

**Protrade Applied Materials Corp. and
Subsidiaries**

**Consolidated Financial Statements and
Independent Auditors' Review Report**

Q2, 2025 and 2024

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Independent Auditor's Review Report

To the Board of Directors of Protrade Applied Materials Corp.:

Foreword

We have reviewed the accompanying consolidated balance sheet of Protrade Applied Materials Corp. and subsidiaries (the "Group") as of June 30, 2025 and 2024 and the relevant consolidated statements of comprehensive income, consolidated changes in equity and cash flows for the six months ended June 30, 2025 and 2024, and relevant notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the consolidated financial statements). In accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standards 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission, the preparation of the consolidated financial statements fairly presented is the responsibility of the management, and our responsibility is to conclude the consolidated financial statements based on the results of reviews.

Scope

We conducted our reviews in accordance with the Standards on Review Engagements No. 2410. The procedures performed when reviewing the consolidated financial statements include inquiries (primarily of personnel responsible for finance and accounting), analytical procedures, and other review procedures. The scope of review is significantly narrower than the scope of audit. Therefore, we may not be able to identify all material matters that would be revealed through an audit, and accordingly, we cannot express an audit opinion.

Conclusion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2025 and 2024 in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standards 34, Interim Financial Reporting, endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

KPMG Taiwan

CPA:

Competent Securities Authority	Jin-Guan-Zheng-Shen-Zi No.
Document Approval No.	: 1120333238
	Jin-Guan-Zheng-Shen-Zi No.
	1050036075

August 5, 2025

Protrade Applied Materials Corp. and Subsidiaries

Consolidated balance sheet

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

Unit: NTD thousand

Assets		2025.6.30		2024.12.31		2024.6.30		Liabilities and equity		2025.6.30		2024.12.31		2024.6.30	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
11xx	Current assets:							21xx	Current liabilities:						
1100	Cash and cash equivalents (Note 6(1))	\$ 176,205	9	333,282	15	315,975	16	2100	Short-term borrowings (Note 6(10) and 9)	\$ 1,028,946	53	670,498	30	168,897	8
1150	Notes receivable, net (Note 6(3) and (18))	2,338	-	8,437	-	3,117	-	2120	Financial liabilities measured at fair value through profit or loss - current (Note 6(2))	-	-	-	-	57	-
1170	Net accounts receivable (Note 6(3) and (18))	658,104	34	788,203	36	875,171	43	2130	Contract liabilities - current (Note 6(18))	28,275	1	35,044	2	34,878	2
1200	Other receivables (Note 6 (3) and (4))	9,427	-	34,512	2	3,032	-	2170	Accounts payable	221,008	12	342,669	15	189,898	10
1220	Current income tax assets	11,273	1	2,726	-	12,024	1	2200	Other payables (Note 6(15) and (19))	35,608	2	58,844	3	50,912	3
130X	Inventories (Note 6(5))	671,685	35	675,297	31	514,776	26	2216	Dividends payables (Note 6 (16))	34,402	2	-	-	11,467	-
1421	Prepayments (Note 7)	85,229	4	93,339	4	100,899	5	2220	Other payables - Related parties (Note 7)	1,218	-	422,486	19	979,464	49
1470	Other current assets	13,795	1	6,933	-	6,796	-	2230	Current income tax liabilities	591	-	12,957	1	9,926	-
	Total current assets	<u>1,628,056</u>	<u>84</u>	<u>1,942,729</u>	<u>88</u>	<u>1,831,790</u>	<u>91</u>	2280	Lease liabilities - current (Note 6(11))	12,433	1	13,625	1	6,501	-
15xx	Non-current assets:							2365	Refund liabilities - current	1,570	-	3,283	-	1,218	-
1600	Property, plant and equipment (Notes 6 (6) and 7)	15,407	1	16,917	1	131,561	6	2300	Other current liabilities	6,293	-	2,993	-	3,992	-
1755	Right-of-use assets (Note 6(7))	74,034	4	81,877	4	14,623	1		Total current liabilities	<u>1,370,344</u>	<u>71</u>	<u>1,562,399</u>	<u>71</u>	<u>1,457,210</u>	<u>72</u>
1760	Net investment property (Note 6 (8) and 7)	128,369	7	128,731	6	-	-	25xx	Non-current liabilities:						
1780	Intangible assets (Note 6(9) and 7)	840	-	1,245	-	1,478	-	2570	Deferred income tax liabilities	18,005	1	18,700	1	10,329	1
1840	Deferred income tax assets	34,369	1	33,806	1	27,959	1	2580	Lease liabilities - non-current (Note 6(11))	62,581	3	69,292	3	9,237	-
1920	Refundable deposits	2,435	-	5,773	-	10,218	1	2640	Net defined benefit liabilities— non-current	292	-	292	-	-	-
1990	Other non-current assets— other	59,704	3	-	-	-	-	2645	Guarantee deposits received (Note 7)	617	-	617	-	-	-
	Total non-current assets	<u>315,158</u>	<u>16</u>	<u>268,349</u>	<u>12</u>	<u>185,839</u>	<u>9</u>		Total non-current liabilities	<u>81,495</u>	<u>4</u>	<u>88,901</u>	<u>4</u>	<u>19,566</u>	<u>1</u>
								2xxx	Total liabilities	<u>1,451,839</u>	<u>75</u>	<u>1,651,300</u>	<u>75</u>	<u>1,476,776</u>	<u>73</u>
								31xx	Equity attributable to the parent company (Notes 6 (16)):						
								3110	Common share capital	229,347	12	229,347	10	229,347	11
								3200	Capital reserve	248,325	12	248,325	11	248,325	12
								3300	Retained earnings:						
								3310	Legal reserve	11,329	1	5,472	-	5,472	-
								3320	Special reserve	-	-	25	-	25	-
								3350	Undistributed earnings	23,970	1	62,175	3	42,910	3
									Total retained earnings	<u>35,299</u>	<u>2</u>	<u>67,672</u>	<u>3</u>	<u>48,407</u>	<u>3</u>
								34xx	Other equity:						
								3410	Exchange differences on translation of financial statements of foreign operations	(21,596)	(1)	14,434	1	14,774	1
1xxx	Total assets	<u>\$ 1,943,214</u>	<u>100</u>	<u>2,211,078</u>	<u>100</u>	<u>2,017,629</u>	<u>100</u>	3xxx	Total equity	<u>491,375</u>	<u>25</u>	<u>559,778</u>	<u>25</u>	<u>540,853</u>	<u>27</u>
								2-3xxx	Total liabilities and equity	<u>\$ 1,943,214</u>	<u>100</u>	<u>2,211,078</u>	<u>100</u>	<u>2,017,629</u>	<u>100</u>

(Please refer to the enclosed notes to consolidated financial statements)

Chairman: Lin, Chia-Chang

Manager: Gordon Christopher Bell

Chief Accounting Officer: Hsu, Ya-Ting

Protrade Applied Materials Corp. and Subsidiaries
Consolidated statement of comprehensive income
For the six months ended June 30, 2025 and 2024

Unit: NTD thousand

		January to June, 2025		January to June, 2024	
		Amount	%	Amount	%
4000	Operating revenue (Note 6(18))	\$ 2,859,867	100	2,754,940	100
5000	Operating costs (Note 6(5))	2,635,038	92	2,493,003	90
	Gross operating profit	224,829	8	261,937	10
6000	Operating expenses (Notes 6(3), (6), (7), (9), (11), (13), (19), 7 and 12):				
6100	Selling expense	162,597	6	156,886	6
6200	Administrative expenses	45,189	1	37,974	1
6450	Gain on recovery from expected credit impairment	(4,454)	-	(1,413)	-
	Total operating expenses	203,332	7	193,447	7
6900	Net operating income	21,497	1	68,490	3
7000	Non-operating income and expenses (Note 6(2), (7), (8), (11), (12), (20), 7 and 12):				
7100	Interest revenue	2,735	-	5,093	-
7010	Other income	1,699	-	1,424	-
7020	Other gains and losses	7,173	-	5,099	-
7050	Financial cost	(33,120)	(1)	(28,682)	(1)
	Total non-operating income and expenses	(21,513)	(1)	(17,066)	(1)
7900	Net income (loss) before tax	(16)	-	51,424	2
7950	Less: Income tax expense (profit) (Note 6 (14))	(2,045)	-	12,119	1
8200	Net income for this period	2,029	-	39,305	1
8300	Other comprehensive income:				
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of financial statements of foreign operations	(36,030)	(1)	14,799	1
8399	Less: Income tax related to items that may be reclassified	-	-	-	-
8300	Other comprehensive income for this period	(36,030)	(1)	14,799	1
8500	Total comprehensive income for the period	\$ (34,001)	(1)	54,104	2
	Earnings per share (Unit: NTS; Note 6 (17))				
9750	Basic earnings per share	\$ 0.09		1.71	
9850	Diluted earnings per share	\$ 0.09		1.71	

(Please refer to the enclosed notes to consolidated financial statements)

Chairman: Lin, Chia-Chang Manager: Gordon Christopher Bell Chief Accounting Officer: Hsu, Ya-Ting

Protrade Applied Materials Corp. and Subsidiaries
Consolidated statement of changes in equity
For the six months ended June 30, 2025 and 2024

Unit: NTD thousand

	Retained earnings					Total	Exchange differences on translation of financial statements of foreign operations	Total equity
	Common stock capital	Capital reserve	Legal reserve	Special reserve	Undistributed earnings			
Balance as at January 1, 2024	\$ 229,347	248,325	3,936	-	16,633	20,569	(25)	498,216
Appropriation and distribution of earnings:								
Appropriation of legal reserve	-	-	1,536	-	(1,536)	-	-	-
Appropriation of special reserve	-	-	-	25	(25)	-	-	-
Cash dividends on common shares	-	-	-	-	(11,467)	(11,467)	-	(11,467)
Net income for this period	-	-	-	-	39,305	39,305	-	39,305
Other comprehensive income for this period	-	-	-	-	-	-	14,799	14,799
Total comprehensive income for the period	-	-	-	-	39,305	39,305	14,799	54,104
Balance on June 30, 2024	\$ 229,347	248,325	5,472	25	42,910	48,407	14,774	540,853
Balance as at January 1, 2025	\$ 229,347	248,325	5,472	25	62,175	67,672	14,434	559,778
Appropriation and distribution of earnings:								
Appropriation of legal reserve	-	-	5,857	-	(5,857)	-	-	-
Reversal of special reserve	-	-	-	(25)	25	-	-	-
Cash dividends on common shares	-	-	-	-	(34,402)	(34,402)	-	(34,402)
Net income for this period	-	-	-	-	2,029	2,029	-	2,029
Other comprehensive income for this period	-	-	-	-	-	-	(36,030)	(36,030)
Total comprehensive income for the period	-	-	-	-	2,029	2,029	(36,030)	(34,001)
Balance on June 30, 2025	\$ 229,347	248,325	11,329	-	23,970	35,299	(21,596)	491,375

(Please refer to the enclosed notes to consolidated financial statements)

Chairman: Lin, Chia-Chang

Manager: Gordon Christopher Bell

Chief Accounting Officer: Hsu, Ya-Ting

Protrade Applied Materials Corp. and Subsidiaries
Consolidated statement of cash flows
For the six months ended June 30, 2025 and 2024

Unit: NTD thousand

	January to June, 2025	January to June, 2024
Cash flows from operating activities:		
Net income (loss) before tax for this period	\$ (16)	51,424
Adjustments:		
Income and expenses		
Depreciation expenses	8,927	4,436
Amortization expenses	495	433
Gain on recovery from expected credit impairment	(4,454)	(1,413)
Net loss of financial assets measured at fair value through profit or loss and liabilities	-	755
Interest expenses	33,120	28,682
Interest revenue	(2,735)	(5,093)
Gains on lease modifications	-	(1)
Total income and expense	<u>35,353</u>	<u>27,799</u>
Changes in assets/liabilities related to operating activities:		
Net changes in assets related to operating activities:		
Financial assets measured at fair value through profit or loss	-	137
Notes receivable	6,099	1,838
Accounts receivable	158,830	(420,806)
Other receivables	(92)	(622)
Inventory	3,612	(7,498)
Prepayments	8,110	71,730
Other current assets	(6,862)	4,592
Total net change in assets related to operating activities	<u>169,697</u>	<u>(350,629)</u>
Net change in liabilities related to operating activities:		
Financial liabilities measured at fair value through profit or loss	-	(698)
Contract liabilities	(6,769)	8,157
Accounts payable	(121,661)	83,152
Other payables	(25,729)	5,105
Other payables - related parties	45	13
Refund liabilities	(1,713)	(2,189)
Other current liabilities	3,300	1,349
Total net changes in liabilities related to operating activities	<u>(152,527)</u>	<u>94,889</u>
Total net changes in assets and liabilities related to operating activities	<u>17,170</u>	<u>(255,740)</u>
Total adjustments	<u>52,523</u>	<u>(227,941)</u>
Cash inflows (outflows) from operations	52,507	(176,517)
Interest received	2,735	5,100
Income tax paid	(22,357)	(20,682)
Net cash inflows (outflows) from operating activities	<u>32,885</u>	<u>(192,099)</u>
Cash flow from investing activities:		
Acquisition of property, plant and equipment	(7,345)	(98)
Decrease (increase) in refundable deposits	3,338	(1,146)
Acquisition of intangible assets	(90)	(470)
Increase in other non-current assets	(59,704)	-
Net cash outflows from investing activities	<u>(63,801)</u>	<u>(1,714)</u>
Cash flow from financing activities:		
Increase in short-term borrowings	2,692,311	634,864
Decrease in short-term borrowings	(2,312,791)	(910,719)
Increase in other payables - related parties	-	689,875
Decrease in other payables - related parties	(406,907)	(107,706)
Repayment of lease principal	(6,861)	(3,404)
Interest paid	(30,720)	(19,222)
Net cash inflows (outflows) from financing activities	<u>(64,968)</u>	<u>283,688</u>
Effect of exchange rate changes on cash and cash equivalents	(61,193)	33,007
Increase (decrease) in cash and cash equivalents in the current period	<u>(157,077)</u>	<u>122,882</u>
Opening balance of cash and cash equivalents	<u>333,282</u>	<u>193,093</u>
Closing balance of cash and cash equivalents	<u>\$ 176,205</u>	<u>315,975</u>

(Please refer to the enclosed notes to consolidated financial statements)

Chairman: Lin, Chia-Chang Manager: Gordon Christopher Bell Chief Accounting Officer: Hsu, Ya-Ting

Protrade Applied Materials Corp. and Subsidiaries
Notes to the consolidated financial statements
Q2, 2025 and 2024
(Unless otherwise stated, all amounts are in NTD thousand)

I. Company history

Protrade Applied Materials Corp. (hereinafter referred to as the "Company") was incorporated with approval by the Ministry of Economic Affairs on August 7, 2001, and was approved for public offering on June 13, 2023, and listed on the Emerging Stock Board (ESB) on November 29, 2024. The Company and subsidiaries (hereinafter referred to as "the Group") mainly engages in wholesale and international trading of petrochemical raw materials, synthetic resins, plastic raw materials and synthetic rubber.

The Company issued 13,981,000 new shares in July 2022 and acquired the shares in Protrade Asia Limited (hereinafter referred to as "PAL"), Cascadia Resources, Inc. (hereinafter referred to as "CRI"), and Dakota Co., Ltd. (hereinafter referred to as "DCL"), held by the parent company, Protrade Global Limited (hereinafter referred to as "PGL"), and thus gained control over the above companies.

II. Date and Procedure for Approval of Financial Statements

The consolidated financial statements were approved by the Board of Directors for release on August 5, 2025.

III. Application of Newly Issued and Amended Standards and Interpretations

(I) The impact of the adoption of the new and revised standards and interpretations endorsed by the Financial Supervisory Commission (hereinafter referred to as the "FSC")

The Group has adopted the new and amended IFRSs since January 1, 2025, which did not cause a material impact on the consolidated financial statements.

· Amendment to IAS No. 21 "Lack of Convertibility"

(II) Impacts of not adopting the IFRS endorsed by the FSC

As per the Group's assessment, the application of the newly revised IFRS that have taken effect on January 1, 2026, which will not cause a material impact on the consolidated financial statements.

· Amendments to IFRS 17 "Insurance Contracts" and IFRS 17

· Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"

Annual improvements to IFRS

· Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"

Notes to the consolidated financial statements of Protrade Applied Materials Corp. and subsidiaries (continued)

(III) New and revised standards and interpretations not yet endorsed by the FSC

The standards and interpretations that have been issued and amended by the IASB but have not yet been approved by the FSC may be relevant to the Group as follows:

<u>New or Amended Standards</u>	<u>Main Amendments</u>	<u>Effective Date of IASB's Announcement</u>
IFRS 18 "Presentation and Disclosure in Financial Statements"	<p>The new standards introduce three categories of income and expenses, two subtotals in the income statement, and one single note on management performance measures. These three amendments and enhanced disaggregation guidance of financial statements, set the stage for better and more consistent information for users, and will affect all companies.</p> <ul style="list-style-type: none"> · A more structured income statement: Under the current IFRS Accounting Standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standards promote a more structured income statement. It introduces a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on the Company's main business activities. · Management Performance Measurement (MPMs): Companies often use the new standards to explain their financial performance, and companies will need 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. · 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. 	January 1, 2027

The Group is currently evaluating the impact of the above standards and interpretations on the Group's financial position and operating results. The relevant impact will be disclosed when the evaluation is completed.

The Group expects the following new and amendments to standards that have not yet been approved to have no significant impact on the 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"

IV. Summary of Significant Accounting Policies

Other than the descriptions below, the material accounting policies are identical to these applied in the 2024 consolidated financial statements. Please refer to the 2024 consolidated financial statements.

(I) Statement of compliance

The consolidated financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standards 34, Interim Financial Reporting, endorsed by the Financial Supervisory Commission of the Republic of China. The consolidated financial statements do not include all information required in the full-year consolidated financial statements prepared in accordance with the Regulations Governing Preparation of Financial Reports by Securities Issuers (hereinafter referred to as the "Preparation Standards") and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission (hereinafter referred to as the "IFRSs recognized by the FSC").

(III) Basis of consolidation

The principles for preparing the consolidated financial statements are identical to these applies in the 2024 consolidated financial statements. Please refer to Note 4 (3) to the 2024 consolidated financial statements.

1. Subsidiaries included in the consolidated financial statements

Investor	Name of subsidiary	Business type	Shareholding			Description
			2025.6.30	2024.12.31	2024.6.30	
The Company	PAL	Trading of rubber and various rubber products	100.00 %	100.00 %	100.00 %	
The Company	DCL	Indirect investment	100.00 %	100.00 %	100.00 %	
The Company	CRI	Trading of rubber and various rubber products	100.00 %	100.00 %	100.00 %	
The Company	Protrade Resources Vietnam Company Limited (hereinafter referred to as PRV)	Trading of rubber and various rubber products	100.00 %	100.00 %	100.00 %	
DCL	Protrade (Shanghai) Trading Co., Ltd. (hereinafter referred to as PST)	Trading of rubber and various rubber products	100.00 %	100.00 %	100.00 %	

2. Subsidiaries not included in the consolidated financial statements: None.

(3) Employee benefits

The interim defined benefit plan pension is calculated based on the actuarial pension cost rate determined at the end of the previous financial year, covering the period from the beginning of the year to the current period-end, and adjusted for any material market fluctuations, curtailments, settlements, or other material one-time events occurring after that date.

(4) Income tax

The Group measures and discloses the interim income tax expense in accordance with the International Accounting Standards 34, "Interim Financial Reporting."

The income tax expense is measured by multiplying the net profit before tax during the interim reporting period by the best estimation of the expected full-year effective tax rate by the management, and all expenses are recognized as the current income tax expenses.

Notes to the consolidated financial statements of Protrade Applied Materials Corp. and subsidiaries (continued)

For these income tax expense directly recognized under the equity or other comprehensive income, are measured based on the temporary differences between the carrying amounts of an asset and liability for financial reporting purposes and its tax base.

V. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In preparing the consolidated financial statements in accordance with Regulations and the International Accounting Standards 34, Interim Financial Reporting, endorsed by the Financial Supervisory Commission, the management must make judgments and estimates regarding the future (including climate-related risks and opportunities), which will affect the adoption of accounting policies and the reported amounts of assets, liabilities, revenues, and expenses. Actual results may differ from estimates.

When preparing the consolidated financial statements, the sources to make material judgment and the estimation of uncertainty by the management are identical to these applies in the 2024 consolidated financial statements. Please refer to Note 5 to the 2024 consolidated financial statements.

VI. Description of Major Account Items

Other than the descriptions below, the material accounting items are not materially different from these in the 2024 consolidated financial statements. Please refer to Note 6 to the 2024 consolidated financial statements.

(I) Cash and cash equivalents

	<u>2025.6.30</u>	<u>2024.12.31</u>	<u>2024.6.30</u>
Cash	\$ 84	90	90
Checkable deposits and demand deposits	171,830	330,897	297,885
Time deposits due within three months	4,291	2,295	18,000
Cash and cash equivalents	<u>\$ 176,205</u>	<u>333,282</u>	<u>315,975</u>

Please refer to Note 6(21) for the details of the interest rate risk to the Group's financial assets and liabilities.

(II) Financial assets measured at fair value through profit or loss

Financial liabilities at fair value through profit or loss - current:

	<u>2025.6.30</u>	<u>2024.12.31</u>	<u>2024.6.30</u>
Non-hedging derivatives - foreign exchange forward contract	<u>\$ -</u>	<u>-</u>	<u>57</u>

The Group engages in derivative financial instrument transactions to hedge the exchange rate risk exposed by the operating activities. The Group did not apply the hedge accounting to report forward foreign exchange contracts of financial assets measured at fair value through profit or loss as follows:

<u>2024.6.30</u>		
<u>Contract amount</u> <u>(US\$1,000)</u>	<u>Type of currency</u>	<u>Due date</u>
<u>\$ 280</u>	Sell USD/Buy NTD	2024.7.11
<u>\$ 250</u>	Sell USD/Buy NTD	2024.7.15
<u>\$ 200</u>	Sell USD/Buy NTD	2024.7.31

Please refer to Note 6(20) for the amount remeasured at fair value and recognized in profit or loss.

Notes to the consolidated financial statements of Protrade Applied Materials Corp. and subsidiaries (continued)

(III) Notes and accounts receivable

	<u>2025.6.30</u>	<u>2024.12.31</u>	<u>2024.6.30</u>
Notes receivable	\$ 2,338	8,437	3,117
Accounts receivable	670,295	831,128	880,994
Less: Loss allowance	<u>(12,191)</u>	<u>(42,925)</u>	<u>(5,823)</u>
	<u>\$ 660,442</u>	<u>796,640</u>	<u>878,288</u>

The Group's notes and accounts receivable are not discounted or provided as collateral.

The Group adopts a simplified approach to estimate expected credit losses for all notes and accounts receivables, measured at lifetime expected credit losses. To this end, such notes and accounts receivables are grouped by common credit risk characteristics that represent a customer's ability to pay all amounts due as per the contract terms with forward-looking information incorporated, including macro-economic and relevant industry information. According to the Group's historical experience in credit loss, there is no significant difference in the patterns of loss from different groups of clients, so the provision matrix prepared did not further group clients.

The expected credit losses of notes and accounts receivable of the Group for the six months ended June 30, 2025, December 31, 2024, and June 30, 2024 are analyzed as follows:

	<u>2025.6.30</u>		
	<u>Carrying amounts of notes and accounts receivable</u>	<u>Weighted average expected credit loss (%)</u>	<u>Allowance for lifetime expected credit losses</u>
Not past due	\$ 563,248	0.00~0.59	1,595
Past due for 30 days or less	90,053	0.00~1.74	834
Past due for 31–60 days	2,903	2.79~13.92	184
Past due for 61–90 days	<u>8,823</u>	22.36	<u>1,972</u>
	<u>\$ 665,027</u>		<u>4,585</u>

The above carrying amounts of notes receivable and accounts receivable do not include the Group's accounts receivable from specific customers, which amounted to NT\$7,606 thousand (CNY 1,859), which are assessed by the Group as having a higher risk of default, and for which the full amount has been provided for expected credit losses. For the aforementioned accounts receivable, the Group has purchased credit insurance, and the claims reimbursement of 90% of the agreed accounts receivable. The Group assesses that if a credit loss occurs, compensation will be received. Therefore, when recognizing the relevant expected credit losses for 2024, the Group also recognized the compensation right asset and compensation right benefit, and the Group's statement of change in compensation right assets is as below:

	<u>January to June, 2025</u>
Opening balance	\$ 31,494
Reversal collected for the period	(24,277)
Impact on foreign exchange rate	<u>(900)</u>
Closing balance	<u>\$ 6,317</u>

Notes to the consolidated financial statements of Protrade Applied Materials Corp. and subsidiaries (continued)

There was no such a situation during the six months ended June 30, 2024.

	2024.12.31		
	Carrying amounts of notes and accounts receivable	Weighted average expected credit loss (%)	Allowance for lifetime expected credit losses
Not past due	\$ 597,216	0.00~0.77	1,472
Past due for 30 days or less	183,134	0.00~2.21	2,725
Past due for 31–60 days	15,836	2.80~8.98	1,285
Past due for 61–90 days	1,968	26.60	523
Past due for one year or more	<u>130</u>	100.00	<u>130</u>
	<u>\$ 798,284</u>		<u>6,135</u>

The carrying amounts of the above-mentioned notes receivables and accounts receivables do not include the accounts receivable from the Group's specific customers, totaling NT\$41,281 thousand (NT\$15,668 thousand, RMB\$5,618 thousand and USD\$12 thousand) given that the Group assessed these customers as having a higher risk of default. Except for the recovered amount of NT\$4,491 thousand (RMB\$1,000 thousand) on February 10, 2025, the remaining accounts receivables of NT\$36,790 thousand have been fully provided for as expected credit losses. For the aforementioned accounts receivable, the Group has purchased credit insurance, and the claims reimbursement of approximately 80%-90% of the accounts receivable. The Company assesses that if a credit loss occurs, compensation will be received. Therefore, when recognizing the relevant expected credit losses, the Company also recognized the compensation right asset of NT\$31,494 thousand (NT\$12,535 thousand, RMB\$4,154 thousand and USD\$9 thousand) and the compensation right benefit of NT\$31,464 thousand (NT\$12,535 thousand, RMB\$4,154 thousand and USD\$9 thousand), respectively, which are recorded under other receivables and as a reduction of expected credit losses, respectively.

	2024.6.30		
	Carrying amounts of notes and accounts receivable	Weighted average expected credit loss (%)	Allowance for lifetime expected credit losses
Not past due	\$ 728,584	0~0.87	2,591
Past due for 30 days or less	142,638	0~1.28	800
Past due for 31–60 days	11,194	0~7.05	758
Past due for 61–90 days	29	0~26.73	8
Past due for 91 days or more	<u>1,666</u>	100.00	<u>1,666</u>
	<u>\$ 884,111</u>		<u>5,823</u>

Notes to the consolidated financial statements of Protrade Applied Materials Corp. and subsidiaries (continued)

The changes in allowances for losses on the Group's notes and accounts receivable are as follows:

	January to June, 2025	January to June, 2024
Opening balance	\$ 42,925	7,013
Reversal collected for the period	(24,277)	-
Recognized gains from reversed impairment	(4,454)	(1,413)
The irrecoverable amount written off in the current year	(694)	-
Impact on foreign exchange rate	(1,309)	223
Closing balance	<u>\$ 12,191</u>	<u>5,823</u>

None of the above financial assets were provided as collateral.

(IV) Other receivables

	2025.6.30	2024.12.31	2024.6.30
Other receivables	\$ 9,427	34,512	3,032
Less: Loss allowance	-	-	-
	<u>\$ 9,427</u>	<u>34,512</u>	<u>3,032</u>

The other receivables of the Group as of June 30, 2025, December 31, 2024, and June 30, 2024 were not past due.

Please refer to Note 6 (21) for the information on other credit risks.

(V) Inventory

The inventory details are as follows:

	2025.6.30	2024.12.31	2024.6.30
Merchandise inventory	<u>\$ 671,685</u>	<u>675,297</u>	<u>514,776</u>

The costs of sales recognized for this period are as follows:

	January to June, 2025	January to June, 2024
Cost of inventories sold	\$ 2,622,254	2,499,384
Inventory valuation losses (gains on inventory value recovery)	12,614	(6,957)
Inventory loss	170	576
	<u>\$ 2,635,038</u>	<u>2,493,003</u>

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

Notes to the consolidated financial statements of Protrade Applied Materials Corp. and subsidiaries (continued)

(VI) Property, plant and equipment

The details of the changes in the cost, depreciation and impairment loss of the Group's property, plant and equipment for the six months ended June 30, 2025 and 2024 are as follows:

	<u>Land</u>	<u>Buildings</u>	<u>Office equipment</u>	<u>Communicati on and computer equipment</u>	<u>Leasehold improvement s</u>	<u>Total</u>
Costs or costs recognized:						
Balance on January 1, 2025	\$ -	-	6,706	2,154	13,413	22,273
Addition	-	-	172	-	153	325
Disposal of	-	-	(61)	(202)	-	(263)
Impact of changes in foreign exchange rate	-	-	(259)	(179)	(116)	(554)
Balance on June 30, 2025	<u>\$ -</u>	<u>-</u>	<u>6,558</u>	<u>1,773</u>	<u>13,450</u>	<u>21,781</u>
Balance on January 1, 2024	\$ 103,223	36,454	5,353	3,970	543	149,543
Addition	-	-	-	98	-	98
Disposal of	-	-	-	(501)	-	(501)
Impact of changes in foreign exchange rate	-	-	98	149	31	278
Balance on June 30, 2024	<u>\$ 103,223</u>	<u>36,454</u>	<u>5,451</u>	<u>3,716</u>	<u>574</u>	<u>149,418</u>
Depreciation and impairment loss:						
Balance on January 1, 2025	\$ -	-	3,039	1,738	579	5,356
Depreciation for the current year	-	-	808	63	808	1,679
Disposal of	-	-	(61)	(202)	-	(263)
Impact of changes in foreign exchange rate	-	-	(188)	(145)	(65)	(398)
Balance on June 30, 2025	<u>\$ -</u>	<u>-</u>	<u>3,598</u>	<u>1,454</u>	<u>1,322</u>	<u>6,374</u>
Balance on January 1, 2024	\$ -	10,182	3,157	3,456	226	17,021
Depreciation for the current year	-	403	529	114	94	1,140
Disposal of	-	-	-	(501)	-	(501)
Impact of changes in foreign exchange rate	-	-	54	128	15	197
Balance on June 30, 2024	<u>\$ -</u>	<u>10,585</u>	<u>3,740</u>	<u>3,197</u>	<u>335</u>	<u>17,857</u>
Book value:						
Balance on June 30, 2025	<u>\$ -</u>	<u>-</u>	<u>2,960</u>	<u>319</u>	<u>12,128</u>	<u>15,407</u>
Balance on January 1, 2025	<u>\$ -</u>	<u>-</u>	<u>3,667</u>	<u>416</u>	<u>12,834</u>	<u>16,917</u>
Balance on June 30, 2024	<u>\$ 103,223</u>	<u>25,869</u>	<u>1,711</u>	<u>519</u>	<u>239</u>	<u>131,561</u>

Note: Reclassified to investment property.

As of June 30, 2025, December 31, 2024, and June 30, 2024, none of the Group's property, plant and equipment had been provided as collateral.

Notes to the consolidated financial statements of Protrade Applied Materials Corp. and subsidiaries (continued)

(VII) Right-of-use assets

The details of the changes in costs, depreciation and impairment loss of the buildings leased by the Group are as follows:

	<u>Buildings</u>
Cost of right-of-use assets:	
Balance on January 1, 2025	\$ 104,773
Addition	18
Impact of changes in foreign exchange rate	<u>(3,267)</u>
Balance on June 30, 2025	<u>\$ 101,524</u>
Balance on January 1, 2024	\$ 32,204
Disposal (early contract termination)	(674)
Impact of changes in foreign exchange rate	<u>1,275</u>
Balance on June 30, 2024	<u>\$ 32,805</u>
Depreciation and impairment loss of right-of-use assets:	
Balance on January 1, 2025	\$ 22,896
Depreciation during this period	6,886
Impact of changes in foreign exchange rate	<u>(2,292)</u>
Balance on June 30, 2025	<u>\$ 27,490</u>
Balance on January 1, 2024	\$ 14,915
Depreciation during this period	3,296
Disposal (early contract termination)	(618)
Impact of changes in foreign exchange rate	<u>589</u>
Balance on June 30, 2024	<u>\$ 18,182</u>
Book value:	
Balance on June 30, 2025	<u>\$ 74,034</u>
Balance on January 1, 2025	<u>\$ 81,877</u>
Balance on June 30, 2024	<u>\$ 14,623</u>

Notes to the consolidated financial statements of Protrade Applied Materials Corp. and subsidiaries (continued)

(VIII) Investment property

Investment property refers to the office building leased to other related parties by the Group as rental income over a period of ten years. The details of the changes in the cost, depreciation and impairment loss of the Group's investment property for the six months ended June 30, 2025 and 2024 are as follows:

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
Costs or costs recognized:			
Balance at June 30, 2025 (i.e. the balance on January 1, 2025)	<u>\$ 103,223</u>	<u>35,644</u>	<u>138,867</u>
Depreciation and impairment loss:			
Balance on January 1, 2025	\$ -	10,136	10,136
Depreciation during this period	<u>-</u>	<u>362</u>	<u>362</u>
Balance on June 30, 2025	<u>\$ -</u>	<u>10,498</u>	<u>10,498</u>
Carrying amount:			
Balance on June 30, 2025	<u>\$ 103,223</u>	<u>25,146</u>	<u>128,369</u>
Balance on January 1, 2025	<u>\$ 103,223</u>	<u>25,508</u>	<u>128,731</u>

No such situation for the six months ended June 30, 2024.

The fair values of the investment properties of the Group are not materially different from the information disclosed in Note 6 (10) to the 2024 consolidated financial statements.

(IX) Intangible assets

The details of the cost, amortization, and impairment loss of the Group's intangible assets for the six months ended June 30, 2025 and 2024 are as follows:

	<u>Computer software</u>
Cost:	
Balance on January 1, 2025	\$ 4,271
Addition	90
Disposal of	<u>(162)</u>
Balance on June 30, 2025	<u>\$ 4,199</u>
Balance on January 1, 2024	\$ 3,561
Addition	<u>470</u>
Balance on June 30, 2024	<u>\$ 4,031</u>

Notes to the consolidated financial statements of Protrade Applied Materials Corp. and subsidiaries (continued)

	<u>Computer software</u>
Accumulated amortization:	
Balance on January 1, 2025	\$ 3,026
Amortization for the period	495
Disposal of	<u>(162)</u>
Balance on June 30, 2025	<u>\$ 3,359</u>
Balance on January 1, 2024	\$ 2,120
Amortization for the period	<u>433</u>
Balance on June 30, 2024	<u>\$ 2,553</u>
Carrying amount:	
Balance on June 30, 2025	<u>\$ 840</u>
Balance on January 1, 2025	<u>\$ 1,245</u>
Balance on June 30, 2024	<u>\$ 1,478</u>

(X) Short-term borrowings

The details of the Group's short-term borrowings are as follows:

	<u>2025.6.30</u>	<u>2024.12.31</u>	<u>2024.6.30</u>
Unsecured bank borrowings	<u>\$ 1,028,946</u>	<u>670,498</u>	<u>168,897</u>
Unused credit limit	<u>\$ 1,443,574</u>	<u>1,925,971</u>	<u>2,529,856</u>
Interest rate range (%)	<u>2.08~6.6</u>	<u>3.90~6.75</u>	<u>3.90~6.62</u>

1. Please refer to Note 9 for the guaranteed promissory notes issued by the Group due to the amount of borrowings.

2. The Group has not provided assets as collateral for bank borrowings.

(XI) Lease liabilities

The carrying amount of the Group's lease liabilities is as follows:

	<u>2025.6.30</u>	<u>2024.12.31</u>	<u>2024.6.30</u>
Current	\$ 12,433	13,625	6,501
Non-current	<u>62,581</u>	<u>69,292</u>	<u>9,237</u>
Total	<u>\$ 75,014</u>	<u>82,917</u>	<u>15,738</u>

Please refer to Note 6(21) "Financial instruments" for maturity analysis.

The amount of lease recognized in profit or loss is as follows:

	<u>January to June, 2025</u>	<u>January to June, 2024</u>
Interest expense of lease liabilities	<u>\$ 783</u>	<u>225</u>
Variable lease payments not included in the measurement of the lease liabilities	<u>\$ 26,871</u>	<u>16,352</u>
Expenses of short-term leases	<u>\$ 1,250</u>	<u>854</u>

Notes to the consolidated financial statements of Protrade Applied Materials Corp. and subsidiaries (continued)

Amounts recognized in the statements of cash flows are as follows:

	January to June, 2025	January to June, 2024
Total cash outflows from operating activities	\$ 28,121	17,206
Total cash outflows from financing activities - lease principal	6,861	3,404
Total cash outflows from financing activities - interest expenses	<u>783</u>	<u>225</u>
Total cash outflows from leases	<u>\$ 35,765</u>	<u>20,835</u>

The Group leased buildings as offices, employee dormitories and warehousing locations on June 30, 2025 and 2024. The lease terms are usually three to ten years.

In addition, the Group leases some offices and dormitories for a period of one year. These leases are short-term leases. The Group chooses to be exempted from the recognition rules but does not recognize its related right-of-use assets and lease liabilities.

(XII) Operating lease

The Group leases out its investment properties. As substantially all the risks and rewards incidental to ownership of the underlying assets, the lease contracts are classified as operating leases. Please refer to Note 6(8) Investment property.

The maturity analysis of lease payments is based on the total amount of lease payments that will be collected after the reporting date, as shown in the following table:

	2025.6.30	2024.12.31
Less than one year	\$ 2,955	2,955
1-2 years	3,523	3,523
2-3 years	3,523	3,523
3-4 years	3,553	3,523
4-5 years	3,876	3,553
Five years or more	<u>17,118</u>	<u>19,056</u>
Total undiscounted lease payments	<u>\$ 34,548</u>	<u>36,133</u>

The rent income generated from the investment properties for the six months ended June 30, 2025 and 2024 are NT\$1,199 thousand and NT\$0, respectively.

(XIII) Employee benefits

1. Defined benefit plan

As there was no material market fluctuations, curtailments, settlements, or other material one-time event after the previous reporting date, the Group adopts the pension cost determined by the actuarial number on December 31, 2024 to measure and disclose the interim pension costs.

The Group's expenses stated under the defined benefit plans are as follows:

	January to June, 2025
Operating expenses	<u>\$ 25</u>

No such situation for the six months ended June 30, 2024.

Notes to the consolidated financial statements of Protrade Applied Materials Corp. and subsidiaries (continued)

2. Defined contribution plans

The Company's defined contribution plan complies with the Labor Pension Act. An amount equivalent to 6% of the employee's monthly wage is appropriated to the employee's individual pension account with the Bureau of Labor Insurance. Under this plan, after appropriating a fixed amount to the Bureau of Labor Insurance, the Group has no legal or constructive obligation to make additional payments.

The Company's pension expenses under the defined contribution plan for for the six months ended June 30, 2025 and 2024, were NT\$1,194 thousand and NT\$ 1,160 thousand, respectively, and the amount had been appropriated to the Bureau of Labor Insurance.

The pension expenses of the Group's subsidiaries under the local law were NT\$2,338 thousand and NT\$2,239 thousand, respectively for the six months ended June 30, 2025 and 2024.

(XIV) Income tax

1. The details of the Group's income tax expenses (profits) are as follows:

	<u>January to June, 2025</u>	<u>January to June, 2024</u>
Current income tax expenses (profits)		
Incurred in the current period	\$ (2,463)	12,132
Adjustment to the income tax for the prior period	418	(13)
Income tax expenses (profits)	<u>\$ (2,045)</u>	<u>12,119</u>

2. Status of income tax assessments

The income tax returns of the Company's profit-seeking business have been assessed by the tax authorities up to 2023; however, 2022 has not been assessed.

(XV) Other payables

	<u>2025.6.30</u>	<u>2024.12.31</u>	<u>2024.6.30</u>
Freight payable	\$ 10,940	15,260	10,630
Interest payable	4,745	2,252	1,098
Service fees payable	3,326	3,621	2,310
Commission payable	2,969	10,234	6,960
Remuneration payable to employees, directors and supervisors	2,197	2,109	1,396
Salary payable	1,943	15,232	15,014
Premium payable	1,135	1,100	4,057
Others	8,353	9,036	9,447
Total	<u>\$ 35,608</u>	<u>58,844</u>	<u>50,912</u>

Notes to the consolidated financial statements of Protrade Applied Materials Corp. and subsidiaries (continued)

(XVI) Share capital and other interests

Other than the descriptions below, the capital and other equity during the six months ended June 30, 2025 and 2024 have not changed materially, please refer to the Note 6 (16) to the 2024 consolidated financial statements.

On June 5, 2025 and May 27, 2024, the Company's shareholders' meetings resolved the 2024 and 2023 earnings distribution proposals. The amounts of cash dividends are as follows:

	<u>2024</u>	<u>2023</u>
Dividends distributed to common shareholders:		
Cash	<u>\$ 34,402</u>	<u>11,467</u>

The said distributed earnings for 2024 and 2023 have not been paid as of June 30, 2025 and 2024, and are accounted under the dividends payable.

Information regarding the earnings distribution resolved by the shareholders' meeting of the Company can be obtained from the MOPS.

(XVII) Earnings per share

	Number of shares unit: Thousand shares	
	<u>January to June, 2025</u>	<u>January to June, 2024</u>
Basic earnings per share:		
Net income attributable to the Company for the period	<u>\$ 2,029</u>	<u>39,305</u>
Weighted average outstanding common shares	<u>22,935</u>	<u>22,935</u>
Basic earnings per share (NTD)	<u>\$ 0.09</u>	<u>1.71</u>
Diluted earnings per share:		
Net income attributable to the Company for the period	<u>\$ 2,029</u>	<u>39,305</u>
Weighted average outstanding common shares	22,935	22,935
Effect of potentially dilutive common shares		
Employee remuneration	<u>33</u>	<u>49</u>
Weighted average of outstanding common shares (after adjusting for the potential dilutive effect of common shares)	<u>22,968</u>	<u>22,984</u>
Diluted earnings per share (NTD)	<u>\$ 0.09</u>	<u>1.71</u>

Notes to the consolidated financial statements of Protrade Applied Materials Corp. and subsidiaries (continued)

(XVIII) Revenue from customer contracts

1. Breakdown of revenue

	<u>January to June, 2025</u>	<u>January to June, 2024</u>
Key regional markets:		
USA	\$ 961,909	831,789
China	507,035	979,253
Thailand	463,730	50,628
Taiwan	230,750	170,732
Canada	210,770	128,737
Vietnam	70,351	162,041
Other countries	415,322	431,760
	<u>\$ 2,859,867</u>	<u>2,754,940</u>
Main product/service lines:		
Rubber products	\$ 2,059,186	1,970,922
Plastic products	663,619	635,408
Others	137,062	148,610
	<u>\$ 2,859,867</u>	<u>2,754,940</u>

2. Contract balance

	<u>2025.6.30</u>	<u>2024.12.31</u>	<u>2024.6.30</u>
Notes receivable	\$ 2,338	8,437	3,117
Accounts receivable	670,295	831,128	880,994
Less: Loss allowance	(12,191)	(42,925)	(5,823)
Total	<u>\$ 660,442</u>	<u>796,640</u>	<u>878,288</u>
Contract liabilities	<u>\$ 28,275</u>	<u>35,044</u>	<u>34,878</u>

The opening balance of contract liabilities on January 1, 2025 and 2024 were NT\$32,889 thousand and NT\$25,003 thousand for the six months ended June 30, 2025 and 2024, respectively, recognized as income.

Please refer to Note 6(3) for the disclosure of notes and accounts receivable and the impairment thereof.

Notes to the consolidated financial statements of Protrade Applied Materials Corp. and subsidiaries (continued)

(XIX) Remuneration to employees, directors and supervisors

The Company amended the Articles of Incorporation on June 5, 2025. Pursuant to the amended Articles of Incorporation, if the Company makes a profit for a year, it shall provide no less than 2% of the balance as employee remuneration (no less than 0.5% of which shall be contributed as the non-executive employees' remuneration) and no greater than 0.08% as director and supervisor remuneration. However, if the Company still has accumulated losses, an amount shall be reserved in advance to offset the losses. The remuneration to employees in the preceding paragraph may be paid in cash or shares, and the recipients of the remuneration include the employees of the controlling or subordinate companies who meet certain criteria. As per the Articles of Incorporation before the amendment, were the Company makes a profit for a year, it shall provide no less than 2% of the balance as employee remuneration and no greater than 0.08% as director and supervisor remuneration. However, if the Company still has accumulated losses, an amount shall be reserved in advance to offset the losses. The remuneration to employees in the preceding paragraph may be paid in cash or shares, and the recipients of the remuneration include the employees of the controlling or subordinate companies who meet certain criteria.

The Company's remuneration to employees was estimated to be NT\$63 thousand and NT\$1,004 thousand, respectively for the six months ended June 30, 2025 and 2024; 2025 and 2024 remuneration to directors/supervisors was estimated at NT\$25 thousand and NT\$0, respectively. The estimates were based on the net profit before deducting the remuneration to employees, directors and supervisors and multiplied by the remuneration to employees and remuneration to directors and supervisors stipulated in the Articles of Incorporation of the Company. The remuneration was reported as operating expenses for the same periods. If there is a discrepancy between the actual amount distributed and the estimated amount in the following year, it shall be treated as a change in accounting estimates and recognized as profit or loss of the following year.

The Company's 2024 and 2023 remuneration to employees was estimated to be NT\$1,959 thousand and NT\$392 thousand, respectively; 2025 and 2024 remuneration to directors/supervisors was estimated at NT\$150 thousand and NT\$0, respectively. The estimation is identical to the actual distribution, and the related information may be inquired on the MOPS.

(XX) Non-operating income and expenses

1. Interest revenue

	January to June, 2025	January to June, 2024
Interest on bank deposits	\$ 2,723	5,093
Accrued interest income on security deposits	12	-
	\$ 2,735	5,093

2. Other income

	January to June, 2025	January to June, 2024
Rental income	\$ 1,256	-
Compensation income	271	626
Government grants	6	148
Others	166	650
Total	\$ 1,699	1,424

Notes to the consolidated financial statements of Protrade Applied Materials Corp. and subsidiaries (continued)

3. Other gains and losses

	<u>January to June, 2025</u>	<u>January to June, 2024</u>
Foreign exchange gain, net	\$ 7,535	5,853
Gains on lease modifications	-	1
Net valuation loss on financial assets at fair value through profit or loss	-	(755)
Others	(362)	-
Total	<u>\$ 7,173</u>	<u>5,099</u>

4. Financial costs

	<u>January to June, 2025</u>	<u>January to June, 2024</u>
Interest expenses:		
Bank borrowings	\$ 29,766	6,291
Lease liabilities	783	225
Borrowings from related parties	2,571	22,166
Total	<u>\$ 33,120</u>	<u>28,682</u>

(XXI) Financial instruments

Other than the description below, the types and fair values of the financial instruments of the Group, and the credit risks, liquidity risks, and market risks exposed to due to the financial instruments do not materially change. Please refer to Note 6 (21) to the 2024 consolidated financial statements for related information.

1. Credit risk

(1) Credit risk exposure

The carrying amount of the financial assets represents the maximum exposure to credit risk.

(2) Concentration of credit risk

As the Group has a large client base and does not significantly concentrate on transactions with a single client, there is no significant credit concentration risk from accounts receivable. In order to reduce credit risk, the Group also regularly and continuously evaluates the financial status of customers; therefore the Group usually does not require customers to provide collateral.

(3) Credit risk of receivables and refundable deposits

The credit risks of receivables and refundable deposits do not materially change from these disclosed in Note 6 (21) to the 2024 consolidated financial statements.

Notes to the consolidated financial statements of Protrade Applied Materials Corp. and subsidiaries (continued)

2. Liquidity risk

The table below shows the contractual maturities of financial liabilities, including the impact of estimated interest.

	Carrying amount	Contractual cash flows	Less than 1 year	1-2 years	2-5 years	Over 5 years
June 30, 2025						
Non-derivative financial liabilities						
Short-term borrowings	\$ 1,028,946	1,054,883	1,054,883	-	-	-
Accounts payable	221,008	221,008	221,008	-	-	-
Other payables (including related parties)	36,826	36,826	36,826	-	-	-
Dividends payable	34,402	34,402	34,402	-	-	-
Refund liabilities	1,570	1,570	1,570	-	-	-
Lease liabilities	75,014	80,933	13,737	10,560	23,917	32,719
Guarantee deposits received	617	617	617	-	-	-
	\$ 1,398,383	1,430,239	1,363,043	10,560	23,917	32,719
December 31, 2024						
Non-derivative financial liabilities						
Short-term borrowings	\$ 670,498	682,897	682,897	-	-	-
Accounts payable	342,669	342,669	342,669	-	-	-
Other payables (including related parties)	481,330	489,306	489,306	-	-	-
Refund liabilities	3,283	3,283	3,283	-	-	-
Lease liabilities	82,917	89,645	15,113	12,423	25,384	36,725
Guarantee deposits received	617	617	617	-	-	-
	\$ 1,581,314	1,608,417	1,533,885	12,423	25,384	36,725
June 30, 2024						
Non-derivative financial liabilities						
Short-term borrowings	\$ 168,897	171,207	171,207	-	-	-
Accounts payable	189,898	189,898	189,898	-	-	-
Other payables (including related parties)	1,030,376	1,030,376	1,030,376	-	-	-
Dividends payable	11,467	11,467	11,467	-	-	-
Refund liabilities	1,218	1,218	1,218	-	-	-
Lease liabilities	15,738	16,598	7,210	6,512	2,876	-
Subtotal	1,417,594	1,420,764	1,411,376	6,512	2,876	-
Derivative financial liabilities						
Financial liabilities measured at fair value through profit or loss						
Inflows	-	(23,595)	(23,595)	-	-	-
Outflows	57	23,652	23,652	-	-	-
Subtotal	57	57	57	-	-	-
	\$ 1,417,651	1,420,821	1,411,433	6,512	2,876	-

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

Notes to the consolidated financial statements of Protrade Applied Materials Corp. and subsidiaries (continued)

3. Exchange rate risk

(1) Exchange rate risk exposure

The Group's financial assets and liabilities exposed to the significant foreign currency exchange rate risk is as follows:

	2025.6.30			2024.12.31			2024.6.30			
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	
<u>Financial assets</u>										
<u>Monetary items</u>										
USD	\$	9,381	29.30	274,858	11,697	32.78	383,450	11,169	32.45	362,430
EUR		857	34.54	29,583	786	33.94	26,690	702	34.76	24,392
<u>Financial liabilities</u>										
<u>Monetary items</u>										
USD		30,485	29.30	893,214	28,690	32.78	940,481	21,952	32.45	712,334

(2) Sensitivity analysis

The Group's exchange rate risk mainly arises from non-functional currencies denominated in cash and cash equivalents, accounts receivable (payable), other accounts receivable (payable) and bank borrowings, with foreign currency exchange gains and losses generated during the translation. On June 30, 2025 and 2024, when the NTD depreciated by 1% against USD and EUR, with all other factors held constant, the net income before tax for the six months ended June 30, 2025 and 2024 would have decreased by NT\$5,888 thousand and NT\$3,255 thousand, respectively.

(3) Exchange gains and losses on monetary items

As the Group use various functional currencies, gains and losses on monetary items are disclosed on an aggregated basis, and the foreign exchange gains (including realized and unrealized) amounted to NT\$7,535 thousand and NT\$5,853 thousand, respectively for the six months ended June 30, 2025 and 2024.

4. Interest rate analysis

The sensitivity analysis below is based on the exposure of non-derivative instruments to the interest rate risk at the reporting date. For financial instruments with floating interest rates, the analysis method is based on the assumption that the amount of assets and liabilities outstanding on the reporting date was outstanding throughout the year. The rate of change used in the Group's internal reporting of interest rates to key management is an increase or decrease of 1%, which also represents management's assessment of the reasonably possible range of changes in interest rates.

If the interest rate increased or decreased by 1%, and all other variables remained unchanged, the net profit before tax for the six months ended June 30, 2025 and 2024 would decrease or increase by NT\$2,420 thousand and NT\$37 thousand, respectively. This is mainly due to variable interest rate borrowings of the Group.

Notes to the consolidated financial statements of Protrade Applied Materials Corp. and subsidiaries (continued)

5. Fair value information

(1) Types and fair values of financial instruments

Financial assets and liabilities measured at fair value through profit or loss are measured at fair value on a repetitive basis. Carrying amount and fair value of various financial assets and financial liabilities (including fair value hierarchy information, but the carrying amount of financial instruments not measured at fair value is a reasonable approximation of the fair value and lease liabilities, there is no need to disclose the fair value information as required) are presented as follows:

		2025.6.30				
		Carrying amount	Fair value			Total
			Level 1	Level 2	Level 3	
Financial assets measured at amortized cost						
	Cash and cash equivalents	\$ 176,205	-	-	-	-
	Notes and accounts receivable	660,442	-	-	-	-
	Other receivables	9,427	-	-	-	-
	Refundable deposits	2,435	-	-	-	-
	Total	\$ 848,509	-	-	-	-
Financial liabilities at amortized cost						
	Bank borrowings	\$ 1,028,946	-	-	-	-
	Accounts payable	221,008	-	-	-	-
	Other payables (including related parties)	36,826	-	-	-	-
	Dividends payable	34,402	-	-	-	-
	Refund liabilities	1,570	-	-	-	-
	Lease liabilities	75,014	-	-	-	-
	Guarantee deposits received	617	-	-	-	-
	Total	\$ 1,398,383	-	-	-	-
		2024.12.31				
		Carrying amount	Fair value			Total
			Level 1	Level 2	Level 3	
Financial assets measured at amortized cost						
	Cash and cash equivalents	\$ 333,282	-	-	-	-
	Notes and accounts receivable	796,640	-	-	-	-
	Other receivables	34,512	-	-	-	-
	Refundable deposits	5,773	-	-	-	-
	Total	\$ 1,170,207	-	-	-	-
Financial liabilities at amortized cost						
	Short-term borrowings	\$ 670,498	-	-	-	-
	Accounts payable	342,669	-	-	-	-
	Other payables (including related parties)	481,330	-	-	-	-
	Refund liabilities	3,283	-	-	-	-
	Lease liabilities	82,917	-	-	-	-
	Guarantee deposits received	617	-	-	-	-
	Total	\$ 1,581,314	-	-	-	-

Notes to the consolidated financial statements of Protrade Applied Materials Corp. and subsidiaries (continued)

	2024.6.30				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 315,975	-	-	-	-
Notes and accounts receivable	878,288	-	-	-	-
Other receivables	3,032	-	-	-	-
Refundable deposits	10,218	-	-	-	-
Total	\$ 1,207,513	-	-	-	-
Financial liabilities measured at fair value through profit or loss					
Derivative financial liabilities	\$ 57	-	57	-	57
Financial liabilities at amortized cost					
Bank borrowings	168,897	-	-	-	-
Accounts payable	189,898	-	-	-	-
Other payables (including related parties)	1,030,376	-	-	-	-
Dividends payable	11,467	-	-	-	-
Refund liabilities	1,218	-	-	-	-
Lease liabilities	15,738	-	-	-	-
Subtotal	1,417,594	-	-	-	-
Total	\$ 1,417,651	-	57	-	57

There were no financial assets and liabilities transferred to the fair value hierarchy for the six months ended June 30, 2025 and 2024.

(2) Valuation technique for the fair value of financial instruments measured at fair value - derivative financial instruments

Forward exchange contracts are usually evaluated based on the current forward exchange rate.

(XXII) Financial risk management

The Group's target and policies of financial risk management do not materially change from these disclosed in Note 6 (22) to the 2024 consolidated financial statements.

(XXIII) Capital management

The targets, policies, and procedures of the Group's capital management are identical to these disclosed in the 2024 consolidated financial statements. The summarized quantified data as one of the capital management item do not materially change from these disclosed in the 2024 consolidated financial statements. Please refer to Note 6 (23) to the 2024 consolidated financial statements.

(XXIV) Non-cash investments and financing activities

The Group's non-cash investments and financing activities for the six months ended June 30, 2025 and 2024 were about the right-of-use assets acquired through leasing. Please refer to Note 6 (7) and (11) for details.

Notes to the consolidated financial statements of Protrade Applied Materials Corp. and subsidiaries (continued)

Reconciliations of the Group's liabilities from financing activities for the six months ended June 30, 2025 and 2024 are as follows:

	2025.1.1	Cash flows	Non-cash changes		Changes in exchange rate	2025.6.30
			Addition	Disposal of		
Short-term borrowings	\$ 670,498	379,520	-	-	(21,072)	1,028,946
Lease liabilities	82,917	(6,861)	18	-	(1,060)	75,014
Other payables - related parties	414,200	(406,907)	-	-	(7,293)	-
Total liabilities from financing activities	\$ 1,167,615	(34,248)	18	-	(29,425)	1,103,960

	2024.1.1	Cash flows	Non-cash changes		Changes in exchange rate	2024.6.30
			Addition	Disposal of		
Short-term borrowings	\$ 444,752	(275,855)	-	-	-	168,897
Lease liabilities	18,466	(3,404)	-	(57)	733	15,738
Other payables - related parties	368,820	582,169	-	-	18,936	969,925
Total liabilities from financing activities	\$ 832,038	302,910	-	(57)	19,669	1,154,560

VII. Related Party Transaction

(I) Parent company and ultimate controller

Weblink International Inc. is the parent company of the Group, which held 59.91% of the outstanding common shares of the Group as of June 30, 2025.

ACER Incorporated is the ultimate controller of the group to which the Group belongs. Both ACER Incorporated and Weblink International Inc. have prepared consolidated financial statements for public use.

(II) The names of related parties and relations therewith

During the period of the consolidated financial statements, the Company's subsidiaries and other related parties that had transactions with the Group are as follows:

Name of related party	Relationship with the Group
ACER Incorporated (ACER)	The ultimate controller of the Group
Weblink International Inc. (WLII)	The parent company of the Group
Well life Inc. (WELL)	Other related parties of the Group (subsidiary of Weblink International)
Acer Computer (Shanghai) Ltd. (ACCN)	Other related parties of the Group (subsidiary of ACER)
Gateway Inc. (Gateway)	Other related parties of the Group (subsidiary of ACER)
Acer Synergy Manpower Corp.	Other related parties of the Group (subsidiary of ACER)
Shine Passion Engineering Co., Ltd. (SPE)	Other related parties of the Group (subsidiary of ACER)
Chao-Chi Property Management Consulting Co., Ltd.	Other related parties of the Group (associates of ACER)

Notes to the consolidated financial statements of Protrade Applied Materials Corp. and subsidiaries (continued)

(III) Material transactions with related parties

1. Operating expenses

The details of the payment of services to, purchases miscellaneous items and software paid by the Company to related parties are as follows:

Account	Type/Name of related party	January to June, 2025	January to June, 2024
Operating expenses	ACER	\$ 230	-
	WLII	953	59
	ACCN	38	27
	WELL	-	1
Total		\$ 1,221	87

2. Leases

The Group leased office space from ACER for the period from April 2023 to March 2024. The rent was calculated based on the price negotiated by both parties. The rent expense recognized by the Group for the six months ended June 30, 2025 and 2024 from the above lease contract was NT\$0 thousand and NT\$16 thousand, respectively.

The rental income arising from the Group's investment property leased to Chao-Chi Property Management Consulting Co., Ltd. for the six months ended June 30, 2025 and 2024 was NT\$1,199 thousand and NT\$0 thousand, respectively. The deposit received as of June 30, 2025, December 31, 2024, and June 30, 2024 were NT\$617 thousand, NT\$617 thousand, and NT\$0 thousand. The rental price of the Group's investment property leased to other related parties were determined with reference to market rental prices in nearby areas.

3. Loans from related parties

The details of payables, interest expenses and interest payables arising from the Group's borrowings from related parties are as follows:

Account	Type/Name of related party	2025.6.30	2024.12.31	2024.6.30
Other payables - related parties	ACER	\$ -	151,952	677,875
	Gateway	-	262,248	292,050
Total		\$ -	414,200	969,925
Interest rate range (%)			1.573~5.49	1.573~6.22

Account	Type/Name of related party	January to June, 2025	January to June, 2024
Interest expenses	ACER	\$ 246	10,303
	Gateway	2,325	11,863
Total		\$ 2,571	22,166

Account	Type/Name of related party	2025.6.30	2024.12.31	2024.6.30
Other payables - related parties	ACER	\$ -	93	9,509

Notes to the consolidated financial statements of Protrade Applied Materials Corp. and subsidiaries (continued)

For details regarding the promissory note issued by the Group as collateral for the loans to others provided by the parent company, Acer, please refer to Note 9.

4. Property transactions

(1) Acquisition of property, plant and equipment

The price for the Group's acquisition of property, plant and equipment from related parties is summarized as follows:

	<u>January to June, 2025</u>	<u>January to June, 2024</u>
WLII	<u>\$ 46</u>	<u>-</u>

(2) Acquisition of other assets

The price for the Group's acquisition of intangible assets from related parties is summarized as follows:

<u>Type/Name of related party</u>	<u>Account</u>	<u>January to June, 2025</u>	<u>January to June, 2024</u>
WELL	Intangible assets	<u>\$ 54</u>	<u>-</u>

5. Payables to related parties

The payables from related parties on the Group's office lease, acquisition of property, plant and equipment, and miscellaneous purchases are as follows:

<u>Account</u>	<u>Type/Name of related party</u>	<u>2025.6.30</u>	<u>2024.12.31</u>	<u>2024.6.30</u>
Other payables - related parties	WLII	\$ 48	3	13
	WELL	-	-	17
	SPE	1,170	8,190	-
Total		<u>\$ 1,218</u>	<u>8,193</u>	<u>30</u>

6. Prepayments

The details of the Group's prepayment for miscellaneous purchases from related parties is detailed as follows:

<u>Account</u>	<u>Type/Name of related party</u>	<u>2025.6.30</u>	<u>2024.12.31</u>	<u>2024.6.30</u>
Prepayments	WELL	<u>\$ -</u>	<u>7</u>	<u>15</u>

7. Endorsements and guarantees

As of June 30, 2025, December 31, 2024 and June 30, 2024, Weblink International guaranteed NT\$0 thousand, NT\$463,852 thousand and NT\$548,405 thousand, respectively, for the Group to purchase from suppliers.

(IV) Remuneration to key management

Remuneration of key management personnel

	<u>January to June, 2025</u>	<u>January to June, 2024</u>
Short-term employee benefits	<u>\$ 17,502</u>	<u>13,451</u>

VIII. Pledged assets: None.

IX. Material Contingent Liabilities and Unrecognized Contractual Commitments

(I) Significant Unrecognized Contractual Commitment

The contractual commitment acquired but not recognized by the Group are as below:

	2025.6.30	2024.12.31	2024.6.30
Acquisition of property, plant and equipment	\$ 230,349	-	-

(II) As of June 30, 2025, December 31, 2024 and June 30, 2024, the issued promissory notes as collateral for the bank's short-term loan facilities amounted to NT\$2,862,630 thousand, NT\$3,039,634 thousand and NT\$3,596,986 thousand, respectively. As of June 30, 2025, December 31, 2024 and June 30, 2024, the issued guarantee promissory notes for loans to others obtained from the ultimate parent, Acer, amounted to NT\$0 thousand, NT\$871,182 thousand and NT\$863,900 thousand, respectively.

X. Major Disaster Loss: None.

XI. Significant Contingent Liability and Unrecognized Contractual Commitment: None.

XII. Others

(I) Employee benefits, depreciation, depletion, and amortization expenses are summarized by function as follows:

By function By nature	For the six months ended June 30, 2025			For the six months ended June 30, 2024		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expenses						
Salary and wages	-	56,878	56,878	-	60,099	60,099
Labor and health insurance	-	6,068	6,068	-	5,429	5,429
Pension	-	3,557	3,557	-	3,399	3,399
Other employee benefits	-	3,911	3,911	-	2,946	2,946
Depreciation expenses (Note)	-	8,565	8,565	-	4,436	4,436
Amortization expenses	-	495	495	-	433	433

Note: The depreciation expenses of investment property for the six months ended June 30, 2025 and 2024 were NT\$362 thousand and NT\$0 thousand, respectively, and were recognized as other gains and losses.

(II) Seasonality of operations

The Group's operations are not subject to seasonal or cycle factors.

Notes to the consolidated financial statements of Protrade Applied Materials Corp. and subsidiaries (continued)

XIII. Additional Disclosures

(I) Information on significant transactions:

According to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the Group shall further disclose the information of significant transactions for the six months ended June 30, 2025 and 2024 as follows:

1. Lending funds to others: None.
2. Providing endorsements or guarantees for others:

No.	Name of endorser/guarantor	Party endorsed/guaranteed	Relations (Note 1)	Limit of endorsements/guarantees to a single enterprise (Note 2)	Highest balance of endorsement/guarantee of this year	Ending balance of endorsements/guarantees	Amount drawn	Amount of endorsement/guarantee with property as collateral	Cumulative endorsements/guarantees provided as a % of the net worth as per the latest financial statements	Maximum limit of endorsements/guarantees (Note)	Parent company to a subsidiary	A subsidiary to parent company	Endorsement/guarantee to entities in China
0	PAM	CRI	1	245,688	80,043	73,250	8,189	-	15%	491,375	Y	N	N
0	PAM	PST	1	245,688	80,043	73,250	10,666	-	15%	491,375	Y	N	Y

Note 1: 1. Companies in which the parent company directly or indirectly holds 50% or more of their voting shares.

2. Between companies in which the parent company directly or indirectly holds 90% or more of their voting shares.

Note 2: The Company's regulations on endorsements/guarantees are as follows:

1. The total amount of endorsements/guarantees to external parties is limited to the net worth in the latest financial statements, and the amount of endorsements/guarantees to a single enterprise is limited to 20% of the same.
2. To one single investee in which the Company has 100% stake, the total amount of endorsements/guarantees to all external parties is limited to 50% of the net worth in the Company's latest financial statements.

3. Holding of material securities at the end of the period (excluding the portion held due to investment in a subsidiary or an associate, and the portion held due to an interest in a joint venture): None.
4. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20 percent of paid-in capital or more:

Unit: NTD thousand

Buyer/Seller	Name of counterparty	Relationship	Transaction status				Circumstances and reasons for the difference between the transaction conditions and general transactions		Notes and accounts receivable (payable)		Remarks
			Purchase/Sale	Amount	% of total	Payment terms	Unit price	Payment terms	Balance	% of total notes and accounts receivable (payable)	
The Company	CRI	Parent company and subsidiaries	(sales)	(713,758)	(41.58)	Monthly settlement 120 days	Note 1	-	535,290	66.02	Note 2
CRI	The Company	Parent company and subsidiaries	Purchases	713,758	62.48	Monthly settlement 120 days	Note 1	-	(535,290)	(95.52)	Note 2

Note 1: Agreed by both parties.

Note 2: The intragroup transactions listed above have been eliminated when preparing the consolidated financial statements.

5. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital:

Unit: NTD thousand

Company under the accounts receivable account	Name of counterparty	Relationship	Balance of receivable from related party (Note 3)	Turnover	Balance of receivable from related party		Receivable from related party recovered after the balance sheet date (Note 1)	Allowance for losses
					Amount	Handling method		
The Company	CRI	Subsidiary	535,290	2.75	91,930	(Note 2)	96,814	-

Note 1: As of July 22, 2025.

Note 2: Retrieved on July 18, 2025.

Note 3: The intragroup transactions listed above have been eliminated when preparing the consolidated financial statements.

6. Business relationships and significant transactions between the parent company and its subsidiaries:

Unit: NTD thousand

No. (Note 1)	Name of trader	Counterparty	Relations with the counterparty (Note 2)	Transaction status			As a percentage of consolidated total operating revenue or total assets
				Account	Amount	Transaction terms	
0	The Company	CRI	1	Sales revenue	713,758	Agreed by both parties	24.96%
0	The Company	CRI	1	Accounts receivable	535,290	Agreed by both parties	27.55%

Note 1: The method of entering the serial number is as follows:

- 1.0 represents the parent company.
2. Subsidiaries are numbered sequentially starting from 1 according to company type.

Notes to the consolidated financial statements of Protrade Applied Materials Corp. and subsidiaries (continued)

Note 2: The types of relationships with the counterparties are as follows:

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

Note 3: The disclosure is based on the fact that the amount of the account is 1% or more of the consolidated total assets and 1% or more of the consolidated total revenue.

Note 4: The intragroup transactions listed above have been eliminated when preparing the consolidated financial statements.

(II) Information on investees:

The information on the investees during the six months ended June 30, 2025 is as follows:

Name of investor	Name of investee	Location	Main businesses and products	Initial investment amount		Held at the end of period			Profit or loss of the investee for the period		Investment gains and losses recognized for the period (Note 1)	Remarks
				End of current period	End of last year	Number of shares	%	Carrying amount (Note 1)				
The Company	PAL	British Virgin Islands	Trading of rubber and various rubber products	36,979	36,979	70	100.00	55,877	8,702	8,702	Subsidiary	
The Company	DCL	Samoa	Indirect investment	135,924	135,924	650	100.00	60,229	(5,696)	(5,696)	Subsidiary	
The Company	CRI	USA	Trading of rubber and various rubber products	99,078	99,078	2,000	100.00	156,723	(11,683)	(11,683)	Subsidiary	
The Company	PRV	Vietnam	Trading of rubber and various rubber products	14,940	14,940	(Note 2)	100.00	11,138	(560)	(560)	Subsidiary	

Note 1: The investment income and carrying amount recognized by the Company were based on the reviewed financial statements of the investee's parent company in Taiwan, and evaluated using the equity method and eliminated in the preparation of the consolidated financial statements.

Note 2: As PRV is a limited company, there is only the amount of investment, and no quantity of shares.

(III) Information on investments in mainland China:

1. The name and main businesses and products of the investees in Mainland China:

Name of investee in Mainland China	Main businesses and products	Paid-up capital	Investment method (Note 1)	Accumulated investment amount remitted from Taiwan at the beginning of current period	Cumulative amount of investments remitted or repatriated during this period		Cumulative investment remitted from Taiwan at the end of this period	Profit or loss of the investee for the period	% ownership of direct or indirect investment	Investment gains and losses recognized for the period	Book value of investment at the end of the period	Repatriated investment income up to the current period
					Outward remittance	Repatriation						
PST	Trading of rubber and various rubber products	19,960	(II)	-	-	-	-	(5,611)	100.00 %	(5,611) (Note 2)	57,972 (Note 2)	-

Note 1: Investment methods are divided into the following three types; enter the code:

- (I) Direct investment in Mainland China.
- (II) Indirect investment in entities in mainland China through DCL.
- (III) Other methods.

Note 2: The investment income and carrying amount of investments at the end of the period recognized by the Company were based on the reviewed financial statements of the investee's parent company in Taiwan, and evaluated using the equity method and eliminated in the preparation of the consolidated financial statements.

2. Limits on investment in Mainland China:

Cumulative outward remittance for investment from Taiwan to China at the end of this period	Investment amount authorized by the Investment Commission of MOEA	Upper limit on the amount of investments stipulated by the Investment Commission of MOEA
(Note 1)	129,916 (US\$4,434 thousand)	294,825 (Note 3)

Note 1: As the indirect investment in Mainland China was due to the equity swap with PGL; hence, it was a direct remittance of the investment amount by the Company; the consideration was US\$4,434 thousand, and approved by the Investment Commission of MOEA.

Note 2: The exchange rate for converting USD to NTD was 1:29.300.

Note 3: 60% of the net worth.

3. Significant transactions with investees in Mainland China: None.

XIV. Segment Information

The Group's chief operating decision-maker regularly reviews the operating performance of the operating segment to make decisions on resource allocation and evaluate the performance of the segment. The Group has only one reportable segment, which engages in the trading of rubber and plastic products. The information on the profit/loss, assets and liabilities thereof is consistent to the financial statement. Please refer to the balance sheet and statement of comprehensive income.