amortization and impairment of the intangible assets of the Group were as follows:

	<u>Goodwill</u>	<u>Franchise</u>	<u>Computer software</u>	<u>Online platform member relationship</u>	<u>Total</u>
Costs :					
Balance as of January 1, 2025	\$ 816,099	580,687	-	76,111	1,472,897
Acquisition	-	1,956	8,234	-	10,190
Transfer from property, plant and equipment	-	9,838	17,109	-	26,947
Effect of movement in exchange rates	-	(51,224)	(589)	-	(51,813)
Balance as of June 30, 2025	\$ <u>816,099</u>	<u>541,257</u>	<u>24,754</u>	<u>76,111</u>	<u>1,458,221</u>
Balance as of January 1, 2024	\$ 816,099	451,442	-	76,111	1,343,652
Acquisition	-	87,210	-	-	87,210
Effect of movement in exchange rates	-	12,383	-	-	12,383
Balance as of June 30, 2024	\$ <u>816,099</u>	<u>551,035</u>	<u>-</u>	<u>76,111</u>	<u>1,443,245</u>
Accumulated amortization and impairment loss:					
Balance as of January 1, 2025	\$ 67,155	3,540	-	15,222	85,917
Amortization for the period	-	13,933	2,297	3,806	20,036
Effect of movement in exchange rates	-	(1,203)	(20)	-	(1,223)
Balance as of June 30, 2025	\$ <u>67,155</u>	<u>16,270</u>	<u>2,277</u>	<u>19,028</u>	<u>104,730</u>

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GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Goodwill	Franchise	Computer software	Online platform member relationship	Total
Balance as of January 1, 2024	\$ 37,155	488	-	7,611	45,254
Amortization for the period	-	1,498	-	3,806	5,304
Effect of movement in exchange rates	-	21	-	-	21
Balance as of June 30, 2024	<u>\$ 37,155</u>	<u>2,007</u>	<u>-</u>	<u>11,417</u>	<u>50,579</u>
Carrying value:					
Balance as of January 1, 2025	<u>\$ 748,944</u>	<u>577,147</u>	<u>-</u>	<u>60,889</u>	<u>1,386,980</u>
Balance as of June 30, 2025	<u>\$ 748,944</u>	<u>524,987</u>	<u>22,477</u>	<u>57,083</u>	<u>1,353,491</u>
Balance as of January 1, 2024	<u>\$ 778,944</u>	<u>450,954</u>	<u>-</u>	<u>68,500</u>	<u>1,298,398</u>
Balance as of June 30, 2024	<u>\$ 778,944</u>	<u>549,028</u>	<u>-</u>	<u>64,694</u>	<u>1,392,666</u>

The proprietary technology is the franchise license for the Spheripol process and the Oleflex propane dehydrogenation plant used by the Group to produce polymers such as propylene and polypropylene. These intangible assets are amortized over a 15-year useful life, commencing upon the completion of plant construction and the start of commercial operations.

The Group established an online platform memberships to sell exclusive and selected merchandise through its website to enhance customer loyalty. After the evaluation, it is deemed that such memberships have future economic value and meets the definition and recognition criteria of an intangible asset under the IAS 38. Online platform memberships are amortized on a straight-line basis over the economic life of 10 years.

Goodwill (less accumulated amortization and impairment) has been allocated to the Group's cash-generating units identified by its operating segment:

Item	June 30, 2025	December 31, 2024	June 30, 2024
Goodwill			
Digital New Media Department	<u>\$ 748,944</u>	<u>748,944</u>	<u>778,944</u>

(m) Prepayments for equipment

Item	June 30, 2025	December 31, 2024	June 30, 2024
Prepayment from QuanZhou Guoheng Chemical Co., Ltd. for equipment of plant construction	<u>\$ -</u>	<u>5,002,580</u>	<u>4,908,747</u>
Others	<u>111,654</u>	<u>127,578</u>	<u>2,053</u>
Total	<u>\$ 111,654</u>	<u>5,130,158</u>	<u>4,910,800</u>

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GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(n) Other non-current assets

Item	June 30, 2025	December 31, 2024	June 30, 2024
Costs of program broadcasting - noncurrent	\$ 124,001	49,717	92,700
Long-term prepaid expenses	407,106	5,114	6,184
Restricted bank deposits	1,000	1,000	1,000
Refundable deposits	27,212	25,197	32,063
Others	275	28,054	102
Total	<u>\$ 559,594</u>	<u>109,082</u>	<u>132,049</u>

- (i) The costs of program broadcasting includes those of the outsourcing film broadcasting rights, outsourcing filming or self-made programs and the like. The relevant details are as follows:

Item	June 30, 2025	December 31, 2024	June 30, 2024
Movie film library	\$ 182,421	150,829	110,408
Prepayments for film purchase	115,925	47,651	90,978
Subtotal	298,346	198,480	201,386
Less: Accumulated impairment - cost of program broadcasting	(1,841)	(743)	(1,201)
Less: Portion expected to be amortized within one year	(172,504)	(148,020)	(107,485)
Cost of program broadcasting - noncurrent	<u>\$ 124,001</u>	<u>49,717</u>	<u>92,700</u>

The portion expected to be amortized within one year was recorded in other current assets - others. Please refer to Note 6(g) for more details.

- (ii) Long-term prepaid expenses, including catalysts, are amortized using the straight-line method over their economic useful lives.

(o) Short-term loans

The short-term loans were summarized as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Credit loans	\$ 6,811,923	4,162,301	3,942,191
Secured loans	-	65,000	265,000
Total	<u>\$ 6,811,923</u>	<u>4,227,301</u>	<u>4,207,191</u>
Range of interest rates	<u>1.975%~3.75%</u>	<u>2%~3.2%</u>	<u>1.91%~3.75%</u>

(Continued)

GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Please refer to note 8 for details of the related assets pledged as collateral.

(p) Long-term loans

The long-term loans were summarized as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Syndicated loans	\$ 11,384,800	12,533,462	15,470,000
Credit loans	3,030,680	1,401,013	953,118
Guaranteed loans	900,000	900,000	400,000
Less: Deferred insurance costs of syndicated loans	(35,173)	(17,808)	(27,611)
Less: Portion due within one year	(713,147)	(20,532)	(6,177,383)
Total	<u><u>\$ 14,567,160</u></u>	<u><u>14,796,135</u></u>	<u><u>10,618,124</u></u>
Range of interest rates	<u><u>2.125%~3.7%</u></u>	<u><u>2%~3.95%</u></u>	<u><u>2%~3.95%</u></u>

(i) Conditions of loan agreement

During the period covered in the consolidated financial statements, the material conditions of the loan agreements of the Group were summarized as follows:

Syndicated loan

To fund the capital required for the construction an annual capacity of 660,000 metric tons of propane dehydrogenation (PDH) and an annual capacity 450,000 metric tons of polypropylene (PP) at Quangang Petrochemical Industrial Park in China, the Group entered into a long term syndicated credit facility of RMB 1.8 billion with a consortium of 9 banks, with Bank of Taiwan being the lead bank, in September 2024; as well as another facility of RMB1.24 billion with a consortium of 6 banks, with China Construction Bank being the lead bank, in February 2025; of which, the Group had drawn down the amounts of RMB1.56 billion and RMB1.24 billion, respectively, to fully repay a facility of RMB 2.8 billion previously arranged with Mizuho Bank and 16 other banks.

According to the contract provisions, the Group is required to maintain the agreed financial covenant ratios, including the current ratio, debt ratio, and net amount of tangible assets.

(ii) Collateral

Please refer to note 8 for details of the related assets pledged as collateral.

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GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(q) Short-term bills payable

The components of short-term bills payable were as follows:

	<u>June 30, 2025</u>
	<u>Amount</u>
Commercial paper payable	\$ 700,000
	700,000
Less: Discount on short-term bills payable	(372)
Total	<u>\$ 699,628</u>
Interest rate range	<u>1.64%~1.8%</u>
	<u>December 31,</u>
	<u>2024</u>
	<u>Amount</u>
Commercial paper payable	\$ 700,000
	700,000
Less: Discount on short-term bills payable	(349)
Total	<u>\$ 699,651</u>
Interest rate range	<u>1.65%~1.84%</u>
	<u>June 30, 2024</u>
	<u>Amount</u>
Commercial paper payable	\$ 800,000
	800,000
Less: Discount on short-term bills payable	(459)
Total	<u>\$ 799,541</u>
Interest rate range	<u>1.57%~1.74%</u>

The Group's commercial paper payable is issued under the guarantee of a Bills Finance Company or a bank, and a promissory note is provided as a commitment to repay the loan.

Please refer to note 8 for details of the related assets pledged as collateral.

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GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(r) Other payables

	June 30, 2025	December 31, 2024	June 30, 2024
Salaries and bonuses payable	\$ 232,712	356,929	180,580
Freight payable	23,412	24,538	21,969
Advertising fees payable	25,076	68,550	16,605
Insurance premium payable	19,532	15,136	12,975
Professional service charge payable	6,111	5,909	5,835
Service fee payable	32,578	12,649	8,736
Interests payable	151,795	5,098	4,914
Dividends payable	8,608	-	12,912
Equipment purchase payable	9,446	323,468	288,195
Dividends payable to non-controlling interest	-	-	6,719
Distribution of surplus property payable	-	-	44,207
Others	174,107	166,034	82,699
Total	<u>\$ 683,377</u>	<u>978,311</u>	<u>686,346</u>

(s) Lease liabilities

The lease liabilities of the Group were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Current	\$ <u>239,510</u>	<u>242,225</u>	<u>234,842</u>
Non-current	\$ <u>3,695,927</u>	<u>3,493,908</u>	<u>3,145,748</u>

For the maturity analysis, please refer to note 6(ab).

The amounts recognized in profit or loss were as follows:

	For the three months ended June 30, 2025	2024	For the six months ended June 30, 2025	2024
Interests on lease liabilities	\$ <u>15,267</u>	<u>16,722</u>	<u>29,582</u>	<u>31,741</u>
Expenses relating to short-term leases	\$ <u>28,757</u>	<u>2,536</u>	<u>62,615</u>	<u>4,649</u>

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GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The amounts recognized in the statement of cash flows for the Group were as follows:

	For the six months ended June 30,	
	2025	2024
Total cash outflow for leases	\$ 211,021	61,349

(i) Lease of the land

The Group leased parcels of land in the People's Republic of China for the land-use-right of its production plants and office spaces for 50 years. The entire rents should be paid up in a lump-sum at the time of execution of the lease agreement. According to the agreement, the Group cannot procure the land upon maturity. It is only entitled to the act of disposition such as land-use-right, income right, transfer and lease within the land use limit, and is responsible to pay a variety of taxes as required.

The lease payments of certain contracts depend on storage/usage and operating revenue/net operating profit index. The variable payments depend on the actual usage or operating performance of the underlying assets.

(ii) Other leases

The subject assets leased by the Group, include buildings, machinery equipment and transportation facilities, leased by the consolidated company range from two to twenty-nine years. At the end of the lease term, the Group held no preferential acquisition rights for the leased target assets, and some leases were attached to lease term renewal right after expiration.

(t) Provisions

	Unused Vacation Bonus	Specialized safety reserve	Decommission ing liabilities	Long-term employee benefits plans	Total
Balance as of January 1, 2025	\$ 19,669	-	69,867	16,066	105,602
Provisions made during the year	28,202	1,962	732	2,598	33,494
Provisions reversed during the year	(32,401)	-	-	(2,526)	(34,927)
Unwinding of discount	-	-	565	-	565
Effect of movements in exchange rate	(203)	-	-	-	(203)
Balance as of June 30, 2025	\$ 15,267	1,962	71,164	16,138	104,531
Current	\$ 15,267	-	-	-	15,267
Non-current	-	1,962	71,164	16,138	89,264
	\$ 15,267	1,962	71,164	16,138	104,531

(Continued)

GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Unused Vacation Bonus	Specialized safety reserve	Decommission ing liabilities	Long-term employee benefits plans	Total
Balance as of January 1, 2024	\$ 18,870	-	67,379	14,380	100,629
Provisions made during the year	12,609	547	-	775	13,931
Provisions used during the year	(7,826)	(547)	-	-	(8,373)
Provisions reversed during the year	(4,564)	-	(138)	-	(4,702)
Unwinding of discount	-	-	531	-	531
Effect of movements in exchange rate	56	-	(7)	-	49
Balance as of June 30, 2024	<u>\$ 19,145</u>	<u>-</u>	<u>67,765</u>	<u>15,155</u>	<u>102,065</u>
Current	\$ 19,145	-	-	-	19,145
Non-current	-	-	67,765	15,155	82,920
	<u>\$ 19,145</u>	<u>-</u>	<u>67,765</u>	<u>15,155</u>	<u>102,065</u>

(i) Other long-term employee benefit plans:

The other long-term employee benefit plans of the Group are the seniority service bonuses and employee remuneration, which are calculated based on acquired and accumulated years of service.

(ii) Decommissioning liabilities:

Under promulgated policies and applicable contracts or regulatory requirements, the Group is obligated to dismantle, remove or restore the location of some rightofuse assets. Accordingly, the present value of the cost expected to be incurred in dismantling, removing or restoring the location is recognized as a liability reserve, which the Group expects to occur over the years before the end of leases.

(iii) Specialized safety reserve:

In accordance with the regulations of the General Administration of Safety Supervision and Administration of the Ministry of Finance of the P.R.C. and other related regulations, enterprises that produce, store or transport, government-approved hazardous chemicals should set aside a safety reserve at a specific rate according to the level of revenue generated, which is to be reversed when actual safety expenditures are incurred. When the balance of the reserve reaches the prescribed rate, the enterprise may apply to the relevant competent authority for approval to reduce the amount of safety reserve set aside.

(Continued)

GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(u) Material non-controlling interests of subsidiaries

The material non-controlling interests of subsidiaries were as follows:

<u>Name of subsidiary</u>	<u>Principal Place of Business/ Country of Incorporation</u>	<u>Noncontrolling shareholding ratio</u>		
		<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Videoland Inc. and its subsidiaries	Taiwan	37.71 %	37.71 %	37.71 %

The following information on the aforementioned subsidiaries has been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Included in this information are the fair value adjustments made during the acquisition and the relevant difference in accounting principles between the Group and its subsidiaries as at the acquisition date. Intra-group transactions were not eliminated in this information.

(i) Videoland Inc. and its subsidiaries' financial information

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Current assets	\$ 3,357,955	3,741,888	3,807,853
Non-current assets	4,902,237	5,376,540	5,029,220
Current liabilities	(647,548)	(979,416)	(682,256)
Non-current liabilities	(406,185)	(408,965)	(461,212)
Net assets	<u>\$ 7,206,459</u>	<u>7,730,047</u>	<u>7,693,605</u>
Non-controlling interests	<u>\$ 2,714,620</u>	<u>2,923,797</u>	<u>2,894,406</u>

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Sales revenue	<u>\$ 492,752</u>	<u>530,120</u>	<u>971,803</u>	<u>1,000,267</u>
Net loss	\$ 72,944	(35,646)	(27,130)	(37,181)
Other comprehensive income	(412,817)	149,580	(430,204)	437,628
Comprehensive income	<u>\$ (339,873)</u>	<u>113,934</u>	<u>(457,334)</u>	<u>400,447</u>
(Loss) Profit, attributable to non-controlling interests	<u>\$ (4,971)</u>	<u>(19,804)</u>	<u>(43,132)</u>	<u>(13,170)</u>
Comprehensive income, attributable to non-controlling interests	<u>\$ (149,781)</u>	<u>36,728</u>	<u>(194,328)</u>	<u>152,540</u>

(Continued)

GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(v) Employee benefits

(i) Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial reports as of December 31, 2024 and 2023.

The expenses recognized in profit or loss for the Group were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Operating costs	\$ 643	756	1,171	1,457
Selling expenses	33	50	57	94
Administration expenses	468	636	2,463	1,336
Research and development expenses	14	15	24	27
Miscellaneous expenses	(36)	-	16	-
Total	<u>\$ 1,122</u>	<u>1,457</u>	<u>3,731</u>	<u>2,914</u>

(ii) Defined contribution plans

The Group's expenses under the pension plan cost to the Bureau of Labor Insurance for the three months ended June 30, 2025 and 2024 and the six months ended June 30, 2025 and 2024 were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Operating cost	\$ 3,047	2,717	6,162	5,453
Selling expenses	326	210	638	612
Administration expenses	7,594	5,266	14,255	9,869
Research and development expenses	188	154	383	305
Total	<u>\$ 11,155</u>	<u>8,347</u>	<u>21,438</u>	<u>16,239</u>

(w) Other non-current liabilities

Item	June 30, 2025	December 31, 2024	June 30, 2024
Guarantee deposits received	\$ 4,450	8,558	8,480
Deferred grant income	12,722	14,250	8,840
Others	22,192	22,192	22,192
Total	<u>\$ 39,364</u>	<u>45,000</u>	<u>39,512</u>

(Continued)

GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(x) Income tax

The components of income tax expense were as follows:

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Current tax expense (benefit)				
Current period	\$ 563	-	5,910	14,143
Adjustment for prior periods	-	1,408	-	355
	<u>563</u>	<u>1,408</u>	<u>5,910</u>	<u>14,498</u>
Deferred tax expenses (benefits)				
Origination and reversal of temporary differences	(37,802)	(52,322)	(84,478)	(159,836)
Income tax expense (benefit)	<u>\$ (37,239)</u>	<u>(50,914)</u>	<u>(78,568)</u>	<u>(145,338)</u>

The amounts of income tax recognized in other comprehensive income for the six months ended June 30, 2025 and 2024 were as follows:

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign financial statements	<u>\$ (20,205)</u>	<u>11,369</u>	<u>(38,725)</u>	<u>55,595</u>

The Company's income tax return for the years through 2023 were assessed by the National Taxation Bureau of Kaohsiung.

(y) Share-based payment

(i) Employee stock option

- 1) Citiesocial Holding Cayman Co., Ltd. issued 1,514,285 shares as employee stock options, with a duration of 8 years, based on a resolution approved by its Board held on April 20, 2017. As of June 30, 2025, the stock options have expired.

(Continued)

GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- 2) Employee stock options issued by the Group are detailed below:

The afore mentioned employee stock options and the regulation of treasury stock transfer are detailed below:

(in thousands)

	For the six months ended June 30, 2025		For the six months ended June 30, 2024	
	Weighted average exercise price (in US dollars)	Unit	Weighted average exercise price (in US dollars)	Unit
Outstanding at January 1	\$ -	-	0.05238	658,655
Outstanding at June 30	-	-	0.05238	658,655
Exercisable at June 30	-	-	-	566,368

The Group recognized share-based compensation costs of \$0 thousand and \$387 thousand for the equity-settled share-based payments during for the six months ended June 30, 2025 and 2024, respectively.

- 3) The employee stock option issued by the Group on April 20, 2017 was valued by the binomial tree model, with the following inputs:

Item	April 20, 2017
Reference share price on the grant date	USD 0.01~0.31
Exercise price	USD 0.05238
Expected volatility	15.32%~19.21%
Expected time to expiration	8 years
Expected dividend yield	0.00%
Risk-free interest rate	0.75%~3.9333%
Fair value per unit	USD 0.00~0.27

As Citiesocial Holding Cayman Co., Ltd. is a not a TWSE/TPEX-listed company, the expected volatility was estimated based on the average eight-year historical volatility of similar companies listed on TWSE/TPEX as of the valuation date. °

(Continued)

GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(z) Capital and other equity

(i) The issuance of common stock

As of June 30, 2025, December 31 and June 30, 2024, the authorized, issued and outstanding capital of the Company all amounted to \$11,266,203 thousand, divided into 1,126,620 thousand shares, with par value of \$10 per share. Of the above-mentioned total paid-in capital, \$11,066,203 thousand were common stocks and 200,000 thousand preferred stocks.

Reconciliation of shares outstanding for the six months ended June 30, 2025 and 2024 was as follows:

(In thousands of shares)

	Common Stock	
	For the six months ended June 30,	
	2025	2024
Ending Balance (equal to beginning balance)	<u><u>1,126,620</u></u>	<u><u>1,126,620</u></u>

The rights and obligations of issuing preferred shares were as follows:

In August 1984, the Group conducted a cash capital increase by issuing 20,000 thousand preferred shares, with the following rights and obligations:

- 1) The earnings, if any, upon annual account settlement, the dividend of 6% for preferred shares should be distributed first. The balance shall be the distributable earnings which will be distributed at the shareholding ratio for common shares and preferred shares as proposed by the Board of Directors and finally resolved in the shareholders' meeting.
- 2) Preferential distribution of the Company's remaining properties.
- 3) Other entitlement would be the same as the common shares.

(ii) Capital surplus

The balances of capital surplus were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Share capital	\$ 844,989	844,989	844,989
Treasury share transactions	190,118	190,118	190,118
Expired stock options	32,556	32,556	32,556
Dividends unclaimed within the term by shareholders	2,817	2,817	2,817
Changes recognized in ownership interests in subsidiaries	13,823	845	1,253
Total	<u><u>\$ 1,084,303</u></u>	<u><u>1,071,325</u></u>	<u><u>1,071,733</u></u>

(Continued)

GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increase through transferring of capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(iii) Retained earnings

In accordance with the Company's Articles of Incorporation, if there is any surplus in the annual financial statements, it shall be treated as distributable earnings after paying taxes, making up for losses, appropriating 10% of the legal reserve, and appropriating or reversing the special reserve for the reduction in stockholders' equity in the current year. Such distributable earnings in combination with the unappropriated earnings of the preceding year would be the accumulated distributable earnings. With such accumulated unappropriated earnings, the sum to distribute preferred share dividend of the Company issued in 1984 at the dividend rate of 6% should be distributed first. The shortfall, if any, should be preferentially made up with the distributable earnings of the ensuing year. The remaining unappropriated earnings shall be distributed by the Board of Directors according to law, dividend policy and status of working capital, etc. In case of issuance of new shares and cash, the appropriation shall be approved during the shareholders' and board meetings, respectively.

According to Paragraph 5 of Article 240 of the Company Act, the Company authorizes the board to resolve the distribution of cash dividends and bonuses or the distribution of cash from all or part of the legal reserve and capital reserves according to Paragraph 1 of Article 241 of the Company Act with the attendance of at least two thirds of directors and resolution from more than half of the attending directors, to be reported at the shareholders' meeting thereafter. This is not applicable to the aforesaid requirement for resolutions to be approved at the shareholders' meetings.

1) The Company's dividend policies are as follows:

The Company has been under a highly challenging industrial environment and is within a life cycle of stable and growing period, wherein it should grasp the economic environment for sustainable operation. With its longterm financial planning, future capital needs, and to protect the interests of its shareholders, unless there is a need for capital to improve its financial structure, support its investment, production capacity expansion, or other major capital expenditures, the Company's dividends shall not be less than 10% of the net income after deducting the accumulated deficit, legal reserve, special reserve, and 6% of the dividend of preferred share of the Company issued in 1984. The cash dividend distributed by the Company annually should not be less than 10% of the total cash stock dividends in the current year (excluding the above 6% as the dividend of preferred share of the Company issued in 1984).

(Continued)

GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

3) Special reserve

Upon allocating earnings, the Company should set aside special reserve in accordance with Letter JinGuanZhengFaZi No.1090150022 and Letter JinGuanZhengFaZi No.10901500221, both issued by FSC on March 31, 2022 and "After Adoption under IFRSs in the Q&A of Provision of Special Reserve." When the net deduction of other equity is reversed subsequently, the part reversed could be taken to appropriate the earnings.

4) Earnings Distribution

The shareholders' meeting of the Company resolved to offset the 2024 and 2023 accumulated deficits on June 20, 2025 and June 7, 2024, respectively.

Information regarding the distribution of the Company's earnings in the previous years can be found on the Market Observation Post System after the relevant meetings have been held.

(iv) Other equity

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance at January 1, 2025	\$ 331,594	238,778	570,372
Items directly recognized as other equity adjustment	(2,357,677)	(311,304)	(2,668,981)
Shares attributable to non- controlling interests	22,003	141,239	163,242
Shares accounted for using the equity method	193,625	-	193,625
Income tax related to items of other equity	(38,725)	-	(38,725)
Balance at June 30, 2025	<u>\$ (1,849,180)</u>	<u>68,713</u>	<u>(1,780,467)</u>

(Continued)

GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance at January 1, 2024	\$ (716,522)	(379,202)	(1,095,724)
Items directly recognized as other equity adjustment	1,072,450	490,843	1,563,293
Shares attributable to non- controlling interests	(10,093)	(160,159)	(170,252)
Shares accounted for using the equity method	(277,976)	-	(277,976)
Income tax related to items of other equity	55,595	-	55,595
Balance at June 30, 2024	<u>\$ 123,454</u>	<u>(48,518)</u>	<u>74,936</u>

(v) Non-controlling interest

	<u>For the six months ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
Balance at January 1	\$ 3,434,408	3,274,329
Share attributable to non-controlling interests:		
Profit (loss) for the period	(48,250)	(18,118)
Exchange differences on translation of foreign financial statements	(22,003)	10,093
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	(141,239)	160,159
Share-based payment	-	195
Cash dividends distributed by subsidiaries	(25,414)	(28,401)
Derecognition of non-controlling interests upon disposal of subsidiaries	-	(30,973)
Changes in ownership interests in subsidiaries	(6,241)	-
Balance at June 30	<u>\$ 3,191,261</u>	<u>3,367,284</u>

(aa) Treasury shares

The changes in the current year of the Company's stocks held by subsidiaries deemed as treasury stocks are as follows:

		For the six months ended June 30, 2025							
		Beginning balance		Increase in the period		Decrease in the period		Ending balance	
Name of subsidiary	Type	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
GPPC Chemical Corporation	Preferred share	1,776	\$ 49,858	-	-	-	-	1,776	49,858

(Continued)

GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of subsidiary	Type	For the six months ended June 30, 2024							
		Beginning balance		Increase in the period		Decrease in the period		Ending balance	
		Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
GPPC Chemical Corporation	Preferred share	1,776	\$ 49,858	-	-	-	-	1,776	49,858

- (i) As of June 30, 2025, December 31 and June 30, 2024, the fair values of the Company's stocks held by the subsidiaries were \$38,362 thousand, \$40,138 thousand and \$41,913 thousand, respectively.
- (ii) The Company's stocks held by the subsidiaries were treated as treasury stocks, which have the same rights as those of the shareholders' equity, but were not entitled to participate in the Company's cash capital increase and voting power.

(ab) Earnings (loss) per share

The Group's earnings (loss) per share were calculated as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Basic earnings (loss) per share (NT dollars)				
Losses attributable to ordinary shareholders of the Company	\$ (1,009,144)	(256,012)	(1,687,638)	(740,224)
Preferred share dividend	(3,000)	(3,000)	(6,000)	(6,000)
Net losses attributable to shareholders of common shares of the Company	<u>\$ (1,012,144)</u>	<u>(259,012)</u>	<u>(1,693,638)</u>	<u>(746,224)</u>
Weighted-average numbers of outstanding ordinary shares (thousand shares)	<u>\$ 1,106,620</u>	<u>1,106,620</u>	<u>1,106,620</u>	<u>1,106,620</u>
Basic earnings per share	<u>\$ (0.92)</u>	<u>(0.23)</u>	<u>(1.53)</u>	<u>(0.67)</u>

(Continued)

GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ac) Revenue from contracts with customers

(i) Disaggregation of revenue

Main product (commodity) lines and service types	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Sales revenues				
Petrochemical products \$	1,693,807	2,319,781	3,745,211	3,625,235
Plastic products	2,425,292	1,392,196	4,998,428	2,343,313
Hydrogen products	42,528	41,641	90,510	70,213
Steam and electricity products	129,480	139,747	211,618	230,473
Nylon products	206,549	424,092	468,633	636,872
Packing material products	205,652	205,568	407,365	401,996
Department store merchandise	55,955	23,370	94,433	32,390
Others	-	-	604	-
Subtotal	<u>4,759,263</u>	<u>4,546,395</u>	<u>10,016,802</u>	<u>7,340,492</u>
Service revenue				
Advertising services	191,236	278,242	442,668	533,693
Video services	181,515	169,609	335,229	339,218
Licensing and other services	59,691	57,253	95,114	91,472
Networking and hosting services	4,355	1,647	4,359	3,494
Catering services	<u>122,370</u>	<u>-</u>	<u>122,962</u>	<u>-</u>
Subtotal	<u>559,167</u>	<u>506,751</u>	<u>1,000,332</u>	<u>967,877</u>
Total	<u><u>\$ 5,318,430</u></u>	<u><u>5,053,146</u></u>	<u><u>11,017,134</u></u>	<u><u>8,308,369</u></u>

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GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Contract balances

	June 30, 2025	December 31, 2024	June 30, 2024	January 1, 2024
Advertising contracts	\$ 16,252	15,143	27,722	6,847
Licensing contracts	9,795	1,004	7,407	9,014
Other	500	500	1	-
Current contract assets	<u><u>\$ 26,547</u></u>	<u><u>16,647</u></u>	<u><u>35,130</u></u>	<u><u>15,861</u></u>
Advertising contracts	\$ 17,698	4,653	11,991	10,352
Licensing contracts	-	-	10,912	868
Commodity sales	106,426	23,615	34,904	17,960
Ecommerce	-	-	11,420	4,378
Current contract liabilities	<u><u>\$ 124,124</u></u>	<u><u>28,268</u></u>	<u><u>69,227</u></u>	<u><u>33,558</u></u>

(iii) Revenue recognized during the period from contract liabilities at the beginning of the period

	For the three months ended June 30, 2025	2024	For the six months ended June 30, 2025	2024
Advertising contracts	\$ -	1,469	4,653	10,352
Licensing contracts	-	-	-	868
Commodity sales	7,786	709	23,585	11,857
Ecommerce	-	423	-	2,896
Total	<u><u>\$ 7,786</u></u>	<u><u>2,601</u></u>	<u><u>28,238</u></u>	<u><u>25,973</u></u>

(ad) Remunerations to employees and directors

According to the amended Company Article of Incorporation, if the Company incurs profit for the year, the profit shall first be used to offset against any accumulated deficits. Thereafter, a maximum of 2% (in cash) of the remaining net profit shall be allocated as directors' remuneration, and not less than 1% (in shares or in cash) as employee remuneration, including a minimum of 30% to those base-level employees. The distribution shall also include those qualified employees of the Company's subsidiaries.

For the periods from January 1 to June 30, 2025 and 2024, the remuneration to employees all amounted to \$0 thousand, and the remuneration to directors all amounted to \$0 thousand. These amounts were calculated using the Company's pre-tax income for each period before deducting the remunerations of employees, directors and supervisors, multiplied by the proposed percentages of remunerations of employees, directors, and supervisors as stated in the Company's Articles of Incorporation. These remunerations were expensed under operating costs or expenses for each period. For the years ended December 31, 2024 and 2023, the Company did not accrue any remunerations to its employees and directors due to the accumulated deficits it incurred during the periods. The information is available on the Market Observation Post System website.

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GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ae) Non-operating income and expense

(i) Interest income

The details of interest income were as follows:

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Interest income from bank deposits	\$ 31,676	57,244	56,484	109,674
Interest income from bill and bonds with repurchase agreement	4,166	1,229	4,724	1,758
Other interest income	<u>3</u>	<u>3</u>	<u>6</u>	<u>6</u>
Total	<u><u>\$ 35,845</u></u>	<u><u>58,476</u></u>	<u><u>61,214</u></u>	<u><u>111,438</u></u>

(ii) Other income

The details of other income were as follows:

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Rent income	\$ 4,948	5,182	9,305	10,257
Subsidy income	27	10	27	21
Income from sales of scraps	16,751	243	16,923	455
Dividend income	192,272	3,336	192,272	3,336
Income from directors' and supervisors' compensation and traveling fee	50,180	28,325	50,180	28,325
Other income, others	<u>1,115</u>	<u>928</u>	<u>8,088</u>	<u>1,184</u>
Total	<u><u>\$ 265,293</u></u>	<u><u>38,024</u></u>	<u><u>276,795</u></u>	<u><u>43,578</u></u>

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GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Other gains and losses

The details of other gains and losses were as follows:

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Losses on disposals of property, plant, and equipment	\$ (107)	6	(115)	6
Gains on lease modification	86	233	86	233
Foreign exchange gains (losses)	(48,033)	(7,380)	(17,964)	(48,647)
Gains (losses) on financial assets at fair value through profit or loss	4,965	14,204	10,329	6,819
Direct operating expenses of investment properties	(1,271)	(2,811)	(2,486)	(4,032)
Loss on disposal of supplies	-	(115)	-	(115)
Handling fee	(29,215)	-	(29,215)	-
Loss on tax payment on behalf of others	-	(1,155)	-	(4,204)
Other gains and losses	(5,587)	(1,275)	(8,448)	(1,526)
Other gains and losses, net	<u>\$ (79,162)</u>	<u>1,707</u>	<u>(47,813)</u>	<u>(51,466)</u>

(iv) Finance costs

The details of finance costs were as follows:

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Interest expense	\$ (164,059)	(202,633)	(382,640)	(399,495)
Less: Capitalized amounts that meets the required conditions	5,726	151,943	99,743	308,685
Finance costs, net	<u>\$ (158,333)</u>	<u>(50,690)</u>	<u>(282,897)</u>	<u>(90,810)</u>

(af) Financial Instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Group's financial instruments and the degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For related information, please refer to note 12(2) and (3) of the consolidated financial statements for the year ended December 31, 2024.

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GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(i) Credit risk

1) The concentration of credit risk

The credit risk related to operations and financial instruments, as well as the objectives, policies, and procedures, for managing such risks, remain consistent with those disclosed in the consolidated financial statements for the year ended 2024. There have been no significant changes during the current period. For further details, please refer to Notes 12(2) and 12(3) of the 2024 consolidated financial statements.

Due to the Group's large customer base located globally, the Group is not significantly concentrated in specific customers. Therefore, the Group is exposed to credit risk. In order to reduce credit risk, the Group regularly evaluates the financial status of its customers, who are not usually required to provide any guarantee.

2) Credit risk of receivables

For credit risk exposure of notes and accounts receivable, please refer to note 6(d).

There have been no changes in the exposure to credit risk related to financial instruments of the Group, nor in the methods used to manage and measure such exposures. As of the balance sheet date in terms of cash & cash equivalents, receivables and other financial assets, the maximum possible exposure to credit risks would be exactly the carrying amounts of such financial assets.

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying amount	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
June 30, 2025							
Non-derivative financial liabilities							
Short-term loans	\$ 6,811,923	6,885,517	4,921,367	1,964,150	-	-	-
Short-term bills payable	699,628	700,000	700,000	-	-	-	-
Notes and accounts payable (including related parties)	1,238,748	1,238,748	1,233,495	5,253	-	-	-
Other payable (including related parties)	697,595	697,595	697,595	-	-	-	-
Long-term loans (including current portion)	15,280,307	15,973,017	110,547	835,930	2,053,809	1,101,937	11,870,794
Lease liabilities	3,935,437	4,400,876	171,030	147,528	295,871	880,952	2,905,496
	<u>\$ 28,663,638</u>	<u>29,895,753</u>	<u>7,834,034</u>	<u>2,952,861</u>	<u>2,349,680</u>	<u>1,982,889</u>	<u>14,776,290</u>
December 31, 2024							
Non-derivative financial liabilities							
Short-term loans	\$ 4,227,301	4,261,009	3,859,216	401,793	-	-	-
Short-term bills payable	699,651	700,000	700,000	-	-	-	-
Notes and accounts payable (including related parties)	1,504,140	1,504,140	1,504,140	-	-	-	-
Other payable (including related parties)	978,311	978,311	976,846	-	1,465	-	-
Long-term loans (including current portion)	14,816,667	15,638,718	237,674	258,203	14,284,595	903,246	-
	<u>\$ 22,226,070</u>	<u>23,082,178</u>	<u>7,277,876</u>	<u>659,996</u>	<u>14,286,060</u>	<u>903,246</u>	<u>-</u>

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GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

	Carrying amount	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
June 30, 2024							
Non-derivative financial liabilities							
Short-term loans	\$ 4,207,191	4,385,126	3,855,846	529,280	-	-	-
Short-term bills payable	799,541	800,000	800,000	-	-	-	-
Notes and accounts payable (including related parties)	1,514,470	1,514,470	1,421,889	92,581	-	-	-
Other payable (including related parties)	686,346	686,346	557,358	127,502	1,486	-	-
Long-term loans (including current portion)	16,795,507	17,582,683	3,525,327	3,300,733	7,306,660	3,449,963	-
	<u>\$ 24,003,055</u>	<u>24,968,625</u>	<u>10,160,420</u>	<u>4,050,096</u>	<u>7,308,146</u>	<u>3,449,963</u>	<u>-</u>

The Group does not expect that the cash flow of the due date analysis will occur significantly earlier, or the actual amount will be significantly different.

(iii) Currency risk

1) Currency risk exposure

The Group's significant exposure to foreign currency risk was as follows:

	June 30, 2025			December 31, 2024			June 30, 2024		
	Foreign Currency	Exchange rate	NTD	Foreign Currency	Exchange rate	NTD	Foreign Currency	Exchange rate	NTD
Financial assets									
<u>Monetary items</u>									
USD	\$ 20,735	29.250	606,513	71,400	32.735	2,337,278	27,122	32.400	878,753
JPY	39,086	0.2014	7,872	21,992	0.2079	4,572	12,800	0.1997	2,556
SGD	-	-	-	76	24.04	1,827	89	23.63	2,103
GBP	-	-	-	2,855	40.99	117,026	51	40.84	2,083
CNY	300,209	4.066	1,220,650	6,966	4.453	31,020	690,791	4.420	3,053,296
<u>Non-Monetary items</u>									
CNY	\$ 2,087,886	4.066	8,489,346	2,098,601	4.453	9,345,070	2,129,408	4.420	9,411,983
Financial liabilities									
<u>Monetary items</u>									
EUR	\$ 1	34.150	43	27	33.940	916	27	34.510	932
USD	5,107	29.250	149,388	6,511	32.735	213,138	13,111	32.400	424,797
JPY	-	-	-	-	-	-	3,072	0.1997	613
CNY	-	-	-	8,886	4.453	39,569	18	4.420	80
CHF	11	37.560	419	-	-	-	-	-	-
HKD	-	-	-	12,360	4.1920	51,813	-	-	-

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GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the foreign currency exchange rate fluctuations on cash and cash equivalents, receivables, payables, and loans, which are denominated in foreign currency. A strengthening of 1% of the USD, JPY, SGD, GBP, EUR, CHF, HKD and CNY against the NTD as of June 30, 2025, December 31 and June 30, 2024 would have increased the net profit by \$13,485 thousand, \$17,491 thousand and \$28,097 thousand; as well as the other comprehensive income by \$84,893 thousand, \$74,761 thousand and \$75,296 thousand, respectively. The analysis was performed on the same basis for all periods.

3) Foreign exchange gains (losses) on monetary items

Due to the Group's diversity of functional currency, the information on foreign exchange gains or losses on monetary items is disclosed by the total amount. For the six months ended June 30, 2025 and 2024, the foreign exchange gains (losses), including the realized and unrealized portions, amounted to (\$17,964) thousand and (\$48,647) thousand, respectively.

(iv) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is based on the risk exposure to interest rates on the derivative and non-derivative financial instruments on the reporting date. For financial instruments bearing floating-rate, the sensitivity analysis assumes the floating-rate liabilities are outstanding for the whole year on the reporting date. The Group's internal management reported the increases/decreases in the interest rates and the exposure to changes in interest rates of 1% is considered by the management to be a reasonable change of interest rate.

All 10 basis point movement in yields of the position exposed to interest rate risks would result in \$17,694 thousand, \$16,164 thousand and \$8,119 thousand change in the Group's profit and loss on June 30, 2025, December 31 and June 30, 2024, respectively, assuming all other variable factors remain constant. This is mainly due to the Group's borrowing at variable rates.

(v) Other market price risk

If the equity price changes, and if it is based on the same basis for both years and assumes that all other variables remain the same, the impact to comprehensive income will be as follows:

	For the six months ended June 30,			
	2025		2024	
	Other comprehensive income	Profit after tax	Other comprehensive income	Profit after tax
Prices of securities at the reporting date				
Increasing 1%	\$ <u>48,295</u>	<u>3,087</u>	<u>49,100</u>	<u>3,621</u>
Decreasing 1%	\$ <u>(48,295)</u>	<u>(3,087)</u>	<u>(49,100)</u>	<u>(3,621)</u>

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GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(vi) Fair value information

1) Fair value hierarchy

The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy, were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

June 30, 2025					
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Beneficiary certification	\$ 287,745	287,745	-	-	287,745
Film investment agreement	16,826	-	-	16,826	16,826
Transferrable preferred stock	<u>20,982</u>	<u>-</u>	<u>-</u>	<u>20,982</u>	<u>20,982</u>
Subtotal	<u>325,553</u>	<u>287,745</u>	<u>-</u>	<u>37,808</u>	<u>325,553</u>
Financial assets at fair value through other comprehensive income					
Stocks listed on domestic markets	3,398,408	3,398,408	-	-	3,398,408
Stocks unlisted and limited partnership on domestic and foreign markets	<u>1,431,052</u>	<u>-</u>	<u>-</u>	<u>1,431,052</u>	<u>1,431,052</u>
Subtotal	<u>4,829,460</u>	<u>3,398,408</u>	<u>-</u>	<u>1,431,052</u>	<u>4,829,460</u>
Total	<u>\$ 5,155,013</u>	<u>3,686,153</u>	<u>-</u>	<u>1,468,860</u>	<u>5,155,013</u>
December 31, 2024					
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Beneficiary certification	\$ 769,575	769,575	-	-	769,575
Corporate bond	51,999	-	51,999	-	51,999
Film investment agreement	14,007	-	-	14,007	14,007
Transferrable preferred stock	<u>14,244</u>	<u>-</u>	<u>-</u>	<u>14,244</u>	<u>14,244</u>
Subtotal	<u>849,825</u>	<u>769,575</u>	<u>51,999</u>	<u>28,251</u>	<u>849,825</u>
Financial assets at fair value through other comprehensive income					
Stocks listed on domestic markets	3,850,730	3,850,730	-	-	3,850,730
Stocks unlisted and limited partnership on domestic and foreign markets	<u>1,464,966</u>	<u>-</u>	<u>-</u>	<u>1,464,966</u>	<u>1,464,966</u>
Subtotal	<u>5,315,696</u>	<u>3,850,730</u>	<u>-</u>	<u>1,464,966</u>	<u>5,315,696</u>
Total	<u>\$ 6,165,521</u>	<u>4,620,305</u>	<u>51,999</u>	<u>1,493,217</u>	<u>6,165,521</u>

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GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	June 30, 2024				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Beneficiary certification	\$ 291,274	291,274	-	-	291,274
Corporate bonds	51,233	-	51,233	-	51,233
Transferrable preferred stock	19,643	-	-	19,643	19,643
Film investment agreement	17,858	-	-	17,858	17,858
Subtotal	380,008	291,274	51,233	37,501	380,008
Financial assets at fair value through other comprehensive income					
Stocks listed on domestic markets	3,439,038	3,439,038	-	-	3,439,038
Stocks unlisted and limited partnership on domestic and foreign markets	1,470,980	-	-	1,470,980	1,470,980
Subtotal	4,910,018	3,439,038	-	1,470,980	4,910,018
Total	\$ 5,290,026	3,730,312	51,233	1,508,481	5,290,026

2) Valuation techniques for financial instruments which is not measured at fair value

The Group's valuation techniques and assumptions used for financial instruments not measured at fair value are the discounted cash flows method.

3) Valuation techniques for financial instruments measured at fair value

The Group determines the valuation inputs for fair value measurement by considering factors such as the financial position and operating results of its the investee, recent transaction prices, quoted prices of related equity instruments in inactive markets, quoted prices of similar instruments in active markets, and valuation multiples of comparable companies. The Group also regularly updates the inputs and data used in the valuation models and makes any other necessary fair value adjustments to ensure that the valuation results are reasonable.

a) Non-derivative financial instruments

If a financial instrument has a quoted price in an active public market, its fair value shall be determined based on that quoted market price. Examples include stocks of listed (or OTC-listed) companies.

The fair value of the financial instruments held by the Group in the case of a non-active market is as follows:

No public offer debt investment tools: The discounted cash flow model is used to estimate the fair value, which measurement is mainly assumed by discounting the expected future cash flows of the investee by the rate of return of the monetary time value and the investment risk.

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GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

No public offer equity instruments: Use the comparable corporate method and the net asset value method. Comparable company method was made by referencing to similar companies, third-party quotes, net value of the companies, and operating conditions. The main assumptions of net asset value method are based on the net per share of the investee. In addition, the major material unobservable input value is liquidity discount, non-controlling discount, and discount rate.

b) Derivative financial instruments

Derivative financial instruments are evaluated according to the evaluation model accepted by the market users, such as the discount method and the option pricing model.

4) There have been no transfers from each level for the six months ended June 30, 2025 and 2024.

5) Statements of changes in fair value measurements of financial assets in Level 3

	Financial assets at fair value through profit and loss	Financial assets at fair value through other comprehensive income
January 1, 2025	\$ 28,251	1,464,966
Acquisition of the period	26,308	98,869
Capital distribution of the period	(3,998)	(85,180)
Recognized as profit or loss	(12,753)	-
Recognized as other comprehensive income	-	(12,455)
Effect of exchange rate	-	(35,148)
June 30, 2025	<u><u>\$ 37,808</u></u>	<u><u>1,431,052</u></u>
	Financial assets at fair value through profit and loss	Financial assets at fair value through other comprehensive income
January 1, 2024	\$ 15,157	1,374,161
Acquisition of the period	1,100	106,218
Capital distribution of the period	-	(11,964)
Merger share swap and equity transfer-in (out)	16,739	(16,739)
Recognized as profit or loss	4,505	-
Recognized as other comprehensive income	-	74,461
Effect of exchange rate	-	(55,157)
June 30, 2024	<u><u>\$ 37,501</u></u>	<u><u>1,470,980</u></u>

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For the six months ended June 30, 2025 and 2024, the total gains and losses that were both included in “other gains and losses” and “unrealized gains and losses on financial assets at fair value through other comprehensive income” were as follows:

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Total gains or losses				
Recognized as profit or loss (reported under “other gains or losses”)	\$ (12,557)	13,431	(12,753)	4,505
Recognized as other comprehensive income (reported under “unrealized gains and losses on financial assets at fair value through other comprehensive income”)	(92,077)	149,158	(12,455)	74,461

6) Quantitative information on the measurement of fair value of significant unobservable input values (level 3)

Level 3 refers to the measurement of the fair value of the input parameters are not based on market availability of information and must be based on the assumption that the appropriate estimates and adjustments. If the evaluation model cannot be developed on its own, the fair value of the counterparty is used as the fair value. According to IFRS13, for the fair value of the third level classified at the fair value level, the firm shall provide quantitative information about the significant unobservable input values used for the fair value measure. An entity is not required to develop quantitative information to comply with this disclosure requirement if the quantitative unobservable inputs are not developed by the entity when measuring fair value (e.g. when the entity uses unadjusted recent transaction prices or third-party pricing information). This applies to certain equity and debt instruments held by the Group that do not have quoted prices in an active market.

The Group’s financial instruments that use Level 3 inputs to measure fair value primarily include film investment agreements, convertible preferred shares, financial assets measured at fair value through profit or loss – equity investments, and financial assets measured at fair value through other comprehensive income – equity investments.

Most of fair value assets belonging to level 3 possessed no more than one significant unobservable input value. Only the equity instruments with inactive market may possess multiple unobservable input values which are all independent from and irrelevant to each other.

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GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income - equity investments without an active market	<ul style="list-style-type: none"> Public company comparable method. Net Asset Value Method 	Liquidity discount <ul style="list-style-type: none"> (9.60%~21.27%, 19.08%~20.68%, and 12.07%~31.83% as of June 30, 2025, December 31 and June 30, 2024, respectively) Non-controlling discount <ul style="list-style-type: none"> (23.43%~25.00%, 22.06%~25.00%, and 22.06%~25.00% as of June 30, 2025, December 31 and June 30, 2024, respectively) 	<ul style="list-style-type: none"> The higher the liquidity discount, the lower the fair value. The higher the non-controlling discount, the lower the fair value
Film investment agreement	Income approach	Discount rate <ul style="list-style-type: none"> (15.73% and 17.74% as of December 31 and June 30, 2024, respectively) 	<ul style="list-style-type: none"> The higher the discount rate, the lower the fair value
Transferrable preferred stock	Public company comparable method.	Liquidity discount <ul style="list-style-type: none"> (9.60%, 12.07% and 12.07% as of June 30, 2025, December 31 and June 30, 2024, respectively) 	<ul style="list-style-type: none"> The higher the liquidity discount, the lower the fair value.
Limited partnership interest	Net asset value method	<ul style="list-style-type: none"> Not applicable 	<ul style="list-style-type: none"> Not applicable

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GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

7) The evaluation process for fair value belonging to level 3

The Group's fair value evaluation involves observable input value requiring unobservable parameters for significant adjustments or unobservable input value, both of which belong to level 3. The main source of such input value is derived from the external appraisers' reports. The results of the evaluation are then reviewed to assure the consistency with the source of the evaluation and the reasonability.

8) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The fair value of the financial instruments is reasonable, and the self-built evaluation model is not used for the fair value of the level 3. Therefore, it is not necessary to perform the sensitivity analysis of the possible alternative assumptions.

(ag) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in note 12(c) of the consolidated financial statements for the year ended December 31, 2024.

(ah) Capital management

Management believes that (i) the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the 2024 consolidated financial statements and (ii) there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2024. Please refer to note 12(b) of the consolidated financial statements for the year ended December 31, 2024 for further details.

(ai) Investing and financing activities not affecting current cash flow

The Group engaged in financing activities not affecting current cash flow through the acquisition of right-of-use assets via lease arrangements as of the six months ended June 30, 2025 and 2024. For details, please refer to Note 6 (j).

Reconciliation of liabilities arising from financing activities was as follows:

	January 1, 2025	Cash flows	Foreign exchange movement	Other	June 30, 2025
Short-term loans	\$ 4,227,301	2,958,268	(373,646)	-	6,811,923
Long-term loans (including current portion)	14,816,667	1,630,467	(1,166,827)	-	15,280,307
Short-term bills payable	699,651	(5,525)	-	5,502	699,628
Refundable deposit	8,558	(4,108)	-	-	4,450
Lease liabilities	3,736,133	(118,824)	(29,033)	347,161	3,935,437
Total liabilities from financing activities	<u>\$ 23,488,310</u>	<u>4,460,278</u>	<u>(1,569,506)</u>	<u>352,663</u>	<u>26,731,745</u>

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	January 1, 2024	Cash flows	Foreign exchange movement	Other	June 30, 2024
Short-term loans	\$ 1,900,000	2,307,191	-	-	4,207,191
Long-term loans (including current portion)	15,720,319	519,586	544,625	10,977	16,795,507
Short-term bills payable	699,695	100,000	-	(154)	799,541
Refundable deposit	4,492	3,988	-	-	8,480
Lease liabilities	3,138,173	(24,959)	2,716	264,660	3,380,590
Total liabilities from financing activities	<u>\$ 21,462,679</u>	<u>2,905,806</u>	<u>547,341</u>	<u>275,483</u>	<u>25,191,309</u>

(7) Related-party transactions:

- (a) Parent company and ultimate controlling company

The Company is the ultimate parent company.

- (b) Names and relationships with related parties

The followings are entities that have had transactions with related parties during the periods covered in the consolidated financial statements.

Name of related party	Relationship with the Group
Zhenjiang Chimei Chemical Co., Ltd	Associates
Zhangzhou Chimei Chemical Co., Ltd.	Associates
KGI Life Insurance Co., Ltd. (Note 1)	The Company's subsidiary is the juristic person director of the parent company (other related party)
KGI Financial Holding Co., Ltd. (Note 2)	The Company's subsidiary is the juristic person director of the company (other related party)
KGI Securities Co., Ltd.	The Company's subsidiary is the juristic person director of the parent company (other related party)
KGI Securities Investment Trust Co. Ltd.	The Company's subsidiary is the juristic person director of the parent company (other related party)
KGI Bank Co., Ltd.	The Company's subsidiary is the juristic person director of the parent company (other related party)
CDIB Capital Group.	The Company's subsidiary is the juristic person director of the parent company (other related party)
CDIB Venture Capital Corporation	The Company's subsidiary is the juristic person director of the parent company (other related party)

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<u>Name of related party</u>	<u>Relationship with the Group</u>
Allied Way Investment Co., Ltd.	Other related party
Ku Chung-Ying	Other related party
All board of directors, general manager and deputy general manager	The main managements of the Group

Note1: On January 1, 2024, the former China Life Insurance Co., Ltd. was renamed as KGI Life Insurance Co., Ltd.

Note 2: On August 19, 2024, the former China Development Financial Holding Corporation was renamed as KGI Financial Holding Co., Ltd.

(c) Significant transactions with related parties

(i) Sales

The amounts of significant sales by the Group to related parties were as follows:

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Associates	\$ -	3,434	1,707	7,814
Other related parties	13,060	-	14,981	-
	<u>\$ 13,060</u>	<u>3,434</u>	<u>16,688</u>	<u>7,814</u>

The terms for related party sale transactions were the same as ordinary sales.

(ii) Receivables from related parties

The receivables from related parties were as follows:

<u>Accounts</u>	<u>Types of related parties</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Accounts receivable	Associates	\$ -	1,653	1,716
Accounts receivable	Other related parties	12,170	2,520	-
Other receivables	Other related parties	187,268	-	-
		<u>\$ 199,438</u>	<u>4,173</u>	<u>1,716</u>

(iii) Payables to related parties

The payables to related parties were as follows:

<u>Accounts</u>	<u>Types of related parties</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Accounts payable	Other related parties	\$ -	183	-
Other payables	Other related parties	1,266	389	1,247
		<u>\$ 1,266</u>	<u>572</u>	<u>1,247</u>

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GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Other

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Other related parties				
Other expenses	\$ 12,184	2,911	14,411	5,146
Other income	236,796	28,325	236,796	28,325

(v) Lease

1) Right-of-use assets

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
KGI Life Insurance Co., Ltd.	\$ <u>2,767,599</u>	<u>1,835,849</u>	<u>1,889,320</u>

2) Lease liability

	<u>Lease liability</u>		
	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
KGI Life Insurance Co., Ltd.	\$ <u>3,101,698</u>	<u>2,937,579</u>	<u>2,379,570</u>

3) Refundable deposits

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
KGI Life Insurance Co., Ltd.	\$ <u>5,766</u>	<u>5,766</u>	<u>5,766</u>

4) Lease payment

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
KGI Life Insurance Co., Ltd.	\$ <u>45,735</u>	<u>45,700</u>	<u>91,731</u>	<u>91,401</u>

5) Interest expenses

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
KGI Life Insurance Co., Ltd.	\$ <u>10,453</u>	<u>10,782</u>	<u>21,027</u>	<u>21,676</u>

The rent is based on the market rental rates and is paid monthly.

(Continued)

GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

6) Receive renovation subsidy (lease incentives)

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
KGI Life Insurance Co., Ltd.	\$ <u>106,532</u>	<u>84,610</u>	<u>324,155</u>	<u>94,732</u>

(vi) The Group had rental agreements with other related parties. The relevant amounts are as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Unearned rent	\$ <u>892</u>	<u>-</u>	<u>867</u>
Deposit received	\$ <u>1,734</u>	<u>1,734</u>	<u>1,734</u>

1) Rental income

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Other related parties	\$ <u>2,556</u>	<u>2,483</u>	<u>5,113</u>	<u>4,966</u>

The rent is based on market conditions and paid monthly.

(d) Key management personnel compensation

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Short-term employee benefit	\$ 55,571	48,909	97,744	106,775
Post-employment benefits	<u>351</u>	<u>577</u>	<u>1,104</u>	<u>1,371</u>
	\$ <u>55,922</u>	<u>49,486</u>	<u>98,848</u>	<u>108,146</u>

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GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(8) Pledged assets:

The carrying amounts of pledged assets were as follows:

Assets pledged as security	Purpose of pledge	June 30, 2025	December 31, 2024	June 30, 2024
Property, plant, and equipment	Land – collateral for comprehensive credit line	\$ 3,077,553	3,077,553	3,077,553
Property, plant, and equipment	Buildings - collateral for comprehensive credit lines and syndicated loans	1,525,605	248,913	255,902
Property, plant, and equipment	Machinery equipment - collateral for comprehensive syndicated loans and credit lines	18,775,998	186,288	256,232
Investment property	Land – collateral for inventory purchases	132,247	132,247	132,247
Investment property	Buildings - collateral for inventory purchases	21,246	21,740	22,234
Other current assets	Bank deposits – interior renovation construction guarantee	6,300	6,300	6,300
Other current assets	Bank deposits – letter of credit margin deposit	23,583	-	-
Other non-current assets	Bank deposits – import tariffs guarantee	1,000	1,000	1,000
		<u><u>\$ 23,563,532</u></u>	<u><u>3,674,041</u></u>	<u><u>3,751,468</u></u>

(9) Commitments and contingencies:

(a) Commitments

(i) Unused letters of credit:

	June 30, 2025	December 31, 2024	June 30, 2024
USD (in thousands)	\$ 4,716	3,416	8,815
NTD	694,371	765,371	1,101,571

In terms of applying for the government subsidies, the Group issued performance guarantee notes to subsidy management agencies in the amounts of \$0 thousand, \$0 thousand and \$25,000 thousand as of June 30, 2025, December 31 and June 30, 2024, respectively.

(Continued)

GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (ii) The Group has issued promissory notes and loan agreements through financial institutions for financing purposes. It has also commissioned the said financial institutions to provide performance guarantees for purposes such as procurement, leasing, and applying for government project subsidies, as follows:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
USD (in thousands)	\$ 4,600	8,100	21,000
NTD	15,116,871	15,469,871	14,622,000

- (iii) The amounts wherein the Group received guarantee notes and deposits for performance guarantees were as follows:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
NTD	\$ 96,863	73,975	75,752
USD (in thousand)	445	445	445
EUR (in thousand)	760	760	760
CNY (in thousand)	125,110	137,889	222,909

- (iv) Significant operating agreements

1) Revenue

The Group has entered into different significant longterm non—cancellable agreements (such as exclusive basic channel distribution contracts, as well as CPBL and NBA broadcast authorization contracts), wherein it expects to receive the license fees in the future years as follows:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Revenue	\$ 11,133	8,333	16,190

2) Expenditure

The Group has entered into different significant longterm irrevocable agreements for the licensing of its music and sound recordings for public broadcasting, and the purchase of its open-end advertising commitments with buyback provisions, based on its operational needs, wherein it estimates the amount of license payments to be made in future years as follows:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Expenditure	\$ 1,084	6,388	6,831

(Continued)

GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (v) As of June 30, 2025, December 31 and June 30, 2024, the Group's significant capital expenditures for property, plant and equipment, contracted but have yet to be paid, amounted to \$1,794,460 thousand, \$2,788,460 thousand and \$3,022,254 thousand, respectively.
- (vi) As of June 30, 2025, December 31 and June 30, 2024, the Group had outstanding payments of \$224,621 thousand, \$269,413 thousand and \$321,414 thousand, respectively, for its film purchase contracts and outsourced program production contracts, which have yet to be delivered.
- (vii) Under the terms of the raw material purchase contract between the Group and CPC Corporation, Taiwan (CPC), the Group is required to purchase a certain amount of ethylene, benzene and butadiene from CPC each year. If the Group's annual procurement volume does not reach the minimum contracted volume, CPC may reduce the supply volume for the following year as appropriate.
- (viii) In order to manufacture ABS and other products, the Group entered into separate agreements with Formosa Petrochemical Corporation and China Petrochemical Development Corporation to purchase butadiene and acrylonitrile, respectively, as raw materials.

(10) Losses Due to Major Disasters:None

(11) Subsequent Events:

- (a) In response to its subsidiary's operational needs, a resolution was approved during the Company's board meeting held on August 11, 2025 for Quanzhou Grand Pacific Chemical Co., Ltd. to apply for a credit facility of NT\$1,789,200 thousand from a bank, with the parent company providing endorsement and guarantee for the credit facility.
- (b) In response to its subsidiary's operational needs, a resolution was approved during the Company's board meeting held on August 11, 2025 for GPPC Development Co., Ltd. to apply for a credit facility of NT\$400,000 thousand from a bank, with the parent company providing endorsement and guarantee for the credit facility.
- (c) To support one of its subsidiaries working capital requirements, a resolution was approved during the Company's board meeting held on August 11, 2025 for the subsidiary, Land & Sea Capital Corp. to provide a loan of NT\$1,236,900 thousand to its fellow subsidiary, Quanzhou Grand Pacific Chemical Co., Ltd.

(Continued)

GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(12) Other:

- (a) The nature of operating costs and expenses were as follows:

By item	For the three months ended June 30					
	2025			2024		
	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	169,231	237,724	406,955	117,747	152,119	269,866
Labor and health insurance	18,089	18,404	36,493	14,103	17,546	31,649
Pension	3,690	8,587	12,277	3,473	6,331	9,804
Others	11,235	13,474	24,709	3,205	6,615	9,820
Depreciation (note)	450,333	97,375	547,708	110,427	81,638	192,065
Amortization	75,292	3,960	79,252	116,274	2,401	118,675

By item	For the six months ended June 30					
	2025			2024		
	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	285,315	442,283	727,598	211,264	330,803	542,067
Labor and health insurance	31,697	41,586	73,283	23,882	30,809	54,691
Pension	7,333	17,836	25,169	6,910	12,243	19,153
Others	14,283	24,123	38,406	6,486	13,299	19,785
Depreciation (note)	679,685	167,032	846,717	212,357	155,456	367,813
Amortization	249,548	6,477	256,025	242,009	5,670	247,679

Note: For the three months and six months ended June 30, 2025, the depreciation expenses attributable to non-operating expenses amounted to NT\$970, NT\$1,221, NT\$2,031 and NT\$2,443 thousand, respectively.

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GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group:

(i) Loans to other parties:

(In Thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
1	Land & Sea Capital Corp.	Goldenpacific Equities Ltd	Other receivables – related parties	Yes	234,000	234,000	234,000	3.1 %	2	-	Operating	-	Promissory notes with facility	234,000	11,608,407	11,608,407
1	Land & Sea Capital Corp.	QuanZhou Grand Pacific Chemical Co.,Ltd.	Other receivables – related parties	Yes	2,846,200	1,728,050	1,728,050	3.025 %	2	-	Operating	-	Promissory notes with facility	2,846,200	11,608,407	11,608,407

Note 1: Numbering nature of borrowing as follows:

Transaction for business between two parties – 1

Short-term financing – 2

Note 2: The aggregate financing limit was 40% of the net assets of Land & Sea Capital Corp.

Note 3: The individual financing limit was 10% of the net assets of Land & Sea Capital Corp.

Note 4: Loans between foreign companies that are wholly owned, directly or indirectly, by the same parent company, or loans from Land & Sea Capital Corp. to its parent company, shall be subject to a limit whereby both the aggregate and individual loan amounts shall not exceed 100% of the net assets of Land & Sea Capital Corp.'s net assets. The net assets referred to above are based on the most recent financial statements audited or reviewed by a certified public accountant.

(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of Cumulative Guarantees and Endorsements to Net Worth Based on the Latest Financial Statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	Grand Pacific Petrochemical Corporation	QuanZhou Grand Pacific Chemical Co., Ltd.	4	29,267,973	20,458,600	9,073,800	8,208,574	-	31.00 %	29,267,973	Y	N	Y
0	Grand Pacific Petrochemical Corporation	GPPC Development Corp.	4	29,267,973	1,484,371	1,484,371	1,084,371	-	5.07 %	29,267,973	Y	N	N
1	Videoland Inc.	ZW ENM Co., Ltd.	4	1,439,730	200,000	200,000	-	-	2.78 %	2,879,460	Y	N	N
1	Videoland Inc.	Citiesocial Co., Ltd.	4	1,439,730	620,000	620,000	-	-	8.61 %	2,879,460	Y	N	N
2	KK Enterprise Co., Ltd.	KK Enterprise(Malaysia) Sdn. Bhd.	2	234,217	35,212	35,212	590	-	3.76 %	468,434	Y	N	N

Note 1: The information of guarantees and endorsements for other parties of the Company and its subsidiaries are disclosed separately and numbered as follows:

Parent company – 0

Subsidiary starts from 1

Note 2: The relationship between the guarantee and the guarantor are as follows:

- 1.Transactions between the companies.
- 2.The Company directly or indirectly holds more than 50% voting right.
- 3.Other companies directly or indirectly hold more than 50% voting rights of the Company.
- 4.The Company directly or indirectly holds more than 90% voting right.
- 5.A company that is mutually protected under contractual requirements based on the needs of the contractor.
- 6.A company that is endorsed by all the contributing shareholders in accordance with their shareholding ratio due to joint investment relationship.
- 7.Under the Consumer Protection Act, performance guarantees for pre-sale contracts for companies in the same industry.

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GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Note 3: The Company endorsed the operation method for the total amount of guarantees and the limit for endorsement of a single enterprise:

1. The guarantee amount for a single enterprise endorsement shall not exceed 100% of The net assets referred to above are based on the latest audited or reviewed financial statements.
2. The total endorsement/guarantee of the Company shall not exceed 100% of the net assets as shown through the latest financial statements of the Company.

Note 4: KK Enterprise Co., Ltd. endorsed the operation method for the total amount of guarantees and the limit for endorsement of a single enterprise:

1. The total amount of guarantee for endorsement shall not exceed 50% of its net assets. The net assets referred to above are based on the latest audited or reviewed financial statements.
2. The guarantee amount for a single enterprise endorsement shall not exceed 50% of the Company's overall endorsement and guarantee limit.

Note 5: Videoland Inc. endorsed the operation method for the total amount of guarantees and the limit for endorsement of a single enterprise:

1. The total amount of guarantee for endorsement shall not exceed 40% of its net assets. The net assets referred to above are based on the latest audited or reviewed financial statements.
2. The guarantee amount for a single companies with business dealings endorsement shall not exceed 20% of its net assets. The net assets referred to above are based on the latest audited or reviewed financial statements.

(iii) Securities held as of June 30, 2025 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units	Carrying value	Percentage of ownership (%)	Fair value	
The Company	KGI Financial Holding Co., Ltd.– common shares	Other related party	Non-current financial assets at fair value through other comprehensive income	21,297,446	318,397	0.13	318,397	
"	He Xin Venture Investment Enterprise Co., Ltd.	Other related party	"	36,519	1,739	2.88	1,739	
"	YODN Lighting Corp.	-	"	165,198	468	0.92	468	
"	Bridgestone Taiwan Co., Ltd.	-	"	1,151,005	73,775	1.42	73,775	
GPPC Chemical Corporation	Grand Pacific Petrochemical Corporation – preferred shares	The Company's parent company	Non-current financial assets at fair value through other comprehensive income	1,776,000	38,362	8.88	38,362	
"	KGI Financial Holding Co., Ltd.	The Company is a corporate director of the investee company	"	12,109,973	181,044	0.07	181,044	
"	He Xin Venture Investment Enterprise Co., Ltd.	Other related party	"	48,857	2,326	3.81	2,326	
"	Com2B Corporation	-	"	750,000	-	1.67	-	
"	YODN Lighting Corp.	-	"	64,354	182	0.36	182	
"	Kuo Tsung Construction Development Co., Ltd.	-	"	200,000	-	1.31	-	
"	Kuo Tsung Development Co., Ltd.	-	"	200,000	-	1.06	-	
"	Bridgestone Taiwan Co., Ltd.	-	"	934,181	59,877	1.15	59,877	
GPPC Investment Corp.	YODN Lighting Corp.	-	Non-current financial assets at fair value through other comprehensive income	631,125	1,787	3.54	1,787	
"	China Development Asset Management Corporation's advantageous venture capital	-	"	-	136,284	-	136,284	
"	KGI Victory Money Market Fund	-	Current financial assets designated at fair value through profit or loss	17,249,048	209,604	-	209,604	
GPPC Hospitality and Leisure Inc.	KGI Victory Money Market Fund	-	Current financial assets designated at fair value through profit or loss	925,259	11,243	-	11,243	
GPPC Development Co., Ltd.	KGI Victory Money Market Fund	-	Current financial assets designated at fair value through profit or loss	4,818,907	58,557	-	58,557	
Perfect Meat Co., Ltd	KGI Victory Money Market Fund	-	Current financial assets designated at fair value through profit or loss	686,371	8,341	-	8,341	
Goldenpacific Equities Ltd.	CDIB Capital Asia Partners L.P.	-	Non-current financial assets at fair value through other comprehensive income	-	110,716	-	110,716	

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GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units	Carrying value	Percentage of ownership (%)	Fair value	
Goldenpacific Equities Ltd.	CDIB Capital Global Opportunities Fund L.P.	-	Non-current financial assets at fair value through other comprehensive income	-	825,351	-	825,351	
Videoland Inc.	KGI Financial Holding Co., Ltd.– common shares	Other related party	Non-current financial assets at fair value through other comprehensive income	150,646,872	2,252,171	0.89	2,252,171	
"	KGI Financial Holding Co., Ltd.– preferred shares	Other related party	"	86,818,291	646,796	5.49	646,796	
"	Jeoutai Technology Co., Ltd.	-	"	2,006,884	37,047	5.96	37,047	
"	Global Mobile Corp.	-	"	1,440,000	-	0.52	-	
"	Great Dream Pictures, Inc.	-	"	100,000	41	9.98	41	
"	Ruei-Guang Broadcasting Co., Ltd.	-	"	10,000	892	10.00	892	
"	21st Financial Technology Co., Ltd. – common shares	-	"	1,457,992	2	2.19	2	
"	21st Financial Technology Co., Ltd.(JP) – common shares	-	"	1,457,992	87,611	2.19	87,611	
"	21st Financial Technology Co., Ltd. – preferred shares	-	Non-current financial assets designated at fair value through profit or loss	105,028	-	9.57	-	
"	21st Financial Technology Co., Ltd.(JP) – preferred shares	-	"	105,028	20,982	9.57	20,982	
"	CDIB Capital Asia Partners L.P.	-	Non-current financial assets at fair value through other comprehensive income	-	92,954	-	92,954	

- (iv) Related-party transactions for purchases and sales with amounts exceeding the lower of \$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/ (sales)	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	GPPC Chemical Corporation	The Company's subsidiaries	Sales	(362,782)	(5.87)%	Base on contract	-	Base on contract	22,492	2.04%	Note

Note: The amounts of the transaction and the ending balance had been offset in the consolidated financial statements.

- (v) Receivables from related parties with amounts exceeding the lower of \$100 million or 20% of the capital stock:None
- (vi) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	GPPC Chemical Corporation	1	Sales revenue	362,782	Base on contract	5.87%
1	Land & Sea Capital Corp.	Goldenpacific Equities Ltd.	3	Other receivables – related parties	234,000		-%
1	Land & Sea Capital Corp.	Quanzhou Grand Pacific Chemical Co., Ltd	3	Other receivables – related parties	1,728,050		-%

Note 1: Company numbered as follows:

Parent company – 0

Subsidiary starts from 1

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GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Note 2: The numbering of the relationship between transaction parties as follows:

Parent company to subsidiary—1

Subsidiary to parent company—2

Subsidiary to subsidiary—3

Note 3: The amounts of the transaction and the ending balance had been offset in the consolidated financial statements.

(b) Information on investees:

The following is the information on investees for the six months ended June 30, 2025 (excluding that of the investees in Mainland China):

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2025			Net income (losses) of investee	Share of profits/losses of investee	Note
				Ending balance	Beginning balance	Shares	Percentage of ownership	Carrying value			
The Company	GPPC Chemical Corporation	Taiwan	Production and sale of impact resistant and flame resistant polystyrene	262,953	262,953	34,200,000	100.00 %	547,776	26,780	26,704	Note 1&2&4
	GPPC Investment Corp.	Taiwan	Investment business	170,307	170,307	22,032,000	81.60 %	294,298	1,134	925	Note 1&2&4
	GPPC Development Corp.	Taiwan	General hotel business	400,000	400,000	40,000,000	50.00 %	32,604	(177,753)	(88,877)	Note 1&2&4
	Videoland Inc.	Taiwan	Radio and television program production, domestic and foreign film copying, domestic film production, distribution, trading and other services	1,536,404	1,536,404	71,093,494	62.29 %	5,142,956	(114,338)	(71,221)	Note 1&2&4
	KK Enterprise Co., Ltd.	Taiwan	Manufacture, wholesale and retail of various trademark paper, tape and PU Resin	110,190	110,190	7,934,363	15.73 %	140,581	11,291	1,776	Note 1&2&4
	Goldenpacific Equities Ltd.	British Virgin Islands	Investment business	10,510	10,510	75,267	100.00 %	819,873	(2,375)	(2,375)	Note 1&2&3 &4
	Land & Sea Capital Corp.	British Virgin Islands	Investment business	1,139,923	1,139,923	26,318,976	100.00 %	11,921,739	63,843	75,640	Note 1&2&3 &4
GPPC Investment Corp.	GPPC Hospitality AndLeisure Inc.	Taiwan	Catering service business	40,000	40,000	4,000,000	100.00 %	12,330	(21)	-	Note 1&2&4
GPPC Development Corp.	Perfect Meat Co., Ltd.	Taiwan	Meat import and sales	10,000	10,000	1,000,000	100.00 %	9,387	(37)	-	Note 1&2&4
Videoland Inc.	Videoland International Limited	Hong Kong	Engaged in wine trading business, mainly grape wine	97,800	97,800	25,000,000	100.00 %	94,022	31	-	Note 1&2&3 &4
	ZW ENM Co., Ltd.	Taiwan	Film and program production and distribution	200,000	200,000	20,000,000	100.00 %	187,564	(10,444)	-	Note 1&2&4
	Citiesocial Co., Ltd.	Taiwan	Multimedia ecommerce and wholesale/retail of consumer goodsgoods	540,000	236,500	29,996,847	99.99 %	226,203	(53,830)	-	Note 1&2&4 &5&6
	KK Enterprise Co., Ltd.	Taiwan	Manufacture, wholesale and retail of various trademark paper, tape and PU Resin	238,248	238,248	17,045,682	33.79 %	302,006	11,291	-	Note 1&2&4
	GPPC Investment Corp.	Taiwan	Investment business	35,372	35,372	4,968,000	18.40 %	66,361	1,134	-	Note 1&2&4
	GPPC Development Corp.	Taiwan	General hotel business	349,873	349,873	35,000,000	43.75 %	28,529	(177,753)	-	Note 1&2&4
	FW IT Co., Ltd.	Taiwan	Information software services, Information processing	60,000	60,000	6,000,000	100.00 %	29,676	(21,110)	-	Note 1&2&4
KK Enterprise Co., Ltd.	KK Enterprise (Malaysia) Sdn.Bhd.	Malaysia	Trademark paper, tape and such business	15,995	15,995	1,680,000	70.00 %	44,877	191	-	Note 1&2&3 &4
	K.K. Chemical Company Limited	Hong Kong	Trademark paper, tape and such business	5,255	5,255	124,694	49.90 %	3,735	467	-	Note 1&2&3 &4
	Dragon King Inc.	Samoa	Reinvestment business	3,258	3,258	100,000	100.00 %	4,273	84	-	Note 1&2&3 &4
ZW ENM Co., Ltd.	aQuaveeva Biotech CO., LTD.	Taiwan	Biotechnology Research and Nutraceutical Sales	50,000	-	5,000,000	100.00 %	50,010	10	-	Note 1&2&4
Citiesocial Co., Ltd.	Citiesocial Co., Ltd	Japan	Retail and International Trading Activities	4,028	-	2,000,000	100.00 %	4,028	-	-	Note 1&2&3 &4

(Continued)

GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Note1: The investee is an entity wherein the Company has direct or indirect control over with. In such case, the Company shall disclose relevant information regarding the investee’s involvement in transactions numbered 2 to 6 below.

Note2: In accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, only profit or loss of the Company’s directly associates and joint ventures accounted for using equity method should be revealed.

Note3: The original investment amount is the foreign currency, at the prevailing exchange rate.

Note4: This transaction has been written off when the consolidated statements has been prepared.

Note5: Citiesocial Co., Ltd. resolved by its board on March 7, 2025, to reduce its capital by 127,000 thousand in cash in order to offset its accumulated losses.

Note6: Videoland Inc. increased its capital in Citiesocial Co., Ltd. by NT\$227,000 thousand, with the approval of its board on March 7, 2025.

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2025	Investment flows		Accumulated outflow of investment from Taiwan as of June 30, 2025	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) in current period (Note 2)	Carrying value at the end of period	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Zhenjiang Chimei Chemical Co., Ltd.	Production and sales of series products and their products using styrene as raw materials and various chemical raw materials and fuel oil handling, storage and transportation and operation	USD390,850	(2)	1,652,206	-	-	1,652,206	601,857	30.40%	182,965	4,296,457	473,318
Zhangzhou Chimei Chemical Co., Ltd.	Primary form plastics and synthetic resin manufacturing	CNY3,760,000	(2)	716,901	-	-	716,901	(795,881)	30.40%	(241,948)	3,422,394	-
QuanZhou Grand Pacific Chemical Co., Ltd.	Propane dehydrogenation to propylene, polypropylene and hydrogen products	CNY2,532,000	(1)	11,163,588	-	-	11,163,588	(1,201,659)	100.00%	(1,201,659)	8,890,045	-
K Enterprise (Kunshan) Co., Ltd.	Trademark paper, tape and such business	USD6,100	(3)	206,958	-	-	206,958	1,896	100.00%	1,896	183,265	41,010

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of June 30, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment(Note 4)
\$13,532,695(USD76,170 、 CNY2,532,000)	\$13,271,983(USD453,743)	19,475,540
\$206,958(USD5,168 and machinery USD927)	\$178,425(USD6,100)	549,091

Note1: There are three ways to invest as follows:

(a) The Company's direct investment to China.

(b) The Company going through third regional company (Land & Sea Capital Corp.) investment to China.

(c) Others. (The Company through subsidiaries invest to China.)

Note2: The investment income or loss is recognized based on the investees’ self-prepared financial statements.

Note3: The amounts in this table are presented in New Taiwan Dollar.

Note4: The cumulative investment amount or investment proportion to China cannot exceed 60% of the Company’s net value.

(iii) Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in “Information on significant transactions” and “Business relationships and significant intercompany transactions”.

GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(14) Segment information:

(a) General Information

The Group divides its operating units into three reportable operating segments based on the view of its chief operating decision maker, who reviews the linkage of each management segment to products and labor:

- (i) Petrochemistry Department: This segment is responsible for the manufacture, processing, and trading of petrochemical raw materials and related products.
- (ii) Digital Media Department: The division is responsible for TV program production, cable TV program import/export agency distribution, various advertising agencies and their planning and production business, as well as e-commerce, to create new business value through content integration.
- (iii) Packaging Materials Department: This division is responsible for the manufacturing, processing, and trading of various packaging materials, such as trademark paper and release paper.

The Group's reportable segments are strategic business units that provide different products and services. Each strategic business unit requires different technology and marketing strategies, and therefore, needs to be managed separately.

(b) Information for each segment's revenue / expense, asset, liability, measurement basis, and adjustment

The management of the Group monitors the results of the operations of its business units individually to make decisions on resource allocation and performance evaluation, with the operating profit as the measurement for segment profit and the basis of performance assessment; the head office's operating costs, income tax expense (benefit) and nonrecurring gains and losses (nonoperating income and expenses) in the consolidated financial statements, which are not allocated to reportable segments, being managed by the parent company; and the total reportable segments' profit or loss being reconciled with the continuing operations' profit or loss before tax; as well as the transfer pricing between operating divisions having based on regular transactions with external third parties. There was no material inconsistency between the accounting policies adopted for the operating segment and the accounting policies described in note 4.

	Petrochemistry Dept.	Digital Media Dept.	Packaging Material Dept.	Other Departments	Adjustment and eliminations	Total
For the three months ended June 30, 2025						
Revenue						
Revenues from external customers	\$ 4,497,656	492,752	205,652	122,370	-	5,318,430
Intersegment revenues	166,284	-	-	317	(166,601)	-
Total revenue	<u>\$ 4,663,940</u>	<u>492,752</u>	<u>205,652</u>	<u>122,687</u>	<u>(166,601)</u>	<u>5,318,430</u>
Reportable segment profit or loss	<u>\$ (830,720)</u>	<u>(138,988)</u>	<u>9,103</u>	<u>(80,104)</u>	<u>1,459</u>	<u>(1,039,250)</u>

(Continued)

GRAND PACIFIC PETROCHEMICAL CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

	Petrochemistry Dept.	Digital Media Dept.	Packaging Material Dept.	Other Departments	Adjustment and eliminations	Total
For the three months ended June 30, 2024						
Revenue						
Revenues from external customers	\$ 4,317,457	530,121	205,568	-	-	5,053,146
Intersegment revenues	346,072	1,262	(739)	-	(346,595)	-
Total revenue	<u>\$ 4,663,529</u>	<u>531,383</u>	<u>204,829</u>	<u>-</u>	<u>(346,595)</u>	<u>5,053,146</u>
Reportable segment profit or loss	<u>\$ (250,472)</u>	<u>(34,383)</u>	<u>4,100</u>	<u>(46,280)</u>	<u>248</u>	<u>(326,787)</u>
For the six months ended June 30, 2025						
Revenue						
Revenues from external customers	\$ 9,514,400	971,803	407,365	123,566	-	11,017,134
Intersegment revenues	363,697	-	-	317	(364,014)	-
Total revenue	<u>\$ 9,878,097</u>	<u>971,803</u>	<u>407,365</u>	<u>123,883</u>	<u>(364,014)</u>	<u>11,017,134</u>
Reportable segment profit or loss	<u>\$ (1,411,018)</u>	<u>(205,528)</u>	<u>18,616</u>	<u>(169,083)</u>	<u>4,241</u>	<u>(1,762,772)</u>
Reportable segment total assets	<u>\$ 65,234,457</u>	<u>8,252,393</u>	<u>1,235,317</u>	<u>17,106,846</u>	<u>(29,262,890)</u>	<u>62,566,123</u>
For the six months ended June 30, 2024						
Revenue						
Revenues from external customers	\$ 6,906,106	1,000,267	401,996	-	-	8,308,369
Intersegment revenues	545,557	2,535	2,535	-	(550,627)	-
Total revenue	<u>\$ 7,451,663</u>	<u>1,002,802</u>	<u>404,531</u>	<u>-</u>	<u>(550,627)</u>	<u>8,308,369</u>
Reportable segment profit or loss	<u>\$ (454,268)</u>	<u>(14,160)</u>	<u>8,701</u>	<u>(93,004)</u>	<u>741</u>	<u>(551,990)</u>
Reportable segment total assets	<u>\$ 69,889,547</u>	<u>8,808,141</u>	<u>1,268,396</u>	<u>16,724,056</u>	<u>(30,904,519)</u>	<u>65,785,621</u>